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If Government Should Look To Salary Review, Balance Benefits With Potential Challenges

EDITORIAL

We are pleased to note that just within two months of the removal of fuel subsidy, the country has saved over N1 trillion which would now be better utilised to benefit the masses directly. We all know that the fuel subsidy removal means that Nigeria will no longer lose over N4 billion daily on subsidised fuel that is smuggled to neigbouring countries.

But the President must find the most realistic way to deal with the two unpleasant scenarios that have inhibited our economy for several years, encouraged massive corruption through rent seeking and has kept the deprived, even poorer.

Again, we are conscious of the recent report by the Nigeria Extractive Industries Transparency Initiative (NEITI) which shows that whereas N13.7 trillion was spent on subsidy between 2005 and 2021, N8 trillion was spent between 2022 and the first half of this alone.

We call on this administration to deal with the burden of continuously funding fuel subsidy, which only a small group of people benefit from

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How NEXIM Bank Advances Non-oil Sector Growth Through MSME Financing

- Partnering AFREXIM To Unlock $6.6bn Funding For MSMEs
- As Senate Lauds Ministerial Nominee, Okotete's Achievements In NEXIM Bank

*Nigeria's non-oil sector is gaining traction as federal government has firmed up the potentials of the sector, especially at a time when oil revenues are no longer reliable. In this analysis, **Musa Ibrahim** dissects the role of the Nigeria Export Import (NEXIM) Bank in driving non-oil export growth in the country through micro, small and medium enterprises (MSMEs) financing.*

Statistics from the Nigeria Export Promotion Council (NEPC) show that Nigeria's non-oil exports grew by 39.91 percent in 2022 to $4.820 billion.

In the year under review, semi-processed/ manufactured products made up 36.61 percent of the exports while Agriculture had 30.12 percent volume of non-oil exports. Also, precious stones made up 17.06 percent, and others 13.21 percent.

According to the executive director of the NEPC, Dr. Ezra Yakusak, the country's non-oil exports record for 2022 reached its highest since the establishment of the NEPC 47 years ago.

"About 214 different products ranging from manufactured, semi-processed, solid minerals to raw agricultural products, were exported in 2022. Of these products exported, urea/fertiliser topped the list with 32.87 percent.

"The emergence of urea/fertiliser as the highest exported product in 2022 can be attributed to the Russia-Ukraine war which created an avenue for Nigeria's urea/fertilizer to thrive. It is worthy to note that our products were exported to 122 countries with Brazil recording the highest import value of 12.27 percent."

The recent figures of Nigeria's exports

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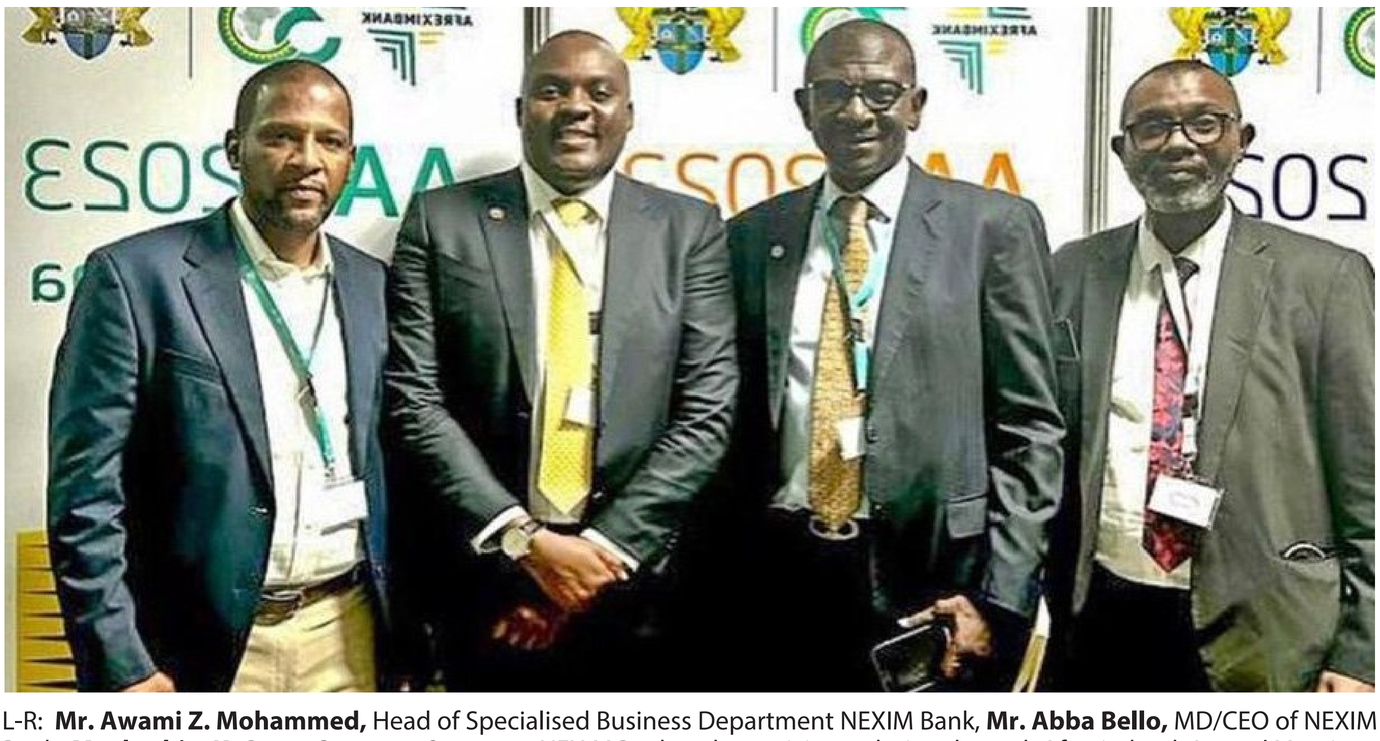

L-R: **Mr. Awami Z. Mohammed,** Head of Specialised Business Department NEXIM Bank, **Mr. Abba Bello,** MD/CEO of NEXIM Bank, **Mr. Ibrahim K. Gaga,** Company Secretary, NEXIM Bank and a participant during the 30th Afreximbank Annual Meetings held at Accra, Ghana from 18th - 21st June, 2023.

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CBN Exempts Microfinance, Primary Mortgage Banks From Cash Withdrawal Limits

• As Currency In Circulation Hits N2.26trillion

By Musa Ibrahim

The Central Bank of Nigeria (CBN) has exempted microfinance banks (MFBs) and primary mortgage banks (PMBs) from paying processing fees for withdrawals above the cash withdrawal limits.

This is contained in a circular issued recently and signed by Musa Jimoh, Director of payments system management department, CBN.

"The Central Bank of Nigeria hereby directs the exemption of microfinance banks and primary mortgage banks that provide banking services to the economically active poor from paying the processing fees for withdrawals above the cash withdrawal limits for direct cash withdrawals from their correspondent banks," the circular reads.

"This is to enable them continue to play their expected roles in the economy and provide specialised retail banking services to their customers.

"Please, note that the microfinance and primary mortgage banks are required to fully comply with the cash withdrawal limits in serving their customers as per the circular with reference number BSD/DIR/PUB/LAB/015/073 dated December 21, 2022.

"Please be guided accordingly."

Mr. Folashodun Adebisi Shonubi, Acting Governor of Central Bank of Nigeria

In December 2022, the CBN directed deposit money banks and other financial institutions to ensure that over-the-counter cash withdrawals by individuals and corporate entities per week do not exceed N100,000 and N500, 000, respectively.

However, due to mixed reactions from Nigerians, the apex bank increased the maximum weekly limit for cash withdrawals across all channels by individuals and corporate organisations to N500,000 and N5million, respectively.

The apex bank said that in compelling circumstances where cash withdrawal above the specified limit is required for legitimate purposes, a processing fee of three percent and five percent will be charged for individual and corporate organisations, respectively.

According to the CBN, the aim is to boost the cashless policy and reduce the amount of cash outside the banking system. The cash withdrawal policy commenced on January 9, 2023.

Currency in circulation hits N2.26trillion

Currency outside banks rose to N2.26trillion at the end of June 2023, according to the latest figures from the CBN.

According to figures obtained by fmfinsights from the CBN, the currency outside banks rose by 185.68 percent (N1.47trillion) between January 2023 (N792.18billion) and June 2023 (N2.26trillion).

Also, the currency in circulation in the country rose by 87.05 percent (N1.21trillion) from N1.39trillion in January 2023 to N2.6trillion in June 2023.

It had earlier dipped by 235.03 percent to N982.09billion at the end of February from N3.29trillion at the end of October 2022, on the back of the naira redesign policy of the CBN.

Also, figures obtained from the CBN revealed that N2.3trillion was mopped up from circulation during the period under review.

"Currency-in-circulation is defined as currency outside the vaults of the central bank; that is, all legal tender currencies in the hands of the public and in the vaults of the Deposit Money Banks," according to CBN.

The CBN stated that it employed the 'accounting/statistical/withdrawals and deposits approach' to compute the currency in circulation in Nigeria.

NAICOM Driving Takaful Financial Insurance In Nigeria

Recently, Nigeria has resolved its readiness to open up $25 trillion global Takaful insurance market in 2025. The National Insurance Commission (NAICOM), spearheading the mission, is leaving no stone unturned. Musa Ibrahim reports.

The National Insurance Commission (NAICOM) recently assured of the preparedness of Nigeria to tap into the global Takaful insurance market that is projected to grow $ 25 trillion in 2025.

