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Invest In AI To Drive Development Of Essential Infrastructure, High-Speed Internet Connectivity, Data Centres

EDITORIAL

In a rapidly evolving technological landscape, the International Monetary Fund (IMF) Managing Director, Kristalina Georgieva, has shed light on the dual nature of artificial intelligence (AI) — a force that poses risks to global job security while presenting a tremendous opportunity to boost productivity and fuel global growth.

The statement by the IMF Chief regarding the 'tremendous opportunity' and risks posed by AI to the global economy underscores the potential for positive impacts and challenges associated with the adoption of AI.

For Nigeria, there are several opportunities: AI presents an

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Davos 2024: Nigeria Presents Evidence Of Conducive Environment For Investors, Shedding Light On Economic Reforms, Initiatives

In the hallowed halls of international diplomacy and economic discourse at the 2024 annual World Economic Forum (WEF) in Davos, Switzerland, a trio of Nigerian leaders took centre stage with ***Vice President Shettima*** *rising to unveil the nation's potential and disseminate the ethereal 'Nigerian dream' to the global audience. He, among others, underscored the outstanding role that Nigeria plays in steering the trajectory of global growth.*

There also ***Mrs. Ngozi Okonjo-Iweala****, Director-General (DG) of World Trade Organisation (WTO) made significant remarks with her words cutting through prevailing negative perception of globalisation, fuelled by exclusion. She emphasised the imperative of inclusive growth models, proposing concept of 'reglobalisation' within the WTO framework, and also sought to redefine supply chains, among others.*

Amidst the spectre of geopolitical tensions, ***Mr. Wale Edun****, Honourable Minister of Finance, and Coordinating Minister for the Economy, highlighted the theme of the year's WEF annual meeting — 'Rebuilding Trust.' He recognised trust as a delicate fabric requiring constant mending, and acknowledged the collective effort needed to navigate the intricate labyrinth of international relations, revealing a resilience ingrained in the nation's leadership and the commitment to quick economic growth through increased investments.* ***Enam Obiosio*** *reports.*

Vice President, Mr. Kashim Shettima

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

Nigeria was prominently represented at the 2024 annual World Economic Forum (WEF) in Davos, Switzerland, as Vice President, Mr. Kashim Shettima, took the stage to articulate the nation's role in the trajectory of global growth.

Under the overarching theme of 'Rebuilding Trust,' the event drew together over 2,800 leaders from 120 countries to engage in dialogues focused on economic growth, climate action, energy security, technology governance, and human development.

In an exclusive interview conducted on the sidelines of the WEF, the Vice President explained the significance of Nigeria's presence in Davos. Recognising Nigeria as Africa's most populous nation and largest economy, stressing the crucial role the country plays in shaping the future of global growth.

With a mandate from the leadership of Nigeria, Mr. Shettima conveyed Nigeria's commitment to showcasing the nation and selling the 'Nigerian dream' to the international community.

Highlighting the importance of Nigeria's demographic weight, he emphasised that the country represents Africa on the global stage.

He noted: "The trajectory of global growth is facing Africa, and Nigeria will significantly influence that transition. So, we have to be in Davos to sell the Nigerian brand because wherever Nigeria goes, that is where Africa goes."

During the African Economy of Scale Plenary on the forum's sidelines, Mr. Shettima urged African leaders to collaborate in elevating the continent's $3.1 trillion gross domestic product (GDP), which currently constitutes a mere three percent of the overall global GDP.

Expressing regret over Africa's trade, which remains at three percent of world trade, he called for concerted efforts to enhance economic integration and expand Africa's influence on the global economic stage.

The Vice President underscored the imperative of boosting intra-Africa trade, currently at 15 percent, emphasising its potential to elevate the continent's GDP. He passionately advocated for the success of the African Continental Free Trade Area (AfCFTA) agreement, highlighting its critical role in unlocking Africa's growth potential.

Speaking briefly at the event held at Kurpark Village, Davos-Klosters, Mr. Shettima pointed out that Africa is widely recognised by top analysts as a growth economy, with a pressing need for investments and infrastructure.

In urging African leaders to embrace economies of scale, Mr. Shettima emphasised the advantages of forming a more unified and influential front. He stressed the importance of running purposefully to catch up with global advancements, particularly in alleviating poverty and showcasing Africa as a significant contributor to world productivity. Addressing the impact of Artificial Intelligence and Machine Learning, he emphasised the need for Africa to integrate better with the world.

Mr. Shettima emphasised that the size of nations matters in negotiations and scalability,

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CBN Discovers Market Regulation Violations, Pledges Sanctions

By Jennete Ugo Anya

The Central Bank of Nigeria (CBN) has uncovered serious violations, widespread abuse, and significant non-compliance with market regulations within the foreign exchange segment.

The findings resulted from a forensic review conducted by an undisclosed independent firm commissioned by the apex bank.

CBN's acting Director of Corporate Communications Department, Mrs. Hakama Sidi Ali, revealed in a statement that appropriate sanctions would be imposed on the offenders in collaboration with relevant agencies.

However, the specific infractions, institutions, or individuals involved were not disclosed, and the identity of the independent firm engaged by the CBN was also kept confidential.

While assuring that it would address legitimate foreign exchange backlogs going forward, the CBN emphasised its commitment to settling outstanding foreign exchange liabilities.

The bank disclosed that it had disbursed approximately $2 billion across various sectors, including manufacturing, aviation, and petroleum, in the last three months, clearing the entire liability of 14 banks.

Mrs. Ali highlighted the CBN's ongoing efforts to sanitise the financial services sector and build trust among market participants, both internal and external stakeholders. Despite not specifying the violations, the CBN's statement underscored its dedication to addressing issues within the foreign exchange market.

Recently, the CBN disbursed $61.64 million to foreign airlines through various Deposit Money Banks (DMBs) and redeemed outstanding forward liabilities totalling about $2 billion over the past three months.

Mr. Yemi Cardoso, CBN Governor

The payments aimed to eliminate pending matured foreign exchange in banks and alleviate pressure on the exchange rate, reinforcing the bank's commitment to reducing outstanding liabilities to airlines.

She emphasised: "This underscores the CBN's commitment to the resolution of pending obligations and a functional foreign exchange market." According to her, these payments consolidate the CBN's ongoing efforts to settle all remaining valid forward transactions, aiming to alleviate the current pressure on the country's exchange rate.

Through the latest intervention, the central bank aims to provide a significant boost to the Naira against other major world currencies and enhance investor confidence in the economy.

The federal government recently received $2.25 billion out of the $3.3 billion foreign exchange (FX) facility from the African Export–Import Bank (Afreximbank).

The long-awaited credit support seeks to alleviate the acute FX shortage in the country that has constrained economic activities and dampened investors' confidence.

In December, President Bola Tinubu assured Nigerians of his administration's commitment to resolving the FX backlogs through the injection of funds into the market.

It is estimated that there is between $7 billion to $10 billion in existing FX backlogs that must be cleared to boost investors' confidence. Some investors have already exited the country due to the persistent liquidity constraints plaguing the economy.

Meanwhile, Afreximbank, acting as the Mandated Lead Arranger along with United Bank for Africa (UBA) as the Local Arranger, closed on a $3.3 billion liquidity support for Nigeria through a structured financing arrangement with NNPC Limited.

This move aims to address the liquidity challenges and contribute to stabilising the country's foreign exchange situation.

Also, in a recent internal memo, the CBN announced plans to transfer several of its departments from Abuja to Lagos as part of efforts to decongest its head office.

The affected departments include banking supervision, other financial institutions supervision, consumer protection, payment system management, and financial policy regulations.

Despite reported resistance from some staff members who claim sectional bias, an anonymous CBN official clarified that the move aims to enhance safety and increase productivity.

CBN Governor, Mr. Yemi Cardoso, approved the relocation, emphasising the significance of safety and efficiency. The official highlighted that many of the bank's headquarters are in Lagos, and the usual practice involves temporarily assigning staff from Abuja to work in Lagos for one or two months before returning to the head office.

Dangote Refinery Seeks Gov't Approval To Introduce Diesel, Aviation Fuel To The Market

By Jennete Ugo Anya

The Dangote Petroleum Refinery has applied for approval from the federal government to introduce diesel and aviation fuel to the domestic market.

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) is expected to grant the necessary regulatory approvals for these products.

The refinery has already commenced production of diesel and aviation fuel, with the expectation of making these products available in the market within the current month, pending regulatory clearance. Refined products are presently stored in the refinery's tanks as they await the necessary approvals.

In an official statement, the company highlighted the significance of this milestone, emphasising its impact on Nigeria's ability to undertake and deliver large-scale capital projects.

The refinery has received six million barrels of crude oil, with the first delivery made on December 12, 2023, and the sixth cargo on January 8, 2024.

The refinery's operational capacity allows for the loading of 2,900 trucks per day at its truck-loading gantries.

The produced products adhere to Euro V specifications, and the refinery design complies with international emission norms.

The statement expressed gratitude to bankers, financiers, the Lagos State government, host communities, and employees for their support and contributions to the project's success.

Alhaji Aliko Dangote, President of the Dangote Group, acknowledged and thanked President Bola Ahmed Tinubu for his support, encouragement, and valuable advice that facilitated the realization of this significant project.

He has expressed gratitude to various entities for their support and belief in the historic Dangote Refinery project. He specifically thanked President Tinubu, the Nigerian National Petroleum Company Limited (NNPC Limited), the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA).

He acknowledged President Tinubu's visionary leadership, prompt attention to detail, and intervention at various stages that cleared impediments and accelerated the realization of the refinery project. He also appreciated the consistent

support from NNPC, NUPRC, and NMDPRA, considering them as dependable partners in this historic journey.

