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President Tinubu's New Year's Address Highlights Potential For The Nation's Prosperity

EDITORIAL

In his New Year's Day speech for 2024, President Bola Ahmed Tinubu presented a comprehensive and forward-thinking vision for Nigeria, casting a spotlight on key economic initiatives and policy directions that promise to shape the nation's trajectory in the coming year.

He stressed his commitment to rebuilding the economy, enhancing security, and fostering national development.

President Tinubu delved into the tough decisions made in the past months, including the removal of fuel subsidy and reforms in the foreign exchange system. He also acknowledged the resultant discomfort, but assured citizens that the measures are

CONTINUES ON PAGE 6

President Tinubu Signs N28trn 2024 Budget, Offers Blueprint For Building Resilient, Prosperous Nigeria

- To End Controversial Borrowing Practices, Others

Against the backdrop of global economic uncertainties and the nation's own challenges, and in a decisive move to steer Nigeria towards economic resurgence and social advancement, ***President Bola Ahmed Tinubu*** *has signed the much-anticipated budget for the fiscal year 2024. The budget, a testament to the administration's commitment to transformative governance, outlines a strategic roadmap for economic recovery, industrial revitalisation, and inclusive growth.As the nation eagerly scrutinises the details of the budget, it becomes clear that this fiscal plan goes beyond mere numbers; it is a comprehensive blueprint for building a resilient and prosperous Nigeria. From national defence and internal security to job creation, macro-economic stability, and human capital development, the budget mirrors the administration's holistic approach to governance.* ***Enam Obiosio*** *writes.*

President Tinubu has upheld his commitment to a timely, predictable, and efficient budget cycle by signing the 2024 Appropriation Bill into law, since it is almost at the close of the year. The signing took place at the State House upon his return to Abuja from Lagos.

During the bill signing, he assured Nigerians of the budget's efficient implementation and stringent monitoring.

He stated: "All the institutional mechanisms shall be held to account in ensuring diligent implementation."

The President directed all

President Bola Ahmed Tinubu signs the 2024 Budget.

FG, BOI Collaborate To Disburse N75bn In Loans To MSMEs In 2024

PG 3

CBN Implements Stricter Guidelines For Virtual Asset Transactions

PG 7

MOFI Aims To Boost Nigeria's Economy Through Real Estate, Oil/Gas, Others

PG 14

FG, BOI Collaborate To Disburse N75bn In Loans To MSMEs In 2024

By Ahmed Ahmed

In a strategic move to fortify the Micro, Small, and Medium Enterprises (MSMEs) sector, the Office of the Vice-President has collaborated with the Bank of Industry (BOI) to kickstart a comprehensive loan distribution initiative slated to begin in January 2024.

Mr. Temitola Adekunle-Johnson, Senior Special Assistant to the President on Job Creation and MSMEs, announced this development in a recent statement from Abuja.

This initiative aligns with President Bola Tinubu's dedicated commitment to revolutionising the MSMEs landscape across Nigeria. The plan encompasses the distribution of approximately N75 billion in loans to small-scale businesses nationwide, providing a significant boost to entrepreneurial ventures. These loans will be extended at a competitive interest rate of nine percent.

Mr. Adekunle-Johnson highlighted the joint efforts of the federal government and the BOI to utilise existing channels for efficient loan disbursement, with a specific emphasis on supporting women and youth engaged in entrepreneurial activities.

Underlining the collaborative spirit, he emphasised the administration's dedication to partnering with various stakeholders from both the public and private sectors. These collaborative endeavours have already resulted in substantial support for MSMEs, including grants and loan facilities.

Furthermore, Mr. Adekunle-Johnson shared: "Recently, the management of Access Bank Plc approved an upward review of its loan scheme for MSMEs from N30 billion to N50 billion. The upward review aims to increase the number of beneficiaries and impact more livelihoods, as stated by the bank."

This groundbreaking initiative aims to solidify the foundation of the Nigerian economy by empowering small-scale businesses, fostering economic growth, and ensuring stability across various sectors.

Mr. Olasupo Olusi, Managing Director of Bank of Industry

FG Receives $2.25bn Loan From Afrexim Bank

By Anita Dennis

In a significant development, Nigeria is set to benefit from a crucial foreign exchange support facility worth $2.25 billion from the African Import-Export Bank (Afrexim).

The long-awaited agreement was recently finalised, with the first tranche of $1.2 billion expected to be disbursed imminently, according to Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy.

Confirming the news in an interview, Mr. Edun highlighted that the funds, part of a larger $3.3 billion facility, are strategically aimed at addressing the acute foreign exchange shortage that has been a major impediment to the Nigerian economy. The remaining $1.05 billion was slated for disbursement in the first week of January 2024.

The announcement follows previous efforts by the Nigerian National Petroleum Company Limited, which secured a $3 billion emergency loan from Afrexim Bank in August to stabilise the country's volatile foreign exchange market.

Speaking on the ongoing initiatives to tackle Nigeria's economic challenges, Mr. Edun emphasised a comprehensive approach, leveraging technology to enhance tax collection and improve the foreign exchange position.

Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of Economy

The funds from Afrexim bank are anticipated to play a pivotal role in rebuilding investor confidence and enhancing credit lines, offering a potential remedy to the economic hardships endured during the past eight years.

With Afrexim bank leading the arrangement, sub-lenders such as Sahara Energy Group, UBA, and Guvnor, one of the world's largest energy trading houses, are also contributing to this crucial financial intervention.

The disbursement of these funds is seen as a significant step toward revitalising Nigeria's economy and fostering a more positive trajectory.

President Tinubu Signs N28trn 2024 Budget, Offers Blueprint For Building Resilient, Prosperous Nigeria

CONTINUED FROM PAGE ONE

ministries, departments, and agencies (MDAs) to take responsibility and provide monthly budget performance reports to the Ministry of Budget and Economic Planning.

The Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, would conduct regular reviews with the economic management team. Additionally, periodic economic coordination council meetings would be chaired by the President himself.

Highlighting his commitment to enhancing investment promotion and fostering a rule-based society, President Tinubu emphasised important reforms in the Nigerian judiciary.

The funding for these reforms is included in the 2024 Appropriation Act. He stated: "Funding the judiciary is a major element in our effort to support a just, rules-based society. Statutory transfer to the Judiciary has been increased from N165 billion to N342 billion."

Breaking down the N28.7 trillion appropriation bill for 2024: capital expenditure: N9.99 trillion (35 percent); recurrent expenditures: N8.77 trillion (30 percent); statutory transfers: N1.74 trillion (6 percent); debt service: N8.27 trillion (29 percent)

Similarly, Mr. Edun has already conveyed the federal government's intention to reduce reliance on borrowing for the implementation of the 2024 budget, emphasising a shift towards revenue generation.

Following the budget signing by President Tinubu, Mr. Edun outlined the administration's optimism regarding revenue forecasts for the year, highlighting plans to leverage technology and digitisation to consolidate government revenues from various sources.

Addressing the fiscal strategy, Mr. Edun stated: "As a percentage of gross-domestic product (GDP), the Nigerian 2024 budget deficit is down from 6.1 percent to 3.8 percent. So, we are relying less on borrowing and more on revenue, and I think you have to take the two together. I think we are very optimistic about the improvements in revenue that will take place."

He emphasised efforts to bring order to government borrowing, minimising reliance on ways and means and shifting towards funding from the market instead of money printing by the Central Bank of Nigeria (CBN).

Highlighting the administration's focus on economic growth, Mr. Edun noted the increase in capital expenditure to around N10 trillion, surpassing recurrent expenditure at about N8.8 trillion.

He remarked: "The change in this budget is that it is focused on growing the economy. The capital expenditure is larger than the recurrent expenditure; over N10 trillion is going to be the capital expenditure, while recurrent is just about N8.8 trillion. I think that shows the direction of travel; it shows that we can expect an economy rejuvenated, re-galvanised, and set for growth."

Speaking further, apart from saying in his briefing that FEC approved a $1 billion budget support loan from the African Development Bank (AfDB), Mr. Edun also said: "There was a briefing by the Fiscal Policy and Tax Reform Committee. Essentially, they have been working for roughly 90 days. They have been working very well and very effectively, such that they are in a position to have even impacted the economy by coming up with initial reforms as well as signposting the way forward in terms of very important targets.

"So, in a nutshell, the policy on VAT removal on diesel is from them; they are looking to help boost the fiscal situation of the government by increasing revenue, particularly tax revenue, through digitalisation, additional efficiency, and rationalisation of the range of taxes that we have at the moment.

President Bola Ahmed Tinubu signs the 2024 Budget.

"They are looking to increase the ratio of tax-revenue-to-GDP to 18 percent which is the average for Africa; so many countries are above that level. It is about double where we are now and within a matter of a few years, their target is to reach 18 percent.

He further disclosed that other economic measures, in the short term, are being contemplated, and the report has been well received by Mr. President and the council.He went further by giving a summary of the memos that he got approved at the meeting.

"First of all, there was inherited financing, an inherited loan processing, which had to do with the $100 million financing from the AfDB and the $15 million from the Canada-African Development Bank Climate Fund.

"Essentially, it was processed before this administration came in, so it has been inherited. Essentially, it is concessional borrowing, around 4.2 percent per annum, by Abia State, through the federal government. So, the funds are to be lent to Abia State and they are for waste management and rehabilitation of roads in Umuahia and Aba, in particular. That was approved," he said.