Commissioner for Insurance and Chief Executive Officer (CEO) of NAICOM, Mr. Sunday Thomas, spoke in Lagos during the African Takaful and Non-Interest Finance conference organised by Noor Takaful Insurance Limited.

The two-day event has as its theme, "Leveraging Technology to Build on the Opportunities of Takaful and Non-Interest Finance in Africa".

Represented by the Deputy Commissioner, Mr. Alhaji Sabiu Abubakar, the CEO of NAICOM pointed out that the global value of Takaful insurance is in excess of $2 trillion with a projected upward trajectory of $25 trillion in the next two years (2025).

According to him, many Sharia Compliant Fintechs are popping up in Islamic and non-Islamic nations with potentials to lift millions of muslims and non-muslims and extend financial services to the underserved.

Special guest of honour and former governor of Central Bank of Nigeria (CBN), Mr. Khalifat Muhammad Sanusi 11, who introduced the non-interest banking model during his stint in the apex bank, said that he was pleased to see the massive development of Islamic finance, despite the initial doubt and cynicism.

He doused the fear and apprehension over the propriety of introducing digital innovations which might conflict with the Sharia principle of the Takaful insurance, noting that "as long as the products comply with Sharia, the technology you use is permissible." He also noted that the technology could be blockchain, artificial intelligence (AI), Data Analytic, among others with potentials to deepen ethical insurance penetration.

Similarly, NAICOM has partnered with Financial Sector Deepening Africa (FSD) to build staff capacity on development of risk-based capital framework and toolkit, incorporation of economic, social and governance (ESG) principles into its operations.

The commission noted that the development of innovation portrait would facilitate innovation for the regulator and insurance stakeholders.

The partnership deal was sealed when Mr. Mark Napier, Managing Director, FSD Africa, along with his management team, paid an official visit to the headquarters of the NAICOM in Abuja recently, and was received by Mr. Thomas.

The visit followed a partnership between NAICOM and FSD Africa, a Risk Based Capital (RBC) for the training of 70 of its personnel.

The training, which has been on for the past two weeks, ended on a Friday and was facilitated by Mr. Elias Omondi, the Principal in charge of innovation at FSD Africa.

According to a statement by NAICOM, other benefits of the partnership for the Nigerian insurance industry include development of risk-based capital framework and toolkit; incorporation of economic, social and governance (ESG) principles into the operations as well as development of innovation portrait which, the commission said, would facilitate innovation for the regulator and insurance stakeholders, amongst others.

How NEXIM Bank Advances Non-oil Sector Growth Through MSME Financing

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underscore the need to strengthen the sector, especially in the area of financing, a gap which the Nigeria Export Import (NEXIM) Bank is currently filling.

In line with its drive to further boost Nigeria's non-oil exports, a delegation from the NEXIM led by the Managing Director/Chief Executive, Mr. Abba Bello, Executive Director Corporate Services, Bala Bello, and management team, recently undertook a working visit/ strategic engagements with some international development finance institutions, which included the Islamic Development Bank (IsDB) and the Saudi Export-Import Bank.

The rationale behind the visit was charting a course towards attracting development funds into the Nigerian non-oil export sector, promoting capacity building and information exchange, as well as engaging in necessary partnerships towards developing new products, particularly non-interest banking products to fill the yearning gap in the Nigerian financial system.

During the visit, NEXIM bank signed a Memorandum of Partnership (MoP) with the Saudi Export–Import Bank. The key aspects of the MoP were to collaborate in co-financing, club deals, syndication projects, and provision of buyer's credit facilities to Nigerian institutions to purchase the goods and services and financing for project development tied to Saudi exports.

With the MoP, the two institutions seek to cooperate in providing financing, investment and other services to promote trade between the two countries. The institutions also seek to explore the possibility of knowledge sharing, staff training and capacity building initiatives.

The MoP was executed by the CEO of Saudi EXIM, Saad Alkhalib, and Abba Bello, on behalf of their respective institutions.

Specifically, the parties agreed to collaborate in the areas of co-financing, club deals and syndication projects. The Saudi EXIM also agreed to provide buyer's credit facilities to Nigerian institutions for the purchases of Saudi goods and services and or financing for project development tied to Saudi exports.

According to Mr. Bello, with the "$200 million line of credit agreement secured with the Saudi EXIM, which is already being processed, the bank hopes to secure additional credit lines and leverage the guarantee fund of the IsDB.

"We also have the opportunity for capacity building, particularly in developing Islamic banking products, which will provide financial inclusion for some of our exporters, who hitherto, have not benefited from our regular banking products," Mr. Bello said.

According to him, non-oil exports have the potential to drive the needed inclusive growth, hence the need to double efforts to grow and boost activities in the areas.

Mr. Bello, however, noted that the Nigerian economy was well diversified. What remains, he argued, is the external sector. He regretted that the country's foreign exchange earnings still revolve around the crude, which posed a concentration risk.

"About 90 percent of our foreign earnings still come from oil. Non-oil used to contribute about five percent. But the recent emphasis on non-oil in recent years has helped to raise its contribution. But what we have is still very poor," he regretted.

He, however, expressed confidence that with the strategic financing of MSME which the bank is spearheading, the narrative has begun to change.

Partnership With AFREXIM To Unlock $6.6bn Funding For MSMEs

Due to the inability of the National Assembly to pass the Factoring Bill since 2018, and despite its ability to unlock over $6.6 billion in financing to small businesses in the country, NEXIM and African Export-Import (AFREXIM) Bank have rallied stakeholders to commence the services with a regulation while awaiting the law.

Mr. Bello said that factoring remains one of the financing options that would mitigate the traditional challenges of SMEs in meeting the eligibility criteria for accessing credit from traditional banking institutions.

Speaking at the opening of the factoring training workshop under Afreximbank /AfDB FAPA grant consulting activity in Abuja, Mr. Bello said that it was important to make progress with factoring services, particularly against the backdrop of African Continental Free Trade Agreement (AfCFTA) and the need to promote financial inclusion and MSMEs' development for economic growth and employment generation.

Essentially, factoring involves a business selling its accounts receivables to a third party called a factor at a discount to solve an immediate cash need and is considered a low-hanging fruit in providing a huge financing lifeline to SMEs which are often starved of the funds they need to grow and contribute meaningfully to the economy.

There are reports which estimate that Nigeria's factoring market is worth over $6.6 billion due to the high informal sector, and could increase to $27.1 billion with more formalisation of SMEs, a conducive policy environment, among others.

30th Afreximbank Annual Meetings held at Accra, R-L: **Mr. Abba Bello,** MD/CEO NEXIM Bank, **Prof Kevin Chika Urama,** Senior Director, African Development Institute, African Development Bank Group and others at the 30th Afreximbank Annual Meetings held at Accra.

MSMEs account for more than half of the market at $3.5 billion thus validating the link between factoring and financing for SMEs.

However, to guarantee successful deployment in the country, especially for instances of adjudication, the promoters said that there was a need to have a law backing factoring.

The Factoring Bill had been in the National Assembly for the past six years awaiting passage, thereby delaying the commencement of services in the country while other countries in Africa have progressed.

Mr. Bello also stated that the development finance institution was committed to facilitating the growth and development of the trade credit insurance market, and other key financial infrastructure that will engender a sustainable factoring ecosystem.

He reiterated the bank's commitment to the current advocacy and partnership framework towards the promotion of factoring services, stating that the training workshop will no doubt facilitate capacity building and technical skills acquisition preparatory to the introduction of factoring services in Nigeria.

Mr. Bello noted that the bank had over the years been engaged in joint advocacy with the Central Bank of Nigeria (CBN) FSS2020, Afreximbank, Factor Chain International (FCI) and other stakeholders in the Nigerian Factoring Working Group to champion the passage of a draft Factoring Bill currently at the National Assembly, as well as the issuance of specific Factoring Regulation/Circular towards a transparent and credible service in the country.

He also said that the promotion of factoring services is strategically aligned with the bank's mandate as a trade policy bank towards facilitating the mainstreaming of the informal sector into the financial sector of the economy with the attendant benefits of access to finance/working capital support, thereby enhancing financial inclusion of MSMEs, among others.

Also speaking at the workshop, Technical Adviser to the NEXIM Bank MD, Mr. Hope Yongo, recommended that stakeholders should immediately commence pilot factoring services with regulation while still awaiting the National Assembly to back up the operation. The plan is to leverage existing regulations in the banking industry for a start.

He pointed out that countries, including Egypt and India, among others, initially started factoring without a law. He believed that the positive results from its operation will speak louder and hasten the passage of the bill.

Mr. Yongo warned that waiting for the passage of the bill by the legislature could further put Nigeria behind as well as hamper progress in its deployment. He stated that factoring represented an opportunity to diversify the country's non-oil export base and boost trading with neighbouring countries.

However, Head, Client Relations, Anglophone West Africa, Afrexim Bank, Mr. Peter Olowononi, noted that the COVID-19 pandemic and global headwinds arising from the Russia-Ukraine crisis have validated the strategic focus of the bank on promoting intra-African trade.

He said that factoring had been the option as SMEs have been disproportionally affected by rising financing costs and related supply chain disruptions caused by these crises.

Mr. Olowononi also said that Afreximbank, working with FCI and other strategic partners, would not relent in its efforts at supporting SMEs, factoring companies, banks, and corporates in Africa with the requisite financing, capacity building, and technical assistance, among other interventions.

Senate Lauds Ministerial Nominee, Okotete's Achievements In NEXIM Bank

The Nigerian Senate has expressed satisfaction over the achievements of the Executive Director (Business Development) of NEXIM, Hon. Stella Okotete, in growing the non-oil exports and business fortunes of the bank.