NJ Ayuk, the Executive Chairman of the African Energy Chamber, shared his excitement about the milestone, emphasising the refinery's capacity to produce 350,000 barrels per day. Mr. Ayuk highlighted the significance of the refinery in making Nigeria self-sufficient in fuel production, ending fuel subsidies, high prices, and inconsistent supply. He noted that this achievement sets a strong benchmark for other resource-rich countries in Africa.

Dr. Diran Fawibe, Chairman of International Energy Services, also welcomed the development, emphasising its positive impacts, including the creation of additional job opportunities. He noted that any producing country would aspire to allocate a share of its local production to refining, completing the industry cycle.

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advocating for African nations to work together to improve living standards.

He outlined the need for more food, affordable housing, a thriving textile sector, increased energy, and enhanced social services. He called for efficiency improvements in both public and private sectors through the pooling of resources.

The Vice President projected that the African trade agreement could boost the continent's GDP by $450 billion over the next decade. He lauded the idea of an African economy of scale, considering Africa as the last frontier for development with abundant opportunities.

He viewed the challenges facing Africa as opportunities for engagement, productivity, and profitability, acknowledging the continent's infrastructure deficit in trillions of US Dollars.

Highlighting the infrastructure deficit, Mr. Shettima emphasised the need for the construction of at least 51 million new housing units, along with essential facilities such as schools, stadiums, community centres, roads, rail networks, airports, water transport, and major interventions in the energy sector. Addressing the darkness that Africa still presents when viewed from space, he called for collaborative efforts within the continent and with the global community to change this narrative, noting that the primary challenge lies within Africa.

The concept of the Africa Economy of Scale, according to Mr. Shettima, serves as a wake-up call to embrace a significant leap away from negative stereotypes associated with the continent.

He urged a collective effort to prepare a better Africa for future generations, emphasising that, in the Information Age, small dreams that do not impact the world are no longer acceptable.

Acknowledging the contributions of African youth, Mr. Shettima praised their efforts in creating tech-driven private-sector organisations, some achieving unicorn status with over $1 billion in capitalisation. He cited examples like the Pan-African Payments and Settlement System (PAPSS), a technological achievement by young professionals.

The Vice President also highlighted the impact of African youth in the arts and creative sectors, as well as their growing relevance in the outsourcing industry through remote work.

At a breakfast event with African Heads of State on the sidelines of the WEF, Mr. Shettima expressed optimism about the Action Plan for the African Continental Free Trade Area (AfCFTA). Based on World Bank projections, he anticipated that AfCFTA would significantly contribute to GDP growth on the continent, increasing Africa's GDP by $450 billion in 2035 and exports by over 81 percent. He urged African countries to swiftly address remaining agreements and impediments to ensure smooth and free trade, particularly emphasising the completion of negotiations on rules of origin.

To achieve the outlined objectives, Vice President proposed optimising and prioritising information sharing with private sector players. He emphasised that trade is a private sector imperative, with governments playing a facilitating role.

He expressed concerns about the slow pace of negotiations, highlighting clashes between national and continental priorities, resulting in too few consummated deals between countries since January 2021.

Looking forward, the Vice President stressed the importance of speed and cohesion among African countries, asserting that the success of the African Continental Free Trade Area (AfCFTA) is non-negotiable.

Vice President, Mr. Kashim Shettima (4th from left), **Mr. Wale Edun,** Honourable Minister of Finance and Coordinating Minister of the Economy (3rd from right), and other dignitaries at the World Economic Forum Annual Meetings held in Davos recently.

Drawing parallels with trade unions in Europe, the Americas, and Asia, he insisted that African trade should not be externalised, emphasising the need for African leaders to empower their countries and address internal issues proactively.

While acknowledging the increase in intra-Africa trade from seven percent a decade ago to about 15 percent today, Mr. Shettima called for Africa's private sector players to take a more proactive role in promoting trade on the continent. He urged them to step up and occupy their rightful place in fostering economic growth.

In a separate engagement at the World Economic Forum, Mr. Shettima, leveraging Nigeria's status as Africa's largest economy and the ongoing efforts to diversify from oil, assured foreign investors that the country is on the right path to becoming an attractive investment destination.

He highlighted the President Bola Tinubu administration's commitment to bringing in a diverse range of investors, including private equity players, venture capitalists, impact investors, and competent contractors, to collaborate in the country's economic diversification efforts.

Mr. Shettima emphasised Nigeria's enviable position as the continent's largest economy and population, detailing the ongoing repositioning away from crude oil dominance. He underscored the country's focus on technology, arts, culture, creativity, and industrialisation as key sectors for investment and growth.

Highlighting recent advancements in the energy sector, Vice President asserted that Nigeria is at the forefront of energy security and transition within the region. He noted the active engagement of international and domestic energy companies with the global community, showcasing Nigeria's commitment to future innovations.

Emphasising Nigeria's openness to engage with willing nations on mutually beneficial and sustainable terms, Mr. Shettima underscored the country's status as a reference point for best global practices.

In outlining efforts by President Tinubu -administration to create an investment-friendly environment, Mr. Shettima mentioned Nigeria's intention to participate fully in global value chains at various levels, with a focus on capturing good value. The country's priorities include repositioning the energy sector, investing in critical infrastructure such as rail systems, roads, new seaports, and digital technology to empower its youthful population to engage globally.

He invited investors, declaring Nigeria as an investor's delight with numerous sectors to engage in, envisioning the country transforming into a massive construction site in a short span.

He also mentioned the overhaul of the revenue administration to match the efficiency of some of the most effective countries globally.

In a related context, the Director-General (DG) of World Trade Organisation (WTO), Mrs. Ngozi Okonjo-Iweala, urged leaders and policy-makers to reconsider old growth models and ensure that globalisation benefits everyone.

Reflecting on the challenges faced in the past four years, she noted economic progress stagnation, sluggish trade growth, and disruptions caused by the pandemic, geopolitical issues, and climate-related shocks. She emphasised the need for a re-evaluation of global trade dynamics to ensure inclusive prosperity.

Mrs. Ngozi Okonjo-Iweala delivered a crucial message to leaders and policy-makers, emphasising the need for new, more inclusive growth models. Highlighting the negative perception of globalisation due to exclusion, she stressed the importance of ensuring that those who were left out in the past benefit from the new paradigm.

Mrs. Okonjo-Iweala proposed a pragmatic approach, introducing the concept of 'reglobalisation' within the WTO framework, aiming to diversify supply chains, deconcentrate problematic sectors and geographies, and foster inclusive growth. She pointed to real-world examples, such as the alliance between Rwanda and the European Investment Bank to boost investment in critical raw material value chains, as evidence of 'reglobalisation' in action.

Mrs. Okonjo-Iweala encouraged similar collaborations to address concerns about supply chain resilience and inclusivity.

In a separate interview, Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy, noted Nigeria's status as the most populous country in Africa with a robust economy.

He emphasised the strategic importance of Nigeria's participation in the WEF 2024, viewing it as a platform to showcase the country's economic stability initiatives and attract investments from both domestic and foreign sources.

Mr. Edun identified the event as an opportunity to communicate the government's achievements in creating a conducive environment for investors, presenting tangible evidence of economic reforms and initiatives that have positively impacted the investment climate.

He is leveraging the global stage provided by WEF 2024 to articulate a compelling narrative of Nigeria's economic trajectory, with a specific focus on economic stability and investor confidence.

His aim is to attract both local and foreign investors, foster partnerships, and showcase the country's potential for sustained growth.

Emphasising the significance of finding solutions amid geopolitical tensions, Mr. Edun expressed support for the theme of this year's WEF annual meeting, 'Rebuilding Trust.' He acknowledged that rebuilding trust is an ongoing process that requires collective effort from all stakeholders.

Against the backdrop of a decline in foreign investments into Nigeria, reaching the lowest level since the National Bureau of Statistics (NBS) began collating data in 2013, Mr. Edun highlighted the government's commitment to growing the economy quickly by increasing investment for Nigerians.

The data revealed a 36.5 percent decline in total foreign investments to $654.7 million in the third quarter of 2023, compared to $1.03 billion in the previous quarter. Year-on-year, the decline was 43.6 percent from $1.16 billion in the third quarter of 2022.

The composition of capital importation in Q3 2023, as reported by the NBS, indicated that other investments ranked highest, accounting for 77.6 percent ($507.6 million), followed by portfolio investment with 13.3 percent ($87.1 million), and foreign direct investment with 9.13 percent ($59.8 million). Despite the challenges, Mr. Edun remains optimistic about Nigeria's potential for attracting investments and fostering economic growth.

To achieve the outlined objectives, Vice President proposed optimising and prioritising information sharing with private sector players

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opportunity for Nigeria to diversify its economies. By investing in AI technologies and fostering innovation, the nation could reduce its dependence on traditional sectors and explore new avenues for economic growth.

Of course, AI could enhance productivity and efficiency. AI technologies, including automation and machine learning, have the potential to significantly enhance productivity and efficiency across various industries. In sectors such as agriculture, manufacturing, and services, the adoption of AI could streamline processes and improve overall output.

Noting also that the integration of AI could spur innovation and entrepreneurship. We expect Nigeria to encourage the development of AI startups and to provide support for local innovators to create solutions tailored to the region's specific needs, fostering a culture of technological entrepreneurship.

While there are concerns about job displacement, the growth of AI also brings opportunities for job creation in technology-related industries. We believe that Nigeria could invest in developing a skilled workforce in AI and related fields to meet the demand for expertise in emerging technologies.

Looking at healthcare and education, AI has the potential to revolutionise healthcare and education. In Nigeria, AI applications could enhance diagnostics, streamline healthcare delivery, and provide personalised education solutions. These advancements can contribute to improving overall public health and education outcomes.