Mr. Edun continued: "Secondly, there was the financing of $1 billion, concessional financing, 25 years, eight years moratorium at about 4.2 percent per annum, which was approved by the AfDB for this administration.

"And really, it was in recognition of the macroeconomic measures that have been taken—the swift movement towards macro stability, restoring revenue, improving the foreign exchange situation, and so forth—by this government. The reward, as far as the AfDB, a concessional financing organisation, was concerned, was to provide $1 billion in general budget support.

"Finally, to keep working hard and maximise the ability of the government to use the markets and to take advantage of different situations and improve situations, the FEC approved a total limit of N2 trillion to be available for use by the Ministry of Finance to go in and out of the market and essentially to, where possible, bring down the rate of interest on the current outstanding.

"So essentially, it will be refinancing, and the view is that there will be an opportunity to save about N50 billion or more in debt servicing over time by giving back expensive debt refinancing with cheaper funding."

The 2024 budget carries a deficit of N9.18 trillion, a reduction from the N13.78 trillion in the 2023 budget, marking a significant drop of N4.60 trillion.

President Tinubu has outlined plans to finance the deficit through new borrowings of N7.8 trillion and over N298.4 billion from the privatisation of government assets.

Furthermore, the President has sought Senate's approval for a $8.69 billion and €100 million loan as part of the external borrowing plan for 2024.

The federal government has articulated plans to enhance government's revenue through tax measures, targeting an 18 percent tax-to-GDP ratio in the next three years.

Additionally, Mr. Atiku Bagudu, Honourable Minister of Budget and Economic Planning, has outlined the key priorities of the 2024 budget, emphasising a focus on human capital development, education, health, infrastructure, innovation, and science.

Recall he, at the end of the Federal Executive Council (FEC) meeting presided over by PresidentTinubu at the Council Chamber, Presidential Villa, Abuja,asserted that the prevailing economic realities compelled the federal government to raise the 2024 budgetary proposal from the initial N26 trillion to N27.5 trillion.

According to him then: "This has an aggregate of 27 trillion, N500 billion, which is an increase of over N1.5 trillion from the previous estimate using the old reference prices."

Mr. Bagudu disclosed that the forecast revenue for 2024 is N18.2 trillion, explaining that it is higher than the 2023 revenue.

He said: "The FEC considered the 2024 Appropriation Bill. The MTEF was earlier approved by the National Assembly. It has an exchange rate of N700 to a dollar and a crude oil benchmark of $73.

"To improve revenue, the council further reviewed the MTEF, with an exchange rate of N750 to a dollar and a crude oil benchmark of $77. This will significantly improve revenue."

Senate President Godswill Akpabio commended the National Assembly's swift handling of the budget, noting a slight increase from N27 trillion to N28 trillion to address human capital development and security concerns.

Sen. Akpabio expressed the sacrifice for national development in returning to a January-December budget cycle, commending President Tinubu for promptly signing the budget on the first day of the new year.

He assured rigorous oversight by the National Assembly (NASS) during the budget implementation, highlighting collaborative efforts in the budget defence process and joint monitoring going forward.

Sen. Akpabio stated: "Ours is to ensure we monitor what goes on to ensure the budget is fully implemented."

Meanwhile, Speaker of the House of Representatives, Sen. Tajudeen Abbas, commended the new budget for ending controversial borrowing practices that plagued past administrations, bringing an effective conclusion to ways and means of borrowing money.

The speaker highlighted President Tinubu's signing of a 90-day extension for the 2023 supplementary appropriations bill, allowing concurrent operation with the new 2024 budget until March 31st.

In addition to passing the budget, the Senate approved President Tinubu's request to borrow $7.8 billion and €100 million as part of the 2022-2024 borrowing plan. This approval also included the securitisation of the outstanding debit balance of N7.3 trillion in the federal government's Consolidated Revenue Fund (CRF), aiming to enhance the government's financial position and achieve its development goals.

The budget bill, presented by Mr. Solomon Adeola, the chairman of the Senate Committee on Appropriation, was unanimously approved by lawmakers at a special plenary session.

The bill outlined a total expenditure of N28,777,404,073,861, with statutory transfers of N1,742,786,788,150, recurrent expenditure of N8,768,513,380,852, and capital expenditure of N9,995,143,298,028.

> **Highlighting the administration's focus on economic growth, Mr. Edun noted the increase in capital expenditure to around N10 trillion, surpassing recurrent expenditure at about N8.8 trillion**

EDITORIAL

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CONTINUES FROM COVER

essential for long-term economic stability.

He discussed ongoing power projects, emphasizing the critical role of steady electricity supply in economic transformation. Plans for refinery development and agricultural initiatives underscore the administration's commitment to energy independence and food security.

The President addressed the economic challenges faced by Nigerians, assuring them of a brighter future. He pledged to implement a new national living wage in 2024, reflecting both economic wisdom and moral correctness.

President Tinubu outlined the eight priority areas of his administration, emphasizing the importance of job creation, macro-economic stability, and social security. He called for unity among Nigerians, irrespective of differences, to collectively work towards a prosperous and equitable nation.

In all, he demonstrated unwavering commitment to fiscal responsibility by decisively making a move aimed at addressing the nation's fiscal challenges. This bold step, while causing short-term discomfort, has set the stage for a more sustainable and resilient economic future.

For us, the President's address underscored a commitment to creating a fairer economic environment by reforming the foreign exchange system. This move not only enhances transparency but also signals a welcoming atmosphere for foreign investors, aligning Nigeria with global best practices in economic governance.

Acknowledging the critical role of electricity in national development, President Tinubu's emphasis on accelerating power projects, especially the Siemens Energy initiative, instils hope for a future where Nigerians can rely on a consistent and robust power supply. This has the potential to unlock new opportunities for industries and attract much-needed investments.

The President's commitment to restarting local refining of petroleum products and expanding agricultural activities speaks to the broader goal of reducing import dependency. This strategic move not only bolsters economic resilience but also positions Nigeria for self-sufficiency in key sectors, fostering industrial growth and food security.

In a significant move toward social justice, he made reference to the implementation of a new national living wage. This is not merely an economic decision but a profound commitment to elevating the standard of living for hardworking Nigerians, ensuring that economic progress is inclusive and reaches every corner of society.

Of course, simplifying fiscal and tax policies demonstrates a keen understanding of the needs of the business community. President Tinubu's assurance that Nigeria is ready and open for business sends a strong signal to both local and foreign investors, fostering an environment conducive to economic growth and job creation.

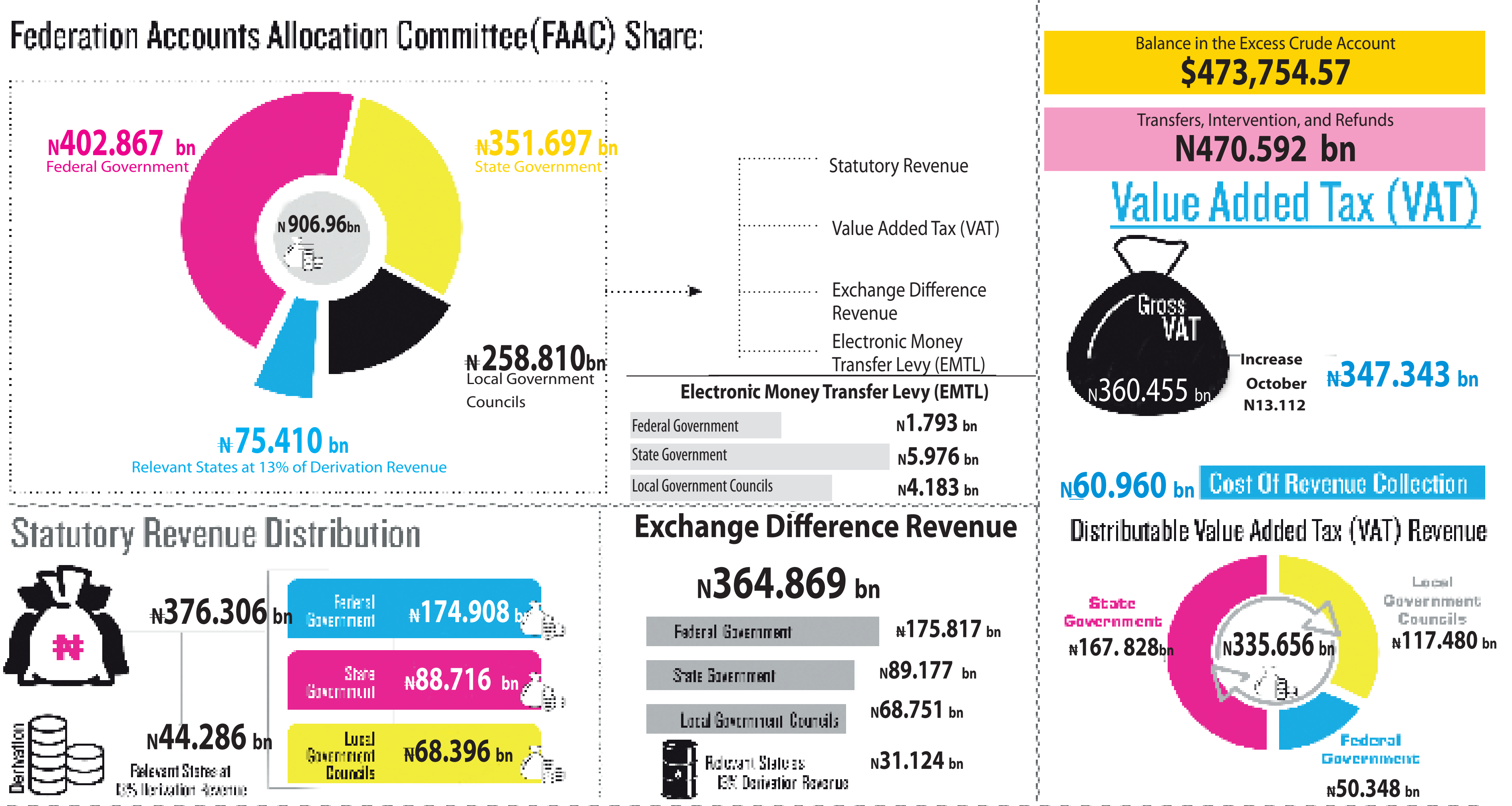
His pledge to cultivate vast expanses of farmland is a strategic move to enhance food production and reduce dependence on imports. This not only contributes to national food security but also holds the potential to transform the agricultural sector into a powerhouse for economic growth.

