fmfinsights
Economy & Investment
Free
fmfinsights | fmfinsights | @fmfinsights | www.fmfinsights.com | Monday 4th - Sunday 17th March 2024 | 66TH EDITION

Leaders Chart Course For Nigeria's Energy Future:

Tinubu Advocates Subsidy Removal

•As NNPC, APPO Unveil Strategies At NIES 2024

The 7th Nigeria International Energy Summit (NIES) 2024 unfolded as a platform for robust discourse and strategic planning. At the heart of the summit were the crucial addresses delivered by ***President Bola Tinubu,*** *representatives from the Nigerian National Petroleum Company Limited (NNPC), and the African Petroleum Producers Organisation (APPO), each offering profound insights and initiatives aimed at shaping the nation's energy trajectory. In this report, we delve into the key highlights and implications of their addresses, shedding light on the path forward for Nigeria's energy landscape.* ***Enam Obiosio*** *reports.*

President Bola Tinubu's address at the opening of the 7th Nigeria International Energy Summit (NIES) 2024 in Abuja highlighted the challenging yet necessary decision by the present administration to remove the subsidy on petroleum products supply, particularly premium motor spirit (PMS), commonly known as petrol.

Represented by the Honourable Minister of Information and National Orientation, Mr. Mohammed Idris, President Tinubu emphasised the importance of re-evaluating energy policies to ensure a sustainable and secure future for the country. The theme of the Summit, 'Navigating the New Energy World Order: Security, Transition, and Finance,' encapsulates the multifaceted challenges and opportunities inherent in Africa's energy transition journey.

He pointed out that fuel subsidy, which has been in place for years, has strained Nigeria's economic

CONTINUES ON PAGE 4

President Bola Ahmed Tinubu

Addressing Nigeria's Import Duty Rates: **Urgent Action Needed**

EDITORIAL

In recent times, the Nigerian Customs Service (NCS), under directives from the Central Bank of Nigeria (CBN), has repeatedly adjusted import duty rates, leading to significant hikes in the amount to be paid by importers.

Since the inception of this administration, the clearance rate has seen multiple increases. On June 24, 2023, the duty rate surged from N422.30/$ to N589/$. Just 12 days later, on July 6, 2023, it experienced another adjustment, reaching N770.88 per dollar. Subsequent adjustments followed, with the rate rising to N783.174/$ on November 14, 2023, and further increasing to N951.941/$ in December. By February 2, 2024, the rate had climbed to N1,356.883/$, and the very next day, it reached N1,413.62/$. The adjustments continued, with subsequent rates recorded at N1,417.635/$, N1,493.23/$, and the latest adjustment pegging the rate at N1,604.08/$.

We are of the opinion that this trend of incessant adjustments not only raises concerns but also demands

CONTINUES ON PAGE 6

NDIC
Nigeria Deposit Insurance Corporation
Protecting your bank deposits

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 Implements Aggressive Measures, Raises Interest Rate To 22.75%

By Kingsley Benson

In an unprecedented move aimed at curbing soaring inflation, the Central Bank of Nigeria (CBN) has significantly raised its benchmark interest rate, the Monetary Policy Rate (MPR), from 18.75 percent to 22.75 percent.

This aggressive response to combat inflation was announced by the CBN Governor, Mr. Olayemi Cardoso, following the conclusion of a two-day meeting of the Monetary Policy Committee (MPC) held a few days ago.

The magnitude of the rate hike, which stands at 400 basis points, surpassed the expectations of analysts who had anticipated a tightening of monetary policy but predicted a more modest increase of between 200 and 250 basis points. This decision reflects the urgency with which the CBN seeks to address the prevailing high inflation rate, which reached 29.90 percent in January.

Alongside the increase in the MPR, the CBN adjusted the asymmetric corridor around the benchmark rate to +100/-700 basis points from +100/-300 basis points. Additionally, the cash reserve requirement (CRR) was raised to 45 percent from 32.5 percent, while the liquidity ratio remained unchanged at 30 percent.

The MPR plays a crucial role in determining the cost of funds in the economy, as it influences the rate at which commercial banks borrow from the central bank. The substantial rate hike is expected to alleviate inflationary pressures significantly, as stated by Mr. Cardoso.

Furthermore, he disclosed that the CBN has disbursed an additional $400 million to settle part of the outstanding foreign exchange (FX) commitments, prioritising genuine requests. Mr. Cardoso also defended the recent regulatory actions against cryptocurrency platforms, particularly Binance, citing concerns over speculative activities against the naira.

Mr. Olayemi Cardoso, Governor of CBN

According to him, unidentified beneficiaries accessed $26 billion on the Binance platform in 2023, posing risks to monetary policy, including inflationary pressures and currency depreciation. The CBN remains committed to safeguarding Nigerians from the disruptive activities of such crypto platforms, citing indications of illicit inflows and suspicious transactions.

The apex bank's bold measures underscore its determination to address inflationary pressures and maintain stability in the Nigerian economy. However, the impact of these policy adjustments on inflation and overall economic performance remains to be seen, with stakeholders closely monitoring developments in the coming months.

Mr. Cardoso highlighted the MPC's recognition of the trade-off between pursuing output growth and taming inflation. However, the committee emphasised that sustained output expansion could only occur in an environment characterised by low and stable inflation.

In response to this, the MPC acknowledged the importance of transitioning to an inflation-targeting framework to effectively address persistent inflationary pressures in the economy. He commended the fiscal authorities for their support in this regard.

The options considered by the MPC included maintaining the policy rate or implementing a rate hike to counteract persistent inflationary pressures. After reviewing evidence that previous policy rate hikes had only partially mitigated inflationary pressures, the committee concluded that inflation could become more entrenched in the medium term if not effectively managed.

In addition to domestic factors, the MPC deliberated extensively on distortions in the foreign exchange market, including speculative activities contributing to upward pressure on the exchange rate and inflation. Mr. Cardoso expressed confidence that ongoing reforms in the foreign exchange market, such as unification, promotion of a willing buyer-willing seller market, and removal of limits on margins for remittances, would yield positive outcomes in the short to medium term.

Highlighting improvements in Nigeria's gross external reserves, which stood at $34.51 billion as of February 20, 2024, compared to $32.23 billion at the end of January 2024, Mr. Cardoso attributed these gains to reforms in the foreign exchange market and increased oil production.

He emphasised the MPC's commitment to tightening the money supply and implementing robust monetary policies to rein in inflation. The decisions taken reflect the committee's resolve to address inflationary pressures and promote macroeconomic stability in Nigeria.

The Centre for the Promotion of Private Enterprise (CPPE) expressed its reservations about the MPR hike, emphasising its potential adverse effects on economic growth and investment, particularly in the real sector.

Dr. Muda Yusuf, Chief Executive Officer (CEO) of CPPE, highlighted the significant constraints that the MPR increase, along with the rise in CRR from 32.5 percent to 45 percent, would impose on banks' capacity to support economic activities.

Dr. Yusuf pointed out that the hike in MPR would lead to increased costs of credit for private sector firms, affecting their operating costs, product prices, and profit margins. He also noted potential negative impacts on the equities market. Additionally, he argued that the MPC's decisions failed to consider the unique challenges facing the Nigerian economy, particularly supply-side variables and CBN ways and means financing.

Despite persistent monetary policy tightening over the past two years, inflationary pressures in Nigeria have remained high, largely driven by supply-side factors and CBN financing methods. Dr. Yusuf emphasised that tightening monetary policy further would not address these underlying issues.

Moreover, he highlighted the relatively low level of credit-driven activity in the Nigerian economy compared to other countries, indicating the limited effectiveness of interest rate adjustments in stimulating aggregate demand. He emphasised the need for tailored policy responses that account for the structural characteristics of Nigeria's economy.

Dr. Yusuf stressed the importance of addressing supply-side challenges and enhancing the transmission mechanisms of monetary policy to achieve meaningful outcomes in Nigeria's economic stabilisation efforts. He advocated for a holistic approach that considers the nuances of the Nigerian economy and promotes sustainable growth and development.

CAC Registers 330,000 MSMEs, Pushes For Formalisation Of Operations

By Ahmed Ahmed

In a significant milestone for Nigeria's small business ecosystem, the Corporate Affairs Commission (CAC) has announced the formal registration of an additional 330,000 micro, small, and medium enterprises (MSMEs) that were previously operating informally in the country.

This announcement follows closely on the heels of a groundbreaking initiative where the CAC, in collaboration with Moniepoint Microfinance Bank, registered an unprecedented 2 million MSMEs in a single effort.

The CAC's Registrar-General/Chief Executive, Mr. Hussaini Ishaq Magaji, emphasised the legal imperative for all businesses operating in the country to be duly registered with the commission, in accordance with the Companies and Allied Matters Act (CAMA) 2020.

He reiterated that any business operation without CAC registration is considered illegal.