Infrastructure development is not left out as the implementation of AI technologies often requires robust digital infrastructure. It is our belief that Investing in AI could drive the development of essential infrastructure, including high-speed internet connectivity and data centres, which could have broader positive impacts on various economic sectors.

AI could also play a crucial role in transforming agriculture in Nigeria. Smart farming technologies powered by AI could enhance crop management, optimise resource utilisation, and improve yields. This could contribute to food security and agricultural sustainability.

Not forgetting that AI-powered fintech solutions could facilitate financial inclusion by providing innovative and accessible banking services. In regions with limited traditional banking infrastructure, AI-driven financial technologies could enable more individuals and businesses to access financial services.

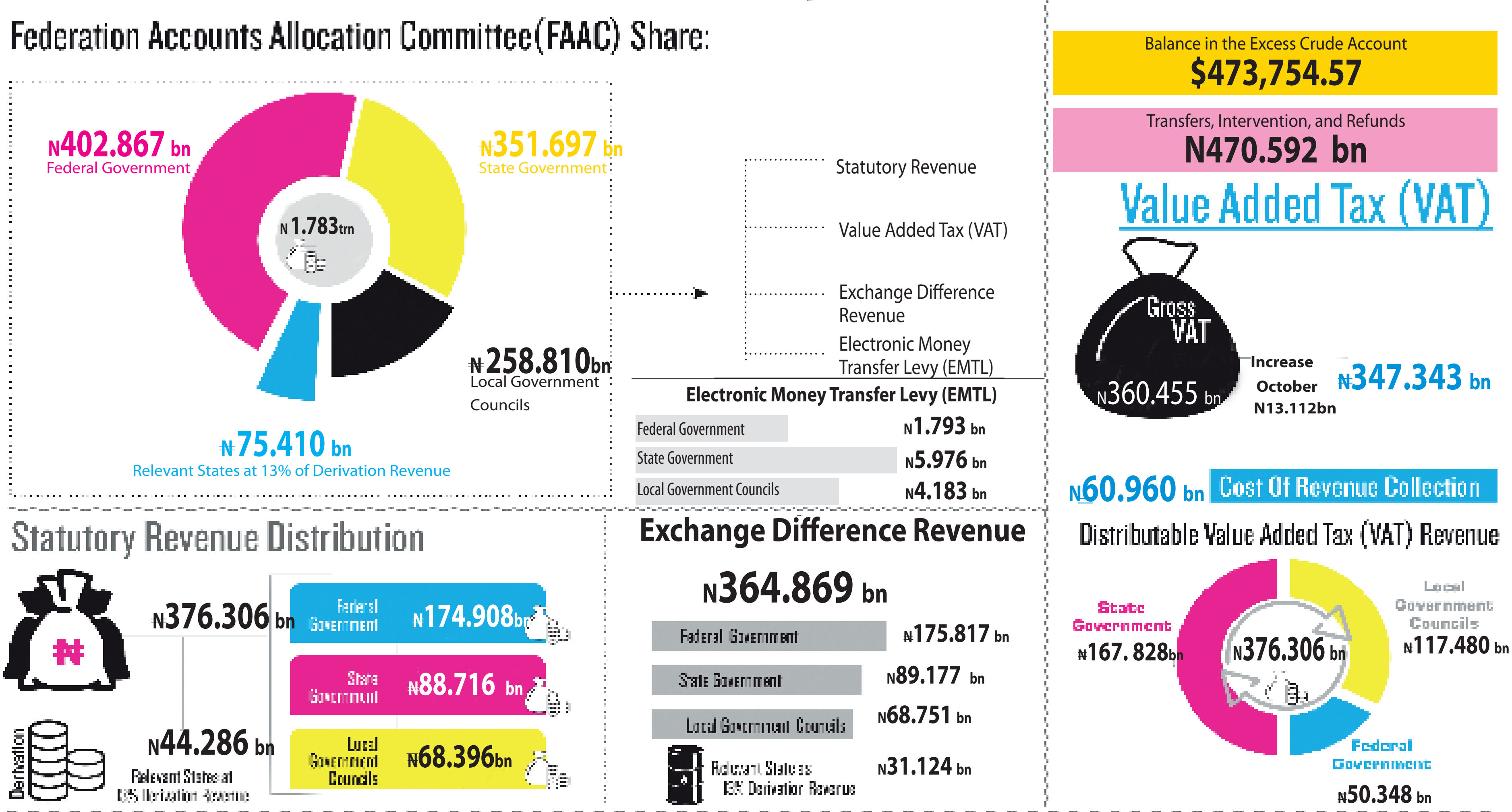
With Nigeria embracing AI, this could position the country as competitive player on the global stage. By staying at the forefront of technological advancements, specifically considering AI, Nigeria could attract foreign investments, foster international collaborations, and participate in the global digital economy.

In this complex economic landscape, the role of AI emerges as a potential game-changer. While acknowledging the challenges posed by AI, it our position that AI has tremendous opportunity for everyone.

As the global community navigates the AI landscape, we call on Nigeria to follow suite. This only brings about strategic investments, international collaboration, and inclusive policies which are essential to ensure that the benefits are shared and that AI becomes a force for inclusive growth.

However, it is crucial to also acknowledge and address the risks associated with AI adoption, such as potential job displacement, ethical concerns, and the need for robust regulatory frameworks. It is our position that a strategic and inclusive approach to AI implementation, coupled with investments in education and infrastructure, would definitely help Nigeria harness the opportunities while mitigating the associated challenges.

FAAC Shares N1.783 trillion December 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 VAT increased considerably, while transfer levies, import duty and money transfer recorded decreases.

NCS Unveils Plans To Implement Salary Increase For Workers

Tincan Command To Make N1.13trn In 2024

By Ahmed Ahmed

The Comptroller-General of the Nigeria Customs Service (NCS), Mr. Bashir Adeniyi, has revealed plans to increase the salaries of customs workers.

In an interview recently, Mr. Adeniyi emphasised the service's commitment to prioritising staff welfare. He highlighted extensive capacity-building programs conducted locally and internationally for customs officers in the second half of 2023, with over 60,000 officers participating.

He addressed the need for a salary review, stating that the last review occurred five years ago, indicating that another review is overdue. He expressed the intention to examine allowances received by officers for their duties.

The Comptroller-General emphasised his dedication to addressing officers' welfare, including timely payment of allowances and provision for emergencies encountered during their duties.

"I felt I should do when I became the Comptroller-General, particularly attending to the welfare issues of our officers. And when you talk about that, you talk about what their take-home pay will be, ensuring the allowances are paid at the right time and making provision for issuance in case they come in contact with

Mr. Bashir Adewale Adeniyi, Comptroller-General, Nigeria Customs Service

agonies during their duties." Mr. Adeniyi stated.

Also, Mr. Adeniyi announced that the service will use the official exchange rate provided by the Central Bank of Nigeria (CBN) for clearing goods, emphasising that they will not engage in arbitrary adjustments of the exchange rate.

He clarified that the recent policy reform under the President Bola Tinubu's administration, which merged the forex market, has impacted their operations.

He stated that customs follow the rates prescribed by the CBN and does not independently fix exchange rates for goods clearance.

During the interview, Mr. Adeniyi highlighted the service's commitment to adhering to fiscal policies set by the government.

He specifically mentioned the removal of the 7.5 percent value-added tax (VAT) on imports of Liquefied petroleum gas (LPG) equipment and the elimination of VAT on steel and electric vehicle imports into the country.

Beyond revenue generation, Mr. Adeniyi emphasised the service's role in trade facilitation and expressed the hope to leverage the African Continental Free Trade Agreement (AfCTA) to enhance trade among African nations, leading to increased revenue. Since he assumed office, the service has reported a 37 percent increase in revenues, setting a target of N5.1 trillion for 2024.

In the last three months, the NCS adjusted the exchange rate for goods clearance twice, increasing it from N757/$ to N783/$ in November and further to 951/$ in December, aligning closely with the unofficial exchange rate window.

In another development, the Tincan Island Port Command of the NCS has been assigned a revenue target of N1.13 trillion for the year 2024, according to Comptroller Dera Nnadi, the Area Controller.

This target constitutes 27 percent of the national revenue goal. In 2023, the command achieved 89 percent of its revenue target, collecting N716.5 billion out of the allocated N801.5 billion.

Compt. Nnadi emphasised the dedication of officers and men to achieve the new target, breaking it down to a monthly goal of N94.23 billion, a weekly target of N21.7 billion, and a daily target of N4.23 billion. Despite a weekly target of N66 billion in 2023, the command averaged N76 billion from June to December, providing optimism that the increased target for 2024 can be met.

The Comptroller declared 2024 as the "year of stakeholders" and expressed confidence in their collaboration for proper duty declaration and compliance. Additionally, the command will engage in an environmental scan to study opportunities in the policy landscape, align with the Ministry of Finance, and conduct a time release study in February to optimise operational preparedness.

The directive from Mr. Adeniyi focuses on enhancing the technical capacity of officers and improving the welfare of customs officers.

DMO Announces 1st FGN Savings Bond Offers In 2024

By Majeed Salaam

The Debt Management Office (DMO) has announced the initial bond offering for 2024, consisting of two Federal Government of Nigeria (FGN) savings bonds.

These bonds provide investment opportunities for individuals and organisations with varying tenors and interest rates.

Offer details a two-year FGN savings bond; due date January 17, 2026 with an interest rate of 11.033 percent per annum, a three-year FGN savings bond; due date January 17, 2027 with an interest rate of 12.033 percent per annum

Subscription period was opened on January 8 and concluded on January 12, with settlement slated for January 17.

Coupon payments are expected on April 17, July 17, October 17, and January 17.

FGN savings bonds were offered at N1,000 per unit, with a minimum subscription of N5,000 and multiples of N1,000 thereafter. The maximum subscription was capped at N50 million.