The commendation came after the Senator representing Delta Central, Senator Ede Dafinone, moved a motion at the ongoing ministerial screening exercise, urging his colleagues to allow Ms. Okotete to take a bow and leave.

Hon. Okotete, former National Women Leader of the ruling All Progressive Congress (APC) and currently serving as ED Business Development at NEXIM Bank, was President Bola Tinubu's ministerial nominee from Delta State.

Senator Dafinone, while moving the motion, said that he had had the opportunity of working with Ms. Okotete during his one-year stay as Non-Executive Director with NEXIM, stating that the nominee was the engine room of the international reputable bank.

"What the nominee did not mention was that her position as the executive director of the business development unit means she was in the engine room of the bank. The business development unit is the operational department of NEXIM Bank. So, she was in charge of the operations of the bank, and in that capacity, she was able to grow the balance sheet of the bank, and she has done exceptionally well.

"I want to add also that as a young woman, she has also favoured the youth and women in her policies at the bank, aside from the policies she had done at home, encouraging young people in various departments and empowerment programs.

"She has also been instrumental in growing non-oil exports, and as of today, the non-oil exports are the key focus of this administration, as we protect the need to grow our economy in the background of dwindling oil reserves and in moving globally away from fossil fuel, to more sustainable forms of energy.

> The rationale behind the visit was charting a course towards attracting development funds into the Nigerian non-oil export sector

Women Own 40% Of MSMEs In Nigeria – NBS

By Chiamaka G. Okpala

A new study by the National Bureau of Statistics (NBS) shows that 40 percent of micro small and medium enterprises (MSMEs) in Nigeria are owned by women.

Titled 'Country Data Overview', the report from the study reveals that only 12 percent of MSMEs are co-owned by men and women as 48 percent are owned by men alone.

The study contrasts a World Bank report which states that globally, firms with female representation in ownership were 32.9 percent, and in Nigeria, the figure was just 16.8 percent. For large firms, the figure dropped to just 12.2 percent.

The study was conducted to understand the role and operations of MSMEs in the country as they make up 96 percent of companies and 86 percent of total employment in Nigeria.

The report collated data from 161 firms in Enugu, Kaduna and Lagos states across light manufacturing, agri-processing and services.

MSME revenue

According to the study, the average annual revenue for MSMEs in Nigeria is N2.3 million while the operating margin is N768,000.

Going further, 62 percent of MSMEs had a monthly revenue lower than N300,000 as 47 percent had monthly revenue lower than N200,000.

MSME adoption of financial system

The report shows that an overwhelming majority (97 percent) of MSMEs have bank accounts but less than 50 percent used it regularly.

Around 47 percent of MSMEs owned by men took loans to support their business while 45 percent of female-owned MSMEs used credit facilities.

For MSME adoption of digital financial services (DFS), over 80 percent claimed to own a debit card and 65 percent made use of mobile banking services and 56 percent claimed to use POS machines.

However, only five percent of MSME owners in Nigeria had used a credit card according to the study.

However, the amount of loans taken differed greatly between the genders. While men received an average of N93,000, that for females was N57,000.

Problems Using DFS

When quizzed on problems encountered in using DFS (60 percent) claimed that the major problem encountered was money arriving late.

Around 30 percent complained that loss of access and missing money was their major problem in using DFS.

> According to the study, the average annual revenue for MSMEs in Nigeria is N2.3 million while the operating margin is N768,000

Around 63 percent of respondents in the study reported using DFS because someone was paying them through the medium.

In terms of the adoption of technology for their businesses, more than 50 percent of MSME owners claim that cost is the major barrier to the use of technology. Around 27 percent stated the skill required was the barrier.

What you should know

MSMEs are said to be the spine of the Nigerian economy as they employ more people than the formal sectors.

Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) defines MSMEs as micro businesses as one employing one to 10 workers, with assets of less than NGN 5 million, and a small business as one employing 10 to 49 workers, with assets of NGN five to 50 million.

Petrol Price Soared By 210 Percent In One Year

The NBS says the price of petrol in Nigeria increased by 210.31 percent year-on-year.

This means Nigerians, in June 2023, paid an average price of N545.83 for a litre of petrol compared to N175.89 in the period last year.

Details on the price movement are contained in the bureau's latest report on premium motor spirit (PMS) for the month of June.

"The average retail price paid by consumers for petrol in June 2023 was N545.83, indicating an increase of 210.31 percent relative to the value recorded in June 2022 (N175.89)," the report said.

"Likewise, comparing the average price value with the previous month (i.e. May 2023), the average retail price increased by 129.23 percent from N238.11."

It is observed that the price of the product rose to high levels since President Bola Tinubu declared that the petrol subsidy had stopped.

The development elicited copious criticism from Nigerians who believed that the current price of the product would negatively affect a huge chunk of the population.

A state profile analysis of petrol prices in Nigeria showed that Taraba had the highest average retail price at N562.86 per litre. Yobe and Kano followed closely, with average retail prices of N562.31 and N561.82 per litre, respectively.

At N534.44 per litre, the NBS said that Anambra had the lowest average retail price; while Ebonyi and Oyo trailed with average retail prices of N535 and N537.43 per litre, respectively.

On a zone basis, according to the data bureau, the north-east had the highest average retail price in June 2023.

The NBS said that the average retail price in the north-east region was N557.03 per litre, while the south-west had the lowest average retail price at N539.36.

Recently, the National Economic Council (NEC) proffered ways of cushioning the impact of high petrol prices on Nigerians.

The council, presided over by Vice-President Kashim Shettima, proposed implementing a cash transfer programme for states based on their social registers.

But NEC said: "there's a big question mark about the integrity" of the national social register — and as such — asked states to develop their respective registers.

EDITORIAL

If Government Should Look To Salary Review, Balance Benefits With Potential Challenges

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at the expense of the larger populace, even when our country is wobbling towards very steep fiscal deficit. Rational and economic logic and equity would encourage that those trillions of naira be put to better use in the service of the people. It is highly imperative to re-channel the funds into better investment in public infrastructure, education, health care and other productive ventures that will materially improve the lives of millions, as President Bola Ahmed Tinubu said in his inaugural speech.

Looking at the economic implications of the petrol subsidy removal and the subsequent upward review of public servants' salaries in Nigeria, there could be several obvious economic implications. The removal of fuel subsidies could lead to an increase in fuel prices, which may contribute to inflationary pressures in the economy. As the cost of transportation and production increases, prices of goods and services might also rise, affecting the overall cost of living. Another implication could be a higher cost of transporting goods across the country due to increase in fuel prices. This could result in higher prices for essential goods and services, affecting consumers' purchasing power and potentially impacting businesses.

The removal of subsidies on fuel really has to be considered a measure taken by the government to reduce its fiscal deficit. If the government was heavily subsidising fuel, the removal would absolutely free up funds to be redirected towards public servants' salary increases or other essential government expenditures.

We note that the removal of fuel subsidies has helped the government to generate additional revenue, which could essentially be used to fund the upward review of public servants or invest in other critical sectors. The changes in fuel prices have also impacted exchange rates, as we can observe. Higher fuel prices have led to increased demand for foreign currency to import fuel, potentially affecting the value of the Nigerian currency.

In view of all this, the overall impact on the job market and investment climate in Nigeria might be affected depending on how businesses and individuals respond to the changes in fuel prices and salary increases.

However, we note that the economic implications can vary, depending on various factors, including the government's response, global oil prices, and the overall economic situation in the country.

In the quest to upwardly review public servants' salaries in Nigeria, the government should look at its possible paybacks and shortcomings the action might cause.

On the positive side, on one hand, the upward review might result in improved standard of living for public servants, allowing them to meet their basic needs and have more disposable income. It might reduce corruption. Higher salaries might reduce the incentive for public servants to engage in corrupt practices to supplement their income, potentially promoting transparency and accountability in the government. It could boost consumer spending. With more money in their pockets, public servants may increase their spending on goods and services, which can stimulate economic growth and support local businesses.

An upward review may enhance work motivation. Higher salaries can boost employee morale and motivation, leading to increased productivity and efficiency within the public sector.