President Tinubu's call for unity, extending a hand of cooperation even to political opponents, reflects a statesmanlike approach. In a post-election era, the emphasis on collective effort for the peace, progress, and stability of the nation transcends political divides, underlining the need for a united front in achieving national goals.

As Nigeria steps into 2024, President Tinubu's New Year's Day speech paints a portrait of a nation on the brink of transformative change. It is a call to action, a roadmap for progress, and a testament to the resilience and collective strength of the Nigerian people.

We strongly believe that the outlined initiatives, if executed with diligence and inclusivity, have the potential to usher in a new era of prosperity for the nation.

FAAC Shares N1.088 trillion November 2023 Revenue To FG, States And LGCs



In November 2023, Companies Income Tax (CIT), Excise Duty, Petroleum Profit Tax (PPT), Oil and Gas Royalties and Value Added VAT increased considerably, while transfer levies, import duty and money transfer recorded decreases.

CBN Implements Stricter Guidelines For Virtual Asset Transactions

Records 67% Surge In Non-oil Revenue, Reaching N4trn

Reports 200% Outpouring In eNaira Circulation Amid Plans For New Digital Currency By Banks, Fintech

By Edmond Martins

The Central Bank of Nigeria (CBN) has introduced new guidelines impacting the operations of bank accounts related to virtual and digital assets transactions.

According to the guidelines, cash withdrawals from accounts opened for virtual and digital assets transactions are no longer allowed. Withdrawals can only be made through transfer or via a manager's cheque.

The CBN disclosed these changes in a document titled 'Guidelines on Operations of Bank Accounts for Virtual Assets Service Providers.' The guidelines specify that accounts opened under this framework are solely for transactions involving virtual/digital assets and not for any other purpose.

In a December 2023 circular, the CBN had signalled a shift in its stance on crypto assets, moving towards a more regulatory approach rather than outright restriction.

The new guidelines are intended to provide a framework for reintegrating crypto assets into the formal banking sector.

The CBN emphasised that the guidelines apply to banks and other financial institutions under its regulatory purview. The objectives of the guidelines include setting minimum standards for banking relationships and account opening for Virtual Assets Service Providers in Nigeria.

Financial institutions are now permitted to undertake various activities related to virtual assets, such as opening designated accounts, providing designated settlement accounts and services, acting as channels for foreign exchange flows and trade, and other activities approved by the CBN.

To open accounts for virtual asset providers, financial institutions must adhere to the guidelines, and the designated account requires approval from senior management. The guidelines also outline additional requirements to safeguard the financial system and customers from uncertainties and fraud risks.

The CBN warned that failure to comply with the guidelines could result in sanctions, including the prohibition from opening further designated accounts, monetary penalties, and even suspension of the operating license of a financial institution.

Mr. Yemi Cardoso, CBN Governor

> The new guidelines are intended to provide a framework for reintegrating crypto assets into the formal banking sector

The CBN is evidently emphasising the importance of strict adherence to these guidelines to ensure the stability and integrity of the financial system amidst the growing involvement of virtual and digital assets.

Also, in a significant economic stride, the CBN's third-quarter report reveals a remarkable 67 percent growth in the federal government's non-oil revenue, amounting to approximately N4 trillion quarter-on-quarter.

The report also discloses a 50.1 percent increase in the federal government's collected revenue during the third quarter of 2023.

The CBN's Q3'23 economic report highlights that the total revenue surged to N4.79 trillion in the mentioned quarter due to higher non-oil receipts, although it fell short of the budget benchmark by 9.5 percent.

The report states: "At N4,791.39 billion, Federation Account receipt exceeded the level in Q2 2023 by 50.1 percent but was below the benchmark by 9.5 percent."

Non-oil revenue continues to dominate the federation's revenue, accounting for 83.0 percent while oil revenue constitutes the remaining 17.0 percent. The increase in revenue is attributed to various factors, with oil revenue rising by 0.6 percent to N814.23 billion. However, it remains 66.2 percent below the target of N2,410.89 billion. On the other hand, non-oil revenue experiences a substantial 66.9 percent increase to N3,977.16 billion, surpassing the target by 38.0 percent. This surge is credited to improved economic activities, seasonality in tax returns, especially Corporate Income Tax (CIT), and enhanced efficiency in tax administration.

The removal of fuel subsidy and the unification of foreign exchange policies, as confirmed by the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, during the Federal Account Allocation Committee retreat in November 2023, played a pivotal role in boosting monthly Federation Revenue to an average of N1 trillion in the last four months.

The minister stated: "The removal of fuel subsidy raised monthly Federation Revenue to an average of N1 trillion in the last four months."

This substantial growth in revenue reflects the government's efforts to bolster non-oil sectors and diversify revenue sources, contributing to economic stability and development.

Despite the Nigerian National Petroleum Corporation Limited's (NNPCL) significant financial gains from the removal of fuel subsidies, the World Bank has accused the organisation of lacking transparency in disclosing these gains and remittances to the federation account. The move to eliminate fuel subsidies, while boosting revenue, has faced scrutiny for its transparency and accountability.

In a parallel development, the CBN revealed a substantial surge in the volume of eNaira in circulation, marking a 284.6 percent increase to N9.78 billion.

However, the CBN's economic report for August 2023 emphasised that the eNaira's ratio to Currency in Circulation (CIC) remains relatively insignificant, standing at 0.37 percent, with notes and coins continuing to dominate at 99.63 percent. The report further disclosed a 14.0 percent decline in the volume of notes and coins, amounting to N2.65 trillion by the end of August 2023.

In contrast to the CBN's efforts to promote the eNaira, the International Monetary Fund (IMF) reported slow and low adoption of the digital currency by households and merchants. The IMF's report titled 'Nigeria's eNaira, One Year After' highlighted a gradual increase in retail wallet downloads, reaching approximately 860,000 by end-November 2021, equivalent to 0.8 percent of Nigeria's active bank accounts. The merchant wallet downloads stood at about 100,000 by end-June, representing roughly one eleventh of merchants with Point-of-Sales (POS) terminals.

Amidst the evolving digital landscape, Nigerian banks and fintech companies are collaboratively venturing into the development of a new stablecoin named cNGN. This cryptocurrency, backed by the Nigerian currency, aims to provide benefits to token holders and further diversify the financial landscape in Nigeria.