Interest is payable quarterly, while the principal sum is repaid on maturity.

FGN savings bonds are considered investment options for trustees under the Trustee Investment Act.

These bonds qualify as government securities, making them eligible for tax exemption for pension funds under the Company Income Tax Act (CITA) and Personal Income

Ms Patience Oniha, DG DMO

Tax Act (PITA).

FGN Savings Bonds were listed on the Nigerian Exchange, and they are viewed as liquid assets, contributing to banks' liquidity ratio calculations.

In 2023, the federal government raised approximately N16.76 billion through FGN savings bonds, featuring interest rates ranging between 9.6 percent and 13.287 percent. However, treasury bills remained a prominent choice, with about N6.658 trillion raised in the same year.

The announcement of FGN savings bond offers for 2024 provides investors with alternative fixed-income investment opportunities.

These bonds, characterised by varying interest rates and tenors, align with the government's strategy to diversify sources of funding while offering attractive returns to investors. The tax benefits and liquidity attributes further enhance the appeal of FGN savings bonds in the investment landscape.

NEWS IN PICTURE

MD/CE NDIC, **Mr. Bello Hassan** delivers the keynote address during the Retreat Organised by NDIC with the Theme: “Maintaining a resilient and stable banking System: The Role of NDIC” in Ikoyi, Lagos

(L-R) Managing Director/CEO, (NDIC) **Mr. Bello Hassan;** Chairman House Committee on Insurance and Actuarial Matters, **Hon. Ahmed Usman Jaha** and Deputy Chairman House Committee on Insurance and Actuarial Matters, **Hon. David Fuoh,** in a chat during the Retreat Organised by NDIC with the Theme: “Maintaining a resilient and stable banking System: The Role of NDIC” in Ikoyi, Lagos.

(L-R) Managing Director/CEO, (NDIC) **Mr. Bello Hassan;** Chairman House Committee on Insurance and Actuarial Matters, **Hon. Ahmed Usman Jaha** and Deputy Chairman House Committee on Insurance and Actuarial Matters, **Hon. David Fuoh,** in a chat during the Retreat Organised by NDIC with the Theme: “Maintaining a resilient and stable banking System: The Role of NDIC” in Ikoyi, Lagos.

FG Aims For Economic Prosperity Through Dependence On Solid Minerals, Metals

By Majeed Salaam

Mr. Dele Alake, Honourable Minister of Solid Minerals Development

The federal government is increasingly relying on the solid minerals and metal sector for economic prosperity as the global shift away from fossil fuels gains momentum.

The decline in demand for traditional fuels, driven by the rise of electric cars and other sustainable technologies, is prompting the government to look towards alternative sources of revenue.

Mrs. Mary Ogbe, the Permanent Secretary of the Ministry of Solid Minerals, revealed this development during the 5th National Council on Mining and Mineral Resources Development (NCMMRD) Meeting in Ilorin, Kwara state.

She emphasised the importance of the solid mineral and metal sector in light of the diminishing demand for fossil fuels. With electric vehicles constituting a significant portion of the automotive market in countries like China, Nigeria anticipates a reduced market for its traditional fuel in the coming years.

Mrs. Ogbe highlighted two key reasons for the government's focus on the solid minerals and metal sector. Firstly, the global trend toward green energy solutions aligns with Nigeria's abundance of energy minerals. Secondly, the shift to renewable energy sources necessitates a strategic approach to ensure the country remains economically viable.

The meeting, attended by stakeholders in the solid minerals and metal sectors, aimed to address critical issues affecting the industry. Discussions covered policy reforms, investment opportunities, community engagement, environmental sustainability, and innovation within the sector.

Kwara state is actively collaborating with security agencies and federal bodies to curb illegal mining activities. Mr. AbdulQuawiy Olododo, the Commissioner for Solid Minerals Development and Supervising Commissioner for Works and Transport, emphasised the need to organise miners into cooperatives to minimise unauthorised mining. The state, blessed with abundant mineral deposits, is revalidating expired licenses and seeking federal cooperation to attract investors.

Mrs. Funke Sokoya, the Permanent Secretary of the Ministry of Solid Minerals in Kwara state, expressed optimism that resolutions from such meetings would be effectively implemented. Addressing issues like illegal mining is crucial for the country to fully harness the benefits of its mineral-rich sector.

In response to the environmental impact of mining activities, the Ministries of Solid Minerals Development and Environment have joined forces to mitigate these effects.

A recent meeting between the Honourable Ministers of Environment and Solid Minerals Development underscored the commitment to secure mining areas and ensure adherence to global environmental standards in mining operations.

The government's solid minerals roadmap is seen as a comprehensive strategy to balance economic growth with environmental sustainability.

FAAC Allocates N53.5bn For November Revenue Collection Cost To FIRS, Customs, NUPRC

Postmortem Sub-Committee Recommends N228bn FG Refund For Election Loan

In November, the Federation Account Allocation Committee (FAAC) disbursed N53.49 billion for the cost of revenue collection to three key federal government agencies, according to recent data from the National Bureau of Statistics (NBS).

The Nigeria Customs Service (NCS), Federal Inland Revenue Service (FIRS), and Nigerian Upstream Petroleum Regulatory Commission (NUPRC) received allocations of N16.38 billion, N24.59 billion, and N12.52 billion, respectively.

The FAAC disbursement for November included allocations to the federal government (N323.35 billion), states (N307.72 billion), and local governments (N225.21 billion). Additionally, N50.67 billion was distributed among oil-producing states as the 13 percent derivation fund.

The allocated funds for revenue collection costs signify the financial resources dedicated to supporting the operations of key government agencies responsible for revenue generation.

The disbursement reflects the allocation of funds to different tiers of government, including the federal government, states, and local governments, contributing to fiscal decentralisation.

The 13 percent derivation fund allocation highlights the commitment to sharing oil revenue with states that contribute to oil production.

The FAAC's allocation for revenue collection costs underscores the financial support provided to crucial government agencies involved in revenue generation activities. The disbursement aligns with the broader goal of effective fiscal management and equitable distribution of revenue across various levels of government.

Meanwhile, the postmortem sub-committee of the FAAC recommended the refund of a N228 billion loan secured by the federal government from the non-oil excess revenue account to finance the 2023 general elections.

The comprehensive report, signed by sub-committee Chairman Kabir Mashi on December 14, 2023, highlighted concerns over significant deductions from the non-oil excess revenue account.

The report revealed that the loan for the 2023 general elections constituted approximately 26 percent of the total deductions made between January 2020 and October 2023.

During the period under review (January 2020 to October 2023), the total amount distributed to the three tiers of government from the non-oil excess revenue account was N1 trillion. The total inflow into the account during the same period was N2.6 trillion.

Apart from the election loan, additional deductions, including a refund of gas flared penalty to the Nigerian Midstream and Downstream Petroleum Regulatory Authority, were noted.

The sub-committee recommended the refund of the total deductions of N864.16 billion for other purposes back to the Non-oil Excess Revenue Account.

The investigation was initiated following concerns raised during a FAAC Plenary meeting in September 2023 regarding substantial deductions from the non-oil excess revenue account.

The Independent National Electoral Commission (INEC) had proposed a budget of N305 billion for the conduct of the 2023 general election, with an additional N50 billion for its annual budget.

The report comes amid concerns about Nigeria's growing debt profile, with data from the Debt Management Office (DMO) indicating that the federal government borrowed N7.04 trillion locally in 2023. the debt-gross domestic product (GDP) ratio is currently at 23.27 percent, below the threshold of 77 percent that could potentially hurt economic growth.

The recommendation for the federal government to refund the election loan and other deductions underscores the need for transparency and accountability in financial management, especially regarding funds earmarked for specific purposes.

The report sheds light on the complexities of managing finances, particularly during election cycles, and emphasises the importance of adhering to established fiscal principles.

FG Aims To End Estimated Billing By End Of 2024, To Close Metering Gap In 5yrs

Solar Mini-grid To Power 1300 Households, Businesses In Communities – Adelabu

By Kingsley Benson

President Bola Ahmed Tinubu

The federal government has stated its commitment to end estimated billing in the nation's power sector by the end of this year.

Honourable Minister of Power, Chief Adebayo Adelabu, disclosed this during his not too long-ago working tour of power facilities in Nigeria to the Ibadan Electricity Distribution Company (IBEDC).

While engaging with the management of IBEDC, Chief Adelabu emphasised that the objective of the meeting was to foster increased collaboration with pertinent stakeholders, aiming to explore avenues for advancing the power sector.

He noted the substantial metering gap in Nigeria, stating that around 50 percent of customers within the coverage area still lacked proper metering.

He said: "Citizens are tired of estimated billing because estimated billing always leads to cheating between consumers, staff and company. Before the end of this year, we are looking at the possibility of ending estimated billing because we want transparency and objectivity in our billing system."

He noted that President Bola Tinubu has established a Presidential metering initiative to harmonise all metering acquisitions in the country.

He also stated: "We have up to eight million meters gap in Nigeria and what the initiative seeks to achieve is to close this gap within three to five years. This means that an average of two million meters is required on a yearly basis and achieving the target is compulsory for citizens to enjoy stable power supply.

Nigerians should expect an electricity tariff review

Speaking further, Chief Adelabu emphasised the need to cease the practice where communities pool funds to procure transformers, cables, and other electrical equipment.

Additionally, the minister assured that any forthcoming electricity tariff review would be conducted in a manner that does not further burden citizens.

He stressed that there will be thorough sensitisation and public enlightenment before implementing any tariff adjustments.

Furthermore, he assured that the review process would be gradual, aiming to have minimal to no impact on low-income earners and individuals in areas with limited power supply duration.

Also, Chief Adelabu affirmed the federal government's commitment to extending electricity access to underserved communities in Nigeria, through its solar mini-grid project.