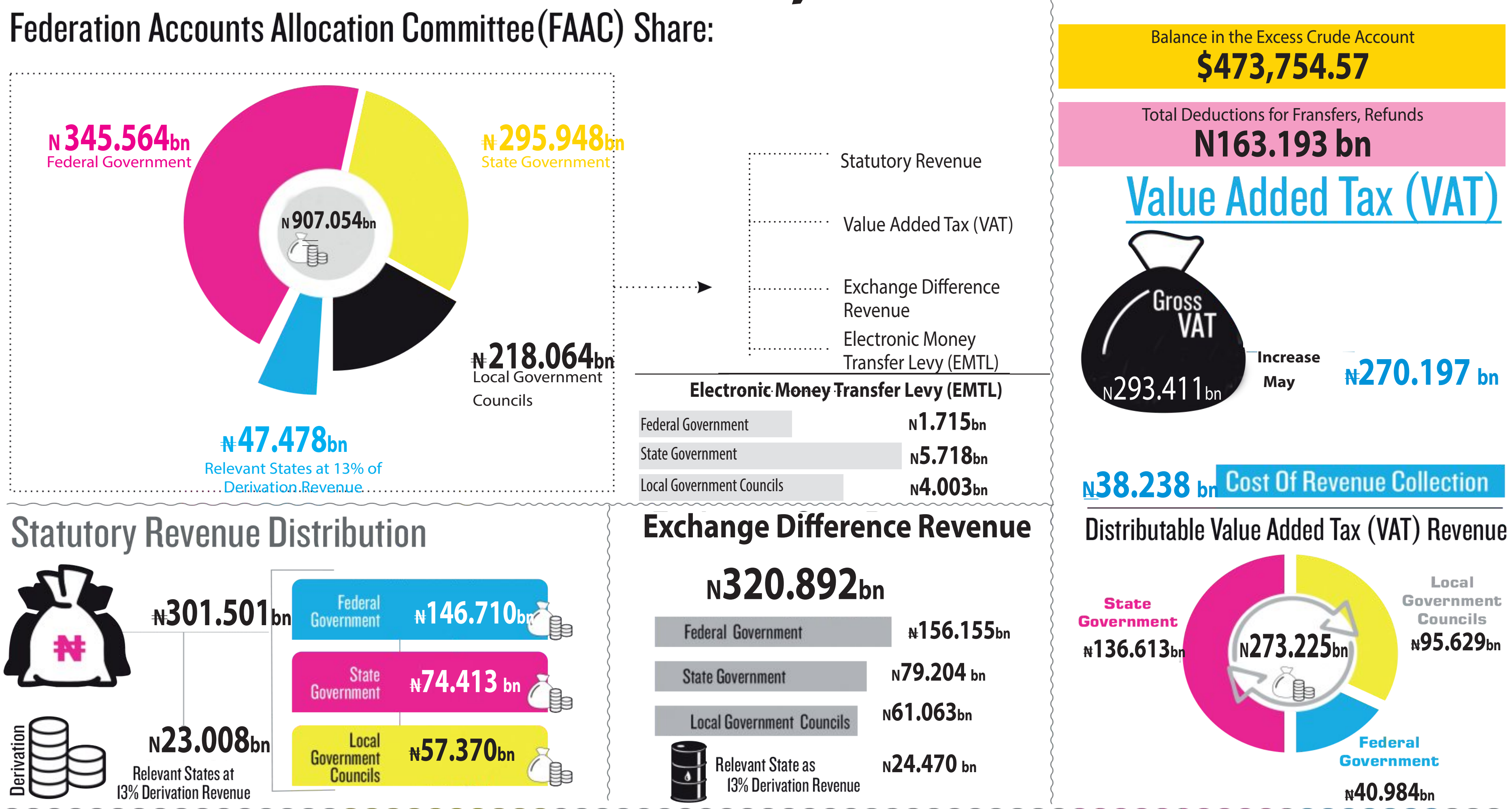
On the second hand, the upward review of public servants' salary in Nigeria could also bring about some shortcomings. It can obviously cause inflationary pressures. If the salary increase is not matched with a corresponding increase in productivity or economic output, it can lead to inflationary pressures, driving up the cost of living for all citizens. Implementing salary reviews may strain the government's budget, potentially leading to increased borrowing or diversion of funds from other essential sectors. It can lead to wage disparity. Depending on how the salary review is implemented, it can widen the wage gap between public servants and workers in the private sector or informal economy, leading to social inequality.

Also, if the government struggles to meet the increased salary demands, it may result in workforce reductions or hiring freezes to manage the budgetary impact. The salary review might result in higher public debt levels if the government finances the increase through borrowing, which could have long-term implications for the economy.

It is important to also note that the success of the salary review depends on careful planning, budget management, and consideration of broader economic implications.

If the present administration is to embark on the review, we call on government functionaries to bear in mind that balancing the benefits with the potential challenges is essential for sustainable economic growth and improved public sector efficiency.

FAAC Shares N907.054 Billion June 2023 Revenue To FG, States And LGCs



According to the communiqué, in the month of June 2023, Companies Income Tax (CIT) recorded tremendous increase. Import and Excise Duties, Value Added Tax (VAT), Oil and Gas Royalties increased significantly, while Petroleum Profit Tax (PPT) and Electronic Money Transfer Levy (EMTL) decreased considerably.

NCS Boss Unveils Roadmap For Trade Facilitation

• Decorates Newly Appointed Management Team
• Seeks Synergy With Stakeholders

By Jennete Ugo Anya

The Acting Comptroller-General (CG) of the Nigerian Customs Service (NCS), Mr. Bashir Adewale Adeniyi, has rolled out another roadmap towards simplifying trade in Nigeria through fast-tracking of compliant traders in line with the World Customs Organisation protocol.

The project, which is called 'Authorised Economic Operators (AEOs)', has the protection of the new NCS Act 2023 and would be designed to systematically identify tolerable risks affecting the importation of legitimate goods into Nigeria.

During the presentation on the modalities of implementation at Customs Headquarters Abuja, the Mr. Adeniyi re-echoed his commitment to tackling challenges bedevilling trade facilitation in Nigeria.

The CG, however, said that compliant traders and businesses of significant benefits who embrace this innovation would benefit, assuring that it would be a game-changer in the realm of trade facilitation.

It is also believed that AEO project would contribute to ease of doing business across various sectors and attract investors into the country.

The process, which is expected to improve security and efficiency in fast-tracking goods, would reduce turnaround time for importers and double up the chances of generating revenue which, according to Mr. Adeniyi, will strengthen the mutual recognition between the service and stakeholders.

Some of the benefits that AEO brings are reducing examination and priority examination, amongst others.

In the same vein, recently Mr. Adeniyi decorated six members of his management team, urging them to redouble their commitment and dedication to the success of the service.

During the symbolic ceremony at the Customs Headquarters in Abuja, he said that the appointments of three Deputy Comptrollers-General (DCGs) and three Assistant Comptrollers-General (ACGs) is in view of their exemplified dedication and commitment to the service.

This is the first time the acting CGC would decorates members of the service's management team since his appointment on 19th June 2023 by President Bola Ahmed Tinubu.

In less than two months after his appointment, the President approved the appointment of Festus Okun, Musa Baba Abdullahi and Albashir Hamisu as DCGs, and Kamardeen Olumoh, Auwal Mohammed and Adeogun Alajogun as ACGs.

Mr. Adeniyi, while decorating the six high ranking officers, also charged them to heighten their devotion and determination to promote the NCS, stating "the newly promoted officers should know that there are high expectations on them. Therefore, I urge them to renew their dedication and commitment to add value to the service."

Mr. Bashir Adewale Adeniyi, Acting Comptroller- General of Customs

DCGs, Festus Okun, who gave a vote of thanks on behalf of the newly appointed DCGs, expressed his appreciation to President Tinubu for the unwavering belief in their capabilities and assured that they would discharge their responsibilities with utmost professionalism.

> ...compliant traders and businesses of significant benefits who embrace this innovation would benefit...

NACCIMA seeks support to improve trade

Also, in a bid to foster a shared and better future of trade in Nigeria through collaboration with relevant organisations, Mr. Adeniyi received a delegation from the Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), led by the president of the association, Mr. Dele Kelvin Oye.

Addressing the service at the headquarters of the service recently, NACCIMA president felicitated Mr. Adeniyi over his appointment and commended his exceptional steps of leading the service and significant approach towards regulating trade industries in the country.

Mr. Oye reminded the CGC of the issues surrounding the certificate of origin, affirming that NACCIMA would be determined to support the service in all ramifications.

Responding to NACCIMA president, Mr. Adeniyi gave assurance to collaborate with NACCIMA to succeed in facilitating trade.

He stated that his leadership is committed to strengthening the collaboration between the service and stakeholders for the benefit of Nigerians, further stating that the service would join hands with NACCIMA to organise a sensitisation workshop for the two organisations.

On the new NCS Act, 2023, Mr. Oye asked the CG to sensitise their members.

Meets UBA delegation

Meanwhile, Mr Adeniyi was in a separate meeting with representatives of the United Bank for Africa (UBA) on a courtesy visit to the NCS headquarters.

During the meeting, the leader of the delegation, non-executive director, Mr. Kayode Fashola, congratulated Mr. Adeniyi on his appointment while also informing him of the bank's commitment to strengthen the cordial relationship between Customs and UBA.

The acting CGC, on his part, appreciated the delegation's timely visit and guaranteed them of the service's commitment to deepen their partnership.

Reinforcing synergy with NEPZA, OGFZA towards improving Free Trade Zones operations in Nigeria

Similarly, Mr. Adeniyi alongside his management team, met recently with the directors of the Nigeria Export Processing Zones Authority (NEPZA) and Oil and Gas Free Zone Authority (OGFZA) to discuss the state of trade in Nigeria and join forces to take significant steps to improve Nigeria's Free Trade Zones operations.

The acting CG, while responding to the calls of the two organisations, appreciated them for visiting the headquarters of the service. While the two organisations sought to review their mutual concerns about the future of trade in Nigeria, Mr. Adeniyi further guaranteed that the service, as one of the spines of the Free Zone Scheme, would continue to work in line with the standard trade facilitation policies to attract a seamless opportunity for businesses to invest in the free Zones scheme in Nigeria.

The acting CG, however, assured the two organisations of the service's commitment to work together with them. He said: "We need to constitute a joint committee between us and some relevant stakeholders to address our common concerns."

Speaking, the Director of Nigeria Export Processing Zones Authority (NEPZA), Prof. Adesoji Adesoba, said that he was personally elated with the way the CGC addressed them and expressed readiness to work assiduously towards achieving their target of improving Free Trade Zones.

However, in a separate interview, the Managing Director of the Oil and Gas Free Zone Authority (OGFZA), Senator Tijjani Yahya Kaura, described the collaboration between the Free Trade Zones and the Nigeria Customs as necessary, adding that "our meeting with the CG is fruitful, as it revolves around proffering solutions to our common issues, and I am happy that the CGC is committed to addressing them."

The organisations believe that their coming together could be a 'win-win' situation that would change the narrative of Free Trade Zones in the country and attract investors to Nigerian shores.

