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Federal Government Economic Management Team Reassures Nigerians Amid Challenges

*The Honourable Minister of Finance and Coordinating Minister of the Economy, **Mr. Wale Edun,** in company of **Sen. Atiku Bagudu,** Honourable Minister of Budget and National Planning, and Governor of Central Bank of Nigeria (CBN), **Mr. Olayemi Cardoso,** recently addressed the National Assembly, offering insights into the nation's economic landscape, and outlining strategies to overcome prevailing difficulties. They discussed key issues such as inflation, exchange rate fluctuations, and efforts to bolster economic resilience through reforms and targeted interventions, echoing sentiments of progress, highlighting strategic budget allocations towards critical sectors, and attributing recent depreciation of the naira to various factors including increased demand for foreign currency and capital outflows. **Enam Obiosio** reports.*

In a recent address to the National Assembly, Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy, offered assurances to Nigerians that the current economic challenges would soon be overcome through the implementation of government reforms.

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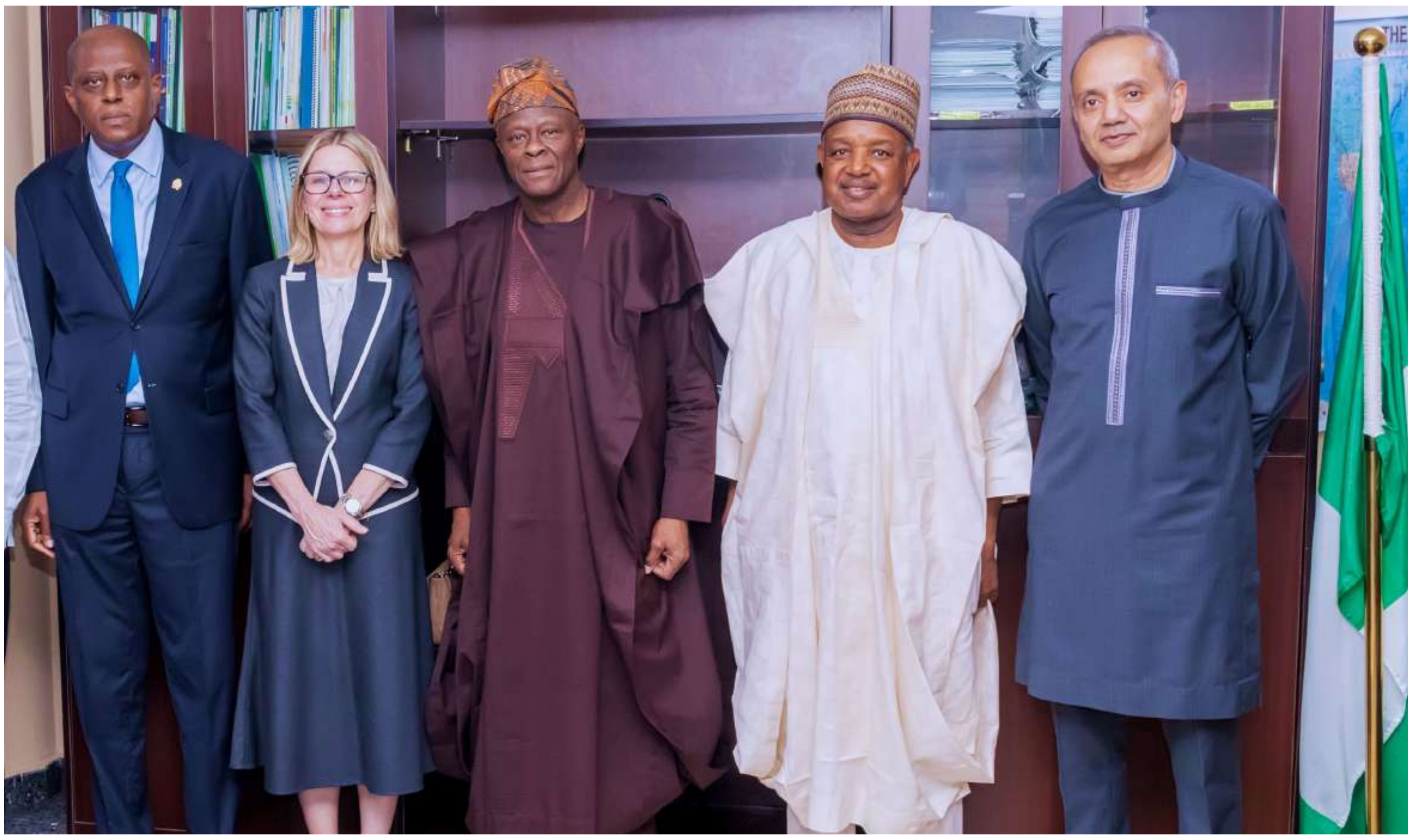

L-R: **Mr. Olayemi Cardoso,** CBN Governor, **Anna Bjerde,** World Bank Managing Director of Operations, **Mr. Wale Edun,** Honourable Minister of Finance and Coordinating Minister of Economy, **Sen. Atiku Bagudu,** Minister of Budget and Economic Planning, and **Shubham Chaudhuri,** World Bank Country Director for Nigeria, on the country's economic recovery plan, reforms, and the WorldBank's program in Nigeria focused on improving growth, jobs, macroeconomic stability and social protection.

There Should Be Transparency In Implementation Of N200bn Fund To Ensure Maximum Impact

EDITORIAL

The recent announcement of the Bank of Industry (BOI) being entrusted with a substantial N200 billion fund to support micro, small, and medium enterprises (MSMEs) in Nigeria is a commendable step towards fostering economic growth and development.

This initiative, spearheaded by the Federal Ministry of Industry, Trade, and Investment, underscores the federal government's commitment to empowering businesses across the country.

At the heart of this initiative lies the Presidential

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NDIC
Nigeria Deposit Insurance Corporation
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SALE OF ASSETS OF CLOSED MICRO FINANCE BANKS BY PUBLIC AUCTION AND PUBLIC COMPETITIVE BID

The Nigeria Deposit Insurance Corporation (NDIC), in exercise of its right as Liquidator of failed Micro finance banks (MFBs), hereby invites interested members of the general public to buy the assets (furniture, fixture, fittings, equipment, generators, motor vehicles etc) of the under listed defunct MFBs by PUBLIC COMPETITIVE BIDDING/AUCTION and sealed Bids for Motor Vehicles and Generators:

S/N	BANK	BANK ADDRESS	BANK STATE	AUCTIONERS	DATE OF AUCTION	NDIC CONTACT PERSON
1	Alkaleri Microfinance Bank Limited	C/O Alkaleri Local Govt. Alkaleri, Bauchi State	BAUCHI	Isa Musa Matori. 08066889900	21/02/2024 to 24/02/2024	NDIC (ASSET MANAGEMENT DEPARTMENT) John, 08029997846. Aliyu 08062657895. Taiwo, 07085772569
2	Apeks Microfinance Bank Limited	Ghalib House 24, Wahab Folawiyo (Unity) Road Ilorin	KWARA	Umar Mohammed, 08033576769	21/02/2024 to 24/02/2024	Ditto
3	North Capital Microfinance Bank Limited	Batsari Lga, Katsina State	KATSINA	M. S. Shehu & Brothers 08023031208, 08036947994	21/02/2024 to 24/02/2024	Ditto
4	Ogoja Microfinance Bank Limited	27 Mission Rd Igoli-Ogoja	CROSS RIVER	Okonuga Nig. Ltd. 08028512633 & 08161399124	21/02/2024 to 24/02/2024	Ditto
5	Otukpo Microfinance Bank Limited	7, Markurdi Rd, Otukpo, Benue State	BENUE	Isamina Nigeria Enterprises 08025232213	21/02/2024 to 24/02/2024	Ditto
6	Prudential Co-Operative Microfinance Bank Limited	Km 5 Uyo-Ikot Ekpene Road, Essien Udom L.G.A., Akwa Ibom State	AKWA IBOM	Rose Udokang & Co. 08027878892	21/02/2024 to 24/02/2024	Ditto
7	Suisse Microfinance Bank Limited	Gacoun Plaza, 2nd Floor Hall 5, 23 Road Opposite K Close, Festac Town, Lagos	LAGOS	Immacco Services Ltd 08034756706	21/02/2024 to 24/02/2024	Ditto
8	Vibrant Microfinance Bank Limited	Okowi House, Ogbe-Akpu Quarters, Issele-Azagba, Aniocha North L.G.A. Delta State	DELTA	Joe Eziashi & Co. 08037204627	21/02/2024 to 24/02/2024	Ditto

AUCTION PROCESS

The Public Auction for the furniture, fixtures, fittings & equipment will take place from 21st to 24th February, 2024.

CONDITIONS FOR BIDDING FOR THE GENERATORS AND MOTOR VEHICLES

1) Bids should be submitted in a sealed envelope together with a deposit of 10% of the bid price in Certified Bank Draft in favour of the respective microfinance banks (In-Liquidation) and with an inscription "BID FOR GEN SET/MOTOR VEHICLE," on the top left hand corner of the envelope. The bid should contain the name, address and telephone numbers of the bidder. The successful bidder will be required to pay the balance of the bid price within 24 hours of winning the bid.

2) The 10% draft for the unsuccessful bidders would be returned immediately.

3) Bids should be submitted to the Auctioneers or NDIC Contact persons at the bank premises and within the stated period.

4) Submitted bids shall be opened before the bidders at the various locations.

5) All Assets are sold as "as is" and "net of all taxes".

6) All purchased items must be evacuated within 24 hours of purchase.

For further enquiries, please contact:
Director, Asset Management Department,
Nigeria Deposit Insurance Corporation, Lagos Office,
Mamman Kotangora House (9th Floor),
23A, Marina, Lagos.
Tel No: 08062616662.