He said this during his recent inspection and impact assessment of a 90KW solar hybrid mini-grid in Adafila, Ogbomoso, Chief Adelabu highlighted the project's capacity to power over 1,300 households, clinics, schools, and small businesses independently of the national grid.

In his word: "The solar mini-grid system uses solar panels embedded in the community, distributing power to the entire community without passing through the national grid. The project gives the community 24 hours of uninterrupted power supply. It is backed up by 240KW battery storage during the night when there is no sun."

"This community has been enjoying uninterrupted power supply in the past two years, what we are here to do is to witness, inspect and assess the impact of the project on the community. We have about 27 mini-grid solar systems spread across the state and other locations in Nigeria," he said.

The solar hybrid mini-grid project has significantly alleviated energy poverty, empowering residents to enhance their businesses and utilise acquired skills effectively.

Chief Adelabu expressed the government's commitment to expanding such projects nationwide, aligning with the President's Renewed Hope Agenda and delivering democratic dividends to grassroots communities.

During his inspection, the minister also visited the 132KV substations in Oyo and Ogbomoso.

The Soun of Ogbomoso, Oba Afolabi Olaoye, urged the ministry to expedite the installation of transmission lines on the newly-installed 132KV substation in Ogbomoso to improve power supply to the ancient city.

The traditional ruler reiterated the commitment of Ogbomoso indigenes to safeguarding power infrastructure and other government facilities in the town.

President Approves Committee On Ajaokuta Mill's Revival, Others

By Edmond Martins

President Bola Tinubu convened a meeting at the State House in Abuja on Thursday with the Minister of Steel Development, Prince Shuaibu Abubakar Audu, and the Minister of Defence, Alhaji Mohammed Badaru. During the meeting, the President received a comprehensive briefing on the investment opportunities within the steel sector.

In a statement issued by Chief Ajuri Ngelale, the Special Adviser to the President (Media & Publicity), it was highlighted that President Tinubu underscored the pivotal role of a revitalised steel development industry in fostering robust economic growth and unlocking vast opportunities for Nigeria's talented entrepreneurs.

Expressing a commitment to building a Nigeria where every citizen has equal opportunities for prosperity, President Tinubu emphasised the transformative impact of new investments in steel production across various sectors. He emphasised that industrialisation could become a reality with ample energy resources and a robust steel industry, foreseeing Nigerian steel as a cornerstone for the country's economy and neighbouring regions in the years to come.

The Ministers shared updates with the President on their discussions with the Chinese company, Luan Steel Holding Group, regarding plans to establish a new steel plant in Nigeria and initiate the production of military hardware at the Ajaokuta Steel Plant. The delegation, led by the Minister of Defence and the Minister of Steel Development, had engaged in business talks with key executives of Luan Steel Holding Group during their visit to Hefei and Guangzhou regions of China.

Anticipating a significant investment of billions of dollars from the Chinese company, President Tinubu approved the restart of the Light Steel Mill (LSM) section of Ajaokuta Steel Complex. The Minister of Steel Development shared progress updates, revealing that the project, costing N35 billion in the first stage, had secured offer letters from various financial institutions and was expected to create up to 5,000 direct and indirect jobs.

Further, discussions with Jindal Steel Group of India were highlighted, with the Indian company expressing interest in investing up to $5 billion in a new steel plant in Nigeria. The minister projected that the completion of these deals could result in approximately $10 billion worth of new investments, creating over 500,000 direct and indirect jobs, aligning with President Tinubu's Renewed Hope Agenda for massive job creation through industrialisation.

President Tinubu endorsed the establishment of an inter-ministerial committee tasked with executing three steel development projects, including the revival of the Ajaokuta Steel Mill. The Minister of Steel Development, Shauibu Audu, outlined the committee's composition, which includes key ministers responsible for finance, industry, trade and investment, solid minerals development, and defence. Audu emphasised the committee's focus on securing funding for the Ajaokuta Steel Company Limited's revitalisation and facilitating the establishment of steel plants by Lu'an Steel Holding Group and Jindal Steel. Successful completion of these projects, as stated by Audu, could lead to the creation of at least 500,000 jobs under President Tinubu's administration.

Addressing the committee's priorities, the minister disclosed that he and the Minister of Defence held discussions with Lu'an Steel Company, a prominent Chinese steel company ranked among the top 20 globally, producing approximately 20 million metric tons of steel annually. According to the Minister, Lu'an Steel Company has committed to establishing a new steel plant in Nigeria.

As a follow-up to this agreement, the steel company has expressed its commitment to dispatch an advanced team to Nigeria after the Chinese New Year, expected by the end of February 2024. The minister conveyed that during their visit to China from January 1st to January 8th, 2024, substantial discussions took place with Lu'an Steel Company, resulting in the commitment to invest billions of dollars in foreign direct investments in Nigeria, creating thousands of jobs.

In addition, the minister shared insights into the cost implications of revitalising the Ajaokuta Steel plant. He revealed that reviving the entire plant would range between $2 million and $5 million, while restarting the light steel section of the mill would require an investment of about N35 billion. President Tinubu had granted approval in late 2023 to raise funds locally for the specific purpose of restarting and rebuilding the light steel mill. The produced iron rods are intended for use in the Ministry of Works' ambitious plan to construct 30,000 kilometers of roads across Nigeria.

The minister emphasised that the Ministry of Works, led by Senator David Umahi, had committed to being the off-taker for the iron rods, aligning with the Renewed Hope Agenda. Under this initiative, about 400,000 tons of iron rods can be produced in Ajaokuta if the committee successfully restarts the steel plant.

President Tinubu's approval for local fundraising for the first phase of the Ajaokuta Steel Plant project was highlighted, with the minister explaining that the total cost for the initial phase would be disclosed to potential investors in the market. He clarified that while reviving the entire steel plant would cost between $2 million to $5 million, restarting the light steel section alone would require approximately N35 billion.

Headline Inflation For 2023 Ends Just Below 30%, Stoking Concerns About Economic Outlook

By Ahmed Ahmed

The anticipated headline inflation of 30 percent for 2023, projected by economists and research organisations, including KPMG, did not materialise as recent data from the National Bureau of Statistics (NBS) indicates a slightly lower figure of 28.92 percent. Despite this marginal dip, anxiety persists over the general price trajectory.

Economists and professionals are now cautioning that without immediate actions to stabilise the foreign exchange (FX) market, the weakening naira could signal a more precarious year ahead. The naira has been on a downward trend against other currencies since the beginning of the year, with a black-market rate of about N1260/$. The official market rate consistently surpasses the N1000/$ mark, raising concerns about a potential further decline in the coming months.

KPMG had previously forecasted the 30 percent headline inflation, attributing it to fuel subsidy removal and the unification of the foreign exchange market, resulting in a 50 percent depreciation of the naira at the official market.

The NBS's consumer price index (CPI) reading for December reported a year-on-year increase in headline inflation to 28.92 percent, compared to November 2023's rate of 28.2 percent. Food inflation, a significant contributor, rose to 33.93 percent year-on-year, primarily driven by increased prices of various food items.

Persistent inflation has been a longstanding challenge for Nigeria, with past government efforts falling short. Experts point to policies, such as controversial ways and means advances by the Central Bank of Nigeria (CBN) to the federal government, as exacerbating rather than mitigating inflation.

Dr. Muda Yusuf, CEO of the Centre for the Promotion of Private Enterprise, highlighted the energy crisis as a major cause of inflation. He suggested that scaling up refining capacity, addressing forex issues, and improving security could positively impact inflation.

Economist Dr. Ayo Teriba emphasised that tackling exchange rate volatility is crucial to curbing rising inflation. Stabilising the naira through increased reserves, according to Dr. Teriba, is essential for addressing inflation, improving living standards, and preventing further rises in pump prices.

The report underscores the formidable challenges posed by inflation in Nigeria, particularly its impact on food prices. The government faces the urgent task of implementing effective measures to mitigate inflationary pressures and ensure economic stability.

NRC Plans To Revive Old Narrow-Gauge Network Nationwide

By Kingsley Benson

The Nigerian Railway Corporation (NRC) has initiated the restoration of old narrow-gauge networks, with the Eastern Line making significant progress toward resuming operations, as stated by Mr. Jerry Oche, the Director of Mechanical Services and Signal Communication at NRC.

The Eastern Line, spanning from Port Harcourt to Maiduguri, is currently undergoing rehabilitation, with track laying completed and the focus now on refurbishing coaches and locomotives.

Mr. Oche, in a statement released recently in Lagos, emphasised the government's commitment to reviving these old narrow-gauge lines. He mentioned the proactive measures taken to ensure the readiness of vehicles for the Aba Port-Harcourt Train Services within a week.

Under his direction, inspections were conducted on the vehicles alongside the Port-Harcourt District Manager, Mr. Mohammed Ibrahim, aiming to expedite repairs and facilitate the prompt reintroduction of train services for passengers in the eastern region.

The immediate repair targets include five SPs, one SPA, one DRC, and two BVAs, with plans to relocate some vehicles from Enugu to Aba to handle the expected surge in passengers and goods. Simultaneously, NRC Civil Engineers are actively working on the tracks in Jos, Plateau, preparing for the introduction of the Jos intra-city mass transit train.

Malam Mahmood Yakub, the Deputy Director of Public Affairs at NRC, also disclosed that numerous coaches have been rehabilitated to restart the Lagos-Kano Express Passenger Train. These coaches are presently at the Zaria Carriage and Wagons workshop, gearing up for the resumption of the train service that was previously suspended.