Highlighting the latest wave of registrations, Mr. Magaji disclosed that OPAY Services Limited facilitated the registration of 300,000 small businesses, including agents and merchants under its management. Additionally, Kudimata Nigeria Limited contributed 30,000 SMEs for regularisation.

During the presentation of SMEs' data to the commission, Mr. Magaji reaffirmed his commitment to registering 20 million businesses in 2024, aligning with President Bola Tinubu's 'Renewed Hope' agenda, which aims to provide 50 million jobs for Nigerian youths.

Mr. Magaji stated: "This is job creation for 300,000 SMEs because for any person to have a business you must be registered." He emphasised the dual benefits of formalising operations: legal compliance and job creation.

Managing Director of OPAY Services Limited, Mr. Gotring Dauda, commended the CAC's initiative to onboard startup businesses and ensure compliance with regulatory requirements. Mr. Dauda highlighted the importance of formalisation in expanding the tax net, encouraging SME growth, job creation, and stimulating the economy.

The concerted efforts by the CAC and collaborating entities underscore a proactive approach towards fostering a conducive environment for MSMEs to thrive, contribute to economic growth, and create employment opportunities across Nigeria.

Leaders Chart Course For Nigeria's Energy Future: **Tinubu Advocates Subsidy Removal**

CONTINUED FROM PAGE ONE

From left: Permanent Secretary, Ministry of Petroleum Resources, **Amb. Nicholas Agbo Ella;** Minister of State for Petroleum Resources (Oil), **Sen. Heineken Lokpobiri;** Minister of State for Petroleum Resources (Gas), **Mr Ekperikpe Ekpo;** Group Chief Executive Officer, NNPC Limited, **Mr Mele Kolo Kyari;** Chief Executive of Brevity Anderson, **Mr James Shindi** and other dignitaries at the opening of the 7th Nigeria International Energy Summit (NIES) exhibition in Abuja on Wednesday (28/2/24).

resources, leading to inefficiencies and hindering investments in critical areas of energy security.

President Tinubu underscored that removing the subsidy was essential to create a more transparent and accountable energy sector. By redirecting funds previously allocated to subsidising petroleum products supply towards developing and upgrading the country's energy and social infrastructure, the government aims to foster economic growth and ensure a more sustainable energy future.

Moreover, President Tinubu highlighted that the removal of the subsidy would encourage further private sector participation in the energy industry. This move has the potential to attract both local and international investors, fostering innovation and competition, which, in turn, could drive down costs and improve the overall efficiency of Nigeria's energy policy.

His remarks at NIES 2024 had made the government's commitment to making difficult yet necessary decisions to secure the country's energy future and promote economic growth. The removal of fuel subsidy is seen as a step towards creating a more transparent, accountable, and efficient energy sector while encouraging private sector participation and investment in Nigeria's energy industry.

He highlighted the imperative of embracing energy transition as both an environmental necessity and an economic opportunity for Nigeria. President Tinubu emphasised that transitioning to cleaner and more sustainable energy sources is not only essential for mitigating climate change but also presents significant economic prospects for the country.

He also highlighted the critical role of finance in driving the energy agenda, emphasising that adequate funding is crucial for the development and deployment of cutting-edge technologies, infrastructure, and projects necessary for shaping Nigeria's energy future. He stressed the need for innovative financing models and encouraged engagement with the private sector to attract investments that will propel the nation towards a more resilient and diversified energy sector.

Furthermore, President Tinubu urged participants at the summit to contribute ideas that would shape policies and strategies defining Nigeria's energy future. He emphasised the paramount importance of energy security as both a national concern and a global imperative, highlighting the need for collaborative efforts to ensure a smooth and just energy transition that leaves no one behind.

In essence, his remarks pointed at the multifaceted nature of energy transition, emphasising its environmental, economic, and strategic significance for Nigeria. His call for innovative financing, private sector engagement, and collaborative policymaking reflects a forward-thinking approach aimed at navigating the complexities of Nigeria's energy landscape and securing a sustainable and prosperous future for all.

Mr. Mele Kyari, Group Chief Executive Officer of the NNPC Ltd, provided crucial insights into the ongoing divestment by international oil companies (IOCs) from Nigeria's onshore and shallow water assets. Addressing concerns at the summit, he clarified NNPC's role in facilitating this process and ensuring mutually beneficial outcomes for all stakeholders involved.

He noted the NNPC's primary objective being to serve as a facilitator rather than an obstacle to the divestment process. As the largest indigenous oil and gas company in Nigeria, the NNPC recognises the importance of fostering growth and development within the industry through collaborative arrangements that benefit all parties, including exiting and incoming partners, as well as the Nigerian people who own NNPC Ltd.

He reiterated NNPC's commitment to facilitating the sale of assets in Nigeria while ensuring that such transactions lead to incremental production and contribute to the country's energy security objectives. Mr. Kyari expressed satisfaction with the cooperation received from partners thus far and emphasised NNPC's efforts to support indigenous operators in adapting to the evolving global energy transition.

Highlighting the nexus between energy security and national security, Mr. Kyari highlighted the NNPC's role in ensuring energy sufficiency for Nigeria by leveraging the country's vast oil and gas resources. He mentioned ongoing efforts to develop domestic gas infrastructure as part of the government's push towards a gas revolution, with projects like the Obiafu-Obrikom-Oben pipeline nearing completion.

Mr. Kyari acknowledged the significant financial challenges associated with realising the gas revolution and emphasised the importance of raising finances for critical infrastructure development. In this regard, he mentioned NNPC Ltd's equity investment interest in the proposed Africa Energy Bank, aimed at providing access to capital not only for the NNPC but also for other indigenous companies operating in the energy sector.

Overall, he noted the NNPC's commitment to facilitating a smooth transition within Nigeria's energy industry, ensuring sustainable development, and leveraging partnerships to address the challenges and opportunities presented by the evolving global energy landscape.

Also, amidst the evolving global energy landscape, the African Petroleum Producers Organisation (APPO) unveiled plans for a groundbreaking initiative. The African Energy Bank's Secretary-General, Mr. Omar Farouk Ibrahim, shed light on the challenges facing Africa's oil and gas industry, emphasising the urgent need for solutions in funding, technology, and market access.

Mr Ibrahim highlighted the dichotomy between global energy transition efforts and Africa's energy security needs. While developed nations spearhead the transition away from fossil fuels, Africa grapples with leveraging its abundant oil and gas reserves to drive economic development and meet the needs of its people. He underscored the imperative for African leaders to navigate the complexities of this paradigm shift while addressing pollution and climate challenges.

The proposed African Energy Bank emerges as a strategic response to these challenges, aiming to sustain the growth of the African energy industry. With a targeted launch date set for the first half of 2024, the bank aims to provide vital financial support to energy projects across the continent, offering a lifeline to countries seeking to harness their energy potential for sustainable development.

Meanwhile, Honourable Minister of State for Petroleum Resources, Mr. Heineken Lokpobiri, dispelled misconceptions surrounding the divestment of IOCs from Nigeria's onshore and shallow water assets. He clarified that while some IOCs are relocating operations to deep offshore areas, this shift presents opportunities for indigenous companies to develop capacity and contribute to domestic production.

Mr. Lokpobiri echoed APPO's stance on the importance of continued oil and gas production in the face of the energy transition, emphasising the need for financial resources to facilitate a gradual transition to renewable energy. He praised the concept of the African Energy Bank, recognising the critical role of funding in ramping up Nigeria's oil and gas production to ensure energy security.

As the continent charts its course in this dynamic landscape, initiatives like the African Energy Bank offer hope for sustainable growth and prosperity, driving forward the vision of a resilient and diversified energy sector for the benefit of all Africans.

The removal of fuel subsidy is seen as a step towards creating a more transparent, accountable, and efficient energy sector…

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	TELEPHONENO.
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
Lagos Office
Mamman Kontagora House
23, Marina Lagos

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

@NDICNigeria

EDITORIAL

Addressing Nigeria's Import Duty Rates: **Urgent Action Needed**

CONTINUES FROM COVER

urgent attention from the government. The continuous escalation of import duty rates has detrimental effects on businesses, the economy, and ultimately, the livelihoods of Nigerians.

The relentless increase in import duty rates, ostensibly based on exchange rate fluctuations, poses serious challenges to businesses operating in Nigeria. We could say that the abrupt changes in duty rates undermine business planning and investment decisions, as importers struggle to adapt to the unpredictable regulatory environment. Moreover, the lack of stability in duty rates discourages importers, leading to reduced trade activities and stifled economic growth.

At the heart of this issue, we could see a fundamental contradiction in government policy. On one hand, the CBN aims to unify exchange rates in the economy, while on the other hand, it predicates its policies on rates in the parallel market. This duplicity sends mixed signals to the business community, as such undermining confidence and hindering investment.

The adverse economic implications of these arbitrary adjustments cannot be overstated. The high dependence on importation in Nigeria makes the economy particularly vulnerable to fluctuations in duty rates. Increased import costs translate into higher prices for consumers, exacerbating inflationary pressures and eroding purchasing power. Furthermore, the imposition of excessive duty rates stifles economic activity, hindering job creation and impeding efforts to diversify the economy.