FIRS FEDERAL INLAND REVENUE SERVICE

15 SOKODE CRESCENT, WUSE ZONE 5, P.M.B 33, GARKI, ABUJA, NIGERIA

PUBLIC NOTICE

ENACTMENT OF THE FINANCE ACT, 2023

The Finance Act 2023 was enacted on 28th May, 2023. The Act amended certain provisions in the tax laws.

Consequently, taxpayers, tax practitioners and the general public are hereby invited to take notice that the amended provisions shall take effect as follows:

1. **VAT Withheld or Collected**
   Section 14(3) of the VAT Act was amended to the effect that persons appointed to withhold or collect VAT shall remit the VAT withheld or collected **on or before the 14th day of the month following the month in which the VAT was withheld or collected**. Consequently, all VAT withheld or collected in June 2023 **shall be remitted to FIRS on or before the 14th of July 2023**. Similarly, VAT withheld or collected in subsequent months shall be remitted to FIRS not later than 14th day of the month following that in which the VAT was withheld or collected.

2. **VAT on Items Excluded from Building**
   The definition of "building" was amended in Section 46 of the VAT Act to exclude any fixture or structure that can be easily removed from the land. Examples of items excluded are **radio and television masts, transmission lines, cell towers, vehicles, mobile homes, caravans and trailers**. As such, all the items removed from the definition of land have become chargeable to VAT. Companies letting, trading in or furnishing services with such items must charge VAT at the prevailing rate with effect **from 1st of July, 2023**.

3. **Rate of Tertiary Education Tax (TET)**
   By the amendment to Section 1(2) of TET Act, the rate of TET was changed to **3%** of assessable profits. The **new TET rate of 3%** shall take effect for TET becoming due in **respect of accounting period ending on or after 1st July, 2023**.

4. **Investment Allowances and Convertible Currencies**
   Sections 32, 34 and 37 of the Companies Income Tax Act (CITA) granting allowances in respect of capital expenditure incurred in certain circumstances, and tax exemption on income earned in convertible currencies from tourists by hotels have been repealed. Consequently, the said allowances and tax exemption are no longer available for tax returns becoming due in respect of **accounting period ending on or after 1st July, 2023.**

Signed
Muhammad Nami
Executive Chairman, FIRS

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How Pension Assets Rose To N16trn

• As PenCom Opens New Department to Solve Pensioners Plight

By Jennete Ugo Anya

The National Pension Commission (PenCom) says pension assets increased to N16.76 trillion within the half-year period (six months) that ended in June 2023.

The assets increased by 17.4 percent (N2.49 trillion) compared to N14.27 trillion recorded in the same period last year.

The commission disclosed this at a one-day workshop organised for news media in Lagos recently.

Speaking at the event, Aisha Dahir-Umar, Director-General (DG) of PenCom, said that the number of registered contributors increased by 146,920 in June 2023.

She said that the membership now has a total of 10 million contributors in the period reviewed, relative to 9,795,957 million recorded in June 2022.

Dahir-Umar, who was represented by Abdulqadir Dahiru, the commission's head of corporate communications, called for more awareness in order to drive the numbers upward.

"PenCom's proactive regulatory approach has strengthened the oversight and governance of pension funds, promoting transparency, accountability and safeguarding the interests of pension contributors," she said.

"Consequently, pension assets have risen by N1.77 trillion in the first half of 2023, from N14.99 trillion in December 2022 to N16.76 trillion at the end of June 2023.

"Membership also increased by 146,920 new contributors, from 9.86 million members as of the end of 2022 to over 10 million members as of June 2023.

"The contributory pension scheme (CPS) has ensured that public and private sector workers can build retirement savings throughout their working lives, fostering financial security during their golden years."

Dahiru, speaking on the commission's responsibilities in improving service delivery, said that PenCom would continue to intensify efforts in ensuring more workers are provided with their rights (pension) and get their benefits as when due.

He also said the commission seeks to tackle challenges such as service culture, non-functional call centres, inadequate spread of pension fund administrators (PFAS) branches or service centres and infrastructure.

The spokesperson added that the issue of incomplete customer information/records, high staff attrition rate, inadequate sensitisation and public enlightenment programs must be addressed.

Mrs. Aisha Dahir-Umar, Director-General (DG) of PenCom

> Consequently, pension assets have risen by N1.77 trillion in the first half of 2023, from N14.99 trillion in December 2022 to N16.76 trillion at the end of June 2023

Also speaking on strategic ways of improving the services of the commission and ensuring consumer protection, Ikenna Chidi-Ebere, head of consumer protection department at PenCom, said that customers should not hold back on reporting defaulters.

According to Chidi-Ebere, the commission has a whistleblower mechanism in place to ensure that no consumer is deprived of his or her benefits.

"The commission encourages both private and public sector employees to report defaulting employers not complying with the provisions of Pension Reform Act 2014 (non-remittance of mandatory monthly pension contributions).

"The report can be submitted anonymously to protect employees from the risk of job loss or victimisation by their employers. Employees can also report any observed irregularity that relates to pension matters which may hamper customer satisfaction. The report can be lodged at the online and offline addresses."

In another development, PenCom has described as "outrageous falsehood" claims that Dahir-Umar was paid 'millions of dollars' for estacode during COVID-19 lockdown in 2020.

Reports circulating online further alleged that there were documents showing how the monies were paid into her account.

But in a statement issued reccently, the commission said that it was impossible for any government official to claim foreign travel allowances in 2020 when there was a global restriction on international travels, and that most airports were closed, forcing people to work from home and hold virtual meetings.

The commission also said that all rates for estacode payments are standardised and foreign trips require strict documentation, "including air tickets, stamped passport pages and evidence of number of days spent".

"Even if the DG were to spend two years abroad non-stop, her estacode allowances would not be up to a million dollar," it said.

PenCom linked the reports to the current jostling for appointments in the country.

Creates new department to tackle complaints by retirees

Also, the PenCom has created a new department to address complaints by retirees, particularly in the area of data capturing.

There has been growing complaints by retirees seeking to assess pension benefits, with the commission saying between 150 and 200 instances were being recorded daily.

Delivering a paper titled 'Enhancing Customer Service in the Pension Industry', Chidi-Ebere said that the commission has set up a framework for prompt payment of pensions without delays.

At a one-day workshop, organised for news media, he also urged Pension Fund Administrators (PFA) to ensure requests by retirees are promptly settled.

He sought collaboration of the media towards creating awareness on adoption of the pension scheme for the benefit of self-employed, semi and non-organised informal sector operators.

Also, Mr. Dahiru noted that the commission's proactive regulatory approach has strengthened oversight and governance of pension funds, promoting transparency, accountability, and safeguarding the interests of pension.

According to him, the Contributory Pension Scheme (CPS) has ensured that public and private sector workers can build retirement savings throughout their working lives, fostering financial security during their twilight years.

He also said that sadly some organisations were not remitting workers' contributions into the Retirement Savings Account (RSA).

"The recovery of pension contributions is an ongoing process, and the commission has substantially recovered both principal contributions and applicable penalties from employers. For instance, during the first quarter of 2023, N384.28 million, comprising contributions of N193.06 million and penalties of N191.22 million, was recovered from 34 defaulting employers," he explained.

Meanwhile, from commencement of the exercise in June 2012 to March 31, 2023, the commission has recovered N24.53 billion (contributions of N12.44 billion and penalties of N12.09 billion) from defaulting employers. PenCom also prosecuted recalcitrant employers who persistently default on remittance of pension contributions.

How PTAD is Improving Pensioners' Welfare

The Pension Transitional Arrangement Directorate (PTAD), established in 2013 to cater for pensioners under the defined benefit scheme, has over the years stepped up its operations in fulfilment of its mandate. Correspondent, ***Musa Ibrahim*** *writes.*

Before the establishment of PTAD, the management of the Defined Benefits Scheme (DBS) was marred by different challenges including pensioners travelling long distance for verification and delay in payment of pension and gratuities.

As at that time, over 30,000 qualified pensioners were not on payroll while more than 50,000 ghost pensioners were on the payroll.

Available data shows that as at December 2022, PTAD's payroll stood at 226,693 after a lot of cleansing, elimination of ghost pensioners and addition of eligible pensioners hitherto not on payroll with a total of N754 billion in monthly pensions paid from January 2015 to December 2022.

Overall, the directorate has saved billions of naira from being paid to over 50,000 ghost pensioners.

Before this time, the government and its agencies were accused of misappropriation of pension funds, neglect of pensioners' welfare, and other malfeasance. The public outcry led to widely publicised public hearings and criminal proceedings against suspected pension thieves.

Pensioners suffered to get their pensions, and there were reports of pensioners sleeping under staircases and on floors of pension offices. Verification was hard on pensioners and many suffered from the stress of crowds, queuing for long hours, among others.

Many pensioners did not receive their monthly pensions as when due while others were owed years of pension arrears and gratuity. Similarly, many Next of Kins (NoKs) of deceased pensioners did not get the death benefits of their loved ones, some up to 10 years or more, after the death of the officer.

Against this backdrop, PTAD was established to consolidate and manage pensions under the DBS for pensioners who would not transit into the Contributory Pension Scheme (CPS) introduced in 2004 during the pension reform.

The Directorate categorises pensioners in the old scheme under Parastatals Pension Department (PaPD), Police Pension Department (PPD), Civil Service Pension Department (CSPD) and Customs Immigration and Prisons Pension Department (CIPPD).

Dr. Chioma Ejikeme, Executive Secretary of PTAD, in a presentation titled 'The New Narrative for Pension Administration for the DBS' at the recent 2023 Stakeholders Engagement, South East Zone, disclosed that over 50,000 complaints were inherited by PTAD from the Office of the Head of the Civil Service while over 30,000 qualified pensioners were not on the payroll.