Website: www.ndic.gov.ng
E-mail: claimscomplaints@ndic.gov.ng

@NDICNigeria

CBN Announces Reforms Towards Market-Driven Exchange Rate Mechanism

Introduces Revised Consumer Protection Regulations

By Ahmed Ahmed

The Central Bank of Nigeria (CBN) has made significant strides in reforming the foreign exchange market, signaling a move towards a market-driven exchange rate mechanism that could potentially pave the way for a free float of the naira.

In a recent circular, the CBN outlined key changes aimed at promoting a more liberalised forex regime. These reforms include the removal of caps on international money transfer operations, discontinuation of a cap on the spread in interbank foreign exchange transactions, and the lifting of restrictions on the sale of interbank proceeds.

The circular emphasises the objective of promoting a market-based price discovery system, with forex transactions operating on a 'Willing Buyer and Willing Seller' basis. This shift towards more flexibility in exchange rates, determined by market forces, is expected to enhance liquidity and efficiency in the forex market.

One notable change is the removal of any cap on the spread between buying and selling prices in interbank forex transactions. This move is anticipated to allow more room for price negotiation and improve market dynamics. Additionally, lifting restrictions on the sale of interbank proceeds is expected to increase the availability of foreign currency in the market.

Furthermore, the CBN has mandated that authorised dealers conduct their forex transactions with adherence to high ethical standards and transparency. This directive aims to foster a competitive and efficient market environment, crucial for building confidence in the new system.

While the circular stops short of announcing a full transition to a free float, analysts view these reforms as a positive step towards aligning Nigeria's forex market with global best practices. A market-driven exchange rate mechanism can enhance competitiveness, attract foreign investment, and potentially reduce volatility associated with forex scarcity and speculation.

Mr. Olayemi Cardoso, Governor of CBN

However, the success of these reforms hinges on complementary fiscal policy reforms to ensure economic stability and growth. Reducing fiscal deficits and increasing government revenues are critical steps needed alongside forex reforms. These measures can help curb inflationary pressures and provide the government with more resources for investment without resorting to excessive borrowing.

In the short term, the shift towards a market-driven exchange rate could lead to inflationary pressures as the cost of imports rises. However, in the long term, it could encourage the development of local industries and reduce the trade deficit by curbing excessive reliance on foreign goods.

Overall, the CBN's reforms signal a significant policy shift towards a more market-oriented exchange rate system, with implications for Nigeria's economic stability and growth trajectory.

Also, the CBN unveiled a set of revised consumer protection regulations aimed at ensuring transparent, courteous, and fair debt collection practices and overall better outcomes for consumers of financial services.

In a document titled 'Revised Consumer Protection Regulations,' released recently on its website, the CBN outlined several key provisions to safeguard consumer rights and promote access to financial services.

One significant directive is the requirement for regulated entities to provide customers with notices of outstanding obligations before commencing debt collection. This measure is intended to ensure that the debt recovery process is conducted in a transparent and fair manner.

The regulations also emphasis that foreclosures should only be initiated as a last resort after exhausting other recovery options. Customers must be given the option of a private sale before foreclosure, with a 30-day window to exercise this right.

Furthermore, financial service providers (FSPs) are mandated to apply the net proceeds from foreclosures to the loan account and inform customers of the remaining balance. Banks are also required to provide customers with a detailed report on collateral sales, including process, expenses, and net proceeds. Additionally, FSPs must refrain from contacting individuals related to a customer, except for specific purposes related to the loan agreement.

In addition to debt collection practices, the regulations address various aspects of consumer protection, including safeguarding customer assets, preventing fraud, and protecting consumer data privacy.

Banks are obligated to implement measures such as automated transaction monitoring, alert functions, and behavioural monitoring to detect and prevent fraud. Customers must also be educated on fraud threats or scams, and procedures for reporting suspicious activities must be communicated periodically.

Furthermore, the regulations stipulate that financial institutions must offer secure and user-friendly interfaces for digital financial services to prevent errors and double transactions. Banks are also required to protect consumer data privacy and confidentiality from unauthorised access and obtain written consent from consumers before collecting and processing their personal data.

Overall, the introduction of these revised consumer protection regulations underscores the CBN's commitment to safeguarding consumer interests and ensuring greater protection in the evolving financial services landscape. By enhancing transparency, fairness, and accountability, these regulations aim to promote trust and confidence among consumers in the financial system.

Dangote Refinery Sets Sail: 2 Fuel Cargoes Bound For Export

By Anita Dennis

Dangote Petroleum Refinery, Africa's largest refinery, is set to make its debut in the international market by exporting two fuel cargoes, according to trading sources familiar with the matter.

This development comes after eager anticipation from Nigerians for the release of products from the $20 billion Dangote refinery, which was inaugurated in May of the previous year by former President Muhammadu Buhari.

The refinery had initially planned to release aviation fuel (Jet A1) and diesel for sale in the Nigerian market in January. However, regulatory approvals delayed this plan.

Despite facing hurdles in regulatory approvals, the Dangote refinery announced on January 12, 2024, that it had commenced the production of Automotive Gas Oil (diesel) and aviation fuel (Jet A1).

The refinery, with a capacity of 650,000 barrels per day, is situated on the outskirts of Lagos and was constructed by Aliko Dangote, Africa's wealthiest individual.

For years, Nigeria has heavily relied on costly fuel imports, but with the Dangote refinery's operationalisation, the country aims to become a net exporter of fuel to other West African nations, marking a significant shift in the region's energy landscape.

The first cargo, comprising 65,000 metric tonnes of low-sulphur straight run fuel oil, has been awarded to Trafigura and was scheduled to load by the end of February. The second tender was for about 60,000 tonnes of naphtha, with the tender closed on February 15. Further details regarding loading were not immediately available.

These two fuels, low-sulphur straight run fuel oil and naphtha, are typical products derived from processing light sweet crude through a crude distillation unit in a refinery without additional upgrading capacity.

While it is expected to take several months for upgrading units to be brought online, the refinery began purchasing crude in December of the previous year, with Nigeria's state-owned oil firm NNPC Ltd being the main supplier.

The export of fuel cargoes by the Dangote refinery signifies a milestone in Nigeria's energy sector, potentially paving the way for increased self-sufficiency and economic prosperity in the region.

Federal Government Economic Management Team Reassures Nigerians Amid Challenges

CONTINUED FROM PAGE ONE

R-L: **Mr. Wale Edun,** Honourable Minister of Finance and Coordinating Minister of Economy, **Sen. Atiku Bagudu,** Honourable Minister of Budget and Economic Planning, **Mr. Olayemi Cardoso,** CBN Governor, **Ms. Patience Oniha,** Director-General of DMO, and others in a meeting.

He acknowledged the impact of past economic policies, noting that inflation and the cost of living have risen, but emphasised the rollout of palliatives to mitigate these effects.

He highlighted the steady increase in oil production due to improved security measures and the government's efforts to combat oil bunkering and criminal activities in oil-producing areas, with the country now producing approximately 1.65 million barrels per day (mbpd).

Moreover, Mr. Edun emphasised the government's focus on addressing inflation, exchange rate fluctuations, and promoting agriculture and diversification of the non-oil sector to enhance economic resilience.

Similarly, Honourable Minister of Budget and National Planning, Sen. Atiku Bagudu, echoed Mr. Edun's sentiments, stating that the current state of the economy is an improvement from when President Bola Tinubu assumed office in May 2023.

He emphasised the government's commitment to addressing economic challenges through focused budget allocations towards agriculture, security, and infrastructure. He lauded the allocation of 39 percent of the budget to these critical areas and stressed the need to enhance revenue collection strategies.

In response to inquiries about the rapid depreciation of the naira, Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, addressed the House of the Assembly.

He highlighted Nigerians' significant spending on foreign education, healthcare, and personal travels, amounting to over $98 billion in the past decade. He attributed the recent challenges in stabilising the exchange rate to a shortage of dollars amid increased demand, exacerbated by the outflow of foreign exchange (FX).

He outlined the CBN's efforts to stabilise the exchange rate, including measures to enhance liquidity in the foreign exchange markets. However, he emphasised the need for collective action to moderate demand for foreign currency and consumption of imported goods, stressing that sustained efforts are required to address the underlying economic challenges.

Following the alarming plunge of the naira from approximately 900/dollar to over 1,400/dollar at the official market, members of the organised private sector and concerned Nigerians have voiced apprehensions over potential hardships and job losses.

In response to the lawmakers' invitation, Mr. Cardoso shed light on the factors contributing to the currency's depreciation and outlined measures to address exchange rate volatility.

He highlighted increased demand pressures in the foreign exchange market as a primary driver of the naira's decline. He cited speculative forex demand, inadequate forex due to low remittance of crude oil earnings to the CBN, increased capital outflows, and excess liquidity from fiscal activities as significant contributors to the current situation.

To tackle exchange rate volatility, Mr. Cardoso unveiled a comprehensive strategy aimed at enhancing liquidity in the FX markets

To tackle exchange rate volatility, Mr. Cardoso unveiled a comprehensive strategy aimed at enhancing liquidity in the FX markets. This strategy includes unifying FX market segments, clearing outstanding FX obligations, introducing new operational mechanisms for Bureau De Change operators, enforcing the net open position limit for commercial banks, and adjusting the remunerable standing deposit facility cap.

Moreover, he revealed staggering statistics regarding Nigerians' spending on foreign trips, medical tourism, and overseas education. Between 2010 and 2020, foreign education expenses amounted to $28.65 billion, while medical treatment abroad incurred around $11.01 billion in costs. Personal travel allowances accounted for a staggering $58.7 billion during the same period, totalling approximately $98 billion in foreign exchange expenditure.

Compounding the situation, Mr. Cardoso underscored the consistent decline in Nigeria's export earnings juxtaposed with increasing imports. He noted that while annual imports stood at $16.65 billion in 1980, they surged to $67.05 billion by 2014 before gradually decreasing to $54.71 billion as of last year. Similarly, food imports escalated from $2.63 billion in 1980 to $14.84 billion in 2019.