FIRS Collaborates With MATAN For VAT Direct Initiative

By Ahmed Ahmed

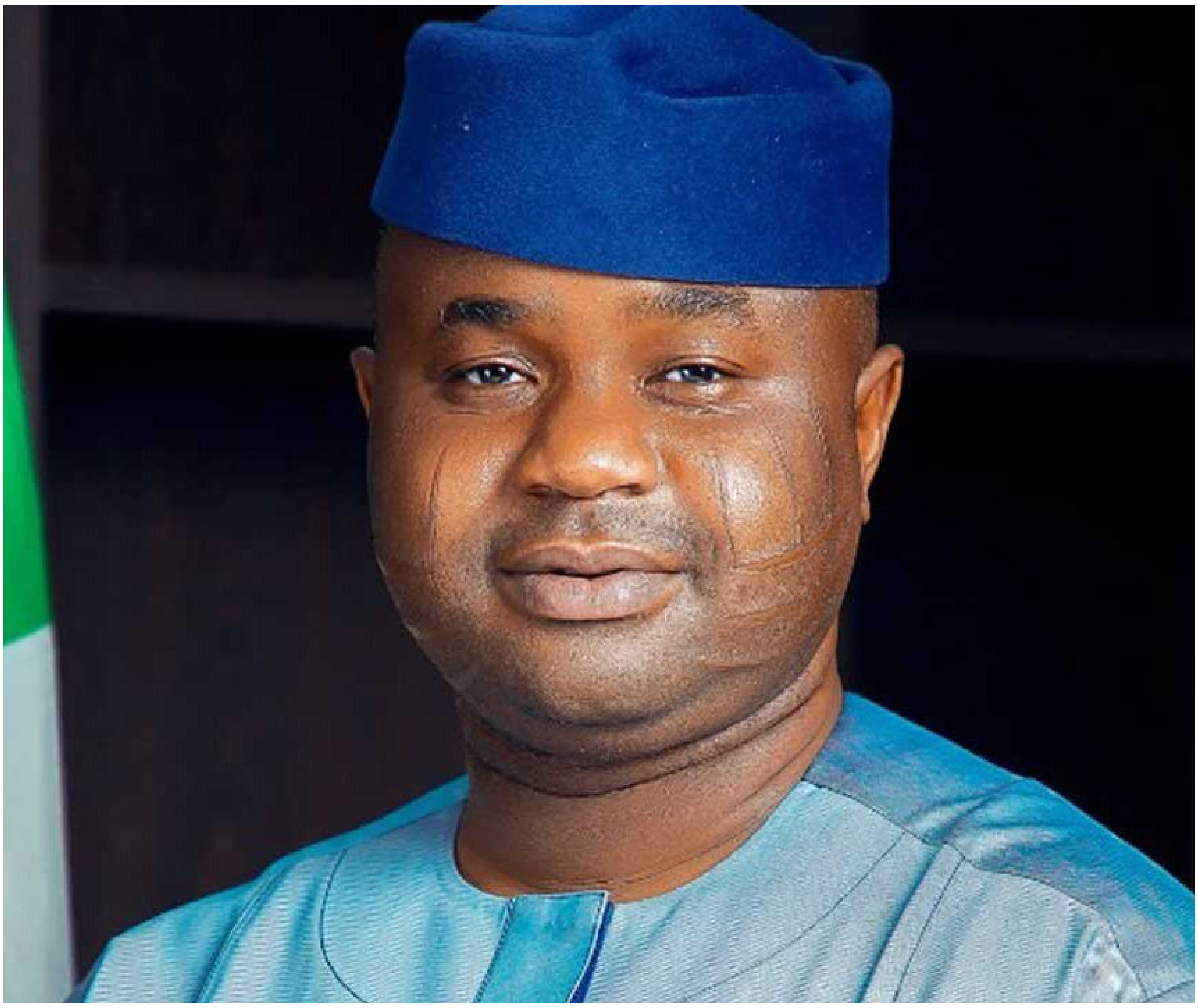
The Federal Inland Revenue Service (FIRS) has entered into a partnership with the Market Traders Association of Nigeria (MATAN), aiming to streamline the collection and remittance of Value Added Tax (VAT) from traders across the country.

Termed the VAT direct initiative (VDI), this collaboration seeks to enhance the government's tax base, particularly focusing on the informal sector.

With over 40 million traders under its umbrella, MATAN, the largest market trader's association in Nigeria, will play a pivotal role in the digital enumeration of its members, providing them with digital identities and tracking their turnover.

The FIRS aims to utilise this initiative to combat multiple taxations in marketplaces by working with security agencies to curb illegal tax collection activities by touts and self-imposed tax collectors.

During the commencement of the traders' enumeration exercise in Abuja, Mr. Adebayo Adefeogbe, a director in the FIRS, emphasised that this initiative would offer the government coordinated access to nearly 70 percent of untaxed revenue in the informal sector. The collection of VAT from over 40 million traders is anticipated to contribute to providing basic amenities in marketplaces throughout the country.



Mr. Zacch Adedeji, FIRS Chairman

Mr. Moses Ige, MATAN National Coordinator of Incentives, urged market leaders to sensitise their members about the benefits of the VAT direct initiative (VDI). These benefits include health insurance, micro-pension, general insurance cover, low-interest and non-collateralised business loans and grants, provision of social amenities in marketplaces, and free legal services.

Mr. Ige highlighted that registered traders would have access to services like health insurance, insurance coverage for losses due to disasters, micro-pension schemes, and the opportunity to secure loans.

The VAT direct initiative is anticipated to provide the government with increased revenue for executing capital projects in markets nationwide. Additionally, MATAN is collaborating with the Bank of Industry (BOI) to ensure small business owners have access to loans.

FG Orders 50% Automatic Deduction From Agencies' IGR To Boost Revenue Efforts

By Majeed Salaam

In a decisive move aimed at curbing financial leakages and bolstering revenue, the federal government has instructed the immediate implementation of a 50 percent automatic deduction from the internally generated revenue (IGR) of Federal Government Owned Enterprises (FGOEs).

The directive, conveyed in a circular dated December 28, 2023, and issued by the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, underscores the government's commitment to improving fiscal discipline and accountability.

According to the circular titled 'Implementation of the Presidential Directives on 50 percent Automatic Deduction from Internally Generated Revenue of Federal Government Owned Enterprises (FGOEs),' all federal government agencies and parastatals are expected to comply promptly with the guidelines outlined for the collection, utilisation, and remittance of IGR.

The circular delineates that fully funded ministries, departments, and agencies (MDAs) should remit 100 percent of their IGR to the Sub-Recurrent Account, a sub-component of the Consolidated Revenue Fund (CRF).

On the other hand, partially-funded agencies, receiving either capital or overhead allocations, are directed to remit 50 percent of their gross IGR, with all statutory revenues remitted in full to the sub-recurrent account.

The Office of the Accountant General of the Federation (OAGF) is tasked with opening new Treasury Single Account (TSA) sub-accounts for federal agencies and parastatals listed in the Fiscal Responsibility Act, 2007.

The circular further highlights that these new accounts will receive inflows based on the 50 percent auto-deduction policy, aligning with the Finance Act, 2020, and Finance Circular, 2021.

To ensure the effective implementation of the presidential directives, the OAGF will oversee and review the monthly accounts of agencies, blocking access to existing revenue collecting accounts. The circular emphasises that the revenue collection TSA Sub-Accounts will be under the full control of the Minister of Finance and Coordinating Minister of the Economy and the Accountant-General of the Federation.

The circular also stipulates that those agencies, funded through approved cost-of-collection, must submit their annual revenue and expenditure budgets for review. Any unapproved expenditure or surplus of revenue over expenditure will be subject to the rules governing the computation of Operating Surplus.

In a bid to enhance transparency and accountability, agencies are required to submit detailed monthly trial balances, and accounting officers are urged to circulate and ensure strict compliance.

The minister added three more agencies to the revised list of agencies covered by the Fiscal Responsibility Act 2007, bringing the total to 68 from the earlier count of 65. This move signifies a continued effort to streamline and regulate the financial operations of government-owned entities.

Amperion Power Initiates N14.57bn Geregu Shares Cross-Deals

By Jennete Ugo Anya

Amperion Power Distribution Company Limited, holding a majority stake in Geregu Power Plc, conducted three cross-deals trading 40 million units of the power company's shares, with an estimated value of N14.57 billion.

Notices filed with the Nigerian Exchange (NGX) Limited disclosed that these transactions unfolded during trading sessions on December 21, 22, and December 27, 2023, in Lagos.

In the first transaction on December 21, five million shares were traded at N360.30 per unit. The subsequent deal on December 22 involved 18.22 million units at N360.20 per unit, and the final transaction on December 27 saw the exchange of 16.77 million units of Geregu shares at N370 per unit.

Despite the recent cross-deals occurring at a lower price than the current market value of N399, the equity's strong performance reflects a market capitalisation of N997.500 billion, poised to reach N1 trillion valuation in the upcoming weeks.

Geregu Power Plc, leading in traded value at N6.06 billion during the first post-Christmas trading session, continues to be a pivotal player in the energy sector.

These transactions follow Amperion Power Distribution Company Limited's earlier stock sale of one million units at N399 per unit, amounting to N399 million. The undisclosed parties involved in these cross-deals mirror previous transactions on October 31, 2023, involving 4.8 million units traded at N395 per unit.

Looking ahead, Geregu Power Plc projects a robust performance in the first quarter of 2024, anticipating a declared profit of N5.56 billion. Additionally, the company foresees an operating cash flow before working capital changes settling at N9.79 billion in Q1-2024.

Amperion Power, a subsidiary of Forte Oil, owned by billionaire businessman Mr. Femi Otedola, acquired Geregu in 2013, making history as the first power company listed on the NGX in 2022.

Nigeria'sPension Fund Assets Surge To N17.658trn By October 2023

By Jennete Ugo Anya

Mrs Aisha Dahir Umar, Director General of Pencom

As of October 31, 2023, data from the National Pension Commission (PenCom) unveils a noteworthy upswing in Nigeria's pension fund assets, reaching a robust N17.658 trillion.

This marks a substantial 1.78 percent increase compared to the N17.349 trillion recorded as net asset value in September 2023, as indicated in PenCom's monthly report.