She stated that before they took over the administration of the old pension scheme, there was no clear way for pensioners to get their complaints, issues, and concerns addressed which made so many pensioners give up on the federal government.

Dr. Chioma Ejikeme, Executive Secretary, PTAD.

She said: "PTAD also inherited unfunded liabilities, 33 percent pension arrears; gratuity and death benefits; disorganised, error-prone manual computation/ calculation of pension benefits; lack of adequate/appropriate office space to accommodate walk-in pensioners; inadequate staffing of offices and provision of appropriate technology work tools; poor pension file management leading to damaged records and lost hope; and rude and unruly behaved pensioners".

She noted that PTAD has sanitised the DBS with major achievements over the last nine years with consolidation of old pension offices, payroll due diligence, onboarding process to PTAD pension payroll, and determination of inherited liabilities.

She further stated that the overall success is not just the result of deploying information technology, more critically; it has been a result of political will and strong support from pensioners and their union representatives.

"We have worked hard to address challenges and transform the management of the DBS in several significant ways that include management of pensioners' files and records, validation of pensioner's computation and calculation of pension benefits; management of the monthly pension payroll; resolution of pensioners' complaints; and settlement and payment of 33 percent pension arrears, death benefits, among others.

In the last close to 10 years, PTAD created a field verification process that respects the dignity of senior citizens, multiple verification centres were used so that crowds would not be too large. A simple four-step process from arrival to completion of verification, to minimise stress was created. All of these were done in a conducive environment inside event centres or halls fully air-conditioned with chairs and tables homes, in hospitals among others. Based on this, PTAD Mobile Teams have visited over 80 different cities, towns and villages, and countless hospitals across the entire nation, including every state capital", she added.

"It is pertinent to note that PTAD has intentionally and consistently been working on achieving positive and sustainable change in the DBS pension management for the almost 10 years of its operation. It is worth mentioning that PTAD would be ten by August 2023.

Kabiru Yusuf, PTAD director, Parastatals Pension Department (PaPD), on his part noted that ghost pensioners have been eliminated from the system.

He said that they carried out two major removals of ineligible people from the payroll of parastatal pensioners.

"The first one was done in 2019 when we did an assignment with the Nigerian Interbank Settlement

> **Before this time, the government and its agencies were accused of misappropriation of pension funds, neglect of pensioners' welfare, and other malfeasance**

from the last administration and key stakeholders, including strategic and strong leadership at PTAD.

"The narrative has changed due to efficient and effective deployment of available resources and human capital, and the investment in human capital development; creativity, initiative, passion, commitment and empathy of PTAD management and staff; and collaboration and support for pensioners to sit. They were served lunch and water. There were also provisions of wheelchairs and Stand-by Ambulances or First Aid, at centres.

"We deployed mobile verification to ensure no qualified pensioners are left uncaptured. Pensioners that were aged, infirm, sick, or physically challenged were also captured by sending mobile teams to pensioners'

System to ascertain people who have valid BVN and those who do not. When we did the exercise, we removed 5,834 people from the payroll. The monthly pension implication of the people removed is N287.8 million. When we did the removal, we created a complaint resolution channel for those who have genuine BVN to send their complaints to us. After the complaints came in, those that we have restored back on payroll from 2019 to date are 2,902 and we paid them N175.8 million and this is the savings we have made from paying pensions to those who do not have valid documentation but continue to be on the payroll.

"The second removal that we did was done in October 2020. We started our verification for parastatal in April 2019 and finished in November 2019. The Executive Secretary later gave six to 10 months moratorium for people who do not have the opportunity to come for the verification so that they can come to our offices to get it done. When the moratorium lapsed in October 2020, we compared the payroll to the database of verified pensioners. We were able to remove people who are on payroll but not verified numbering 20,191 from the payroll. The monthly pension implication of this is N741 million.

Speaking on how the 'I am Alive' confirmation solution, which has been described as one of the greatest innovations in the history of PTAD, eases pensioners' stress, Dr. Ejikeme said that the platform was created to ease plight of pensioners who stand in long queues to be verified.

She said this during a training programme for the union executives and pension desk officers (PDOs) of ministries, department and agencies (MDAs) of pensioners who retired under the Defined Benefit Scheme (DBS).

Dr. Ejikeme said further that it was critical step towards preparing pensioners to be fully conversant with the use of the application, stating that the purpose for the training was to ensure that the union executives and PDOs could use the 'I Am Alive' confirmation solution without difficulty.

According to her, the executives can assist pensioners to understand how to use the application, respond to basic enquirers and questions about the process.

"We believe that once union executives and PDOs can confidently use the application, they can support our efforts to educate our pensioners and provide guidance and hand holding where necessary for them to easily carry out their 'I Am Alive' confirmation."

"The training was also organised to explain why we deployed the 'I Am Alive', what we expect as the impact, benefits to be derived and what we see as likely challenges.

"We will demonstrate the entire 'I Am Alive' confirmation process again and show a live demonstration, we will also address the Frequently Asked Questions (FAQs)," Dr. Ejikeme said.

The Executive Secretary also said that the project was to make all the pensioners who had served this country to enjoy their hard-earned pension without any hardship.

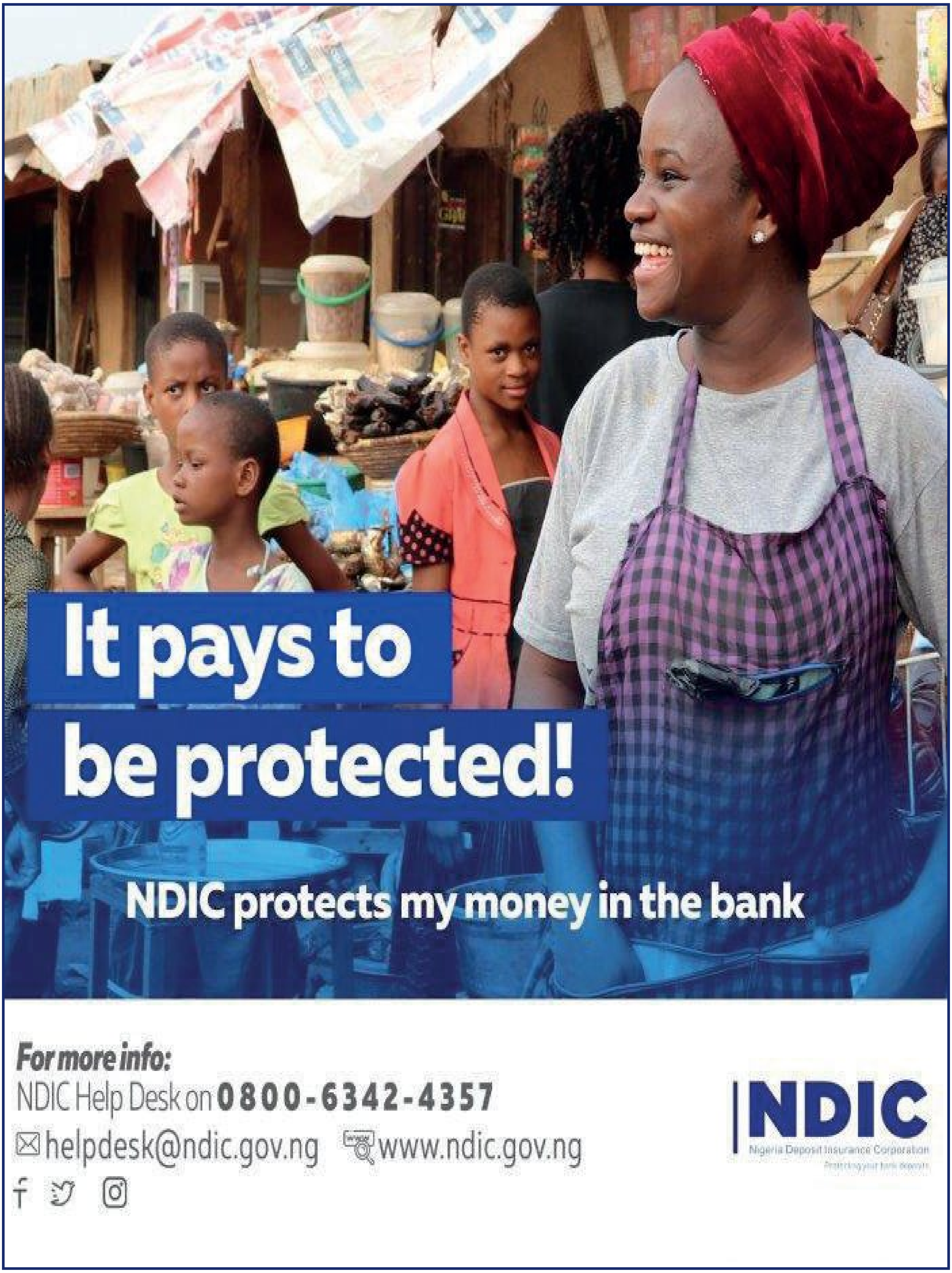
She then said that the tedious challenges, expensive field verification exercises of the past must end.

"Pensioners must be able to confirm their aliveness from the comfort of their homes, within the proximity of their residence.

"They should also be able to resolve their complaints without unnecessary stress; we want them to be able to contact PTAD with ease and be treated with respect and dignity," she said further.

PHOTO NEWS

Courtesy call to NEXIM Bank by the Registrar of the National Collateral Registry (NCR) and his team to discuss possible areas of collaboration, with the view of strengthening the existing relationship between the two organizations. The partnership is targeted at creating ease of access to finance for MSMEs, while ensuring prudent credit risk management and reducing systemic risk.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Making Development Finance Work For Africa

Kristalina Georgieva (l), Managing Director of International Monetary Fund with **Mrs. Zainab Ahmed,** former Nigerian Minister of Finance, Budget and National Planning.