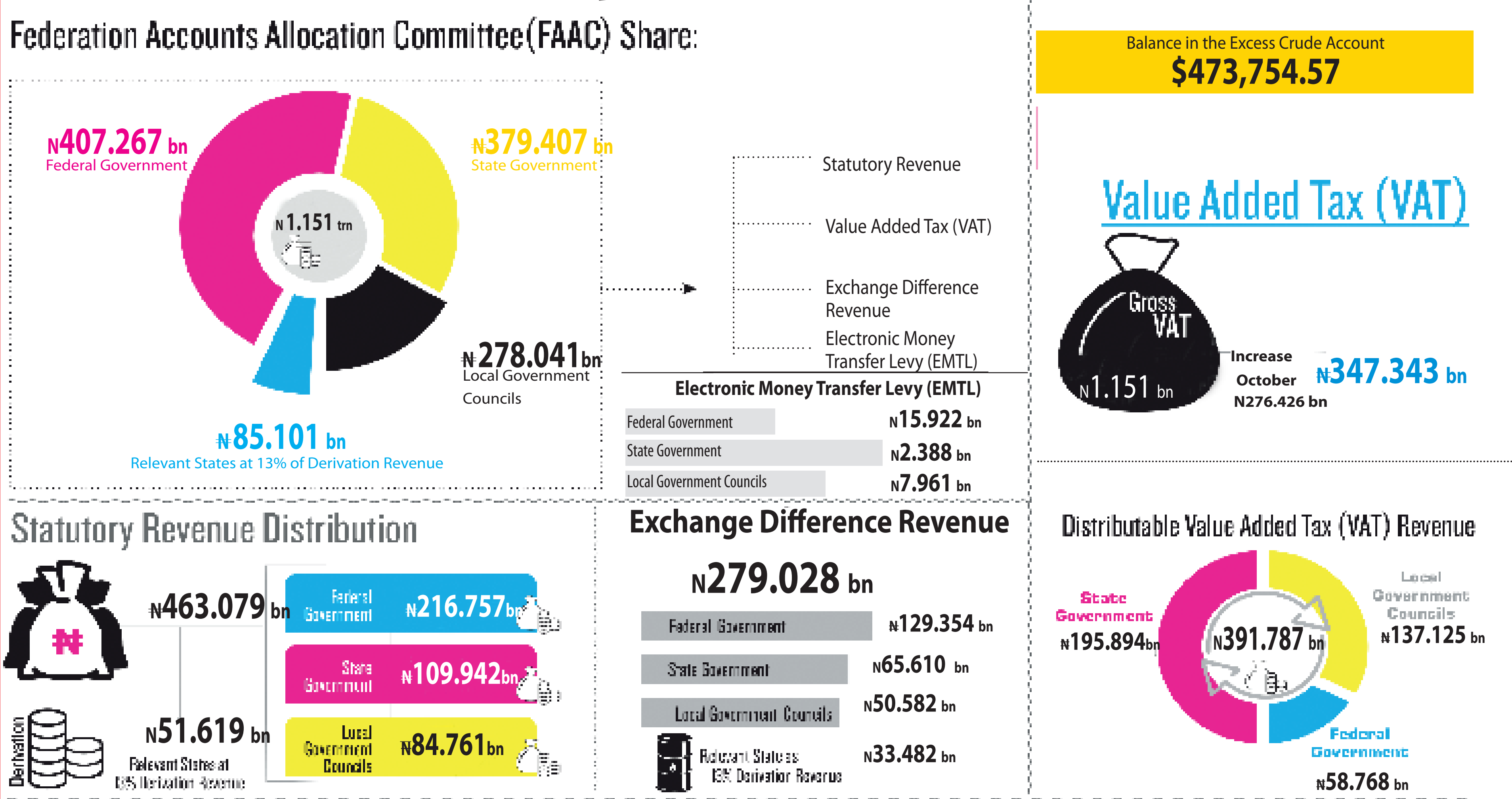
It is imperative for the government to take decisive action to address this pressing issue. The government must prioritise stability and predictability in import duty rates to provide a conducive environment for business operations. This entails developing a transparent and consistent framework for determining duty rates, free from arbitrary adjustments and political interference.

Additionally, the government should consider adopting neo-liberal policies aimed at reducing taxes rather than raising them. Lowering import duty rates can stimulate economic activity, spur investment, and promote competitiveness in the global market. By fostering a business-friendly environment, the government can attract foreign investment, promote job creation, and drive sustainable economic growth.

Moreover, we call on the government to demonstrate efficiency and accountability in revenue generation. While the need to raise revenue is understandable, it must be done in a manner that does not impede economic growth or burden taxpayers disproportionately. Therefore, the government should explore alternative revenue sources and streamline tax administration to enhance efficiency and effectiveness.

The federal government must urgently address the issue of import duty rates to safeguard the interests of businesses and ensure sustainable economic development. It must learn to prioritise stability, transparency, and efficiency in fiscal policies; the government can foster a conducive business environment, promote economic growth, and improve the welfare of Nigerians. It is imperative for the federal government to act decisively and responsibly to mitigate the adverse effects of arbitrary duty rate adjustments and chart a path towards economic prosperity for all.

FAAC Shares N1.15 trn February 2024 Revenue To FG, States And LGCs



The tax landscape in January 2024 witnessed significant increases in CIT, import duty, petroleum profit tax (ppt), and oil and gas Royalties. However, VAT, export duty, EMTL, and CET Levies experienced considerable declines. This mixed performance reflects the evolving nature of Nigeria's revenue generation capabilities and the impact of global and local economic dynamics on tax collections.

FG Set To Disburse N50bn For Basic Health Care

By Jennete Ugo Anya

The federal government, represented by the Coordinating Honourable Minister of Health and Social Welfare, Prof Muhammed Ali Pate, announced in Abuja recently that it will release N50 billion as the first tranche of the basic health care fund.

This allocation is aimed at revitalising primary healthcare across the country.

During the fourth edition of the Ministerial news media briefing, Prof Pate highlighted the significance of primary healthcare in ensuring the well-being of citizens. He emphasised the government's commitment to prioritising the revitalisation of primary healthcare facilities, ensuring they are adequately equipped and staffed to provide essential services to communities.

The allocation of N50 billion marks a significant increase from the N25 billion allocated in 2022 towards the basic health care fund. Prof Pate stressed that this infusion of funds will breathe new life into the country's primary healthcare facilities, making quality care accessible to all citizens.

In addition to the investment in primary healthcare, Prof Pate revealed that President Bola Tinubu will soon issue an executive order aimed at addressing the escalating costs of prescription drugs. This executive action underscores the government's determination to tackle the challenges posed by rising drug prices, ensuring affordability and accessibility to essential medications for all Nigerians.

Prof Muhammed Ali Pate, Coordinating Honourable Minister of Health and Social Welfare

The initiatives announced by Prof Pate reflect the government's ongoing efforts to expand access to vital healthcare services, particularly in rural and underserved areas, and to improve health outcomes across the nation. The increase in funding for primary healthcare, coupled with measures to curb drug prices, is expected to have a significant impact on healthcare delivery and contribute to reducing the burden of preventable diseases in Nigeria.

Prof Pate highlighted the significant strides made by the federal government in the healthcare sector over the past six months.

He revealed that the government had recruited 2,497 doctors, midwives/nurses, and Community Health Extension Workers (CHEWs) to address staffing gaps due to attrition. Additionally, 1,400 health facilities now have Skilled Birth Attendants, leading to a substantial increase in health facility deliveries, reaching as high as 230,000 deliveries per month.

Furthermore, the federal government has made significant progress in expanding health insurance coverage to millions of Nigerians, with approximately 750,000 more Nigerians enrolled in health insurance since the beginning of the administration. This commitment to providing access to quality healthcare for all Nigerians is supported by initiatives such as the Vulnerable Group Fund and the Basic Health Care Provision Fund (BHCPF).

Prof Pate also highlighted the successful vaccination campaign for the Human Papillomavirus (HPV) vaccine, which has reached over 4.95 million eligible girls aged 9-14 years across 15 states plus the FCT, representing 80 percent of eligible girls. The phase 2 introduction of the HPV vaccine is scheduled for May 2024 in several additional states.

Addressing the pressing concern of rising pharmaceutical costs, Prof Pate announced plans for decisive action. In the short term, an executive order will be issued to curb escalating drug prices, while the mid to long-term goal involves domesticating imported drugs within the next three years, in collaboration with the Ministry of Trade.

These initiatives underscore the government's commitment to improving healthcare access, reducing maternal and child mortality rates, and safeguarding Nigerians against the financial burdens associated with healthcare expenses.

AFC Commits $40m To Revolutionise Healthcare With AMCE Abuja Construction

By Edmond Martins

In a landmark move poised to revolutionise healthcare in West Africa, the Africa Finance Corporation (AFC) has pledged up to US$40 million towards the construction of the African Medical Centre of Excellence (AMCE) in Abuja, Nigeria.