In contextualising the problem, he emphasised the critical role of maintaining a balance between imports and exports to stabilise the exchange rate. He pointed out that in 1980, Nigeria experienced a surplus in export earnings, which helped mitigate the demand for dollars, thus maintaining exchange rate stability.

Furthermore, Mr Cardoso highlighted the significant decline in Nigeria's oil revenues as another contributing factor to the naira's free fall. The dwindling oil revenues have exacerbated the country's foreign exchange challenges, necessitating proactive measures to address the situation.

He revealed stark statistics regarding Nigeria's economic performance, noting a significant surplus of $331.73 billion in the economy from 2003 to 2013, with oil exports contributing over $798 billion during that period. This surplus typically served as a stabilising force for the exchange rate, bolstering the strength of the naira. However, he lamented the steep decline in oil exports over the past 12 years, plummeting from $93.89 billion in 2011 to just $31.4 billion in 2020. This decline in oil revenues has posed considerable challenges to Nigeria's foreign exchange earnings, exacerbating the pressures on the naira's value.

Furthermore, Mr. Cardoso emphasised the need for efforts beyond the purview of the central bank to stabilise the exchange rate, highlighting the necessity for attitudinal changes among all citizens to support economic stability initiatives.

Despite the challenges, he expressed optimism regarding the effectiveness of policy measures implemented by the CBN, anticipating their permeation throughout the economy in the short to medium-term. He acknowledged that inflation pressures may persist temporarily but expected them to moderate significantly by the fourth quarter of 2024. Similarly, he anticipated a reduction in exchange rate pressures with the smooth functioning of the foreign exchange market.

Mr Cardoso also addressed Nigerians' penchant for foreign goods, citing a report by the Washington-based Institute of International Education that highlighted a surge in the number of Nigerians studying in the United States, despite an acute shortage of foreign exchange in the country. This trend, he noted, further contributes to the pressure on the naira on the international stage.

In a recent address to the Joint Senate Committees on Finance, Appropriations, Banking, Insurance, and other Financial Institutions, Mr. Cardoso emphasised the urgent need for policy shifts to address the challenges facing the Nigerian economy, particularly the volatility of the naira.

He underscored the importance of reducing the country's reliance on foreign goods, pointing out the adverse impact on the exchange rate. He urged Nigerians to moderate their demand for the United States Dollar (USD) and consumption of foreign goods to stabilise the naira.

Despite the challenges, Mr. Cardoso highlighted the effectiveness of recent policy measures implemented by the CBN, resulting in significant foreign exchange inflows into the economy.

Furthermore, he announced a significant policy shift regarding Ways and Means advances to the federal government, stating that the CBN would no longer provide such advances until previous loans were repaid. This decision aimed to curtail inflationary pressures and ensure fiscal discipline.

In response to inquiries from Senate Committee members, he emphasised the importance of collaborative efforts to address macroeconomic challenges effectively. He acknowledged the need for specialised measures to address inflation, support the productive sectors of the economy, and enhance food supply to mitigate food inflation.

The statements by Cardoso underscored the complexity of the economic challenges facing Nigeria and the imperative for concerted efforts by government agencies, policymakers, and citizens to stabilise the economy and ensure sustainable growth and development.

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NOTICE TO DEPOSITORS OF CLOSED ULTIMATE BENEFIT MICROFINANCE BANK (MFB)

The Nigeria Deposit Insurance Corporation (NDIC), the official Liquidator of Ultimate Benefit Microfinance Bank which licence was revoked in November 2020, has concluded arrangement to pay insured sum to depositors.
We therefore call on all eligible depositors to visit the address below from Monday, 19th to Friday, 23rd February, 2024:

S/N	ADDRESS	TELEPHONE CONTACT
1	Cliff Hotel, Ganaja Junction, Behind Former Diato Filling Station, Lokoja, Kogi State, Nigeria	JOSEPH:0701149556, YUNUSA: 08065522562

Eligible depositors can also contact the representatives of Director, Claims Resolution Department in any of the under listed NDIC Zonal Offices to file their claims, or seek assistance or clarification:

S/N	OFFICE	ADDRESS	TELEPHONE NO.
1	Lagos Office	NDIC, Mamman Kotangora House (8th Floor), 23A Marina, Lagos No. 10, Our Lord's Street,	09066069323 08065522562 01-2779768, 01-2779773
2	Enugu Zonal Office	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 Street, Off Maiduguri Road, Hotoro, GRA, Kano	08133151192
5	Ilorin	No.12A, Sulu Gambari Road, Ilorin	08023073975
6	Bauchi	Plot No. 3, Bank Road, P.M.B. 0207, Bauchi	07038510761
7	Sokoto	No. 2, Gusau Road, Opp. NNPC Mega Station, Sokoto	094601085
8	Yola	No. 6, Numan Road, P.M.B. 2227, Jimeta, Yola, Adamawa State No. 104, Woji Road, Off Olu	08067910599 08067923383
9	Port Harcourt	Obasanjo Road, GRA, Port Harcourt, Rivers State	08054663230
10	Abeokuta	No. 1, Oshele Road, Ibara GRA Abeokuta	08033137255
11	Owerri	Plot 56, Area A, World Bank Area, New Owerri Landmark, Behind Immaculate Hotel. Opposite Fidelity Bank Plc.	09135137677
12	Head Office Abuja	Head, Bank Examination Unit (BEU), 32 Anthony Enahoro Street, off N.Okonjo-Iweala Way, Utako, Abuja	09-4601260, 09-4601261

Director, Claims Resolution Department
Nigeria Deposit Insurance Corporation
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Mamman Kontagora House
23, Marina Lagos

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EDITORIAL

There Should Be Transparency In Implementation Of N200bn Fund To Ensure Maximum Impact

CONTINUES FROM COVER

Conditional Grant Scheme (PCGS), a targeted effort to provide financial assistance to nano business owners, particularly women and youths, who often face barriers to accessing traditional financing channels. The allocation of a dedicated N50 billion grant schemes for the PCGS signifies a deliberate focus on grassroots economic development and inclusive growth.

The decision to extend support to a minimum of 1,000 beneficiaries per Local Government Area (LGA) nationwide, along with the six council areas in the Federal Capital Territory (FCT), demonstrates a commitment to reaching underserved communities and fostering entrepreneurship at the grassroots level.

Looking at this approach, we trust that it aligns with the goal of promoting socio-economic progress across all regions of the country.

One of the most significant aspects of the PCGS is its non-repayment nature, relieving beneficiaries of any financial burden and allowing them to invest in their businesses without the pressure of loan repayment. Of course, this key resource has the potential to catalyse innovation, job creation, and wealth generation within the MSME sector, driving sustainable economic growth in the long run.

Moreover, the inclusivity of the PCGS extends to a wide range of small businesses, including traders, food vendors, information and communication technology (ICT) businesses, transporters, artisans, and creatives. By supporting diverse sectors of the economy, we believe the initiative not only addresses immediate financial needs but also could foster a conducive environment for entrepreneurship and innovation to thrive.

In addition to the PCGS, the federal government's MSME Intervention Fund in addition to the its Manufacturing Sector Fund further reinforce the government's commitment to supporting the growth and development of MSMEs across various sectors. We see these complementary initiatives as avenues for businesses to access financing, enhance productivity, and contribute to job creation and wealth generation.

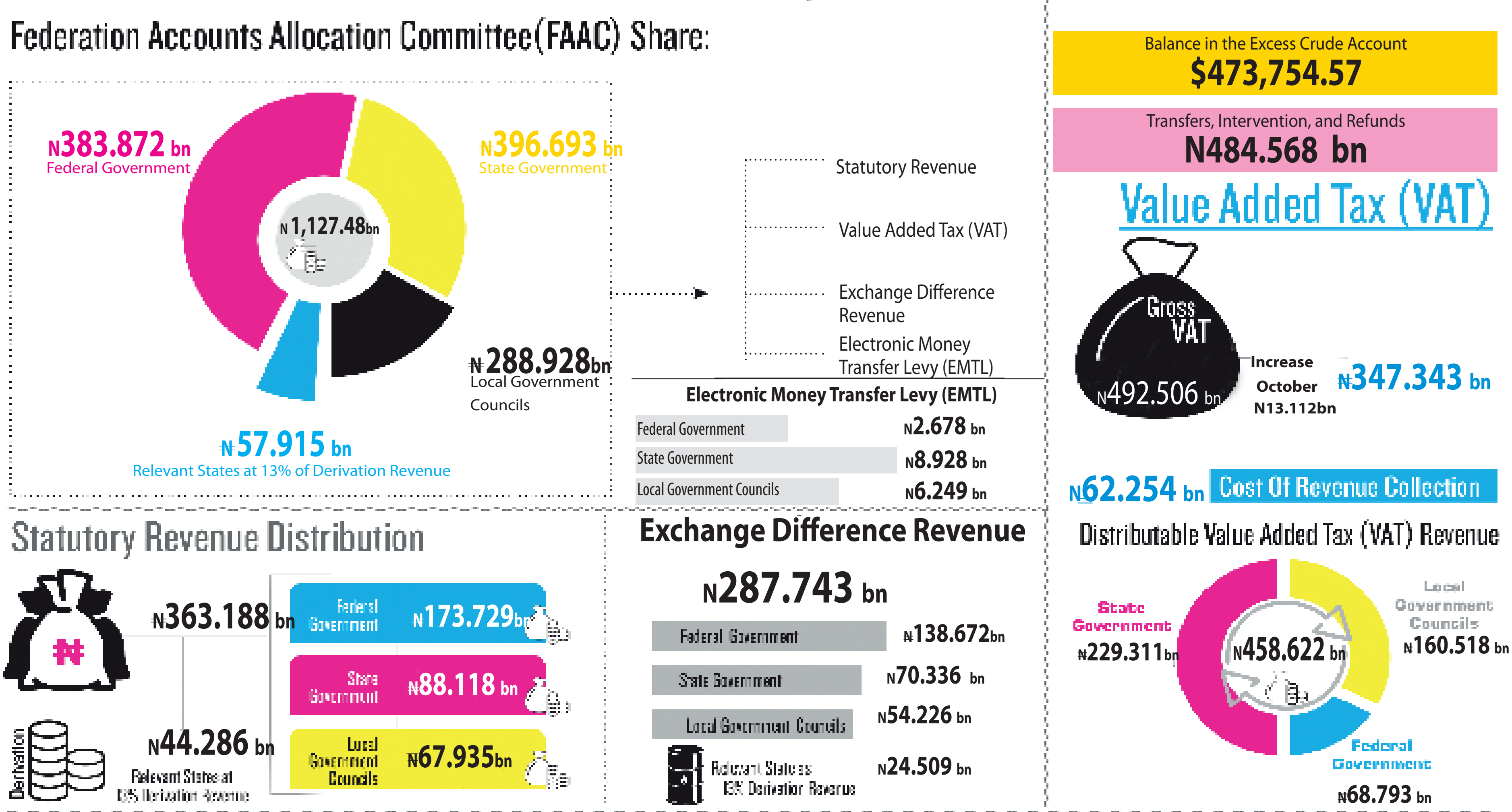
Furthermore, the involvement of the Bank of Industry (BoI) as the executing agency brings a wealth of experience and expertise in financing and development banking. Leveraging its extensive network and resources, the BOI is well-positioned to ensure the effective implementation and management of the N200 billion fund, maximising its impact on the MSME ecosystem.