Multiple, overlapping crises have exposed the outdated framework of multilateral development banks (MDBs). A closer look at the challenges facing Nigeria demonstrates how MDBs can better support African countries as they work to reduce poverty and translate their immense potential into meaningful economic growth. ***Mrs. Zainab Ahmed,*** *former Nigerian Minister of Finance, Budget and National Planning, writes.*

If the COVID-19 pandemic demonstrated our interdependence and hyper-connectedness, Russia's war in Ukraine and its economic consequences have further underscored that no country or region can stand alone. We are all integrated – politically and by trade and investment linkages – into the global economy.

Given growing awareness of this, policymakers around the world are rethinking their approach to sustainable development and re-examining the role of multilateral development banks (MDBs). These institutions are of course still relevant. But whether they are fit for purpose in their current form is open to debate.

To determine how MDBs can best support developing countries, let us consider the difficulties facing Nigeria, where I served as minister of finance, budget, and national planning from 2019 until this year. During the pandemic, more of our citizens were pushed into poverty, and our economy faltered. The breakdown in global supply chains caused the price of crude oil, our largest export product, to crash, tipping Africa's largest economy into recession. The economy rebounded after a series of reforms, but Russia's war in Ukraine now confronts us with higher food, oil, and fertilizer prices.

Nigeria is also dealing with fiscal stress, exacerbated by historically low non-oil revenues and adverse global economic conditions. A significant portion of the country's revenues goes toward servicing its debt, and rising interest rates are pushing up debt-service costs further. Against this backdrop, our biggest challenge is getting the economy back on track and ensuring that our citizens live dignified lives.

MDBs, including the World Bank and the International Monetary Fund, were created in the aftermath of World War II to help alleviate poverty and promote economic growth in developing countries. Seven decades later, these institutions have duly provided financial assistance and met some development metrics. But the world is still battling poverty, disease, and hunger.

The leaders of the World Bank and other MDBs must pursue systemic reforms to fulfill their mandate. To be sure, MDBs have played an important role in low- and middle-income countries and will continue to do so. But we must now face the reality that today's problems cannot be fixed with outdated solutions. The current geopolitical climate, and the resulting economic and financial conditions, calls for a fundamental shift in these institutions, so that they are better positioned to respond to multiple, overlapping crises.

To be clear, African countries are seeking development partnerships, not handouts or aid. In Nigeria, we have requested longer-term financing from MDBs to weather the current storm. These banks could also facilitate partnerships between private investors and local African businesses to boost economic growth and job creation. Nigeria has already shown remarkable resilience; now the country needs support to translate its economic potential into meaningful development that benefits its citizens.

> Nigeria is also dealing with fiscal stress, exacerbated by historically low non-oil revenues and adverse global economic conditions

African countries must work together with the global community to lift the continent out of poverty. But they should also focus on leveraging their abundant resources and young and dynamic populations. One avenue that we are already pursuing is the promotion of intra-African trade through the African Continental Free Trade Area (AfCFTA). With more than one billion people, Africa can be its own market – but only if trade barriers are removed. Nigeria, for example, could unlock its manufacturing and export capacity, earning foreign exchange, attracting investment, and becoming more globally competitive. AfCFTA is already providing a forum for Nigerian entrepreneurs to strengthen partnerships with business owners in other countries.

With the right investments and economic policies, Africa can and will overcome its challenges. Doing so is crucial not just for its own survival, but for the healthy functioning of an interdependent global economy. A string of crises – from the pandemic to the Ukraine war to the intensifying effects of climate change – has highlighted the MDBs' shortcomings while simultaneously prompting calls for reform. Unless we build on the momentum generated by these disasters, they will engulf us all.

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Economy & Investment

ADVERT RATE

COLOUR

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	557,916.68	41,843.76
H/P	316,462.50	23,734.68
Q/P	152,770.00	11,457.76
14.5x5	452,218.76	33,916.40
14.5x3	271,293.26	20,347.00
10x6	374,250.00	28,068.76
10x5	311,875.00	23,390.62
10x4	249,500.00	18,712.50
9x6	336,825.00	25,261.88
9x5	280,687.50	21,051.56
9x4	224,550.00	16,841.26
9x3	168,412.50	12,630.94
8x6	299,400.00	22,455.00
8x5	249,500.00	18,712.50
8x4	199,600.00	14,970.00
7x6	251,975.00	18,898.12
7x5	218,312.50	16,373.44
7x4	174,650.00	13,098.76
7x2	172,150.00	6,549.38
6x4	149,700.00	11,227.50
6x3	112,275.00	8,420.62
6x2	74,850.00	5,613.75
5x6	187,125.00	14,034.38
5x5	155,937.50	11,695.32
5x4	124,750.00	9,356.26
5x3	93,562.50	7,017.18
5x2	62,375.00	4,678.12
4x4	99,800.00	7,485.00
4x3	74,850.00	5,613.76
4x2	49,900.00	3,742.50
3x2	37,425.00	2,806.88
2x2	24,950.00	1,871.26
2x1	12,475.00	935.62
1x1	6,237.50	467.82

PUBLIC NOTICE POLITICAL		
Size	Rate	Vat (7.5%)
F/P	578,838.55	43,412.90
H/P	328,329.84	24,624.74
Q/P	158,498.88	11,887.42
14.5x5	234,558.65	35,183.80
14.5x3	284,858.44	21,364.38
10x6	388,303.80	29,122.78
10x5	323,586.50	24,268.98
10x4	258,869.20	19,415.20
9x6	349,473.42	26,210.50
9x5	291,227.85	21,842.08
9x4	232,982.28	17,473.68
9x3	174,736.70	13,105.26
8x6	310,643.04	23,298.22
8x5	258,869.20	19,415.20
8x4	207,095.36	15,532.16
7x6	271,812.66	20,385.94
7x5	226,510.55	16,988.30
7x4	181,208.44	13,590.64
7x2	90,604.22	6,795.32
6x4	155,321.52	11,649.12
6x3	116,491.14	8,736.84
6x2	77,660.76	5,824.56
5x6	194,151.90	14,561.40
5x5	161,793.24	12,134.50
5x4	129,434.60	9,707.60
5x3	97,075.95	7,280.70
5x2	64,717.30	4,853.80
4x4	103,547.66	7,766.08
4x3	77,660.74	5,824.56
4x2	51,773.84	3,883.04
3x2	38,830.38	2,912.28
2x2	25,886.92	1,941.52
2x1	12,943.46	970.76
1x1	6,471.72	485.38

BLACK AND WHITE

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	366,792.56	27,509.44
H/P	198,423.18	14,881.74
Q/P	95,782.00	7,183.66
14.5x5	283,950.60	21,296.30
14.5x3	190,000.00	14,250.00
9x6	234,993.60	17,624.52
9x5	176,245.20	13,218.4
9x4	140,996.16	10,574.72
9x3	105,747.12	7,931.04
8x6	187,994.88	14,099.62
8x5	156,662.40	11,749.68
8x4	126,329.92	9,474.74
7x6	164,495.52	12,337.16
7x5	137,079.60	10,280.98
7x4	109,663.68	8,224.78
7x2	54,831.84	4,112.38
6x4	93,997.44	7,049.80
6x3	70,498.08	5,287.36
6x2	70,498.08	5,287.36
5x6	117,496.80	8,812.26
5x5	97,914.00	7,343.56
5x4	78,331.20	5,874.84
5x3	58,748.40	4,406.14
5x2	39,165.60	2,937.42
4x4	62,664.96	4,699.88
4x3	46,998.72	3,524.90
4x2	31,322.48	2,349.18
3x2	23,499.38	1,762.46
2x2	15,666.24	1,174.96
2x1	7,833.12	587.48
1x1	3,916.56	293.74

PUBLIC NOTICE POLITICAL		
Size	Rate	Vat (7.5%)
F/P	435,178.08	32,638.36
H/P	254,538.96	19,090.42
Q/P	131,226.90	9,842.02
14.5x5	38,040.56	2,853.04
14.5x3	232,825.87	17,461.94
10x6	319,512.00	23,963.40
10x5	266,260.00	19,969.50
10x4	213,006.00	15,975.46
9x6	287,560.80	21,567.06
9x5	239,634.00	17,972.56
9x4	191,707.20	14,378.04
9x3	143,780.40	10,783.54
8x6	255,609.60	19,170.72
8x5	213,008.00	15,975.60
8x4	170,406.40	12,780.48
7x6	223,658.00	16,774.36
7x5	186,382.00	13,978.66
7x4	149,105.60	11,182.92
7x2	74,552.80	5,591.46
6x4	127,804.80	9,585.36
6x3	95,853.60	7,189.02
6x2	63,902.40	4,792.68
5x6	159,756.00	11,981.70
5x5	133,130.00	9,984.76
5x4	106,504.00	7,987.80
5x3	79,878.00	5,990.86
5x2	53,252.00	3,993.90
4x4	85,203.20	6,390.24
4x3	83,902.40	6,292.68
4x2	42,601.60	3,195.12
3x2	31,951.20	2,396.34
2x2	21,300.80	1,597.56
2x1	10,650.40	798.78
1x1	5,325.20	399.40