Mr. Fidet Okhiria, the Managing Director of NRC, shared insights during an inspection of the newly completed Port Harcourt-Aba track. He confirmed the restoration of the main track, expressing eagerness to commence operations. According to Okhiria, the Lagos-Kano Express Train Service is anticipated to resume in the first quarter of 2024, with efforts underway to restore old narrow-gauge tracks.

Malam Yakub, the NRC spokesperson, highlighted the corporation's remarkable progress in reactivating abandoned networks, emphasising the imminent return of train movement to these areas. He noted the addition of new routes, including intra-city trains in Jos and Kaduna, and reiterated the revival of the extensive 1,343-kilometer Lagos-Kano route, expected to be operational soon with the support of the minister.

NERC Unveils New Tariff Rules To Govern Mini-grid Operations In Nigeria

By Anita Dennis

The Nigerian Electricity Regulatory Commission (NERC) has introduced comprehensive regulations to govern tariff allowances for mini-grid operations in Nigeria.

The recent directives, established by the federal government through NERC, also outline permissible technical losses for mini-grid operators at four percent, setting clear guidelines for the sector.

A key point of the new regulations is that the Mini-grids are mandated to have a generation capacity ranging from 0kW to 1MW per site.

NERC also recently issued permits to 10 mini-grid developers with distribution capacities exceeding 100 kilowatts and generation capacities up to one megawatt.

Another new regulation is that, Mini-grid operators under the new guidelines have the authority to set retail tariffs and additional charges using the multi-year tariff order (MYTO) calculation tool.

Operators also have the flexibility to modify tariffs through agreements with the community, provided the community is represented by customers consuming a minimum of 60 percent of the electrical output from the mini-grid.

Also, the regulations stipulate that permissible technical losses for mini-grid operators are capped at four percent, addressing concerns within the power distribution network.

A specific threshold for non-technical losses, particularly in interconnected solar plants within mini-grids, is set at three percent.

Moreso, the Mini-grid operators holding permits for interconnected mini-grids are obligated to remit a Distribution Use of System (DUOS) charge to the Distribution Companies (Discos).

The DUOS charge is subject to mutual agreement between the permit holder and the Disco, requiring approval from NERC.

In cases where a mini-grid is interconnected, the duly authorised representatives of the connected community, the mini-grid developer, and the Disco will collectively sign a tripartite contract covering the transaction, as specified in the regulations.

These regulations mark a significant step towards standardising and regulating mini-grid operations in Nigeria, promoting transparency, accountability, and community involvement in tariff setting and operation.

FG Reiterates Dedication To Alleviating Poverty, Generating Employment, Economic Revitalisation

By Anita Dennis

The federal government has reaffirmed its dedication to alleviating poverty, generating employment opportunities, and revitalising the nation's economy. The commitment was underscored by the Honourable Minister of Trade and Investment, Mrs. Doris Nkiruka Uzoka-Anite, during her visit to Kano State.

Mrs. Uzoka-Anite emphasised the government's unwavering focus on economic growth and poverty reduction, reiterating the strategic priorities of President Bola Tinubu's administration. These priorities include job creation, improved access to capital, economic growth, and the eradication of poverty.

The government is actively formulating strategies to increase employment opportunities for the populace, with a steadfast commitment to safeguarding businesses operating within the country.

The Ministry of Trade and Investment is diligently working to revive industries as part of the administration's comprehensive eight-point agenda.

The purpose of the Honourable Minister's visit to Kano was to assess the level of industrialisation in the state and gather data on challenges that necessitate urgent attention. The primary focus is on identifying opportunities to rejuvenate industrial development and create more job opportunities.

The ministry is resolute in its commitment to enhancing the export of value-added products to leverage comparative advantages in the global market. Governor Abba Yusuf, represented by his Chief of Staff, Alhaji Shehu Sagagi, conveyed the state government's dedication to promoting small-scale industries. The state was acknowledged as a commercial nerve centre in sub-Saharan Africa (SSA).

The federal government's commitment to poverty reduction, job creation, and economic revitalisation reflects a strategic approach to address pivotal socio-economic challenges. The emphasis on industrial development and the export of value-added products aligns with the broader agenda to stimulate economic growth and enhance the well-being of the Nigerian population.

FIRS Unveils Ambitious Plan To Boost Tax Revenue By 57% In 2024

Delays Implementation of Simplified VAT Compliance For Online Imports

By Ahmed Ahmed

The Federal Inland Revenue Service (FIRS) has announced its ambitious goal to significantly increase tax revenue collection by 57 percent, aiming for N19.4 trillion in the fiscal year 2024.

The FIRS plans to achieve this by enhancing efficiency, focusing on tax compliance, and implementing additional automation measures for tax collection.

According to the FIRS document, the strategy involves boosting oil revenues to N9.96 trillion, while non-oil tax revenue is expected to reach N9.45 trillion.

The tax authority intends to restructure its organisational framework to prioritise taxpayers and execute internal reallocation from oil to non-oil sectors.

The document outlines the plan, stating: "Carry out internal reallocation from oil to non-oil, given that the budget oil revenue for 2024 was increased by 214 percent compared to 2023 actual, while non-oil was increased by only three percent."

President Bola Tinubu has been spearheading reforms to increase government revenues, emphasising taxing the 'seed' rather than the fruits. In July, he appointed Mr. Taiwo Oyedele to lead the Presidential Committee on Fiscal Policy and Tax Reforms, which aimed to refine fiscal policies, tax laws, and regulations while streamlining tax collection.

The committee's Quick-win report, produced in October, has been endorsed by President Tinubu for implementation across ministries, departments, and agencies (MDAs). The objectives include achieving a commendable tax-to- gross- domestic product (GDP) ratio of 18 percent in the next three years, reducing multiple taxation and tax evasion, and promoting a robust tax culture.

Nigeria's current tax-to-GDP ratio stands at 10.86 percent, below the continental average. In the first half of 2023, FIRS achieved a record half-year tax revenue collection of N5.5 trillion, positioning the agency to potentially surpass its N10.1 trillion collection for 2022.

Mr. Zacch Adedeji, Executive Chairman, Federal Inland Revenue Service

In another development, FIRS announced the postponement of the commencement of a simplified compliance regime for value-added tax (VAT) on imported goods purchased through digital platforms.

Initially it was slated for January 1st, 2024, the implementation would now be delayed to ensure a seamless and efficient process.

The decision to postpone the rollout is aimed at providing FIRS with additional time to finalise the development of a well-structured and effective system for the collection and remittance of VAT on online imports.

The delay is expected to facilitate a smoother transition for both online businesses and consumers.

FIRS Executive Chairman, Mr. Zacch Adedeji, highlighted that the postponement is necessary to allow the service to conclude the development of a seamless process. He emphasised the commitment to ensuring effective and efficient tax collection and remittance.

The simplified compliance regime is designed to streamline the VAT collection process for non-resident suppliers selling goods to Nigeria through digital platforms.

The focus is on creating a fair taxation system for online transactions, aligning with global trends in taxing digital commerce.

Acknowledging the importance of stakeholder engagement, FIRS plans to use the additional time for continuous consultations. This involves discussions with industry representatives, tax practitioners, and relevant government agencies to ensure that the final guidelines are practical, efficient, and address the needs of all parties involved.

While the simplified VAT regime for goods is delayed, it is important to note that the existing guidelines for services and intangibles provided by non-resident suppliers remain in effect. These guidelines, implemented in January 2022, apply to digital services such as streaming platforms and software downloads.

The move to tax online transactions reflects a global trend where tax authorities are adapting to the digital economy. FIRS aims to strike a balance by implementing measures that are fair, effective, and in line with international best practices.

The delay in the implementation of the simplified VAT compliance regime for online imports demonstrates FIRS's commitment to thorough development and stakeholder engagement. The ultimate goal is to create a taxation system that is efficient, fair, and supports the growth of online businesses while meeting the needs of consumers.

MoFI Clarifies Takeover Of FG's 40% Shares In DISCOs

By Chiamaka G. Okpala

The Ministry of Finance Incorporated (MoFI) has offered clarity on its assumption of the 40 percent federal government shares in Electricity Distribution Companies (DISCOs), emphasising that it is consistent with its mandate to boost efficiency and generate government revenue.

In expressing appreciation to the Bureau of Public Enterprises (BPE) for managing the shares over the past decade, MoFI highlighted the move's strategic importance.

According to MoFI, the takeover will drive operational efficiency, instill best corporate governance practices, and optimise the value derived from electricity assets in line with President Bola Ahmed Tinubu's economic growth agenda.

MoFI acknowledged BPE's role over the years, stating: "MoFI extends its gratitude to the BPE for its stewardship of these shares. As a reformed and active entity, MOFI is taking significant steps to ensure that these assets deliver full value to the country."

The recent order by Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, empowered MoFI to terminate the Power of Attorney granted to BPE in 2012 and assume ownership, control, and management of the outstanding federal government equity in existing electricity successor companies.

Providing historical context, MoFI explained that the legislative intent of the MoFI Act was for the corporation to be the holder and manager of assets acquired through debt or equity capital from the federal government's funds.

The restructuring of MoFI, which began over the past 24 months and intensified after the amendment of the MoFI Act by the Finance Act, 2023, positions the entity as a fully-fledged public sector asset management corporation.

MoFI emphasised the significance of its strategic direction, stating: "This arose from the recognition that FGN assets across practically all economic sectors nominally valued at very significant sums were largely moribund or grossly underutilised and poorly managed. Consequently, it was determined in 2021 by the then Minister of Finance, among other relevant decisions, that MoFI would adopt a new, value-driven strategic direction in aggregating and managing FGN assets."

The move reflects a commitment to maximising the contributions of government assets to Nigeria's economic prosperity.