As Nigeria strives to overcome economic challenges and build a resilient and diversified economy, initiatives like the PCGS, we note, could play a crucial role in unlocking the potential of MSMEs as engines of growth.

We are of the opinion that the implementation of this fund remains transparent, efficient, and accountable to ensure maximum impact and benefit for all stakeholders.

We reiterate, the BOI's N200 billion fund, particularly the PCGS, represents a significant opportunity to empower MSMEs, drive inclusive economic growth, and build a more prosperous future for Nigeria. It is a testament to the government's commitment to supporting entrepreneurship and fostering a conducive business environment in the country.

FAAC Shares N1,127.408 bn December 2023 Revenue To FG, States And LGCs



In the month of December 2023, Companies Income Tax (CIT), Excise Duty, Petroleum Profit Tax (PPT), Value Added Tax (VAT) and Electronic Money Transfer Levy (EMTL) increased significantly, while Oil and Gas Royalties decreased substantially. Import Duty and CET Levies decreased marginally.

FG Says Electricity Subsidy Is No Longer Sustainable

Mulls Construction Of Renewable Power Plants To Tackle Power Crisis

By Chiamaka G. Okpala

In a recent significant declaration, the federal government announced the challenging reality of sustaining subsidies on electricity, attributing the dilemma to the escalating power debt plaguing the nation.

Speaking at a press conference in Abuja, Honourable Minister of Power, Mr. Adebayo Adelabu, underscored the urgency for Nigeria to transition towards a cost-effective tariff model amid mounting financial burdens.

He revealed startling figures, indicating that Nigeria's indebtedness to electricity generating companies has surged to a staggering N1.3 trillion, with an additional $1.3 billion owed to gas companies.

Despite allocating a budget of N450 billion for electricity subsidies in the 2024 fiscal year, findings from the Nigerian Electricity Regulatory Commission (NERC) paint a starkly different picture, projecting a subsidy requirement of approximately N2.9 trillion for the year.

The complexities facing the power sector have been laid bare, as Mr. Adelabu highlighted a series of challenges contributing to the crisis. The national grid has suffered repeated collapses, experiencing six instances between December 2023 and the present, primarily due to gas shortages, aging infrastructure, inadequate capacity for power evacuation, and damage to power stations in the North-East region.

The revelations underscore the pressing need for a comprehensive overhaul of Nigeria's electricity sector, with a shift towards sustainable and cost-effective solutions becoming increasingly imperative. As the government grapples with mounting debts and operational challenges, the focus must now be directed towards implementing long-term strategies aimed at revitalising the nation's power infrastructure and ensuring reliable access to electricity for all citizens.

Also, the FG is exploring the construction of renewable power plants as part of its strategy to address the persistent electricity generation challenges plaguing the nation.

Mr. Adelabu, revealed this during a meeting with foreign agencies held recently.

As per statements relayed by Mr. Bolaji Tunji, media aide to Mr. Adelabu, there was a notable emphasis from the honourable minister on the significance of establishing renewable power plants to gradually enhance the national power supply.

Renewable power plants utilise energy sources such as solar, wind, water, or geothermal energy to generate electricity, without relying on fossil fuels like coal, oil, or natural gas.

Mr. Adelabu underscored his commitment to ensuring that the Rural Electrification Agency effectively serves rural communities that may not be commercially viable for traditional distribution companies. He highlighted plans to develop small hydropower plants alongside 26 small dams across the country, with the possibility of hybridising them with solar energy during periods of low water levels.

Additionally, the honourable minister mentioned considering solar options for the northern regions of Nigeria and exploring the use of offshore windmills along the coastal areas to harness wind energy.

One of the main challenges identified by Adelabu is the liquidity and funding constraints in the power sector. He stressed the importance of implementing cost-reflective tariffs to ensure that all costs associated with power generation, transmission, and distribution are recovered, while providing operators with reasonable profits. However, he noted that the sector faces liquidity issues due to delayed subsidy payments from the government, hindering investment and leading to deteriorating infrastructure.

Mr. Adelabu's briefing received positive feedback from development partners, including representatives from the European Union, United States Agency for International Development, United Nations Industrial Development Organisation, World Bank, Japan International Cooperation Agency, African Development Bank, and others.

These partners assured the honourable minister of continued support, as his plans provided a clear direction for addressing key issues in the power sector.

The potential construction of renewable power plants signals a shift towards sustainable energy solutions and could offer significant benefits in addressing Nigeria's power crisis, provided that adequate funding and supportive policies are put in place.

FCCPC Issues Warning Against Food Price Hikes Amid Soaring Inflation

By Edmond Martins

The Federal Competition and Consumer Protection Commission (FCCPC) has issued a stern warning to wholesalers and retailers operating in the food chain sector, cautioning against arbitrary increases in food prices.

Dr. Adamu Abdullahi, the Acting Executive Vice Chairman of FCCPC, emphasised that the commission would not tolerate price gouging, with swift and severe legal consequences awaiting violators.

The FCCPC's surveillance efforts revealed evidence of participants at distribution and retail levels engaging in conspiracies, price gouging, hoarding, and other unfair tactics.

Dr. Abdullahi expressed concern that some actors in the food chain sector were exploiting consumer anxiety to inflate prices, labelling such actions as obnoxious, unscrupulous, exploitative, and illegal.

In a market where inflationary pressures and economic uncertainties are prevalent, the FCCPC's focus on the food chain sector is particularly significant. Participants at distribution and retail levels have been cautioned against restricting the supply of food, manipulating prices, and engaging in conduct that violates both moral and legal standards.

Dr. Abdullahi emphasises that such practices, including the use of undue influence and unfair tactics, run counter to the Federal Competition and Consumer Protection Act (FCCPA) and will face penalties under the law. The FCCPC's dedication to addressing key consumer protection and competition issues in the food chain sector aligns with its mandate to ensure fair business practices.

Responding to a Federal High Court order mandating the government to fix prices of certain food commodities, he acknowledges the unusual practice in a free market but affirms that the commission is working with relevant stakeholders to develop measures to address excessive prices.

Food inflation has surged to a double-digit rate, reaching 33.93 percent as of December 2023, marking the highest level in nearly a decade. A recent study underscores the severity of the situation, revealing that Nigerians allocate a substantial 60 percent of their income to food expenses. This alarming trend significantly contributes to the overall rise in the cost of living.

The escalation in food prices has triggered a proactive response from the federal government, prompting the declaration of a state of emergency on food security in the country.

NEXIM Foresees Growth Amidst International Partnerships

The Nigerian Export-Import (NEXIM) Bank, led by Mr. Abba Bello as MD/CEO, is a key financial institution, specialising in promoting and financing non-oil exports to diversify the nation's economy and enhance its global competitiveness. In addition, it does a lot more. ***Jennete Ugo Anya*** *reports.*

In the beginning of the year 2024, Mr. Abba Bello, Managing Director and Chief Executive Officer (MD/CEO) of Nigerian Export-Import (NEXIM) Bank had addressed his colleagues, saying "your support and commitment have been instrumental to our successes as an institution."

Recall that last year, the bank launched many innovative programmes and initiatives to support the attainment of its goal to be the leading export development bank in Africa. "The milestones we have attained serve as a testament to our collective dedication to our institution and the country at large," he said.

None of this, according to Mr. Bello, would have been possible without the support of their valued stakeholders. He was very particular about his colleagues, "I would like to acknowledge the enthusiasm of our staff which fuelled our passion. Your feedback also guided our resolve."

Then, he was so sure that this year holds exciting new challenges, opportunities, and prospects for growth. In his words: "We look forward to implementing new initiatives that will catalyse economic growth and development of the non-oil export sector of the economy.

The bank under the watch of Mr. Bello has been very proactive in the pursuit of its mandate, as the international world would notice. Last year, the executive management of NEXIM Bank, led by Mr. Bello, and the Executive Director (ED) Business Development, Hon. Stella Okotete, precisely on 18 July 2023, received the Mayor of Houston Texas, Mr. Sylvester Turner, and some delegates of the United States (US) Embassy in Nigeria who were on a courtesy visit to the bank.

After a welcome session, Mr. Bello gave a brief overview of the activities of NEXIM Bank, emphasising its mandate to provide finance, risk-bearing services, and trade advisory towards the expansion, diversification, and development of Nigeria's non-oil export sector.

Then, Mr. Turner in response emphasised the strong bond between Nigeria and the US and pledged to pursue the establishment seamless trade polices between the two countries.