The agreement was formalised at the inaugural AMCE African Health Forum held in Abuja a few weeks ago.

The visionary project, spearheaded by Africa Export-Import Bank (Afreximbank) in collaboration with King's College Hospital, London (KCH), aims to establish a 500-bed medical health facility specialising in oncology, cardiology, and hematology.

AMCE seeks to address the continent's chronic healthcare challenges and reduce dependency on medical tourism by providing world-class medical services locally.

AMCE Abuja will be executed in four phases over six years. AFC's equity investment will play a pivotal role in the initial phase, involving constructing a 170-bed specialist hospital, with plans to expand to 500 beds by the third phase. Construction progress indicates that the facility is on schedule to commence operations in the first quarter of 2025.

The healthcare sector in Africa faces daunting challenges, including a severe infrastructure deficit and a shortage of qualified medical professionals. AMCE aims to create approximately 3,000 jobs during construction and operational phases, providing employment opportunities for over 200 people, and offering training opportunities for doctors and nurses.

Moreover, AMCE is projected to provide state-of-the-art care to over 350,000 patients in Nigeria and other African countries within its first five years of operation. By attracting talent back to the continent and providing better access to much-needed healthcare, AMCE seeks to reduce dependency on medical tourism and improve healthcare outcomes for communities across Africa.

The commitment of AFC, in collaboration with Afreximbank and KCH, underscores a shared vision to transform healthcare infrastructure and promote sustainable development in Africa. As AMCE progresses, stakeholders anticipate tangible benefits for both healthcare practitioners and patients alike, marking a significant step towards achieving healthcare excellence and prosperity in the region.

In a resounding affirmation of commitment to revolutionising healthcare infrastructure in Africa, AFC President and Chief Executive Officer (CEO), Mr. Samaila Zubairu, emphasised the critical need to address the continent's healthcare challenges. He expressed delight in partnering with Afreximbank and King's College Hospital, London, on the epoch-making African AMCE project. He highlighted the strategic significance of building a world-class facility that not only retains and attracts healthcare practitioners but also promotes specialist skills development, aligning perfectly with AFC's import substitution strategy.

Echoing Zubairu's sentiments, Mr. Benedict Oramah, President and Chairman of the Board of Directors of Afreximbank, celebrated AFC's strategic partnership in addressing Africa's healthcare infrastructure challenges. He emphasised the transformative potential of cooperation among African Development Finance Institutions (DFIs) in driving impactful projects for community benefit and sustainable growth. He urged more partners to join the initiative, recognising the crucial role such collaborations play in revolutionizing healthcare in Africa and improving the well-being of communities.

The collaboration between AFC, Afreximbank, and King's College Hospital sets a powerful precedent for African DFIs in addressing infrastructure challenges and shaping a healthier, more sustainable future for the continent. By investing in a world-class medical and health facility in West Africa, these institutions reaffirm their dedication to fostering positive change and making a lasting impact on healthcare delivery and community welfare across Africa.

Youth Development Minister Lauds NDIC For Depositor Protection

Commits To Advancing Financial Inclusion

By Anita Dennis

The Minister of State for Youth Development, Mr. Ayodele Olawande, has commended the Nigeria Deposit Insurance Corporation (NDIC) for its significant achievements in safeguarding depositors from the adverse impact of bank failures.

He made the commendation during a recent courtesy call on the management of the NDIC in Abuja.

According to him, the commendation of the NDIC was for consistently supporting the Central Bank of Nigeria (CBN) in overseeing the banking sector and contributing to the stability of the nation's financial system.

Mr. Olawande said the ministry was ready to collaborate with the corporation to further deepen and expand public awareness on the mandate and activities of the NDIC, especially among youth and unbanked populations in rural areas.

He said that this was going to be done through the ministry's Nigerian Youth Academy (NiYA) initiative as a veritable tool for financial inclusion.

Executive Director (Operations), **Mr. Mustapha. M. Ibrahim** (middle), delivering his welcome remarks to the Hon. Minister of State for Youth Development, **Mr. Ayodele Olawande** (left), while Executive Director (Corporate Services), Mrs. Emily Osuji, looks on during a courtesy call on the management of the NDIC in Abuja.

In a release by Mr. Bashir A. Nuhu, Director, Communication and Public Affairs, NDIC, the minister explained that NiYA is a response to the Presidential mandate to the ministry aimed at unleashing the creative potential of Nigerian youth for employment generation and wealth creation.

Mr. Olawande described NiYA as a digital marketplace connecting Nigerian youth, both domestically and in the diaspora, to showcase their creativity, acquire relevant skills, and secure employment opportunities aligned with their life ambitions.

With the slogan 'one youth, two skills, one local government, one product,' the initiative, according to Mr. Olawande, also aims to empower 7 million youths with transformative skills.

He further explained that the initiative features components such as online classes, job fairs, and access to resources and funding. Additionally, he stated that the ministry "is partnering with agencies mandated for skills acquisition and empowerment to achieve its objectives."

In his response, the Managing Director/Chief Executive of the corporation, Mr. Bello Hassan, who was represented by the Executive Director (Operations), Mr. Mustapha Ibrahim, commended the ministry for the initiative.

Mr. Hassan highlighted NiYA's potential to enhance capacity building and empower Nigerian youths, fostering business activities, entrepreneurship, and wealth creation.

He noted that this aligns with the NDIC's objectives of promoting financial inclusion and strengthening public confidence in the nation's financial system. Mr. Hassan emphasised that the initiative would create an enabling environment for Nigerian youth to thrive and contribute meaningfully to the nation's development.

Finance Minister Unveils Strategy To Tackle Ways, Means Debt

By Ahmed Ahmed

Recently, Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy, revealed the government's proactive measures to address the Ways and Means debt, a loan facility provided by the Central Bank of Nigeria (CBN) to cover budget shortfalls.

Speaking during an interview, Mr. Edun outlined the administration's commitment to reducing the Ways and Means debt through a meticulously crafted plan of action. He emphasised that these actions have been carefully laid out and are set to be implemented promptly.

The Ways and Means facility have been a crucial resource for the government, enabling it to navigate short-term financial challenges.

Mr. Edun reiterated the importance of addressing the Ways and Means debt, emphasising that it is essential to restore balance to the government's day-to-day accounts. He outlined a strategic path forward, involving efforts to garner funds and raise revenue with the specific aim of paying down the debt and rectifying the government's financial imbalances.

Moreover, he stressed the necessity of collaborative efforts between monetary and fiscal authorities to effectively address economic challenges. While acknowledging the central bank's role in managing aspects such as exchange rates and interest rates, he underscored the government's responsibility in supporting these efforts. Notably, interest rates have been raised as part of this collaborative approach.

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

The announcement signifies a concerted effort by the Nigerian government to strengthen its financial position and ensure sustainable economic growth. With a clear strategy in place and a commitment to collaboration, Nigeria aims to mitigate the challenges posed by the Ways and Means debt and foster a more stable economic environment.

The government unveiled a series of reforms aimed at enhancing revenue generation, controlling inflation, and fostering collaboration between fiscal and monetary authorities to stabilise the economy.

One of the key strategies involves adjusting the rates at which the government sells treasury bills and bonds to attract foreign portfolio investors. Mr. Edun highlighted that this measure is intended to encourage foreigners to invest in the economy by purchasing government securities, thereby bolstering confidence in the Naira.

"This is a sign of the type of collaboration and cooperation that will help the economy as a whole, with the fiscal and monetary sides working together," Mr. Edun emphasised.

Addressing the broader reforms to boost revenue and combat inflation, he emphasised the government's commitment to addressing the underlying issues. Efforts are underway to increase oil revenue and production while also focusing on enhancing non-oil revenue streams, with a particular emphasis on making the tax system less burdensome.

"In terms of inflation, we are addressing the root causes by focusing on productivity and production to mitigate its effects on the economy," Mr. Edun explained.

Furthermore, the government has implemented stringent measures to improve revenue collection and expenditure management. Federal government-owned enterprises are now subject to stricter cost management regimes, with revenue being collected immediately through technology rather than waiting for compliance.

Moreover, a new system of expenditure management has been introduced, leveraging technology and digitalisation to ensure that payments to suppliers, contractors, and beneficiaries are directly routed to the federal treasury without intermediaries.

Mr. Edun expressed confidence that these reforms will streamline government operations, enhance transparency, and facilitate the efficient allocation of resources, ultimately contributing to the country's economic stability and growth.

The implementation of these measures underscores the government's proactive stance in addressing economic challenges and creating an enabling environment for sustainable development and prosperity in Nigeria.