SPECIAL POSITION	Rate	Vat (7.5%)
FPS 6x2	1,291,193.44	96,839.50
BPS 6x2	923,375.00	69,253.12
STRIP (FRONT) 2X6	1,322,912.50	99,218.44
STRIP (BACK) 2X6	1,037,500.00	77,812.50
STRIP (INSIDE) 2X6	218,460.38	16,384.52
EARPIECE (FRONT) 2X2	517,094.30	38,782.08
EARPIECE (BACK) 2X2	405,145.10	30,385.88
EARPIECE (INSIDE) 2X2	240,000.00	18,000.00
CENTERSPREAD (FULL)	3,320,000.00	249,000.00
CENTERSPREAD (HALF)	1,992,000.00	149,400.00
CENTERSPREAD (STRIP)	594,300.00	44,572.50
DOUBLESPREAD	2,982,952.00	223,721.40

WRAP	Rate	Vat (7.5%)
FULL WRAP	41,500,000.00	3,112,500.00
10 X 6	28,620,690.00	2,146,551.76
HALF PAGE (FRONT)	20,800,000.00	1,560,000.00
5X6 (FRONT)	14,312,344.00	1,073,425.80
4X6 (FRONT)	11,448,274.00	858,620.56
2X6 (UNDER MASTHEAD	7,262,500.00	544,687.50
2X6 (FRONT POLITICAL)	1,560,000.00	117,000.00

LOOSE INSERT	
RATE PER 1,000 SHEETS	60,000.00
HANDLING CHARGE (SINGLE)	1,000,000.00
HANDLING CHARGE (SINGLE)	1,000,000.00

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Revamping Local Refineries In Nigeria Now That Petrol Subsidy Is Removed

POLICY BRIEF with ENAM OBIOSIO

President Tinubu was on point in his Monday evening broadcast; he noted that the country was facing the menace of having few people who have amassed so much money to the extent of becoming "a serious threat to the fairness of national economy and the integrity of our democratic governance."

Decisively, he from day one had ushered in a regime of deregulation by declaring an end to subsidy regime. Of course, it is understandable that the removal of fuel subsidy is a good development that will catalyse more investments in local refining. This will foster competition and transparency in the downstream sector, eliminate Nigerian National Petroleum Company Limited's (NNPCL) importation monopoly, encourage investments in local refining capacity and expansion of downstream infrastructure that will create thousands of jobs.

It is important to note that the economic implications of the deregulation could vary depending on various factors, including the government's response, global oil prices, and the overall economic situation in Nigeria.

Obviously, the removal of fuel subsidies could lead to an increase in fuel prices, which may contribute to inflationary pressures in the economy. As the cost of transportation and production increases, prices of goods and services might also rise, affecting the overall cost of living.

With higher fuel prices, the cost of transporting goods across the country could increase. This may lead to higher prices for essential goods and services, affecting consumers' purchasing power and potentially impacting businesses.

Removing subsidies on fuel could be a measure taken by the government to reduce its fiscal deficit. Since the government was heavily subsidising fuel, the removal has now freed up funds to be redirected towards essential government expenditures. By removing the subsidy, the government has generated additional revenue, to be used in investment in other critical sectors.

Glaringly, changes in fuel prices could also impact exchange rates. As higher fuel prices may lead to increased demand for foreign currency to import fuel, this potentially affects the value of naira. And the overall impact on the job market and investment climate in Nigeria might as well be affected, depending on how businesses and individuals respond to the changes.

In the short run, the implication of the subsidy removal is enormous on Nigerians, with many Nigerians complaining as the economic hardship bites harder. Therefore, the government must look to urgently proffer solutions to the current situation on ground, so that it may be able to concentrate wholistically on governance.

Since Nigeria's core problem is that it relies almost entirely on expensive imports to meet its gasoline needs — despite being Africa's largest oil and gas producer - it is important for the government to consider revamping or making the Nigerian refineries to work optimally. The productive capacity of Nigerian refineries has been limited due to operational challenges and maintenance issues.

It is no more news that Dangote Refinery will soon come on stream and BUA Group is making a bet of over $8billion on 200,000 barrel per day refinery in Akwa-Ibom that will be commissioned within the next four years. This is apart from existing modular refineries already in operation.

According to the Department of Petroleum Resources (DPR), the country currently has five operational refineries (DPR). The Nigerian National Petroleum Corporation (NNPC), which controls four of the facilities, and Niger Delta Petroleum Resources, which controls the fifth refinery, are both owned and run by the federal government.

Two of the refining facilities, Kaduna Refinery and Warri Refinery, include petrochemical complexes that utilise their refinery intermediates to produce petrochemical precursors, which are employed in the production of petrochemical intermediates, in addition to the one fully-fledged petrochemical plant.

The Port Harcourt Refinery, a division of the NNPC, runs the 210,000 barrels per day complicated conversion unit. Two refineries in Alesa-Eleme, Rivers State, make up the Port Harcourt Refinery. The new plant's nameplate capacity is 150,000 barrels per day, whereas the old refinery's nameplate capacity is 60,000 barrels per day. The old refinery was first put into operation in 1965. Liquefied petroleum gas (LPG), premium motor spirit (PMS), dual purpose kerosene (DPK), automotive gas oil (AGO), low pour fuel oil (LPFO), and high pour fuel oil are all produced at the plant using bonny light crude oil (HPFO).

With an estimated capacity of 100,000 barrels per stream day when it was built in 1978, the Warri refinery was reworked to ensure 125,000 barrels per stream day in 1987. The Warri Refining and Petrochemicals Company (WRPC) Limited, a NNPC subsidiary, runs the refinery, which is situated at Ekpan, Warri, Delta State. The refinery was built as a sophisticated conversion facility that could transform crude oils from Escravos and Ughelli into liquefied petroleum gas (LPG), premium motor spirit (PMS), dual purpose kerosene (DPK), automotive gas oil (AGO), and fuel oil. A series of petrochemical plants owned by WRPC generates decant oil from the Fluid Catalytic Cracking unit, Polyproylene, and carbon black from feedstock that is high in propylene (FCCU).

The Kaduna refinery, which is situated in Kaduna, Kaduna State, has an estimated refining capacity of 110,000 barrels per day. The facility, which has a complicated conversion design, is administered by Kaduna Refining and Petrochemicals (KRPC) Limited, also a division of the Nigerian National Petroleum Corporation (NNPC). The Kaduna Refinery has a fuels plant that was put into operation in 1983 and a 30,000 MT per year petrochemical plant that was built in 1988. The refinery includes two distillation units that produce fuel from Escravos and Ughelli crude oils as well as lubricant base oil, asphalt, and waxes from imported heavy crude oil. Liquefied petroleum gas (LPG), Premium Motor Spirit (PMS), Household Kerosene (HHK), Aviation Turbine Kerosene (ATK), Automotive Gas Oil (AGO), and Fuel Oil are among the products purchased from Kaduna Refinery. Linear Alkyl Benzene is produced in the petrochemical facility (LAB).

> All these government's refineries now appear to have become dilapidated and idle due to mismanagement

The 1,000 barrels per day Niger Delta Petroleum Resources (NDPR) Refinery is situated in Ogbelle, Rivers State. The facility is designed to produce diesel for internal use, and any extra is sold to the neighborhood. The Niger Delta Exploration and Production (NDEP) Company, an upstream affiliate, runs a flow station within its marginal field from which the plant receives crude oil.

As the core investor, Indorama purchased the Eleme Petrochemicals Company Limited (EPCL), formerly known as the Indorama Eleme Petrochemicals Company Limited (IEPL), from the NNPC in 2006 as part of the privatisation program. The complex, which is in Eleme, Rivers State, processes natural gas liquids (NGL) from the Nigerian Agip Oil Company (NAOC) and propylene-rich feed from the Port Harcourt Refinery to produce a variety of polyethylene and polypropylene products, has butene-1 production capacity of 22,000 tonnes per annum (TPA), polyethylene production capacity of 270,000 TPA, and polypropylene production capacity of 80,000 TPA. Through careful management, IEPL restored the previously underutilised plant, stabilised petrochemical production over time, and is now poised to expand the plant complex.

All these government's refineries now appear to have become dilapidated and idle due to mismanagement.

The Nigerian refineries have faced significant challenges, including operational issues, maintenance problems, and underinvestment, leading to suboptimal performance and capacity utilisation. The maintenance of refineries is crucial to ensure their smooth functioning and prevention of operational disruptions. Revamping the local refineries in Nigeria is critical, especially now that there is the removal of petrol subsidy. It is necessary because Nigeria is a major oil-producing country, yet it heavily relies on imported petroleum products due to the poor state of its local refineries. Revamping the refineries will increase domestic refining capacity, reducing the need for costly fuel imports and saving foreign exchange.

With functioning local refineries, the cost of refining crude oil domestically would certainly be lower than importing refined products. This can help in mitigating the impact of the subsidy removal on fuel prices, as locally refined products might be more affordable.

Revamping refineries would create jobs in the energy sector, stimulate economic activities, and contribute to economic growth through increased local production and value addition.

Enhancing the refining capacity can lead to greater diversification of Nigeria's economy, reducing its reliance on crude oil exports and promoting a more balanced economic structure.

Relying on imported fuel leaves Nigeria vulnerable to fluctuations in global oil prices and supply disruptions. By revamping the refineries, the country can enhance energy security and ensure a stable supply of petroleum products.

Upgrading the refineries requires advanced technology and expertise, which can boost technological capabilities and knowledge transfer within the country. Functioning local refineries can contribute to increased government revenue through taxes and royalties, which can be reinvested in essential sectors such as education, healthcare, and infrastructure.

However, I do acknowledge that revamping refineries requires significant investments, proper management, and a commitment to addressing previous operational challenges. It is my place that public-private partnerships, foreign investments, and strong government policies will be essential in achieving a successful refinery revitalisation plan.

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