A significant part of the visit was further dedicated to discussions on trade relations between Houston and Nigeria with both parties expressing their commitment to enhancing bilateral trade opportunities, promoting investment, and supporting export related businesses.

In conclusion, partnership opportunities were explored, particularly the inclusion of knowledge sharing and trade missions aimed at fostering economic growth and development.

Also, the Canadian High Commissioner to Nigeria, Mr. Jamie Christoff, had paid a courtesy visit to the bank on 17 July, 2023.

To receive him was Mr. Bello and Hon. Okotete, at the NEXIM Bank Head Office in Abuja.

The meeting was aimed at fostering deeper economic collaboration and showcasing the growing interest of Canadian businesses in Nigeria.

In his remarks, Mr. Bello explained the role played by NEXIM Bank as a development finance institution (DFI), which has the primary mandate to develop the non-oil export sector of the Nigerian economy, through the provision of finance, trade advisory, and risk- bearing services.

Further deliberations during the meeting revolved around the exploration of trade partnerships between the two nations, with a focus on ways to enhance trade relations, particularly in agricultural, technology and the renewable energy sectors.

In his response, the High Commissioner expressed the Canada's willingness to support NEXIM Bank through technical assistance and provision of financing for Nigerian exporters looking to access the international markets.

Federal, States, LGAs Share N2.517trn FAAC Exchange Rate Gain In 2023

By Kingsley Benson

In 2023, the three tiers of government in Nigeria – federal, state, and local government councils – collectively shared a substantial gain of N2.517 trillion from the Federation Allocation Account Committee (FAAC) exchange rate.

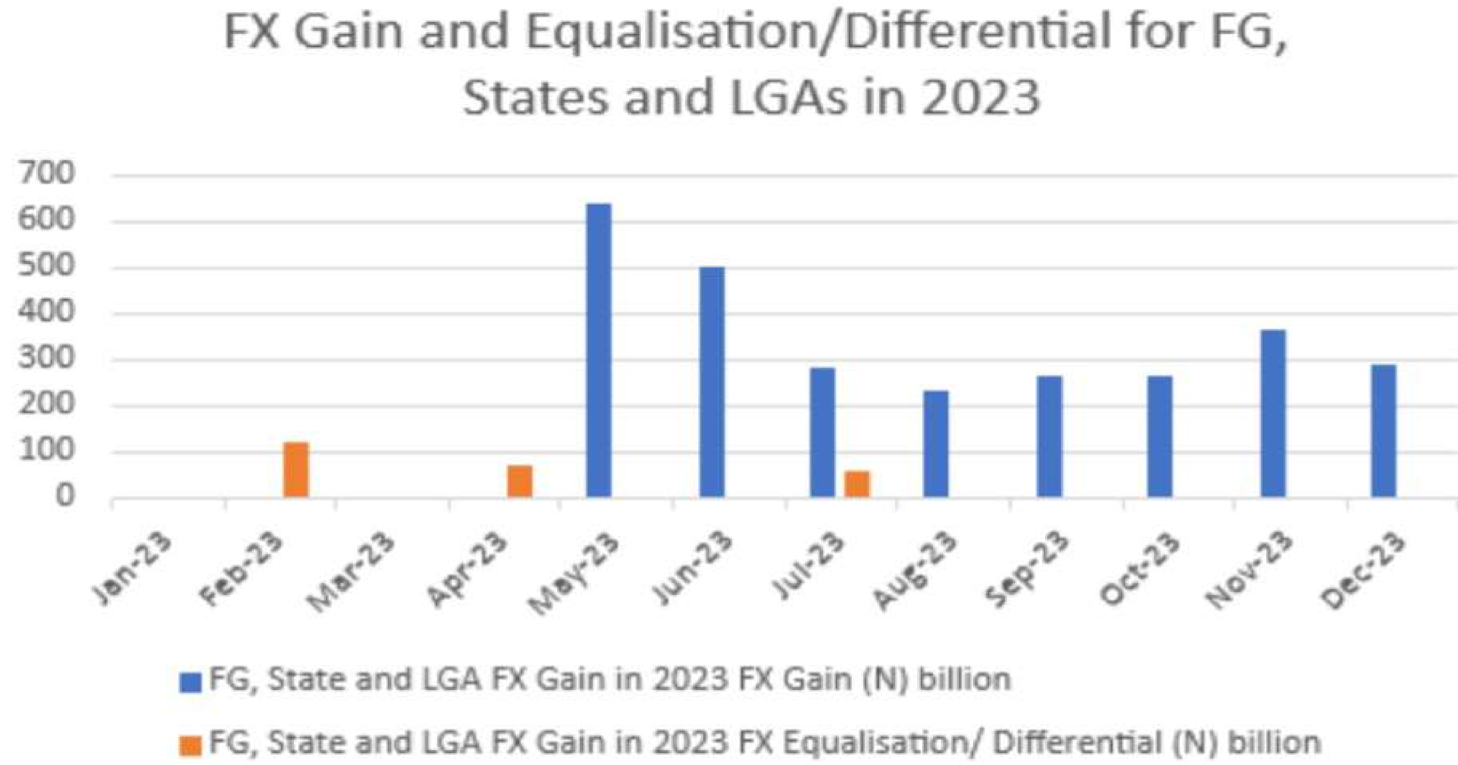
A review of the FAAC report from January to December 2023 revealed this significant windfall.

During the period, the federation received a total of N2.836 trillion, with N318.29 billion deducted from the non-oil excess account, resulting in the net gain of N2.517 trillion.

This distribution saw the federal government receiving N1.211 trillion, while the 36 states shared N614.49 billion, and the Local Government Areas (LGAs) received N473.92 billion.

Notably, the eight states renowned for producing mineral resources, including oil – namely Akwa Ibom, Delta, Rivers, Bayelsa, Ondo, Edo, Imo State, and Abia – received N217.38 billion as 13 percent derivation.

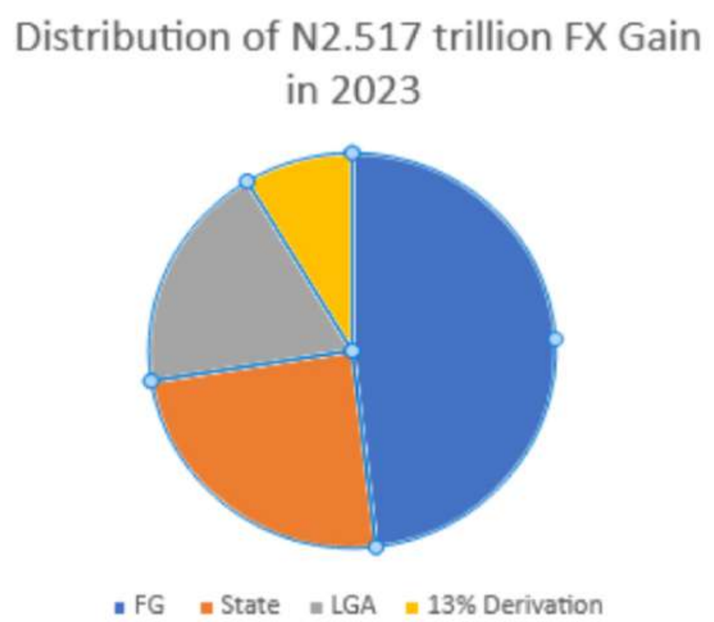
A deeper analysis of the data indicates that the FAAC allocation from January to April did not include any foreign exchange (FX) gain. However, starting from May to December, the federation recorded substantial gains, with the highest recorded in May, amounting to approximately N639.39 billion.



This period of consistent FX gains corresponds with the Central Bank of Nigeria's (CBN) unification of the forex market, described by analysts as a partial float. Additionally, the FAAC report for the 12 months also outlined FX differential/ equalization payments for February, April, and July, totalling N246.31 billion.

The CBN's policy actions over the past year have had a significant impact on the forex market, including the decision to float the Naira on June 14, 2023, which led to a sharp increase in the exchange rate to N708 per US dollar by June 21. Recently, the CBN issued a notice of a revision to the FMDQ FX Market Rate Pricing Methodology, resulting in a weakening Naira from N891.90 per US dollar on January 26 to N1418.78 on the most recent Wednesday.

Overall, while the FAAC exchange rate gains provide a substantial boost to government revenues, they also underscore the complexities and volatility of Nigeria's forex market, requiring careful monitoring and management by regulatory authorities.



FG Establishes Committee To Address Gas Supply Shortage To Power Companies

By Jennete Ugo Anya

In response to the persistent challenge of low gas supply affecting electricity generation in Nigeria, the federal government has taken a decisive step by establishing an Inter-ministerial Committee tasked with finding sustainable solutions.

This move comes following a high-level meeting between the Ministry of Power and Gas at the Office of Honourable Minister of State Petroleum Resources Gas in Abuja.

The newly formed committee comprises experts from both the Ministry of Power and the Gas sector, charged with proposing viable strategies to ensure a consistent and adequate supply of gas to electricity generation companies across the nation.

Speaking at the meeting, Honourable Minister of Petroleum Resources Gas, Mr. Ekperikpe Ekpo, underscored the gravity of the situation, outlining various challenges contributing to the gas supply inadequacy. Among these challenges are the lingering legacy debts spanning a decade, the persistent vandalisation of gas infrastructure in the Niger Delta region, and the pricing of domestic gas in dollars.

Mr. Ekpo expressed his commitment to fostering collaborative efforts with stakeholders at various levels to effectively tackle these challenges and restore stability to the gas supply chain.

The urgency of this initiative is underscored by recent events highlighting the severity of the gas supply shortage. For instance, major power stations such as Omotosho and Olorunsogo have been operating well below their capacity, hovering at a mere 25percent due to insufficient gas supply.

Additionally, a recent nationwide blackout was attributed to a shortage of gas supply to electricity generation companies.