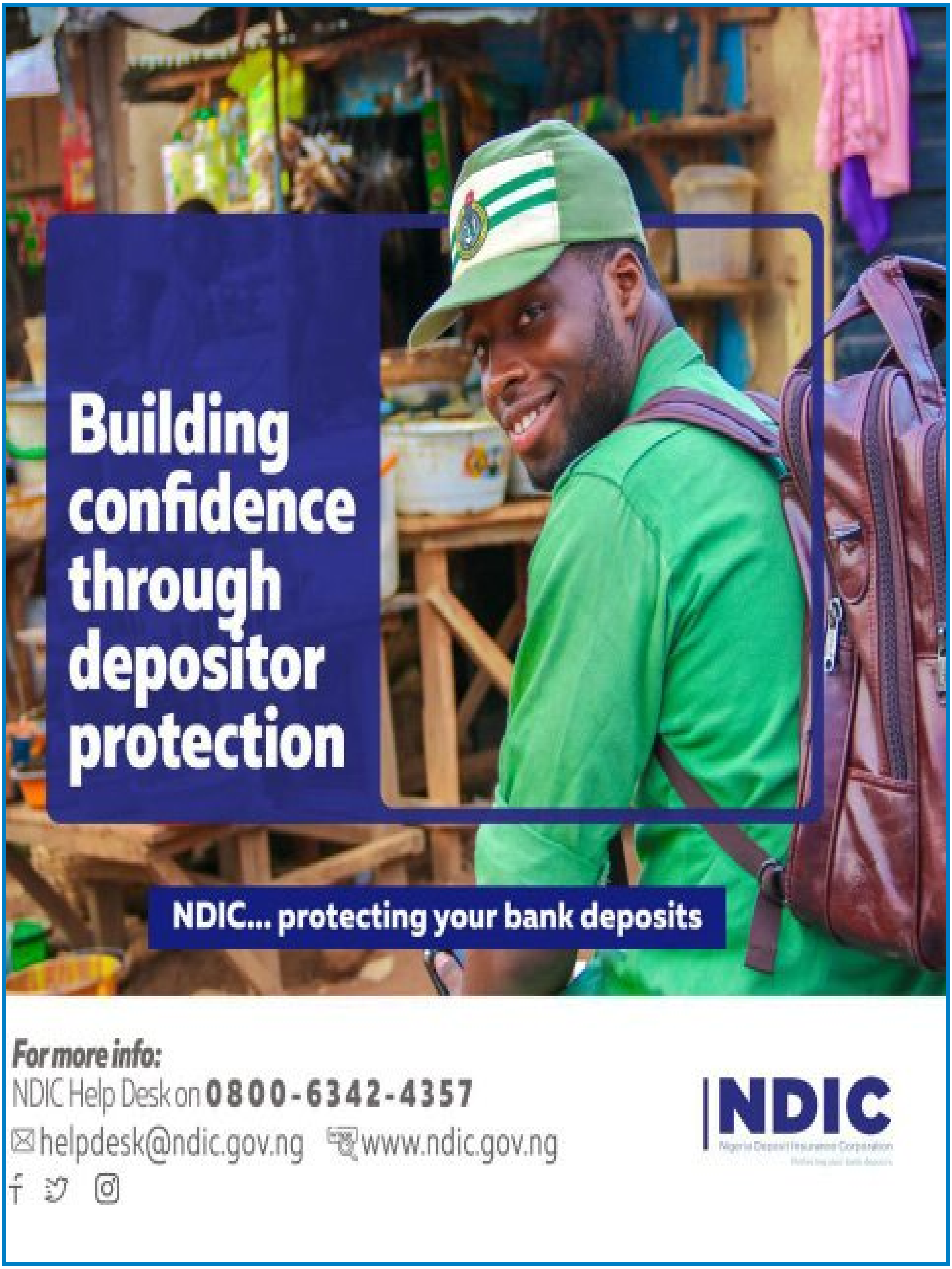
The report discloses that the total pension fund net asset value witnessed an upward trajectory from N17.349 trillion in September to N17.658 trillion in June.

Further analysis reveals a predominant allocation in FGN securities, commanding approximately N11.419 trillion or 64.67 percent of the total net asset value (NAV). In addition, Pension Funds directed N1.881 trillion to corporate debt securities and N1.688 trillion to money market instruments.

Investments in ordinary shares of local companies experienced a 3.17 percent increase, rising to N1.430 trillion from N1.386 trillion in September. Fund II, identified as the default Retirement Savings Account (RSA) fund in the multi-fund structure, retained the largest share of the Active RSA Funds allocation, securing N7.581 trillion or 43 percent of the total fund NAV. Following closely, Fund III exhibited a 1.62 percent rise, climbing from N4.754 trillion to N4.831 trillion, maintaining its second position for fund allocation.

Meanwhile, RSA membership for October 2023 showed a 1.15 percent increase, reaching 10,140,929 members compared to 10,025,314 members in July 2023.

Optically, the surge in pension fund net asset values from N14.9 trillion in December 2022 to N17.7 trillion, a substantial N2.8 trillion increment, showcases an impressive 18.79 percent growth. This surge is likely attributed to heightened pension fund contributions coupled with the appreciating values of investment portfolios. For instance, FGN Securities experienced a rise in net asset values from N9.64 trillion in 2022 to N11.19 trillion as of October 2023.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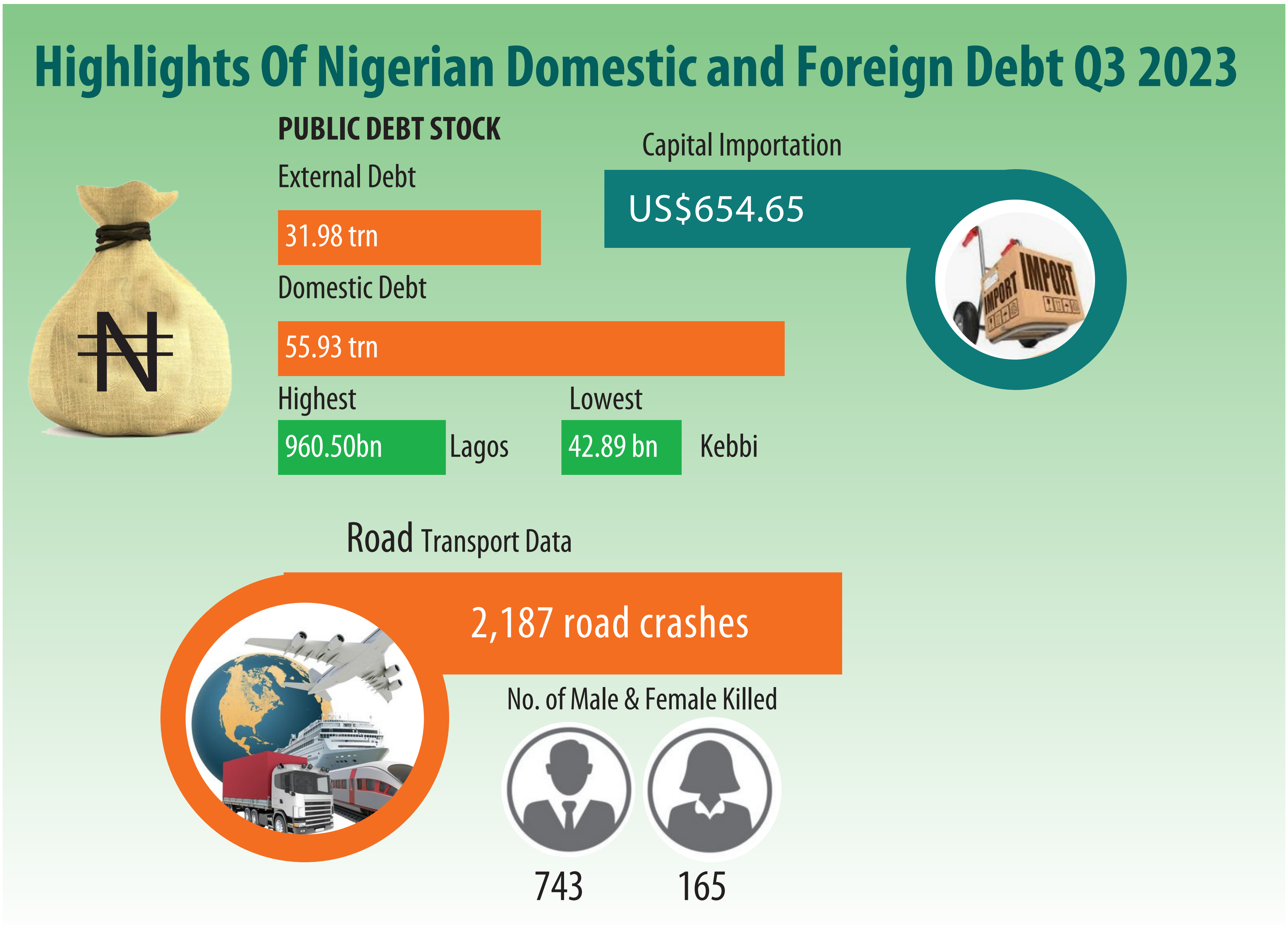
Nigerian Domestic and Foreign Debt Q3 2023



By Kingsley Benson

Public debt stock which includes external and domestic debt stood at N87.91 trillion (US$114.35 billion) in Q3 2023 from N87.38 trillion (US$ 113.42 billion) in Q2 2023, indicating a growth rate of 0.61%on a quarter-on-quarter basis.

Total external debt stood at N31.98 trillion (US$41.59 billion) in Q3 2023, while total domestic debt was N55.93 trillion (US$72.76 billion).

The share of external debt (in naira value) to total public debt was 36.38%in Q3 2023, while the share of domestic debt (in naira value) to total public debt was 63.62%.

Lagos state recorded the highest domestic debt in Q3 2023 with N960.50 billion, followed by Delta with N371.49 billion.

Jigawa state recorded the lowest domestic debt with N42.89 billion, followed by Kebbi with N60.88 billion.

Nigeria Capital Importation Q3 2023

• In Q3 2023, total capital importation into Nigeria stood at US$654.65 million, lower than US$1,159.67 million recorded in Q3 2022, indicating a decline of 43.55%. In comparison to the preceding quarter, capital importation fell by 36.45% from US$1,030.21 million in Q2 2023.