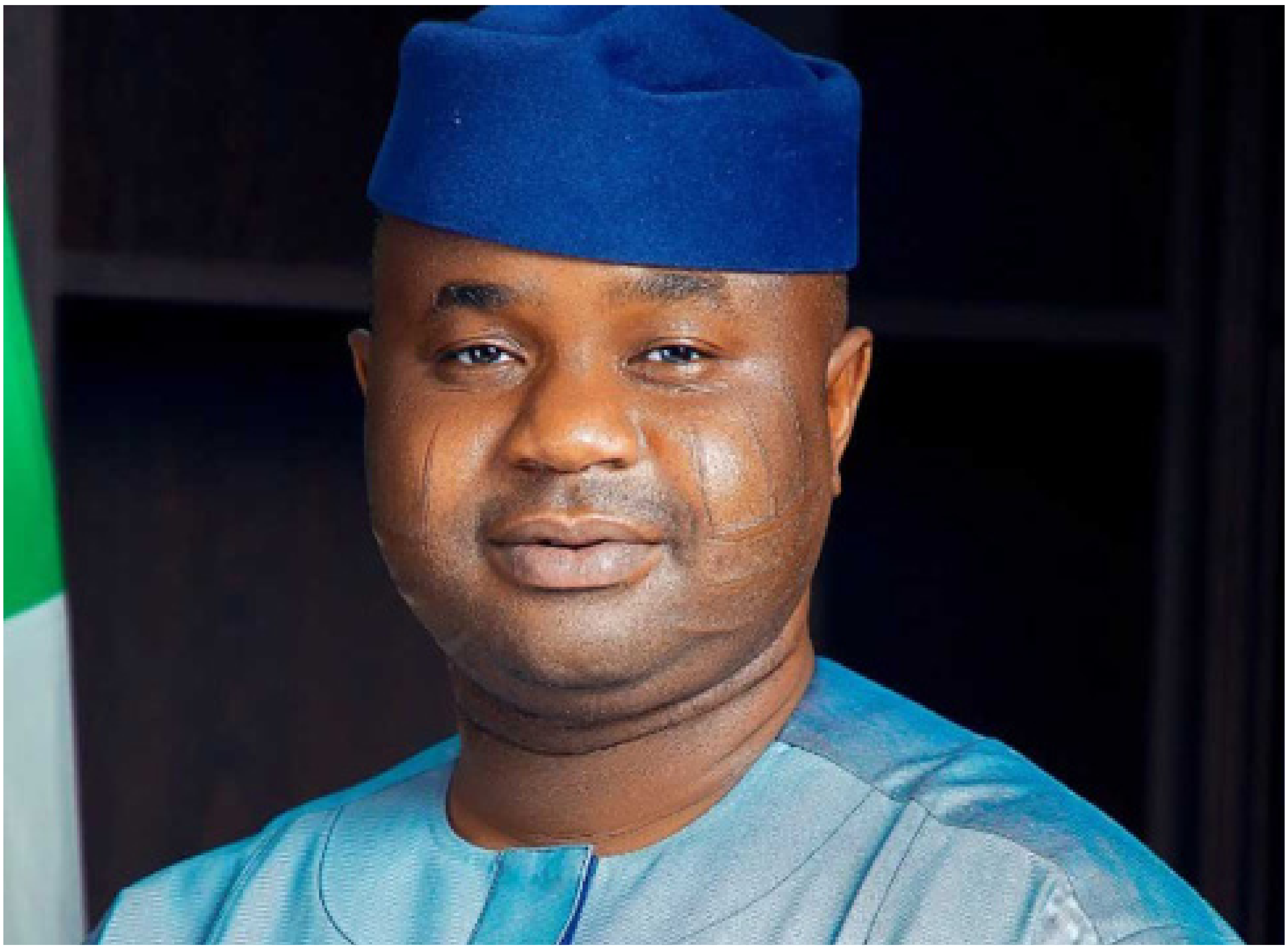
However, in a notable development, Mr. Olayemi Cardoso, Governor of the CBN, announced during an address to the Senate Committee on Banking, Insurance, and other Finance Institutions on February 9, 2024, that the CBN would cease its Ways and Means advances to the federal government.

House of Representatives Approves N446.34bn Budget For FIRS

As Senate Rejects FIRS's Proposal On N2.7trn Tax Credit Fund

FIRS Introduces TAXPRO-MAX Platform

By Jennete Ugo Anya



Mr. Zacch Adedeji, FIRS Chairman

The House of Representatives Committee on Finance has given the green light to a budget totalling N446.34 billion for the Federal Inland Revenue Service (FIRS) for the 2024 fiscal year.

The approval came following a thorough budget defence session presided over by the Executive Chairman of FIRS, Mr. Zacch Adedeji, recently. The breakdown of the budget includes N177.44 billion earmarked for personnel costs, N156.45 billion for overhead expenses, and N112.45 billion allocated for capital expenditure.

During the session, Mr. Adedeji outlined the budget projections, which were based on certain assumptions. These include a crude oil production estimate of 1.78 million barrels per day for 2024, a projected average crude oil price of $77.96 per barrel, and an anticipated average exchange rate of N800 to 1 USD.

Addressing the lawmakers, he emphasised the need for the FIRS to become the sole collector of government revenue. He highlighted that agency such as the Nigeria Customs Service (NCS), Nigeria Maritime Administration and Safety Agency (NIMASA), and the Nigeria Ports Authority (NPA) do not have a statutory mandate in revenue collection. He proposed consolidating revenue collection under FIRS, citing examples from countries like the United Kingdom (UK) and South Africa where customs and revenue collection are merged.

Mr. Adedeji emphasised that the core duty of FIRS is to assess, collect, and account for all revenue due to the federation. He attributed revenue leakages to a lack of verifiable data and announced plans to address this issue by linking all citizen activities to the National Identification Number (NIN), which is currently mandatory.

He stated: "The plan is to make sure everything we do as citizens is linked directly to this NIN. This would help address the issue of tax leakage."

The FIRS boss also noted that revenue leakages could be curtailed by implementing a single identification number for all Nigerians, with legislation expected to be sent to the house for consideration within the next two weeks to one month.

The approval of the FIRS budget underscores the government's commitment to enhancing revenue generation and curbing leakages in the fiscal system.

Meanwhile, the Senate's Committee on Finance rejected the proposal presented by the FIRS regarding the release of a N2.7 trillion Tax Credit Fund for specific road construction projects by the Federal Ministry of Works.

The rejection came after Mr. Adedeji expressed reservations about the additional N2.7 trillion requested by the Ministry of Works through the Nigerian National Petroleum Company Limited (NNPCL) for funding road projects under the tax credit scheme during an interface with the committee.

However, Senator David Umahi, Honourable Minister of Works, countered Mr. Adedeji's position before the committee, explaining that the N2.7 trillion was not a fresh request but a funding gap incurred as of January this year. Sen. Umahi highlighted the significant impact of the tax credit scheme in rehabilitating or reconstructing critical roads across the country over the last three years. He cited the example of the Apapa-Oshodi Road, reconstructed by Dangote Plc under the scheme, which not only addressed congestion but also provided a durable road infrastructure.

He emphasised the necessity of the N2.7 trillion funding gap for completing ongoing road projects initiated under the scheme. He noted that only N650 billion has been released so far for the execution of affected roads, leaving a substantial gap that requires immediate attention for project completion.

Additionally, Sen. Umahi pointed out that the 2024 budgetary provisions for the Federal Ministry of Works are primarily palliative and insufficient for comprehensive road construction. He urged the National Assembly to make substantial appropriations for road infrastructure across the country, suggesting a budget of N4.4 trillion for constructing 100 kilometres of roads per each of the six geo-political zones.

In response, Senator Sani Musa, the chairman of the committee, expressed support for the tax credit policy as a commendable initiative addressing pressing needs. Based on Sen. Umahi's submissions, Sen. Musa endorsed the release of the N2.7 trillion for completing ongoing projects under the scheme. However, he suggested halting the implementation of the policy beyond the N2.7 trillion for the time being.

The rejection of FIRS's proposal underscores the Senate's careful consideration of fiscal matters and its commitment to ensuring prudent allocation of funds for national development initiatives.

In another development, the FIRS unveiled its new platform, TAXPRO-MAX, for filing transfer pricing returns and country-by-country reporting (CbCR) notifications, transitioning from the previous e-TPPLAT system.

In a public statement signed by the Mr. Adedeji, taxpayers were notified of this transition and granted a grace period until July 30, 2024, to fulfill any outstanding filing requirements related to transfer pricing returns and CbCR reports. During this grace period, compliant taxpayers will be exempted from penalties.

The service emphasised its commitment to enforcing compliance and warned that failure to adhere to the deadline will result in legal penalties. Taxpayers are urged to utilise the TAXPRO-MAX platform for filing transfer pricing returns and CbCR notifications using their regular login credentials.

Furthermore, the FIRS assured taxpayers that administrative penalties stipulated in the income tax (transfer pricing) regulation 2018 and income tax (country-by-country) regulation 2018 would be waived for compliant taxpayers. However, penalties will be imposed on those who fail to comply accordingly.