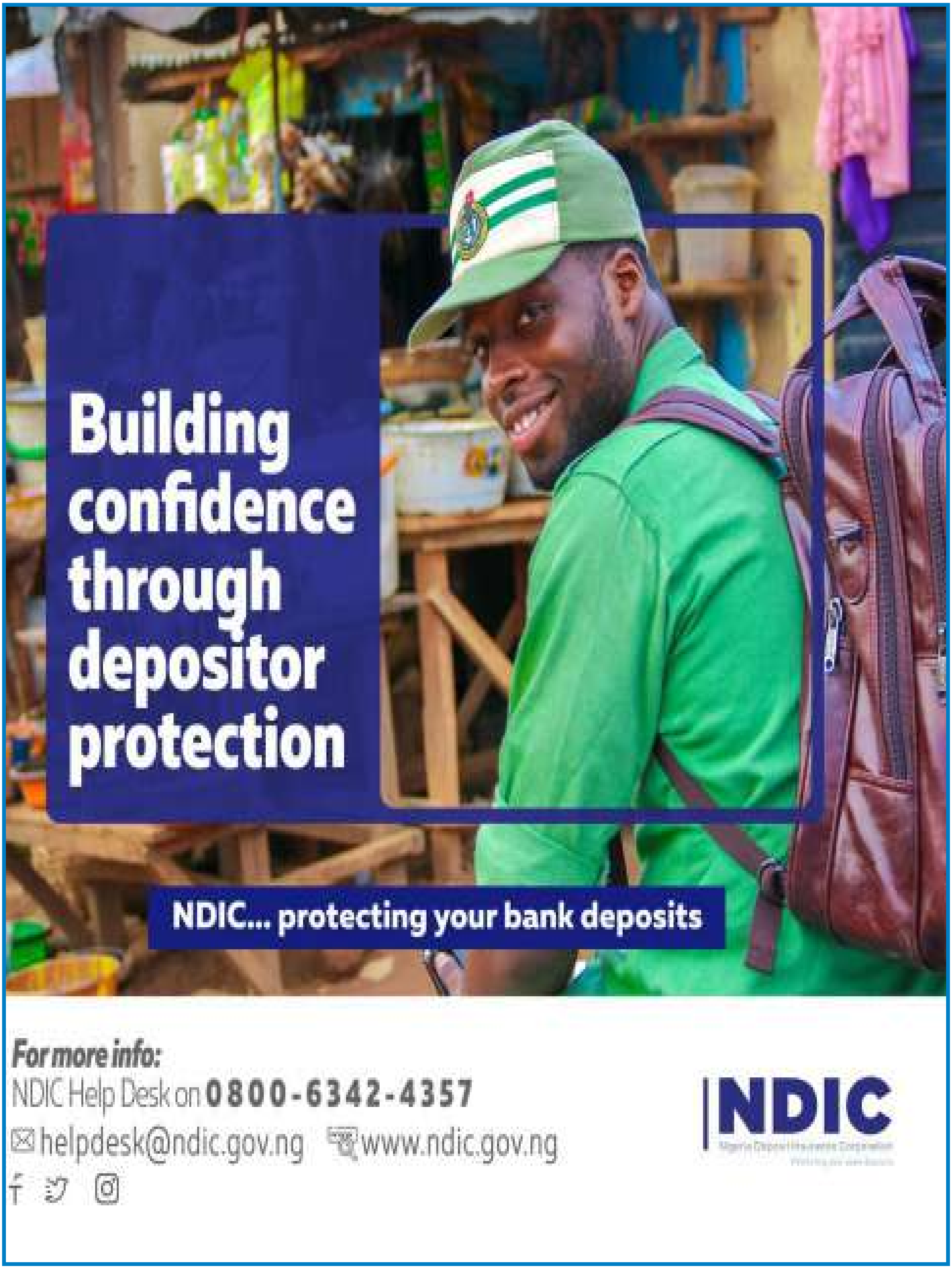
Despite Nigeria's vast gas reserves, which rank among the world's largest, the nation has struggled to harness this potential

for power generation and related activities.

Initiatives such as the Decade of Gas launched by former President Buhari aimed to transition Nigeria into a gas-powered economy by 2030. However, the realisation of these goals has been impeded by various challenges within the sector.

The current administration, led by President Tinubu, has articulated plans to explore compressed natural gas (CNG) as a cost-effective alternative to premium motor spirit (PMS) following the removal of fuel subsidies. Moreover, significant investments totalling around $13 billion have been secured in the oil and gas sector from international oil companies (IOCs) like ExxonMobil.

As Nigeria navigates these challenges and endeavours to optimise its gas resources for power generation, the establishment of the Inter-ministerial Committee signals a proactive step towards addressing the pressing issue of gas supply shortage and revitalising the nation's energy sector.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FIRS Assures Businesses of Friendly Tax Policies

Introduces New Framework For Enhanced Tax Administration

Commences Review Of N2.59trn Tax Credit Scheme For Road Construction

By Kingsley Benson

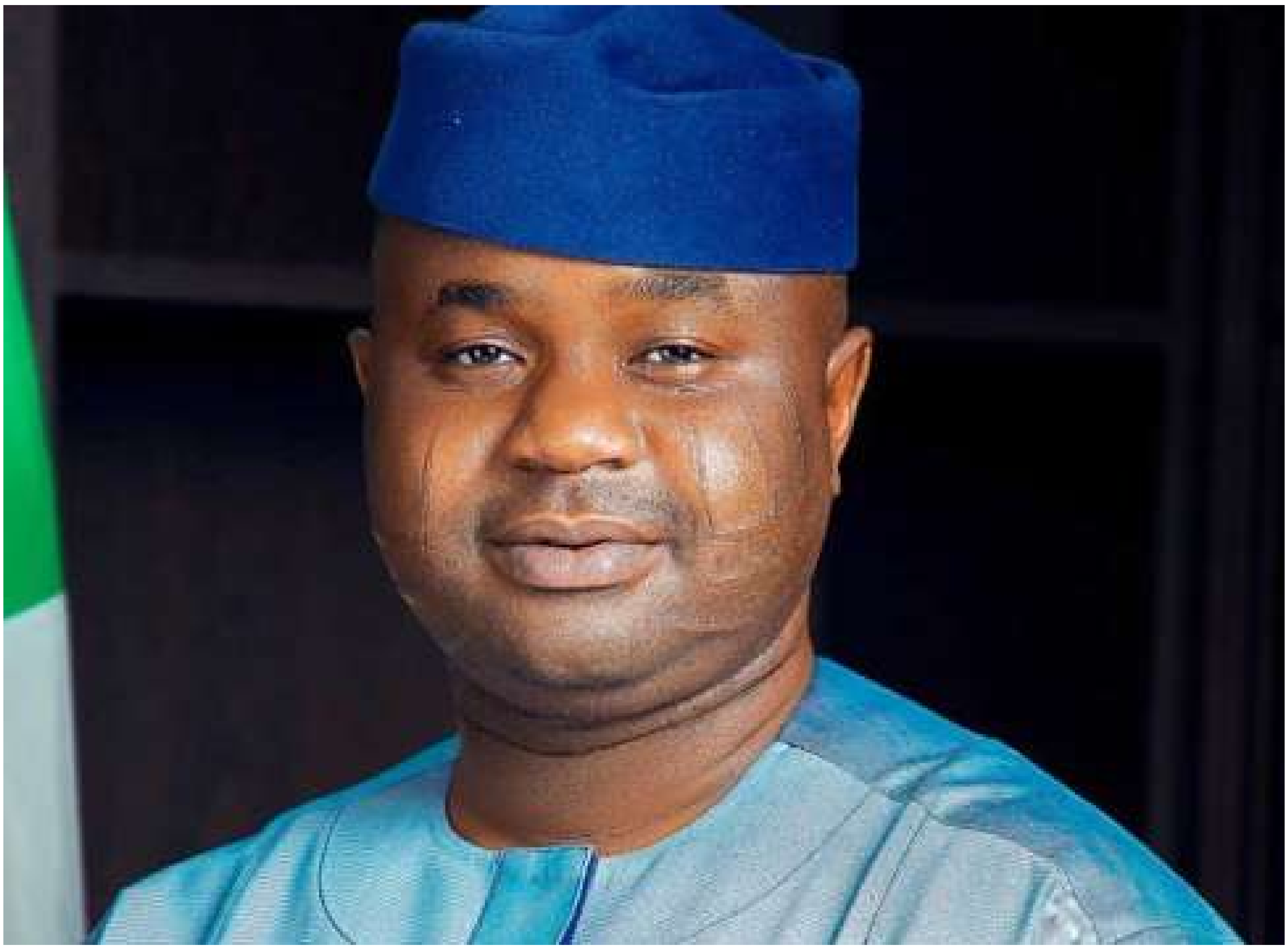
In a proactive move to bolster the business environment in Nigeria, the Federal Inland Revenue Service (FIRS) has reaffirmed its commitment to implementing business-friendly tax policies. Dr. Zacch Adedeji, the Executive Chairman of FIRS, reiterated this commitment during a recent meeting with the management team of MTN Nigeria, headed by its Chief Executive Officer, Mr. Karl Toriola, at the FIRS headquarters in Abuja.

Dr. Adedeji underscored FIRS's dedication to facilitating business expansion by removing hurdles faced by corporate entities, aligning with the directives of President Bola Tinubu. Since assuming the role of acting executive chairman of FIRS in September, Dr. Adedeji has been instrumental in spearheading reforms within the agency aimed at enhancing efficiency and taxpayer satisfaction.

Highlighting the ongoing restructuring efforts, Dr. Adedeji outlined the establishment of a one-stop shop for taxpayers based on their turnover thresholds. This new framework categorizes companies with a turnover of N5 billion and above, including MTN Nigeria, into the large taxpayers' group. Dr. Adedeji emphasised that these large taxpayers would now have the convenience of addressing all tax-related matters, including company income tax and value-added tax (VAT), in a streamlined manner.