• Other Investment ranked top accounting for 77.56% (US$507.77 million) of total capital importation in Q3 2023, followed by Portfolio Investment with 13.31% (US$87.11 million) and Foreign Direct Investment (FDI) with 9.13% (US$59.77 million).

• The production/manufacturing sector recorded the highest inflow with US$279.51 million, representing 42.70% of total capital imported in Q3 2023, followed by the financing sector, valued at US$127.93 million (19.54%), and Shares with US$85.49 million (13.06%).

• Capital Importation during the reference period originated largely from the Netherlands with US$175.62 million, and recorded 26.83% share. This was followed by Singapore with US$79.15 million (12.09%) and the United States with US$67.04 million (10.24%).

• Lagos state remained the top destination in Q3 2023 with US$308.83 million, accounting for 47.18% of total capital importation, followed by Abuja (FCT) with US$194.66 million (29.73%) and Abia state with US$150.09 million (22.93%).

• Stanbic IBTC Bank Plc received the highest capital importation into Nigeria in Q3 2023 with US$222.84 million (34.04%), followed by Citibank Nigeria Limited with US$190.03 million (29.03%) and Zenith Bank Plc with US$83.04 (12.68%).

Commodity Price Indices and Terms of Trade (Q3 2023)

Between July and September 2023 (Jan 2018=100):

The All-Commodity Group Import Index for Q3, 2023 on average increased by 0.21 per cent points. The increase can be attributed to the changes in import prices mainly in the price of "Textiles and textile articles", "Mineral products" "Wood and articles of wood, wood charcoal and articles", and " Paper making material; paper and paperboard, articles".

The All-Commodity Group Export Price Index increased on the average by 0.18 per cent points in Q3, 2023. The increase was majorly attributed to changes in the prices of "Boilers, machinery and appliances; parts thereof", "Vehicles, aircraft and parts thereof; vessels etc." "Mineral Products", and "Plastic, rubber and articles thereof".

The All Products Terms of Trade (TOT) Index on average decreased by 0.03 per cent points.

The All-Region Group Export Index increased by 0.18 per cent points mainly due to positive changes in the prices of exports to all economic regions.

The All-Region Group Import Index increased by 0.21 per cent points due to increases in import prices.

The All-Region Terms of Trade on average decreased by 0.03 per cent points.

The major export destinations of Nigeria in Q3, 2023 were Spain, India, The Netherlands, Indonesia, and France.

Road Transport Data Q3 2023

The total number of road traffic crashes in Q3 2023 was 2,187, indicating a decrease of 26.29% from the previous quarter (Q2) which recorded 2,967 and 35.90% decrease from 3,412 in Q3 2022.

• Of all crashes, serious cases stood top in Q3 2023 with 1,419 compared to fatal and minor cases with 532 and 236 respectively. In addition, the three categories of cases recorded a decline, fatal declined by 29.63%, serious declined by 26.06% and minor cases declined by 19.18% in the quarter under review relative to the preceding quarter.

• A total of 743 males were killed in Q3 2023, accounting for 81.83% of 908 persons killed, compared to 165 (18.17%) females killed.

• Also, a total of 4,625 males were injured during the period, indicating 76.56% of 6,041 injured persons compared to 1,416 (23.44%) females injured.

• A total of 3,371 vehicles were involved in road traffic crashes in Q3 2023, lower compared to the previous quarter which recorded 4,615, indicating a decrease of 26.96%.

• The North-Central recorded the highest number of crashes in Q3 2023 with 880, followed by the South-West with 600, while the South-South had the least with 107.

• Similarly, the North-Central recorded the highest number of casualties with 2,548, followed by the South -West with 1,802, while the South-South recorded the least with 281.

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NOTICE TO STAKEHOLDERS OF BANKS (IN-LIQUIDATION)

The Nigeria Deposit Insurance Corporation (NDIC), the Official Liquidator of deposit-taking banks licensed by the Central Bank of Nigeria is in the process of verifying and paying liquidation dividends to the specified stakeholders of the following defunct banks.

S/N	BANK	STAKEHOLDERS	DECLARATION STATUS
1	Liberty Bank	Depositor	1st Liquidation Dividend
2	Amicable Bank	Depositors	Final call for depositors.
3	City Express Bank	Depositors	3rd Liquidation Dividend
4	Assurance Bank	Depositors	2nd Liquidation Dividend
5	Century Bank	Depositors	2nd Liquidation Dividend
6	Fortune Bank	Depositors and Ex-Staff	2nd Liquidation Dividend
7	Allstates Trust Bank	Depositors and Ex-Staff	5th Liquidation Dividend
8	Prime Merchant Bank	Depositors and Ex-Staff	2nd Liquidation Dividend for depositors.
9	Allied Bank	Depositors/ MDAs	6th Liquidation Dividend
10	North South Bank	Depositors/ MDAs	Final Call for Depositors
11	Financial Merchant Bank	Creditors	1st Liquidation Dividend for Creditors
12	Icon Merchant Bank	Creditors	1st Liquidation Dividend for Creditors
13	Progress Bank Creditors	1st Liquidation	Dividend for Creditors
14	Commercial Trust Bank	Depositors	Final Call for Depositors
15	Merchant Bank of Africa (MBA)	Creditors	Final Call/Final Liquidation Dividends for Creditors
16	Premier Commercial Bank	Creditors & Shareholders	Final Call/Final Liquidation Dividends for Creditors
17	Co-Operative & Commerce Bank	Shareholders	2nd Liquidation Dividend for shareholders
18	Rims Merchant Bank	Shareholders 2nd Liquidation	Dividend for shareholders.
19	Nigeria Merchant Bank	Shareholders	2nd Liquidation Dividend for shareholders
20	Pan African Bank	Shareholders	Dividend for Shareholders.

Eligible stakeholders are, by this notice, advised to either contact NDIC officials in any of the underlisted NDIC Offices or visit NDIC website on www.ndic.gov.ng to download the verification forms that apply to each category of claimants.
Kindly note that duly completed verification forms may be returned to any of the underlisted offices or via our email address: claimscomplaints@ndic.gov.ng.

S/N	OFFICE	ADDRESS	TELEPHONE NO.
1	Lagos Office	23 A, MARINA, LAGOS. P.M.B. 12881, LAGOS	07080517483, 09063903615 08038112996, 08067298386
2	Enugu	No. 10, Our Lord's Street, Independence Layout, Enugu	08065996819
3	Benin	28A/28B, Benoni Hospital Road, Off Airport Road, GRA, Benin City, Edo State	08023124220
4	Kano	Plot 458, Muhammad Muhammad Avenue, Off Maiduguri Road, Hotoro, GRA, Kano	08133151192
5	Ilorin	No. 23B, Ahmadu Bello Way, GRA, Ilorin.	08023073975
6	Bauchi	Plot No. 3, Bank Road, P.M.B. 0207, Bauchi	09127343434
7	Sokoto	No. 2, Gusau Road, Opp. NNPC Mega Station, Sokoto.	08033142546. 09077367736 08033468446
8	Yola	No. 6, Numan Road, P.M.B. 2227, Jimeta, Yola, Adamawa State.	08067910599 08067923383, 09-4601515, 09-4601516
9	Port Harcourt	No. 104, Woji Road, Off Olu Obasanjo Road, GRA, Port Harcourt, Rivers State.	08054663230
10	Head Office Abuja	Head, Bank Examination Unit (BEU), NDIC, Abuja, Plot 447/448, Constitution Avenue, Central Business District, Garki, Abuja	09-4601260, 09-4601261
11	Owerri	No. 56, Area A, World bank Area, New Owerri Landmark, Behind Immaculate Hotel, opp. Fidelity Bank. Owerri, Imo State.	09135137677
12	Abeokuta	No. 1, Oshele Road, Ibara GRA, Abeokuta, Ogun State.	08033137255

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Customs Aims High With N5.1trn Revenue Target, Emphasises Merit In Promotions

• Unveils Ambitious Plan For Extensive Scanner Installations At Seaports

By Kingsley Benson

The Nigeria Customs Service (NCS) Comptroller-General, Mr. Adewale Adeniyi, has affirmed the unwavering commitment of service officers to tirelessly work towards achieving the formidable N5.1 trillion revenue target set by the federal government for 2024.

Speaking at the decoration ceremony for newly promoted officers in Abuja recently, Mr. Adeniyi expressed optimism for meeting the high expectations in revenue and trade facilitation set for the NCS in the coming year.

With last year's remittance of N3.2 trillion into the federation account, the Customs boss believes that the ongoing promotion exercise will serve as a catalyst for officers to collaborate in reaching the ambitious 2024 revenue target.

He further highlighted the NCS's plan to enhance border security and trade facilitation at the port through the deployment of advanced technology. Stressing the merit-based nature of the promotion exercise, he underscored the determination to prioritise competence over connections in career advancements.

Meanwhile, the Kaduna State Customs Area Command reported a substantial increase in revenue, reaching N16,378,179,323.89 billion in 2023 compared to N13,432,457,630.68 in 2022.

Superintendent of Customs and Public Relations Officer, Mr. Muhammad Aminu, attributed the success to significant collections from import duties and fees, reflecting a 21.93 percent surge over the previous year.