Additionally, the FIRS stated that taxpayers are free to refile their tax returns under the new platform if they wish to do so. It advised owners, representatives of companies, and other stakeholders to adhere to the new notice and utilise the TAXPRO-MAX platform for filing Transfer Pricing Returns and CbCR notifications.

The introduction of the TAXPRO-MAX platform marks a significant step by FIRS towards streamlining tax filing processes and enhancing compliance in the Nigerian tax system.

> Mr. Adedeji emphasised that the core duty of FIRS is to assess, collect, and account for all revenue due to the federation

MOFI's Inaugural Conference Sets Ambitious Agenda For Nigeria's Economic Prosperity

By Jennete Ugo Anya

In a bold move aimed at reshaping Nigeria's wealth management landscape, the Ministry of Finance Incorporated (MOFI) hosted its inaugural public wealth management conference.

According to MOFI's management, the conference came at a key moment, reflecting the MOFI's commitment to advancing the efficient management of public resources.

The theme, 'Championing Nigeria's Economic Prosperity,' really underscored the importance of proactive strategies in navigating the complexities of wealth management in the country.

The conference which took placed on February 20th, 2024 in Abuja, marked a significant milestone in Nigeria's journey towards optimising public wealth for national prosperity. As President Bola Ahmed Tinubu's administration unveiled ambitious plans to raise $10 billion in revenue to bolster liquidity in Nigeria's foreign exchange market.

The announcement came during the inaugural conference, where Vice President Kashim Shettima represented the President.

In his keynote address, the President outlined the government's strategy to generate millions of jobs by maximising Nigeria's extensive public assets to double the nation's gross domestic product (GDP). The administration aims to achieve this by optimising the management of federal assets and investments to unlock its revenue potential.

President Tinubu acknowledged the challenges stemming from years of mismanagement and underutilisation of Nigeria's assets, which have hampered economic growth. He highlighted the significance of the newly restructured MOFI, which will serve as the custodian and active manager of the assets, taking a central role in the administration's plans.

Transparency and accountability were underscored as crucial principles in asset management, with him emphasising the importance of improved corporate governance, innovative partnerships, and attracting alternative investment capital to maximise returns.

The government's decision to merge forex windows in mid-2023 had initially led to a significant depreciation of the naira against the dollar, but it is now aiming to stabilise the currency through measures to enhance foreign exchange liquidity.

(L- R): Hon. Minister of Finance and Coordinating Minister of the Economy, **Mr wale Edun** (3rd), **Vice President Kashim Shettima** (4th), **Dr. Shamsudeen Usman,** Chairman Board of Directors of the Ministry of MOFI (5th), **Mr. Amstrong Takang,** Managing Director/Chief Executive (MD/CE) of MOFI (6th), **Mrs. Doris Nkiruka Uzoka-Anite,** Minister of Industry, Trade and Investment, and other dignitaries at the MOFI Public Wealth Management conference held in Abuja.

The conference saw key speakers emphasising the mandate of the MOFI not only to increase government revenue but also to foster socio-economic prosperity for all Nigerians.

The federal government emphasised this point, highlighting the importance of effective wealth management for the nation's development.

The event provided a platform for stakeholders to discuss strategies for optimising public assets and promoting inclusive growth, reflecting the government's commitment to driving economic prosperity through prudent asset management.

Also, speaking at the public wealth management conference, Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, noted that the President Tinubu's administration inherited the rising prices of food and general commodities from the previous administration, but is doing what it could to bring down the prices of food as well as the soaring inflation rate in the country.

Mr. Edun said that the federal government was not unaware of the sufferings of Nigerians as measures have been put in place to alleviate their sufferings.

> **President Tinubu acknowledged the challenges stemming from years of mismanagement and underutilisation of Nigeria's assets...**

The interventions, according to him, include the release of 42,000 metric tons of grains and another 60,000 metric tons expected to be released soon.

On the N22.7 trillion Ways and Means approved by previous administration, he explained that an audit is ongoing and details would be released soon.

He stressed that the federal government's plan to double its tax revenues was on course

The event was organised by the MOFI to seek ways of managing the nation's assets and resources for the overall wellbeing of the people.

In the same vein, the MOFI launched a groundbreaking N100 billion project preparation funds. Mr. Amstrong Takang, Managing Director/Chief Executive (MD/CE) of MOFI, announced this initiative at the conference, highlighting MOFI's commitment to fostering a more inclusive and sustainable economy.

Mr. Takang emphasised that MOFI, as the trusted custodian and shareholder of the federal government of Nigeria's investment assets, is spearheading various initiatives aimed at contributing to national development. He underscored the importance of collaboration among stakeholders, stating that the conference served as a platform for exchanging insights, experiences, and best practices in managing public assets.

Efficiency, transparency, and accountability were identified as core principles of effective public wealth management, with Mr. Takang stressing the agency's role in optimising the performance and returns from the government's assets under MOFI's management. He emphasised the need for innovative mechanisms such as public-private partnerships (PPPs) and alternative financing models to mobilise domestic resources and unlock hidden value in public assets.

Moreover, Mr. Takang highlighted the conference's significance in providing potential investors with data-driven insights on federal government assets. By presenting compelling investment opportunities, MOFI aims to attract capital to drive economic development and job creation in Nigeria.

Mr. Shamsudeen Usman, the Chairman of MOFI's Board of Directors, emphasised the organisation's commitment to exploring innovative strategies to unlock the full potential of government assets. Drawing inspiration from successful models in countries like Singapore, Sweden, and Saudi Arabia, MOFI aims to blend international best practices with Nigeria's unique circumstances to achieve its objectives.

He outlined MOFI's strategic focus on delivering results, with a 10-year plan aligned with President Tinubu's emphasis on maximising returns, attracting investment, and ensuring sustainable economic growth. He highlighted the importance of setting specific key performance indicators (KPIs) to track and report MOFI's progress in achieving its goals, reaffirming the organisation's dedication to realising its vision for Nigeria's economic prosperity.

Nigeria's GDP Grows By 3.46% In Q4 2023

As FDI Surges By $644m In Manufacturing

By Chiamaka G. Okpala

The National Bureau of Statistics (NBS) has revealed that the nation's gross domestic product (GDP) expanded by 3.46 percent year-on-year in real terms during the fourth quarter of 2023 (Q4 2023).

This growth rate, outlined in the 'Nigerian Gross Domestic Product Report (Q4, 2023)', released recently, indicates a slight decrease from the 3.52 percent recorded in the corresponding period of 2022, yet surpasses the 2.54 percent growth witnessed in the third quarter of 2023.

According to the report, the service industry spearheaded this growth, posting a robust expansion of 3.98 percent and contributing 56.55 percent to the overall GDP.

Both the International Monetary Fund (IMF) and the World Bank had anticipated Nigeria's economy to grow by 2.9 percent in 2023.

Detailing the sectoral contributions, the report highlights a positive trajectory across various sectors. The agriculture sector saw a growth of 2.10 percent, compared to 2.05 percent in Q4 2022. Meanwhile, the industry sector witnessed a substantial improvement, expanding by 3.86 percent compared to a decline of -0.94 percent in the same period of the previous year.

In terms of GDP composition, both industry and services sectors played a more significant role in driving the aggregate GDP in Q4 2023 compared to Q4 2022.

On an annual basis, the report notes that GDP grew by 2.74 percent in 2023, a decrease from the 3.10 percent recorded in 2022.

Prince Adeyemi Adeniran, Statistician General of the Federation

The positive growth trajectory, particularly in the service sector, reflects ongoing efforts to bolster economic activity and stimulate growth. However, it underscores the need for continued strategic interventions to sustain and enhance economic performance in Nigeria amidst various domestic and global challenges.

The NBS report provides valuable insights for policymakers, economists, and stakeholders, serving as a crucial reference point for assessing the country's economic progress and formulating informed policy decisions aimed at fostering sustainable development and prosperity.

Also, the NBS revealed a significant increase in foreign direct investment (FDI) in the manufacturing industry, with an upsurge of $644 million recorded in 2023. The latest data from the NBS's capital importation report indicates that FDI in manufacturing soared to $1.5 billion from $948 million in the previous year.

Manufacturing emerged as the top sector attracting foreign investments, outpacing banking and finance sectors, which ranked second and third, respectively, among the top investment magnets.

Notably, investments in manufacturing accounted for 39 percent of the total capital importation during the year, totalling $3.8 billion. The surge in FDI underscores the attractiveness of Nigeria's manufacturing landscape to foreign investors, signalling confidence in the sector's growth potential and investment opportunities.

However, despite the robust performance in manufacturing FDI, overall foreign investment in Nigeria witnessed a decline, contracting by $1.5 billion to $3.8 billion compared to $5.4 billion recorded in 2022. This downward trend underscores the challenges facing Nigeria's investment climate and highlights the need for concerted efforts to enhance investor confidence and attract more foreign capital.