Moreover, Dr. Adedeji assured MTN Nigeria and other businesses of the eradication of redundant communication channels within FIRS, ensuring a more coherent and efficient interaction process. He reiterated FIRS's commitment to providing exemplary service to taxpayers, recognizing the symbiotic relationship between the agency and the business community.

In response, Mr. Toriola expressed MTN Nigeria's steadfast support for the initiatives of the federal government and FIRS aimed at enhancing tax revenue generation. He reaffirmed MTN Nigeria's compliance with tax obligations and pledged flexibility to support government initiatives, emphasising the company's dedication to contributing to Nigeria's economic development.



Mr. Zacch Adedeji, FIRS Chairman

> FIRS unveiled a new framework aimed at revolutionising Nigeria's tax landscape, signalling a proactive step towards modernising the tax system...

The meeting between FIRS and MTN Nigeria underscores the importance of constructive dialogue and collaboration between the public and private sectors in driving economic development and creating an enabling business environment in Nigeria.

Furthermore, FIRS unveiled a new framework aimed at revolutionising Nigeria's tax landscape, signalling a proactive step towards modernising the tax system, enhancing efficiency, and promoting compliance. Dr. Adedeji emphasised FIRS's commitment to innovation and its goal of streamlining processes to ensure a seamless and user-friendly interaction for every taxpayer.

This unveiling comes at a critical juncture when the federal government is intensifying efforts to increase revenue generation through FIRS. President Tinubu's articulated goal of achieving a tax-to-GDP ratio of 18 percent within the next three years underscores the government's commitment to strengthening revenue mobilisation efforts and fostering sustainable economic growth.

FG Commences Review Of N2.59trn Tax Credit Scheme

Moreso, in a bid to address concerns surrounding the N2.59 trillion tax credit scheme designated for road repairs and construction in Nigeria, the FIRS announced plans to convene a crucial meeting with the Central Bank of Nigeria (CBN) and the Ministry of Works.

This decision comes amidst growing disapproval from stakeholders, including Mr. Adedeji, who has expressed reservations about the scheme initiated during the administration of former President Muhammadu Buhari.

Mr. Adedeji strongly criticised the tax credit scheme, labelling it as "unlawful" and advocating for its termination. He emphasised that the primary mandate of FIRS is tax collection and remittance, not the funding of road projects through executive orders.

He highlighted the necessity for a reassessment of the scheme's operational framework, asserting that road contract awards and payments should be the responsibility of the Ministry of Works.

The scrutiny of the tax credit scheme follows revelations from the NNPCL regarding its utilisation of a $3.3 billion loan secured through the CBN to support the naira in the foreign exchange market.

NNPCL's Chief Financial Officer, Mr. Umoru Ajiya, disclosed that approximately N664 billion has been allocated towards road refurbishments across Nigeria's six geopolitical zones.

IMF Predicts $8bn Decline In Nigeria's 2024 Foreign Reserves

Recommends CBN To Raise N2trn Through OMO Bills In The Next 12 Months

By Jennete Ugo Anya

The International Monetary Fund (IMF) has projected a significant drop in Nigeria's foreign reserves for the year 2024, estimating a potential decrease to $24 billion.

This revelation, contained in the latest country report for Nigeria, highlights impending forex challenges for Africa's largest economy.

As of February 8, Nigeria's external reserves stood at $33.12 billion. However, the IMF anticipates a challenging period ahead for the country's financial account, citing several contributing factors. These include the absence of new Eurobond issuances, substantial repayments of existing funds and Eurobonds amounting to $3.5 billion, and ongoing portfolio outflows.

Despite projections of a current account surplus, the IMF foresees a decline in reserves to $24 billion in 2024. However, there is hope for recovery, with reserves expected to rebound to $38 billion by 2028 as portfolio inflows are forecasted to pick up once again.

The IMF's report underscores a surplus in county's current account during the first half of 2023. However, a notable decline in reserves was observed during this period, attributed primarily to reduced crude oil exports resulting from oil theft and insufficient investment in upstream infrastructure.

Profit repatriation from the oil sector also experienced a decline, although it partially offset the adverse effects on the current account.

Foreign Direct Investment (FDI) remains low in Nigeria, while there has been an increase in portfolio outflows, including equity and Eurobond repayments, as well as repatriations.

Furthermore, the IMF highlights a lack of comprehensive information from Nigerian authorities regarding short-term foreign exchange liabilities, which is crucial for accurately calculating net international reserves.

The IMF's observations align with recent statements emphasising stalled per-capita growth, heightened poverty levels, and severe food insecurity in Nigeria. Low revenue collection has further exacerbated the challenges, hindering the provision of essential services and public investment.

Headline inflation in Nigeria reached 27 percent year-on-year in October, with food inflation soaring to 32 percent. This surge is attributed to factors such as the removal of fuel subsidies, exchange rate depreciation, and poor agricultural production in the country.

The IMF's projections underscore the need for proactive measures to address economic vulnerabilities and enhance resilience in Nigeria's financial sector. As the country navigates these challenges, stakeholders are urged to prioritise policies that promote sustainable economic growth and foster investor confidence.

Recommends CBN To Raise N2trn

In another development, the IMF advised the Central Bank of Nigeria (CBN) to undertake measures aimed at curbing inflation by mopping up excess liquidity in the economy.

This recommendation includes raising up to N2 trillion through Open Market Operations (OMO) bills over the next 12 months, as outlined in the Fund's Post Financing and Assessment Discussion and Staff Report of Nigeria.

According to the report, the IMF suggests a sustained tightening of monetary policy to combat inflation effectively. The proposed strategy involves withdrawing excess liquidity using short-term instruments such as OMOs or repos. The initial goal, as advised by the IMF, is to extract the remaining N800 billion in excess reserves, followed by further mopping up of up to N2 trillion over the next year.

This advice comes in light of recent developments where the CBN witnessed an oversubscription of N2.3 trillion for its N1 trillion treasury bills offer. Specifically, the 364-day treasury bills saw an oversubscription of N1.8 trillion, with investors bidding interest rates ranging between 13 percent and 29.9 percent.

Addressing concerns regarding Nigeria's debt obligations, the IMF acknowledged the country's ability to meet its requirements despite existing risks. These risks include inflation-triggered depreciation of the naira or potential climate shocks, which could weaken payment indicators.

However, the IMF forecasts a gradual slowdown in inflation throughout 2024, with projections indicating a rate of about 17 percent by the year's end. It anticipates persistent high food inflation until the last quarter of the year, primarily driven by the depreciation of the naira.

The IMF's recommendations align with recent observations regarding the rise in currency circulation, which increased by N890 billion to N3.65 trillion as of December 2023, representing a 32 percent rise. The CBN has attributed this surge in cash circulation as a contributing factor to heightened inflation levels.

To address excess liquidity in the economy, the CBN frequently deploys strategies such as the issuance of OMO bills. Notably, the last OMO bills issuance by the CBN was oversubscribed by N157 billion for the 363-day bills, with a stop rate set at 17.75 percent.

As Nigeria navigates economic challenges, the IMF's recommendations underscore the importance of proactive measures to stabilise inflationary pressures and maintain financial stability in the country.

Nigeria's Inflation Hits 29.90% In January 2024, Food Prices Soar

By By Chiamaka G. Okpala

The National Bureau of Statistics (NBS) announced recently that Nigeria's annual inflation rate surged to 29.90 percent in January 2024, up from 28.92 percent in December 2023. Additionally, food inflation rate quickened to 35.41 per cent in January 2024.

According to the NBS, the January 2024 headline inflation rate marked an increase of 0.98 percent points compared to December 2023. On a year-on-year basis, the headline inflation rate was 8.08 percent points higher than January 2023, which stood at 21.82 percent.

The report indicated a significant rise in the average price level, with the month-on-month headline inflation rate in January 2024 reaching 2.64 percent, representing a 0.35 percent increase from December 2023.

This surge in inflation comes amid global challenges, including the ongoing conflict between Russia and Ukraine, which has exacerbated food inflation worldwide. In Nigeria, the prices of food products have soared exponentially, posing economic challenges for citizens.

Food inflation has been a persistent issue for governments globally, and its impact is particularly pronounced in Nigeria, where the prices of essential food items have continued to rise sharply.

The escalation in inflation underscores the pressing need for effective measures to mitigate the economic impact on households and businesses. It also highlights the importance of implementing policies to stabilise prices and ensure food security for the populace.

The Nigerian government faces the task of addressing the root causes of inflation while exploring strategies to alleviate the burden on consumers and foster economic stability amidst global uncertainties.

Customs Launches Time Release Study Initiative To Streamline Cargo Clearance

By Majeed Salaam

The Nigeria Customs Service (NCS), under the leadership of Comptroller-General Wale Adeniyi, has unveiled plans to implement the Time Release Study (TRS) initiative, aimed at optimising cargo clearance processes and promoting trade efficiency in Nigeria.

Mr. Adeniyi made this announcement during the launch of the World Customs Organisation (WCO)-Assisted Time Release Study in Lagos.

TRS, a globally recognised tool devised by the WCO, is designed to facilitate the seamless clearance of goods from their arrival at customs borders until their physical release.

Mr. Adeniyi highlighted the previous attempts in 2010 and 2018 to implement TRS, emphasising the lessons learned and the progress made since then, including the adoption of paperless clearance and advancements in the Authorised Economic Operator (AEO) program.

The TRS initiative marks a significant advancement in the NCS's ongoing efforts to enhance trade processes and customs operations in Nigeria.

He outlined the implementation of various initiatives such as the AEO program, advanced ruling, and the establishment of a customs laboratory to streamline trade processes and boost government revenue.

Mr. Lan Saunders, Secretary-General of WCO, underscored the importance of TRS in compliance with the World Trade Organisation's Trade Facilitation Agreement. TRS measures and publishes average release times for goods, identifies bottlenecks in trade flow processes, and enables necessary improvements to enhance customs administration efficiency.