The Area Command Comptroller, Mr. Tijjani Abe, reiterated the commitment to accessibility for importers/exporters, excise traders, Customs Clearing Agents, Terminal Operators, and other stakeholders.

Also, in a bid to enhance trade facilitation, Mr. Adeniyi announced a comprehensive initiative for the massive installation of scanners at the country's seaports.

The disclosure was made during a dinner hosted by Mr. Adeniyi for diplomats, including the British High Commissioner to Nigeria, ambassadors from the United States of America and Germany, representatives from the United Nations Office on Drugs and Crimes, and the World Bank, held at the NCS headquarters in Abuja.

Addressing the distinguished guests, Mr. Adeniyi highlighted the NCS's commitment to embracing new technological advancements, particularly in the wake of the new government.


Mr. Adewale Adeniyi, Comptroller General of Customs

He stated, "Now that we have a new government, we have a lot of explanations to make to all the stakeholders. We have a responsibility to carry out massive sensitisation on the Nigeria Customs Service Act 2023."

The Customs boss emphasised the Act's emphasis on automation processes, the implementation of a single window, the authorised economy operators' system, incorporation of advanced ruling, and an expanded use of scanners, signalling a decisive step toward modernisation.

Mr. Adeniyi also reassured the diplomats of the NCS's dedication to combating illicit wildlife trade in Nigeria. He stressed the importance of collaborative efforts among stakeholders, particularly emphasising the need for international cooperation in customs activities.

Expressing their commendation for the NCS's dedication, the diplomats pledged enhanced collaboration to tackle wildlife trafficking and associated criminal activities.

The dinner, attended by members of the Customs' management team, served as a platform for fostering collaboration and understanding between the NCS and the international community representatives.

MOFI Aims To Boost Nigeria's Economy Through Real Estate, Oil/Gas, Others

By Ahmed Ahmed

The Ministry of Finance Incorporated (MOFI) is embarking on a mission to track and optimise Nigeria's real estate, oil and gas assets, solid minerals, and other federal government assets worldwide.

Dr. Armstrong Takang, Managing Director of MOFI, announced this initiative in Abuja while inaugurating the restructured MOFI board.

Speaking at the board's inauguration, Dr. Takang revealed that MOFI aims to grow the federal government's assets under management (UAM) to N100 trillion within the next decade.

Empowered by the MOFI Act of 1959, the organisation has the responsibility to manage all federal government investments, interests, estates, easements, and rights.

The restructured board, chaired by former Minister of Finance Dr.Shamsudeen Usman, was recently inaugurated by the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun.

In an interview during the inauguration, Dr. Takang expressed optimism about achieving the N100 trillion target, considering the vast tangible and intangible assets both within and outside the country that have yet to be factored in.

He emphasised MOFI's commitment to optimising all domestic and offshore assets owned by the federal government, including real estate, oil and gas assets, and solid minerals.

Nigeria possesses valuable assets, including real estates, oil and gas assets, and other valuables in prominent global locations, some of which are currently dormant. Dr. Takang highlighted that the government's liquid and solid assets currently amount to N10 trillion. With the restructured MOFI board and the National Assets Registry in place, the agency's immediate agenda is to work on federal government corporate assets, ensuring they deliver sustainable risk-adjusted returns.

Dr. Takang emphasised the importance of measuring the capital appreciation of government-owned shares in entities, ensuring they contribute to environmental improvement and deliver positive economic outcomes.


Dr. Armstrong Takang, Managing Director of MOFI

Dr. Takang outlined MOFI's dual agenda, emphasising the goal of ensuring that government entities deliver dividends. The second objective involves identifying, enumerating, valuing, cataloguing, managing, optimising, and monetising investment assets owned by the federal government across various classes.

Speaking on MOFI's mandate, Dr. Takang stated, "Our focus is to establish precisely what we own and how much it is worth, how we can optimize it, how we can monetize it, and ensure that we are using it to support the government's program to revitalize and reposition our economy."

He elaborated on the five asset categories MOFI aims to scrutinize: Corporate Assets: Shares owned by the government in entities, either fully or partially. Real Estate Assets: A portfolio of assets in Nigeria and offshore, to be enumerated, valued, and optimized for maximum value.Oil and Gas Assets: A comprehensive evaluation of the country's substantial oil and gas holdings to enhance their utilisation.Solid Mineral Assets: Assessment and optimisation of Nigeria's abundant solid mineral resources. Infrastructure Assets: Particularly those with concessions, with a focus on improving usage, optimisation, and maximising revenue.

Dr. Takang disclosed MOFI's proposals to the capital market, highlighting the vast investment potential it holds. He emphasised the importance of engaging the private sector to mobilise private capital and leverage expertise for better investment management.

The recent visit to the capital market operators served the purpose of informing key stakeholders about MOFI's new mandate and plans. Dr. Takang expressed optimism about increased interest and quality engagement with private sector partners, anticipating potential transactions in the coming months through collaborations with capital market operators.

FG Grants 34 Companies 3-Year Tax Holidays In 2023

By Jennete Ugo Anya

In a bid to stimulate economic growth and attract investments, the federal government approved three-year tax holidays for 34 companies in 2023.

This tax incentive initiative, facilitated by the Nigerian Investment Promotion Commission (NIPC), aims to encourage industries across various sectors and foster a conducive business environment.

Mrs. Lovina Kayode, Head of Incentives Administration at the NIPC, disclosed this development during an end-of-the-year briefing in Abuja.

The announcement follows ongoing discussions about the effectiveness and impact of tax incentives on the national economy.

Mrs. Kayode emphasised that these incentives are carefully implemented to attract foreign investments, underscoring the government's commitment to fostering a conducive business environment.

Notably, not all companies are eligible for tax breaks, as the NIPC adheres to rigorous procedures in awarding waivers. The pioneer status incentive, which allows a company to enjoy three years of not paying corporate income tax, is subject to stringent scrutiny involving the NIPC, the parent ministry, and the Federal Inland Revenue Service (FIRS).

"The process is stringent because our parent ministry and the FIRS are involved to make sure the right investors get this incentive," she explained. She stated that the 34 approved applications this year align with the government's objective of providing incentives to deserving companies.

While there is an existing notion that Nigeria grants too many waivers, incentives, and concessions, Mrs. Kayode argued that the tax expenditure incurred through the pioneer status incentive is outweighed by the benefits gained in attracting investments from qualified companies.

In a commitment to transparency and accountability, she unveiled the NIPC's plans to publish impact reports, evaluating the effectiveness of pioneer status incentives. This initiative reinforces the commission's dedication to ensuring that incentives contribute meaningfully to the nation's economic growth.

In a proactive measure to evaluate the effectiveness of tax incentives, the Nigerian Investment Promotion Commission (NIPC) has outlined plans to conduct a thorough impact assessment in 2024.

"As one of our biggest tasks for next year, we plan to conduct an impact assessment on the incentives we have granted. We aim to gauge the impact on the country in terms of job creation, import substitution, and the government's revenue gains after the three-year tax relief period," Mrs. Kayode explained during a briefing.

The tax holidays facilitated by the NIPC are part of the efforts to encourage investment across various industries, aligning with the Industrial Development Income Tax Relief Act, No. 22 of 1971. This initiative provides relief from corporate income tax for qualifying industries and products, initially for a three-year period, with the potential for extension.

The last published report on tax holidays, covering the second quarter of 2022, indicated an increase in the number of companies benefiting from the scheme. Approximately 71 companies enjoyed tax incentives, compared to 46 at the end of 2021. The sectors benefiting from these incentives span manufacturing, solid materials, pharmaceuticals, information and communication, trade, construction, waste management, electricity and gas supply, tourism, and infrastructure.

While tax incentives play a pivotal role in creating a favourable business environment and stimulating economic growth, the federal government has recently disclosed plans to review and potentially reduce tax waivers granted to companies. Led by the Presidential Tax Reform Committee, this initiative aims to assess and streamline tax waivers to ensure alignment with national economic goals.

As Nigeria navigates its economic landscape, the ongoing balance between encouraging investment through incentives and optimising revenue generation remains a critical aspect of fiscal policy. The forthcoming impact assessment by the NIPC is poised to provide valuable insights into the tangible outcomes of these tax incentives on the country's economic landscape.

FG Announces 0% VAT Waiver To Boost CNG, LPG Industries

By Jennete Ugo Anya

The federal government has given its approval for a zero percent Value Added Tax (VAT) waiver on feed gas used for all processed Compressed Natural Gas (CNG) and imported Liquified Petroleum Gas (LPG), effective immediately.

This VAT-free waiver is also extended to various components and services associated with CNG and LPG, covering equipment, conversion and installation services, as well as infrastructure related to the expansion of CNG, LPG, and the Presidential CNG Initiative, including conversion kits.

In a circular issued by Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, the Nigeria Customs Service (NCS) and Federal Inland Revenue Service (FIRS) have been directed to promptly apply a zero percent (0%) VAT rate on the specified items.

The circular, titled 'Fiscal Incentives for the Presidential Gas for Growth Initiative,' underscores the commitment of President Muhammadu Buhari's administration to enhance the investment climate in Nigeria and boost gas utilisation in the domestic market.

The directive from the Honourable Minister aims to support the growth of the CNG and LPG sectors by providing favourable tax incentives.