In terms of geographical distribution, Lagos State emerged as the top destination for foreign investments in 2023, attracting $2.5 billion, followed by Abuja with $1.1 billion. Abia and Rivers States recorded $150 million and $6 million, respectively, while other states such as Ogun, Ekiti, Akwa Ibom, Anambra, and Adamawa also attracted investments.

However, the data also revealed that 29 states failed to attract any investments during the period, indicating disparities in investment attractiveness across the country.

Over the past four years (2019-2022), Nigeria experienced a decline in foreign investment inflows, with a cumulative decrease of $18.6 billion. Eight states, including Taraba, Yobe, Zamfara, Bayelsa, Ebonyi, Gombe, Jigawa, and Kebbi, failed to attract any form of foreign investment during this period.

Despite the challenges, Nigeria remains an attractive destination for foreign investors, with total foreign investments amounting to approximately $46 billion over the four-year period. Lagos State led with the highest foreign investments, totalling $35.4 billion, followed by the Federal Capital Territory (FCT) with $10 billion in foreign inflow.

The latest data underscore the importance of implementing policies to stimulate investment across various sectors and regions, fostering inclusive economic growth and development in Nigeria.

NERC Urges Consumers Not To Pay For Electricity Sector's Assets

By Ahmed Ahmed

The Nigerian Electricity Regulatory Commission (NERC) has reiterated that consumers are not obligated to pay for assets within the Nigerian electricity supply industry (NESI).

Mrs. Aisha Mahmud, Commissioner for Consumer Affairs at NERC, emphasised this stance during recently held seminar for Judges.

She clarified that it is against NERC's regulations for consumers to bear the cost of assets in the electricity sector, underscoring the commission's commitment to consumer protection. She highlighted that NERC has already addressed this issue in its regulations, particularly the investment in electricity network regulation.

"We have to make it clear again that it is not the responsibility of the consumers to pay for any asset in the electricity sector. We have made that clear in one of our regulations which is the investment in electricity network regulation. So far, we have approved some of these agreements, but we think consumers still need more enlightenment on this process and we will continue to do that," Mrs Mahmud said.

Earlier, in his keynote address, the Chief Justice of Nigeria, Hon. Justice Olukayode Ariwoola, urged NERC to provide clear guidelines for stakeholders in NESI. He emphasised the judiciary's support for ongoing reforms in the electricity sector, acknowledging its critical role in national development.

The Honourable Minister of Power, Chief Adebayo Adelabu, highlighted the far-reaching features introduced by the Electricity Act 2023, aimed at market liberalisation, extending regulatory reach, and establishing a coherent policy framework to mitigate operational and systemic risks in Nigeria Electricity Supply Industry (NESI).

Chief Adelabu commended the judiciary for its contributions to the power sector, noting that judicial pronouncements have helped attract private investment.

In his remarks, the Chairman of NERC, Engr Sanusi Garba, outlined the objectives of the seminar, emphasising the need to discuss emerging legal issues in NESI and apprise the judiciary of recent changes in the regulatory landscape.

The seminar serves as a platform to enhance the judiciary's understanding of legal aspects related to the electricity sector and to foster collaboration between regulatory authorities and the judiciary in addressing challenges and promoting the development of NESI.

New Permanent Secretary Assumes Office At Federal Ministry Of Finance

By Kingsley Benson

Exuding energy as she looked forward to the task ahead, Mrs. Lydia Jafiya, the newly-appointed Permanent Secretary of the Federal Ministry of Finance, has already officially assumed duties at the ministry's headquarters in Abuja.

Mrs. Jafiya, born on July 30, 1967, in Gulak, Madagali Local Government Area of Adamawa State, looks to bring a wealth of experience and expertise to her new role.

Welcoming her, the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, emphasised the importance of teamwork and collaboration within the ministry. He urged all staff members to continue working together in the spirit of fellowship and common purpose to achieve the ministry's goals.

Mrs. Jafiya expressed her pleasure at joining the Federal Ministry of Finance as the Permanent Secretary. Upon her deployment by the Head of Service of the Federation, Dr. Folasade Yemi-Esan, following approval by President Bola Ahmed Tinubu, her primary responsibility is to work alongside Mr. Edun, in executing the ministerial performance bond of the presidential priorities and deliverables, as outlined during the Presidential Retreat.

Acknowledging the ministry's history of high performance in managing the national economy, Mrs. Jafiya emphasised the need to do more. She stressed the importance of aligning the ministry's activities with the six pillars of the federal civil service strategy and implementation plans 2021 – 2025 (FCSSIP25) to achieve high-impact performance.

As she assumes her new role, Mrs. Jafiya's leadership will be crucial in guiding the Federal Ministry of Finance towards fulfilling its mandate and contributing to the nation's economic development.

Mrs. Lydia Jafiya, Newly-appointed Permanent Secretary of the Federal Ministry of Finance

Mrs. Jafiya, with her background in Business Administration and Banking Finance, brings a wealth of knowledge and experience to her role as Permanent Secretary of Finance. She is committed to advancing the Ministry's objectives, particularly in areas such as digitisation, human resource management, capacity building, performance management, innovation, and staff welfare.

Expressing her dedication to collaborative efforts, Mrs. Jafiya pledged to welcome suggestions and advice from her colleagues as they work together to move the Ministry forward. She also emphasised the importance of teamwork and adherence to ethical standards and regulations in government operations.

Having served in various capacities within the federal civil service since 1990, Mrs. Jafiya's extensive experience positions her well to lead the Ministry effectively. Her previous roles include serving as Assistant Director (Accounts) in The Presidency, Deputy Director (Budget) at the Ministry of Foreign Affairs, and Director (Finance and Accounts) at the Pensions Transitional Arrangement Directorate (PTAD). She was appointed Permanent Secretary of the Federal Ministry of Information and Culture in August 2022.

Mrs. Jafiya, while acknowledging the role of Mr. Okokon Udo, the Permanent Secretary Special Duties, emphasised the importance of the official handing over ceremony, which she noted as a formality. She reassured her colleagues of her commitment to working collaboratively with them to achieve the ministry's goals and objectives.

Mr. Udo's assurance of support and cooperation to Mrs. Jafiya highlights the importance of continuity and collaboration within the ministry. With Mrs. Jafiya's extensive background and qualifications, including her association with prestigious institutions and professional bodies, there is confidence in her ability to lead effectively.

Mrs. Jafiya's commitment to continuous learning, both locally and internationally, reflects her dedication to professional development and staying abreast of evolving trends and practices. Her personal interests, including reading, traveling, and mentoring, underscore her well-rounded approach to leadership.

Acknowledging Mr. Edun's supportive role, Mr. Udo recognised the importance of leadership in fostering a conducive work environment and facilitating the achievement of organisational goals. Mr. Udo stated that Mr. Edun's guidance and mentorship have contributed to maintaining a sense of purpose and direction within the Ministry.

Apart from the pledge of allegiance from Mrs. Olushola-Dada on behalf of others, the members of staff of the ministry had also pledged their collective commitment to fulfilling the ministry's mandate under Mrs. Jafiya's leadership. They also emphasised the importance of teamwork and solidarity in driving organisational success and achieving desired outcomes.

Nigeria To Complete $700m OB3 Gas Pipeline Project In March After Eight Years

By Edmond Martins

In a significant development for Nigeria's energy sector, the federal government has announced the imminent completion of the $700 million Obiafu/Obrikom/Oben (OB3) gas pipeline project in March 2024.

The announcement was made during the 7th Nigeria International Energy Summit held recently in Abuja, where various stakeholders gathered to discuss the nation's energy landscape.

The OB3 gas pipeline, which commenced in 2016, is hailed as one of the largest gas transmission systems not only in Nigeria but also in Africa. The Honourable Minister of State for Petroleum Resources, Gas, Mr. Ekperikpe Ekpo, described the project as a vital component of Nigeria's transition towards a gas-focused economy. Upon completion, the 42-inch, 127-kilometer pipeline is expected to supply two billion standard cubic feet of gas per day.

Mr. Ekpo highlighted the strategic importance of the OB3 pipeline, emphasising its role in supplying feedstock to the Ajaokuta-Kaduna-Kano (AKK) pipeline, another critical infrastructure project aimed at enhancing gas distribution across the country. The OB3 pipeline will connect the Obiafu-Obrikom gas plant in Rivers State to Oben in Edo State, facilitating the transportation of natural gas.

He commended the Nigerian National Petroleum Corporation Limited (NNPCL) for its dedication to ensuring the timely completion of the OB3 pipeline project. He expressed optimism that the project would significantly contribute to Nigeria's energy security and economic development.

In addition to the OB3 pipeline, Mr. Ekpo provided updates on other key initiatives in the gas sector, including the progress made on the Ajaokuta-Kaduna-Kano pipeline. He assured stakeholders that the government remains committed to completing and commissioning these critical infrastructure projects as scheduled.

Meanwhile, President Bola Tinubu, represented by Minister of Information and National Orientation, Mohammed Idris, addressed concerns regarding the removal of petrol subsidy. Idris acknowledged the strain that the subsidy has placed on Nigeria's economic resources over the years, indicating the government's determination to address this challenge.