Dr. Armstrong Takang, Chief Executive Officer of MOFI

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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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Ministers Of Finance, Works Inspect Abuja-Kaduna-Zaria-Kano Highway, Pledge Timely Completion

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

Sen. Engr. David Umahi, Honourable Minister of Works

By Jennete Ugo Anya

In line with the collaborative approach outlined by President Bola Ahmed Tinubu's administration, Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Olawale Edun, and his counterpart, Honourable Minister of Works, Sen. Engr. Nweze David Umahi, jointly undertook an inspection visit to the Abuja-Kaduna-Zaria-Kano Highway on January 12, 2024.

The visit aimed to address concerns related to the road's dilapidation, security challenges, and delayed completion.

The dual carriageway was awarded to Julius Berger Plc but faced challenges in completion due to security and funding constraints.

The road is deemed crucial for the socio-economic development of the nation, prompting the administration to prioritise its timely completion.

The ministers, during discussions with Julius Berger Nigeria Plc, emphasised the government's commitment to completing the project within a record time.

Contract sum reviews and technical assessments were discussed as part of the effort to expedite the project.

Mr. Edun reiterated the unwavering commitment of the federal government to timely funding in line with agreed milestones.

Infrastructure in the works sector was emphasised as a strategic priority contributing to the economic development agenda.

He stressed the strategic significance of the works sector in supporting economic development, particularly in reducing food prices and inflation.

Easy transportation of agricultural products and improved infrastructure were identified as key factors to achieve economic goals.

The finance minister pledged increased funding, recognising the critical role of infrastructure in the administration's priorities.

Meanwhile, Sen. Umahi assured the contractors that funding challenges would be addressed, stating that Honourable Minister of Finance had committed to timely payments.

He highlighted the importance of the project within the Renewed Hope Agenda, expressing President Tinubu's deep concern for its completion.

> The finance minister pledged increased funding, recognising the critical role of infrastructure in the administration's priorities

The inspection team included directors from both the Ministry of Works and Finance, Managing Director of Julius Berger Nigeria Plc, Engr Dr Lars Richter, and various stakeholders.

This collaborative effort underscores the government's determination to address critical infrastructure challenges and promote economic development within the framework of President Bola Ahmed Tinubu's Renewed Hope Agenda.

In a significant development, the National Assembly has increased the budgetary allocation for the Ministry of Works from the proposed N657.3 billion to N1.03 trillion.

This marks a substantial boost of N373 billion or a 56.7 percent increase from the initial appropriation bill, representing a notable 65.4 percent surge from the approved 2023 budget.

The Ministry of Works, tasked with the repair and maintenance of over 33,000 kilometres of federal government roads nationwide, witnessed the surge in its budget due to the elevation of its capital budget from N617.9 billion to N987.3 billion.

A detailed analysis of the approved budget revealed the introduction of several capital projects. Notably, allocations were made for critical road and infrastructure developments, including the construction of Lafia road and the dualisation of the 9th Mile (Enugu) Otukpo-Makurdi (Keffi Phase II) road project (N94.83 billion), Ota-Idiroko road sections one to three (N15 billion), Iyin-Ilawe Ekiti road sections one to three (N4 billion), and rehabilitation of Enugu-Port Harcourt road sections two and four (N13.5 billion).

Additionally, the dualisation of the Benin-Ilesha Road secured N22.75 billion, while the construction of Malando-Garin-Baka-Ngaski-Wara road in Kebbi State received an allocation of N10.1 billion. An approval of N11 billion was granted for the construction of Koko-Besse-Zaria-Kala Kala Road in Kebbi State.

Other projects in the budget include the dualization of Aba-Ikot Ekpene Road (N3.75 billion), repair of the Iganmu bridge and rehabilitation of Enugu-Port Harcourt Dual Carriageway Section (N1.21 billion and N2 billion, respectively), and the dualization and construction of Kano-Kwanar Dauja Hadejia road (N10.7 billion).

Furthermore, funds were allocated for the reconstruction of Amasiri-Uburu-Mpu-Ishiagu road (N12.3 billion), provision of culverts and drains at flood-prone areas in the South-West (N5.1 billion), and the purchase of vehicles for consultants and security supervision (N3.35 billion).

Despite the historical challenges faced by Nigerians in terms of road infrastructure, Mr. Umahi has reiterated the commitment to revolutionise road construction for the benefit of citizens.

During budget defence sessions, Mr. Umahi urged the National Assembly to increase the ministry's 2024 budget to approximately N1.5 trillion, emphasising the need to complete critical roads and bridges in each geo-political zone.

With the budget increase nearly granted, Nigerians are hopeful that the Ministry of Works, under Mr. Umahi's leadership, will deliver on its promises and address the longstanding issues related to road infrastructure.

Mr. Umahi's recent directive to contractors to complete 150km of roads in each state by 2024 reflects the ministry's renewed focus on achieving tangible results for the nation. As the projects unfold, citizens anticipate improved road networks and increased connectivity across the country.

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Economy & Investment

ADVERT RATE

COLOUR

PRODUCT

Size	Rate	Vat(7.5%)
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	22,714.86
Q/P	152,770.00	11,457.75
14.5x6	[illegible]	[illegible]
14.5x4	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
9x6	[illegible]	[illegible]
9x5	[illegible]	[illegible]
9x4	[illegible]	[illegible]
9x3	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
4x4	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
2x4	[illegible]	[illegible]
2x3	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
4x1	113,275.00	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
7x7	[illegible]	[illegible]
7x4	[illegible]	[illegible]
5x5	[illegible]	[illegible]
5x2	[illegible]	[illegible]
4x4	[illegible]	7,415.00
1x5	[illegible]	[illegible]
4x2	[illegible]	[illegible]
3x2	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
2x1	[illegible]	[illegible]
1x1	[illegible]	[illegible]

PUBLIC NOTICE POLITICAL

Size	Rate	Vat (7.5%)
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Q/P	[illegible]	[illegible]
14.5x5	[illegible]	[illegible]
14.5x3	[illegible]	[illegible]
10x4	[illegible]	[illegible]
10x3	323,396.90	24,255.08
10x4	[illegible]	[illegible]
9x6	[illegible]	[illegible]
9x5	[illegible]	[illegible]
9x4	[illegible]	[illegible]
9x3	[illegible]	[illegible]
8x6	[illegible]	[illegible]
8x5	[illegible]	[illegible]
8x4	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
7x5	[illegible]	[illegible]
7x4	[illegible]	[illegible]
7x2	[illegible]	[illegible]
6x4	[illegible]	[illegible]
6x3	[illegible]	[illegible]
6x2	[illegible]	[illegible]
5x6	[illegible]	[illegible]
5x5	[illegible]	[illegible]
5x4	[illegible]	[illegible]
5x3	[illegible]	[illegible]
3x2	[illegible]	[illegible]
4x4	[illegible]	[illegible]
4x1	[illegible]	[illegible]
4x2	51,721.84	[illegible]
3x2	[illegible]	[illegible]
2x2	[illegible]	[illegible]
2x1	[illegible]	[illegible]
1x1	[illegible]	[illegible]

BLACK AND WHITE

PRODUCT

Size	Rate	Vat(7.5%)
F/P	[illegible]	[illegible]
H/P	[illegible]	[illegible]
Q/P	93,782.00	7,193.66
[illegible]	[illegible]	[illegible]
14.5x3	[illegible]	[illegible]
9x6	234,981.00	17,624.57
9x5	[illegible]	[illegible]
9x4	140,995.16	0,574.72
9x3	[illegible]	[illegible]
8x5	[illegible]	[illegible]
8x5	156,562.40	11,742.18
[illegible]	[illegible]	[illegible]
7x5	164,495.52	[illegible]
7x5	137,079.60	10,280.98
7x4	[illegible]	[illegible]
7x2	[illegible]	[illegible]
6x4	93,997.44	7,049.80
6x3	[illegible]	[illegible]
6x2	70,498.08	5,287.36
5x6	117,496.80	8,812.26
5x5	[illegible]	[illegible]
5x4	78,331.20	5,874.84
5x3	58,748.10	[illegible]
5x2	[illegible]	[illegible]
4x4	62,664.76	4,699.88
4x3	[illegible]	[illegible]
4x2	31,4??.48	[illegible]
3x2	23,499.58	1,762.46
2x2	[illegible]	[illegible]
2x1	[illegible]	[illegible]
1x1	3,916.56	293.74

PUBLIC NOTICE POLITICAL

Size	Rate	Vat (7.5%)
F/P	[illegible]	[illegible]
H/P	[illegible]	[illegible]
Q/P	[illegible]	[illegible]
14.5x5	[illegible]	[illegible]
14.5x3	[illegible]	[illegible]
10x6	[illegible]	[illegible]
10x5	[illegible]	[illegible]
10x4	[illegible]	[illegible]
9x6	[illegible]	[illegible]
9x5	[illegible]	[illegible]
9x4	[illegible]	[illegible]
9x3	[illegible]	[illegible]
8x6	[illegible]	[illegible]
8x5	[illegible]	15,975.00
8x4	170,406.40	12,780.48
7x6	[illegible]	[illegible]
7x5	[illegible]	[illegible]
7x4	[illegible]	[illegible]
7x2	[illegible]	[illegible]
6x4	[illegible]	[illegible]
6x3	[illegible]	[illegible]
6x2	[illegible]	[illegible]
5x6	[illegible]	[illegible]
5x5	[illegible]	[illegible]
5x4	106,504.00	7,987.80
5x3	79,878.00	[illegible]
5x2	[illegible]	[illegible]
4x4	[illegible]	[illegible]
4x3	[illegible]	[illegible]
4x2	[illegible]	[illegible]
3x2	[illegible]	[illegible]
2x2	[illegible]	[illegible]
2x1	10,650.40	[illegible]
1x1	[illegible]	[illegible]