This move is expected to facilitate the expansion of CNG and LPG usage across the country and encourage the adoption of cleaner and more sustainable energy sources. The immediate implementation of the zero percent VAT rate is intended to streamline processes and support the objectives of the Presidential CNG Initiative, contributing to the overall development of the energy sector in Nigeria.

The circular reads: "In line with His Excellency, Mr President's commitment to improve the investment climate in Nigeria, and to increase the utilisation and supply of gas in the domestic market:

"Pursuant to Part 1, Section 5 of the Customs and Excise Tariff Act, which grants an import duty waiver on machinery, equipment and spare parts imported into Nigeria for the utilisation of Nigerian gas ('Gas Utilisation Waiver'), the importation of all equipment related to CNG and LPG into the Nigerian market shall attract zero percent (0%) import duty rate.

"The eligible CNGand LPGequipment covered by the existing gas Utilisation waiver is outlined in the attached Appendix: Consequently, the FIRS and the NCS are hereby directed to apply a zero percent (0%) VAT rate on the following items; feed gas for all processed gas,CNG, Imported liquified petroleum gas, CNG equipment components, conversion and installation services i.e. LPG equipment components, conversion and installation services;

"All equipment and infrastructure related to the expansion of CNG, LPGand the Presidential CNG Initiative, including conversion kits."

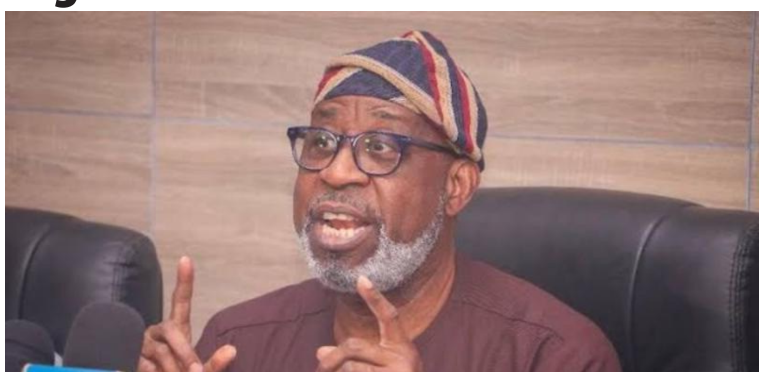
The minister further directed that all applications for import and customs duty exemption in relation to CNG equipment shall require a letter of support from the Office of the Special Adviser to the President on Energy.

He also directed that the importation of LPG under harmonised System (HS) codes 2711.12.00. 00, 2711.13.00.00 and 2711.19.00. 00 are exempt from import duty and VAT.

"As a result, all debit notes issued to petroleum marketers who have imported LPG using codes 2711.1.2.00.00 and 2711.13.00.00 from August 26, 2019, to the present date should be withdrawn by the NCS in line with the previous approval.

"The implementation of the tariff review for the CNG and LPG sub-sector takes immediate effect from the date of this circular. Please ensure strict and prompt compliance," the circular states.

Solid Mineral Sector Anticipates Significant Growth in 2024



Dr. Dele Alake, The Honourable Minister of Solid Minerals Development

The Honourable Minister of Solid Minerals Development, Dr. Dele Alake, has forecasted a substantial advancement in the mining sector in 2024, poised to make a significant contribution to the nation's Gross Domestic Product (GDP).

In his New Year message, Dr. Alake echoed President Bola Tinubu's vision of economic diversification through solid minerals, emphasising that ongoing reforms will yield remarkable results in the coming year.

Dr. Alake outlined plans to consolidate on the reforms initiated within the past four months, following an ambitious seven-point agenda set upon assuming office. Assuring Nigerians of an efficient governance structure that will transform the traditionally opaque nature of the mining sector, he revealed intentions to further revoke mining licenses, with a focus on defaulters of annual service fees.

Addressing the challenge of insecurity in mining areas and combating illegal mining activities, Dr. Alake affirmed that a revamped security architecture is underway. Engagements with heads of security agencies are expected to yield tangible results soon.

Highlighting the exploration efforts initiated last year, including a memorandum of understanding with a German firm, GeoScan GmbH, for advanced mineral exploration technology, Dr. Alake declared that these efforts would be intensified in 2024.

The collaboration aims to explore minerals up to 10,000 meters below the earth's surface, generating significant geo-data crucial for global investors to make informed decisions about industry investments.

Dr. Alake concluded by urging Nigerians to maintain confidence in the President Tinubu administration, emphasising that the envisioned reforms in the mining sector and other areas will catalyse growth in the real sector, fostering abundant job opportunities and prosperity for all Nigerians.

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What President Tinubu's New Year's Day Speech Means For 2024

POLICY BRIEF
with
ENAM **OBIOSIO**

In his inaugural New Year's Day speech since taking office in May 2023, President Bola Tinubu expressed gratitude for the challenges and successes of the past year, emphasising the importance of unity and collective effort in shaping a brighter future for Nigeria. As the nation grappled with economic uncertainties, rising living costs, and security concerns, he outlined his administration's commitment to addressing these issues head-on.

Interestingly, the President acknowledged the sacrifices made by Nigerians in the face of tough decisions, such as the removal of the fuel subsidy and reforms in the foreign exchange system. While recognising the hardships faced by citizens, he urged resilience, assuring the populace that the tough times were temporary and that the nation was built to endure and overcome challenges.

Highlighting the core objectives of his administration, President Tinubu underscored the commitment to economic recovery, security, and national development. He touched upon the ongoing efforts to enhance security, both in terms of tackling abductions and ensuring peace in homes, workplaces, and on the roads.

A key focus of President Tinubu's address was the acceleration of power projects, particularly the Siemens Energy project initiated under the Presidential Power Initiative. The commitment to reliable electricity supply is pivotal for economic transformation, and the President's emphasis on this issue reflects a strategic vision for sustained development.

Furthermore, the President outlined plans for revitalising the country's industrial sector, including efforts to restart local refining of petroleum products through the Port Harcourt Refinery and the imminent Dangote Refinery coming on stream. Agriculture was not left out, with a pledge to cultivate 500,000 hectares of farmland to boost food production.

President Tinubu addressed concerns about the rising cost of living by announcing the implementation of a new national living wage. This move, he asserted, was not only economically sound but also morally and politically correct. It aligns with his administration's commitment to reducing inequality and ensuring that hardworking Nigerians have the opportunity to thrive.

As part of broader economic reforms, the President promised to simplify fiscal and tax policies to create a more business-friendly environment. He reiterated his commitment to attracting both local and foreign investments, emphasising that Nigeria is ready and open for business.

The President Tinubu called for unity among Nigerians, urging all citizens to work collectively for the peace, progress, and stability of the nation. He extended a hand of cooperation to political opponents, emphasising that the time for competition had passed, and now was the time for collaboration in the interest of the country.

President Bola Ahmed Tinubu

The speech outlines several economic initiatives and policy directions, each carrying potential implications for the Nigerian economy.

We had noted earlier that the removal of the fuel subsidy is a bold move to address fiscal challenges. While it may contribute to fiscal sustainability, it has so far led to higher fuel prices, impacting transportation costs and potentially triggering inflation.

Of course, by addressing the foreign exchange system, the President aims to create a fairer economic environment. It is believable that the reform could enhance transparency and encourage foreign investors, though, it may also result in short-term disruptions as the market adjusts to the new system.

Accelerating power projects is crucial for economic development. Reliable electricity supply is essential for industrial growth and can attract investments. However, the success of these projects will depend on effective implementation and overcoming existing challenges in the power sector.

Restarting local refining of petroleum products and supporting industries like agriculture signifies a commitment to economic diversification. Successful implementation could reduce the country's reliance on imports, enhance self-sufficiency, and stimulate economic activities.

Implementing a new national living wage is expected to improve the standard of living for workers. While this move addresses social concerns and promotes inclusivity, businesses may face increased labour costs, potentially impacting profitability and potentially leading to inflationary pressures.

Simplifying fiscal and tax policies aims to create a more business-friendly environment. This could attract both local and foreign investments, fostering economic growth. Again, the success of this initiative will depend on the actual implementation and the effectiveness of the streamlined policies.

Expanding agricultural activities is crucial for food security and economic stability. Cultivating 500,000 hectares of farmland aims to boost food production, potentially reducing dependence on food imports. However, successful implementation requires overcoming challenges in the agricultural sector.

Prioritising human capital development is a long-term investment in the nation's workforce. A skilled and healthy workforce can contribute to increased productivity, innovation, and economic growth over time.

The President's commitment to economic reforms and openness for business is a positive signal for investors. Nevertheless, the success of these efforts will depend on the government's ability to address existing challenges, ensure policy consistency, and provide a stable economic environment.

While President Tinubu's speech reflects a commitment to addressing various economic challenges and fostering growth, the success of these initiatives will depend on effective implementation, adaptability to changing circumstances, and the ability to navigate potential short-term disruptions. The economic implications suggest a mix of opportunities and challenges that will shape Nigeria's economic landscape in the coming year.

As Nigerians embark on the journey of 2024, President Tinubu's vision obviously sets a hopeful tone, encouraging citizens to play their part in building a prosperous nation. The President's commitment to transparency, accountability, and equitable opportunities signals a renewed hope for Nigeria's future. May this year indeed bring about positive change and prosperity for all.

The speech outlines several economic initiatives and policy directions, each carrying potential implications for the Nigerian economy

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