The impending completion of the OB3 gas pipeline marks a significant milestone in Nigeria's efforts to harness its vast natural gas reserves for domestic consumption and export. It underscores the government's commitment to advancing the country's energy sector and driving sustainable economic growth.

fmfinsights

Economy & Investment

ADVERT RATE

COLOUR

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	620,300.00	46,522.50
H/P	392,100.00	29,407.50
Q/P	245,100.00	18,386.25
14.5x5	400,000.00	30,000.00
14.5x3	320,000.00	24,000.00
10x6	560,000.00	42,000.00
10x5	540,500.00	40,537.50
10x4	360,100.00	27,007.50
9x6	505,000.00	37,875.00
9x5	482,350.00	36,176.25
9x4	360,000.00	27,000.00
9x3	260,000.00	19,500.00
8x6	406,000.00	30,450.00
8x5	390,600.00	29,295.00
8x4	310,300.00	23,272.50
7x6	355,000.00	26,625.00
7x5	345,100.00	25,882.50
7x4	270,800.00	20,310.00
7x2	250,000.00	18,750.00
6x4	240,000.00	18,000.00
6x3	180,000.00	13,500.00
6x2	102,100.00	7,657.50
5x6	261,000.00	19,575.00
5x5	240,000.00	18,000.00
5x4	191,300.00	14,347.50
5x3	150,600.00	11,295.00
5x2	90,000.00	6,750.0
4x4	158,500.00	11,887.50
4x3	120,00.00	9,000.00
4x2	70,000.00	5,250.00
3x2	55,000.00	4,125.00
2x2	37,000.00	2,775.00
2x1	25,000.00	1,875.00
1x1	8,500.00	637.00

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

BLACK AND WHITE

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	475,200.00	35,640
H/P	310,300.00	23,272.5
Q/P	152,500.00	11,437.5
14.5x5	312,150.00	23,411.25
14.5x3	286,500	286,500
9x6	252,400.00	18,930.00
9x5	301,000.00	22,575.00
9x4	240,600.00	18,045.00
9x3	225,500.00	16,912.50
8x6	330,000.00	24,750.00
8x5	265,650.00	19,923.75
8x4	235,550.00	17,666.25
7x6	215,000.00	16,125.00
7x5	155,000.00	11,625.00
7x4	150,300.00	11,272.50
7x2	135,000.00	10,125.50
6x4	148,100.00	11,107.50
6x3	120,800.00	9,060.00
6x2	80,000.00	6,000.00
5x6	155,000.00	240,000.00
5x5	180,000.00	180,000.00
5x4	102,100.00	
5x3	115,000.00	
5x2	120,000.00	
4x4	102,300.00	7,672.5
4x3	80,000.00	6,000.00
4x2	50,000.00	3,750.00
3x2	38,000.00	2,850.00
2x2	27,100.00	2,032.5
2x1	70,000.00	70,000.00
1x1	6,100	457.5

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

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

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

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

GENERAL INFORMATION

DEADLINE
WITHIN ABUJA
5 Days of Publication

SUR-CHARGE
SPECIAL POSITION
100% : Pages 2, 3 and 4
50% : Pages 5, 6 and 7

TECHNICAL DATA
Print Process = Web Offset Litho
Copy Required = Camera Ready Artwork with a good resolution (minimum 300dpi)

Printed by the 1065 Konsult

D2-32 Atiku Abubakar Crescent, Cityview Estate, Dakwo, Abuja +234 802 313 0653

All corresponce to info@ the1065Konsult.com www.the1065konsult.com

fmfinsights
Economy & Investment
Free

fmfinsights fmfinsights @fmfinsights www.fmfinsights.com
Monday 4th - Sunday 17th March 2024
65TH EDITION

Nigeria's Dominance In Afreximbank's Oil/ Gas Funding: **A Cause For Celebration, Caution**

POLICY BRIEF
with
ENAM **OBIOSIO**

In recent news, Nigeria has emerged as the primary beneficiary of Afreximbank's substantial investment in Africa's oil and gas sector, receiving a remarkable 60 percent share of the bank's $30 billion funding. This significant allocation underscores Nigeria's key role in the continent's energy landscape and highlights its potential to drive growth and development in the sector.

On the one hand, Nigeria's substantial share of Afreximbank's funding is a testament to its rich endowment of natural resources and its status as a major player in Africa's energy market. This allocation presents a unique opportunity for Nigeria to leverage these resources to enhance its energy infrastructure, boost production capacity, and create jobs. Moreover, increased investment in the oil and gas sector has the potential to stimulate economic growth, attract foreign direct investment (FDI), and ultimately improve the living standards of Nigerians.

Certainly, the economic impact of Nigeria's significant share of Afreximbank's $30 billion oil and gas funding could be profound, especially considering the nation's recent economic state.

With substantial funding allocated to the oil and gas sector, Nigeria can enhance its energy infrastructure significantly. This could include upgrading refineries, expanding pipeline networks, and improving storage facilities. This improved infrastructure could go a long way to enhance domestic refining capacity, reduce reliance on fuel imports, and ensure energy security.

Also, an increased investment in the oil and gas sector possibly has the potential to stimulate economic growth in the country. The development of new projects and the expansion of existing facilities can in a long run generate revenue, attract foreign investment, and contribute to gross- domestic product (GDP) growth. Additionally, job creation in the sector can alleviate unemployment and foster socioeconomic development.

Another economic impact this funding has on the economic landscape of the nation is its ability to diversify its energy sources. Our heavy reliance on oil exports makes the economy vulnerable to fluctuations in global oil prices. With this substantial fund allocated to the oil and gas sector, there is an opportunity to diversify the energy mix. Investing in renewable energy projects such as solar, wind, and hydroelectric power can reduce dependence on fossil fuels, mitigate environmental impacts, and promote sustainable development.

Nigeria receiving such amount could go a long way to enhanced energy security in the country. By investing in domestic energy infrastructure, the nation could see herself enhancing its energy security and reduce vulnerability to supply disruptions. Developing local refining capacity and improving distribution networks can mitigate the impact of fluctuations in global oil prices and geopolitical tensions on the country's energy supply.

Not leaving out foreign direct investment, Nigeria's dominant position in Afreximbank's oil and gas funding could attract significant foreign direct investment (FDI) into the country. The influx of FDI can further stimulate economic growth, create job opportunities, and drive technological advancement in the oil and gas sector.

This fund also tends to generate revenue for the country. Increased investment in the oil and gas sector could lead to higher revenue generation for the Nigerian government. This additional revenue can be used to finance essential infrastructure projects, social programs, and economic diversification initiatives, ultimately benefiting the nation as a whole.

Furthermore, Afreximbank's confidence in Nigeria's oil and gas industry is a vote of confidence in the country's economic stability and growth prospects. It signals to the international community that Nigeria remains a viable destination for investment despite global shifts towards renewable energy and increasing concerns about climate change. This vote of confidence could encourage other investors to explore opportunities in Nigeria's energy sector, further catalysing economic development and diversification.

> The influx of FDI can further stimulate economic growth, create job opportunities, and drive technological advancement in the oil and gas sector

However, amidst the celebration of Nigeria's dominant position in Afreximbank's funding, it is essential to acknowledge the challenges and responsibilities that accompany this status. Nigeria's heavy reliance on oil and gas revenues makes its economy vulnerable to fluctuations in global oil prices and market dynamics. As such, there is a pressing need for Nigeria to diversify its economy, reduce its dependence on oil revenues, and invest in other sectors to ensure long-term economic stability and resilience.

Moreover, Nigeria must demonstrate prudent management of the funds allocated by Afreximbank to the oil and gas sector. Transparency, accountability, and effective governance are essential to ensure that these funds are utilised efficiently, ethically, and in the best interest of the Nigerian people. Any mismanagement or corruption could undermine the potential benefits of the investment and erode public trust in the government and financial institutions.

Nigeria's significant share of Afreximbank's oil and gas funding points to its potential to drive growth and development in the sector. However, it also underscores the need for prudent management, diversification, and responsible governance. As Nigeria moves forward, it must seize the opportunities presented by this investment while addressing the challenges and risks associated with its dominant position in the oil and gas industry. Only then can Nigeria truly harness the full potential of its natural resources for the benefit of its people and the continent as a whole.

Overall, Nigeria's significant share of Afreximbank's oil and gas funding presents an opportunity to revitalise the nation's energy sector, stimulate economic growth, and foster sustainable development. Needless emphasising that prudent management, transparency, and accountability are essential to ensure that the funds are utilised effectively and ethically for the benefit of all Nigerians.

Published by **The 1065 Publishing**
All correspondence to Editor: **Enam Obiosio** (08058334933); D2-32 Atiku Abubakar Crescent, Cityview Estate, Dakwo, Abuja;
E-mail: info@fmfinsights.com; **Website:** www.fmfinsights.com