Mr. Adewale Adeniyi, Comptroller General of Customs

Moreover, TRS fosters synergy among stakeholders and promotes smoother international cargo movement under different customs regimes.

Mr. Saunders highlighted the benefits of TRS in enhancing global competitiveness, improving supply chain efficiency, and fostering collaboration with stakeholders.

Mr. Stephen Muller, another WCO official, urged customs to report and publish TRS operations within six months for evaluation, emphasising the importance of transparency and accountability in the initiative's implementation.

The launch of the TRS initiative demonstrates customs' commitment to modernising trade processes, enhancing efficiency, and fostering collaboration with stakeholders to drive economic growth and competitiveness in Nigeria's trade landscape.

In another development, The Federal Operations Unit (FOU), Zone A, of the NCS disclosed the recovery of N83.14 million from importers who underpaid customs duty at the Apapa and Tin-Can Island Ports.

Speaking during a press briefing in Lagos, Customs Area Controller, Comptroller Hussein Ejibunu, highlighted the unit's efforts in revenue recovery and seizure operations.

Compt. Ejibunu stated that the recovered revenue was generated through documentary checks and the issuance of demand notices on consignments found to have been short-paid. Additionally, the unit intercepted 60 seizures with a duty paid value (DPV) of N854.1 million in January 2024.

Among the seized items were 23,025 litres of premium motor spirit (PMS), 3,653 bags of foreign parboiled rice smuggled from Benin Republic, 241 bales of used clothes, 1,490 kg of Indian Hemp, 1,220 cartons of foreign tomato paste, 983 pieces of used tires, 104 units of Haojue motorcycles, 556 cartons of slippers, and 11 units of used vehicles.

Compt. Ejibunu emphasised the serious repercussions of smuggling on the economy, environment, health, and security, highlighting the need for collaboration and partnership with stakeholders to combat the illegal activity. He urged the public to be aware of the harmful effects of smuggling and encouraged patriotic citizens to join enforcement agencies in curbing the menace.

In an effort to combat smuggling, the unit activated enhanced intelligence gathering and information sharing mechanisms, leading to the identification of new smuggling hotspots and tactics employed by smugglers. This strategy resulted in the seizure of goods with a total DPV of N854.1 million.

The seized goods were found to have contravened various sections of the Customs Act (2023), with some items having expired at the time of importation and others violating import statutory guidelines. Ten suspects were arrested in connection with some of the seized goods.

Customs reiterated its commitment to enforcing regulations and protecting the nation's well-being by combating smuggling activities. The public is urged to support enforcement efforts and refrain from participating in smuggling, recognising it as a crime with detrimental effects on the nation's economy and security.

NDIC, CBN Intensify Surveillance Of Banking System

By Jennete Ugo Anya

NDIC
Nigeria Deposit Insurance Corporation
Protecting your bank deposits

Central Bank of Nigeria

In a concerted effort to uphold the stability and integrity of Nigeria's banking sector, the Nigeria Deposit Insurance Corporation (NDIC) and the Central Bank of Nigeria (CBN) have commenced intensive supervision of the banking system.

This initiative aims to ensure that the non-performing loan ratio remains below the maximum threshold set by regulatory authorities.

Mr. Bello Hassan, the Managing Director of NDIC, revealed this development during a retreat organised to apprise lawmakers on the activities of the NDIC. Themed 'Deepening Deposit Insurance Knowledge for Effective Legislative Functions,' the retreat served as a platform to highlight the resilience demonstrated by the Nigerian banking sector amid economic challenges.

Mr. Hassan underscored the importance of collaboration and enhanced supervision to mitigate risks and maintain the robustness of risk assets within the banking sector. He emphasised the NDIC's commitment to working closely with the CBN to uphold the quality of risk assets and ensure the sector's soundness.

The retreat aimed to familiarise lawmakers with NDIC laws, identify obstacles to mandate implementation, and facilitate discussions with the corporation's management on the way forward.

Mr. Hassan reiterated the measures being implemented by NDIC and CBN to fortify the banking sector, emphasising heightened surveillance to uphold the quality of risk assets.

In response, Mr. Mukhail Abiru, Chairman of the Senate Committee on Banking, Insurance, and Other Financial Institutions, pledged the lawmakers' support for NDIC's oversight functions.

He expressed concerns regarding the impact of the depreciating naira on banks' balance sheets but lauded the favourable ratios observed in the banking sector.

Mr. Abiru highlighted the importance of NDIC's role in maintaining sound banking practices, noting the sector's positive liquidity ratio.

The collaborative efforts between NDIC, CBN, and legislative stakeholders underscore a commitment to safeguarding Nigeria's banking sector from potential risks and ensuring its resilience amid economic uncertainties. As surveillance intensifies, stakeholders remain vigilant in upholding the sector's stability and fostering sustainable growth in the Nigerian economy.

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The Impact Of Dutch-IITA Agribusiness Training Initiatives On Nigeria

POLICY BRIEF
with
ENAM **OBIOSIO**

As the world continues to grapple with economic uncertainties, initiatives aimed at empowering youth and fostering sustainable development are more crucial than ever.

Against this backdrop, the collaborative effort between the Dutch government and the International Institute of Tropical Agriculture (IITA) to train 10,000 Nigerian youths in agribusiness, I must say, is a commendable step in the right direction.

Nigeria, with its burgeoning youth population, stands at a critical juncture where harnessing the potential of its young people is paramount for national development.

The agricultural sector, often overlooked in favour of more traditional career paths, holds immense promise as a catalyst for economic growth, job creation, and poverty alleviation.

By equipping youths with the skills and knowledge needed to thrive in agribusiness, this initiative not only addresses unemployment but also cultivates a new generation of entrepreneurs capable of transforming the agricultural landscape.

Historically, Nigeria's economy has been heavily reliant on oil exports, leaving it vulnerable to fluctuations in global oil prices. By investing in agriculture and empowering youth in agribusiness, Nigeria can diversify its economy, reducing its dependence on oil revenue and creating a more resilient economic foundation.

Also, I believe the foreign exchange earnings of the country may increase. Agriculture has the potential to become a major source of foreign exchange earnings for Nigeria. With increased productivity and value addition in the agricultural sector, Nigeria can boost its exports of agricultural products, earning valuable foreign exchange and reducing the need for imports.

The collaboration may lead to creation of new job opportunities and reduce poverty. Agriculture has long been recognised as a significant employer of labour in Nigeria. By training youths in agribusiness, this initiative may not only create new job prospects but also enhances the productivity and profitability of existing agricultural enterprises. As more youths engage in agriculture as a business, they lift themselves and their communities out of poverty, contributing to overall economic growth.

Moreso, there could be room for improvement in rural development. Agriculture is the mainstay of rural economies in Nigeria, where the majority of the population resides. By equipping young people with agribusiness skills, this initiative stimulates economic activity in rural areas, fostering rural development and reducing urban-rural migration. This, in turn, helps to alleviate pressure on urban infrastructure and services while promoting balanced regional development.

This initiative is likely to create value chain development in the agricultural sector. Agribusiness training goes beyond primary production to encompass the entire agricultural value chain, including processing, packaging, marketing, and distribution. By enhancing skills along the value chain, this initiative stimulates growth in downstream industries, creating opportunities for agro-processing enterprises and ancillary services. This leads to increased value addition, higher incomes for stakeholders, and overall economic development.

The Dutch-IITA initiative emphasises the adoption of modern agricultural technologies and practices, including digital agriculture, precision farming, and sustainable agriculture techniques. By embracing innovation, Nigerian youths can drive productivity gains, reduce production costs, and enhance the competitiveness of Nigerian agricultural products in domestic and international markets. This, in turn, boosts economic efficiency and accelerates economic growth.

Moreover, the partnership between the Dutch government and IITA underscores the importance of international cooperation in addressing global challenges. By leveraging resources, expertise, and networks, both parties maximise their impact, amplifying the benefits for Nigerian youths and the agricultural sector as a whole. Rightly, I want to believe that this collaborative approach sets a positive precedent for future partnerships aimed at fostering sustainable development and achieving shared goals.

The collaboration may lead to creation of new job opportunities and reduce poverty

Likewise, the benefits of this initiative extend beyond Nigeria's borders, impacting the wider African continent. As the largest economy in Africa, Nigeria has the potential to serve as a regional agricultural powerhouse, supplying food and agricultural products to neighbouring countries. By investing in the youth and strengthening the agricultural sector, Nigeria could play a crucial role in driving economic growth and prosperity across the continent, ultimately contributing to the achievement of the African Union's Agenda 2063 and the United Nations' sustainable development goals.

On a global scale, the Dutch-IITA agribusiness training initiative serves as a model for international cooperation and partnership in addressing pressing global challenges. By pooling resources, expertise, and knowledge, the Dutch government and IITA demonstrate the power of collaboration in driving positive change. This initiative showcases how countries and organisations can work together to tackle complex issues such as youth unemployment, food insecurity, and sustainable development, ultimately paving the way for a more equitable and prosperous world.

However, while the Dutch-IITA agribusiness training initiative is undoubtedly a step in the right direction, I must say, its success ultimately hinges on effective implementation and sustained support. I strongly believe that adequate funding, robust mentorship programs, access to markets, and supportive policies are all critical components that must be addressed to ensure the long-term viability and impact of the initiative.

Additionally, efforts to promote gender inclusivity and empower marginalised communities within the agricultural sector should be prioritised to ensure that the benefits are equitable and far-reaching.

The Dutch government and IITA's commitment to training 10,000 Nigerian youths in agribusiness represents a significant investment in Nigeria's future. By harnessing the potential of its youth population and unlocking the vast opportunities within the agricultural sector, Nigeria can chart a path towards sustainable development, prosperity, and food security. It is imperative that stakeholders remain steadfast in their support for this initiative, recognising its potential to catalyse positive change and transform lives across the nation.

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