SPECIAL POSITION	Rate	Vat (7.5%)
FPS 6x2	1,291,193.1?	96,839.30
BPS 6x2	925,575.00	69,253.12
STRIP (FRONT) 2x6	[illegible]	[illegible]
STRIP (BACK) 2x6	1,037,500.00	77,812.50
STRIP (INSIDE) 2X6	218,700.35	16,391.02
EARPIECE (FRONT) 2X2	[illegible]	[illegible]
EARPIECE (BACK) 2X2	[illegible]	[illegible]
EARPIECE (INSIDE) 2X2	240,000.00	8,000.00
CENTERSPREAD (FULL)	[illegible]	249,000.00
CENTERSPREAD (HALF)	1,022,000.00	140,400.00
CENTERSPREAD (QUARTER)	[illegible]	[illegible]
DOUBLESPREAD	2,982,993.00	223,72?.40

WRAP	Rate	Vat (7.5%)
FULL WRAP	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
HALF PAGE (FRONT)	[illegible]	[illegible]
[illegible] (FRONT)	[illegible]	[illegible]
[illegible] (FRONT)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

LOOSE INSERT	
RATE PER 1,000 SHEETS	60,000.00
HANDLING CHARGE (DOUBLE)	[illegible]
HANDLING CHARGE (SINGLE)	1,000,000.00

GENERAL INFORMATION

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50% - Pages 5, 6 and 7

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Navigating Nigeria's Economic Landscape: **The Surging Cash Reserve Ratio**

POLICY BRIEF
with
ENAM **OBIOSIO**

In the ever-evolving terrain of Nigeria's economic policies, the recent surge in the Cash Reserve Ratio (CRR) over the past nine months, escalating by 45.51 percent, needs a closer examination of its implications on the nation's financial landscape.

Of course, the CRR, a monetary policy tool employed by the Central Bank of Nigeria (CBN), determines the proportion of a bank's total deposits that must be held in reserve, rather than being lent out or invested.

The economic effect of a significant increase in the CRR in Nigeria can be multifaceted and impacts various aspects of the economy. One of the immediate effects of a higher CRR is a contraction in the liquidity available to commercial banks. By mandating a larger proportion of their deposits to be held in reserve, the central bank reduces the funds that banks can use for lending and investment.

Another effect of an increased in CRR is as banks experience a reduction in available funds for lending, they may respond by increasing interest rates on loans to maintain profitability. This could lead to higher costs of borrowing for businesses and consumers, potentially slowing down investment and consumption.

Also, the higher CRR could potentially dampen economic growth by limiting the amount of credit available for businesses to expand operations and for consumers to make purchases. Reduced access to credit may result in lower investment, employment, and overall economic activity.

On the positive side, an elevated CRR could be an effective tool for controlling inflation. Obviously, by restricting the money supply, the central bank aims to curb excess liquidity in the economy, which, in turn, helps manage inflationary pressures.

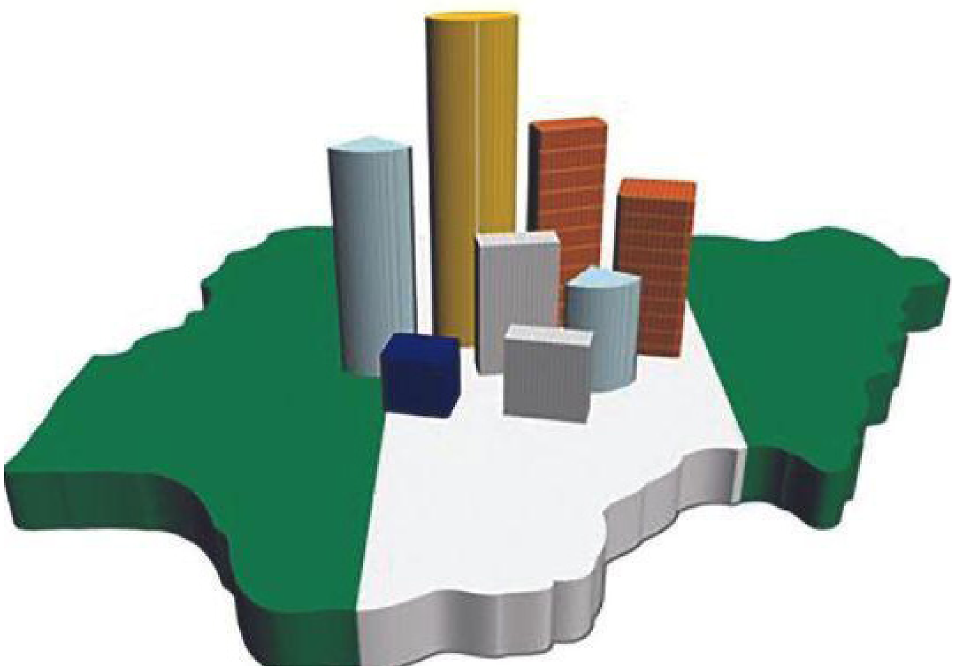
Also, a higher CRR contributes to the stability of the banking sector by ensuring that financial institutions maintain robust liquidity reserves. This could protect banks from unforeseen shocks and enhance the overall resilience of the financial system.

On foreign exchange rates, there may be influenced by changes in interest rates and the overall economic environment. A contraction in liquidity and higher interest rates could affect the attractiveness of the Nigerian currency in the foreign exchange market.

The increase in the CRR could have specific effects on the manufacturing sector, which plays a crucial role in economic development. A higher CRR may lead to an increase in interest rates as banks seek to maintain profitability with reduced liquidity. This could result in higher borrowing costs for manufacturers who rely on loans for capital investment, expansion, and working capital.

With a larger portion of their funds held in reserve, banks may have less money available for lending to businesses, including those in the manufacturing sector. This reduced access to credit could impede the ability of manufacturers to finance production activities and invest in new technologies.

Noting that the manufacturing sector often requires substantial capital investment for machinery, technology, and infrastructure, a constrained credit environment due to a higher CRR may hinder the ability of manufacturers to make these investments, potentially slowing down capacity expansion and modernisation efforts.



Manufacturers are highly dependent on efficient supply chains. If increased borrowing costs and reduced access to credit lead to financial challenges for manufacturers, it could disrupt supply chains, affecting the timely procurement of raw materials and components.

Reduced investment and production activities in the manufacturing sector could have implications for employment. If manufacturers face challenges in financing operations and expansion, they may be less inclined to hire new workers, potentially impacting employment levels within the sector.

Higher costs of borrowing and reduced access to credit may affect the competitiveness of the manufacturing sector, especially when compared to industries in countries with more favourable monetary conditions. This could impact the ability of Nigerian manufacturers to compete in the global market.

The government may experience changes in revenue as a result of the impact on businesses, potentially affecting tax collections. In response to the economic challenges posed by a higher CRR, the government may need to consider adjustments in fiscal policies to support the manufacturing sector.

Manufacturers often need to invest in technology and innovation to stay competitive. A constrained credit environment may limit the ability of manufacturers to invest in these areas, potentially hindering their long-term competitiveness and ability to adapt to market changes.

The government may need to reassess its fiscal policies in response to changes in the monetary policy environment. Fiscal measures might be adjusted to complement the goals of the central bank and ensure a coordinated approach to economic management, such the effectiveness of the CRR policy and its impact on inflation and overall economic stability could influence investor confidence. A well-balanced approach that addresses inflationary concerns without significantly impeding economic growth is crucial for maintaining investor trust.

Viewing the current economic landscape, Professor Uche Uwaleke, an expert in capital market and finance, has emphasised that the current CRR at 32.5 percent is among the highest in sub-Saharan Africa. He would posit that this high CRR acts as a tax on banks, limiting their ability to provide credit to the real sectors. Uwaleke has highlighted the adverse effects of this policy, pointing to its effect as fostering illiquidity and contributing to a high-interest rate environment detrimental to credit access and real GDP growth. He has urged the Monetary Policy Committee (MPC) to consider reducing the CRR at its next meeting while respecting the Central Bank of Nigeria's mandate of maintaining price stability.

Ayo Teriba, CEO of Economic Associate, has also raised concerns about the implications of the CRR on Nigeria's real sector. Teriba has highlighted that the CRR restricts the real sector's access to credit, hindering potential loans and increasing the overall cost of credit for banks. He criticised the inefficiency and unnecessary burden the CRR places on the financial system.

He says that the CRR, originally adopted as a prudential rule, is not meant to be a recurring monetary policy instrument but a variable cash requirement applicable when a bank fails to manage its liquidity. However, he emphasised that the rule becomes redundant once a bank regains control over its liquidity.

Teriba has suggested that stable exchange rates and fiscal stability are prerequisites for lowering the CRR. He emphasised the need to clear Ways and Means, a government borrowing mechanism, before addressing the CRR issue. Additionally, he has advocated for building foreign reserves to stabilise the exchange rate, allowing for greater monetary policy autonomy and facilitating low-interest credit for the real sector.

In navigating the effects of an increased CRR, policymakers may need to adopt measures to support the manufacturing sector, such as targeted fiscal incentives, policies that encourage innovation, and initiatives that facilitate access to alternative funding sources beyond traditional banking channels. Striking a balance between monetary policies and the needs of key economic sectors is essential for promoting sustainable growth and stability.

However, while an increase in the CRR serves as a tool for managing inflation and ensuring banking sector stability, its economic effects underscore the delicate balance policymakers must strike to foster sustainable economic growth and stability. The effectiveness of the policy will depend on its integration into a broader economic strategy and its adaptability to changing economic conditions.

As we continue to grapple with economic challenges, the surge in the CRR signals a proactive approach by the central bank to navigate the complex economic landscape.

However, striking the right balance between inflation control and facilitating economic growth will be crucial for achieving a sustainable and well-rounded economic recovery.

The government may experience changes in revenue as a result of the impact on businesses, potentially affecting tax collections

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