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Take Strategic Actions To Make Economy More Attractive To Global Financiers

EDITORIAL

In a recent meeting with a delegation from the International Finance Corporation (IFC), led by Managing Director, Mr. Makhtar Diop, President Bola Tinubu emphasized the need for international financiers to view Africa, particularly Nigeria, as a destination for growth and prosperity.

Nigeria, as one of Africa's leading economies, stands to gain substantially from this paradigm shift. With a diverse array of natural resources, a burgeoning population, and a youthful workforce, the country possesses the fundamental ingredients for sustained economic growth. By attracting strategic investments in key sectors such as agriculture, infrastructure, and research and development, Nigeria can unlock new avenues for job creation, innovation, and poverty reduction

The recent agreement between the IFC and Johnvents Industries Limited to develop the cocoa sector exemplifies the potential for collaboration between international financiers and Nigerian enterprises. By supporting small and medium-sized enterprises in agriculture

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Nigeria Takes A Bold Move Towards Inflation Reduction, Price Stability

The recent enactment of the Inflation Reduction and Price Stability (fiscal measures etc.) Order 2024 by ***President Bola Ahmed Tinubu*** *signifies a bold and strategic move towards tackling one of Nigeria's most pressing economic challenges, inflation. This far-reaching order introduces a suite of fiscal measures designed to stabilise prices, support local industries, and stimulate economic growth.* ***Enam Obiosio*** *in this analysis, explores the various components of the order and their potential impact on the nation's economy.*

A cornerstone of this new policy is the suspension of import duties and other tariffs on a range of essential items for six months. This includes staple food items, raw materials and other inputs for manufacturing, agricultural production inputs such as fertilisers and chemicals, pharmaceutical products, poultry feeds, flour, and grains.

By temporarily lifting these tariffs, the government aims to reduce the cost of essential goods, thereby directly addressing one of the main drivers of inflation. Lower import costs should translate to lower prices for consumers, easing the financial burden on Nigerian households and helping to stabilise the market.

Another significant measure is the authorisation for millers to import paddy rice at zero duty and value added tax (VAT) for an

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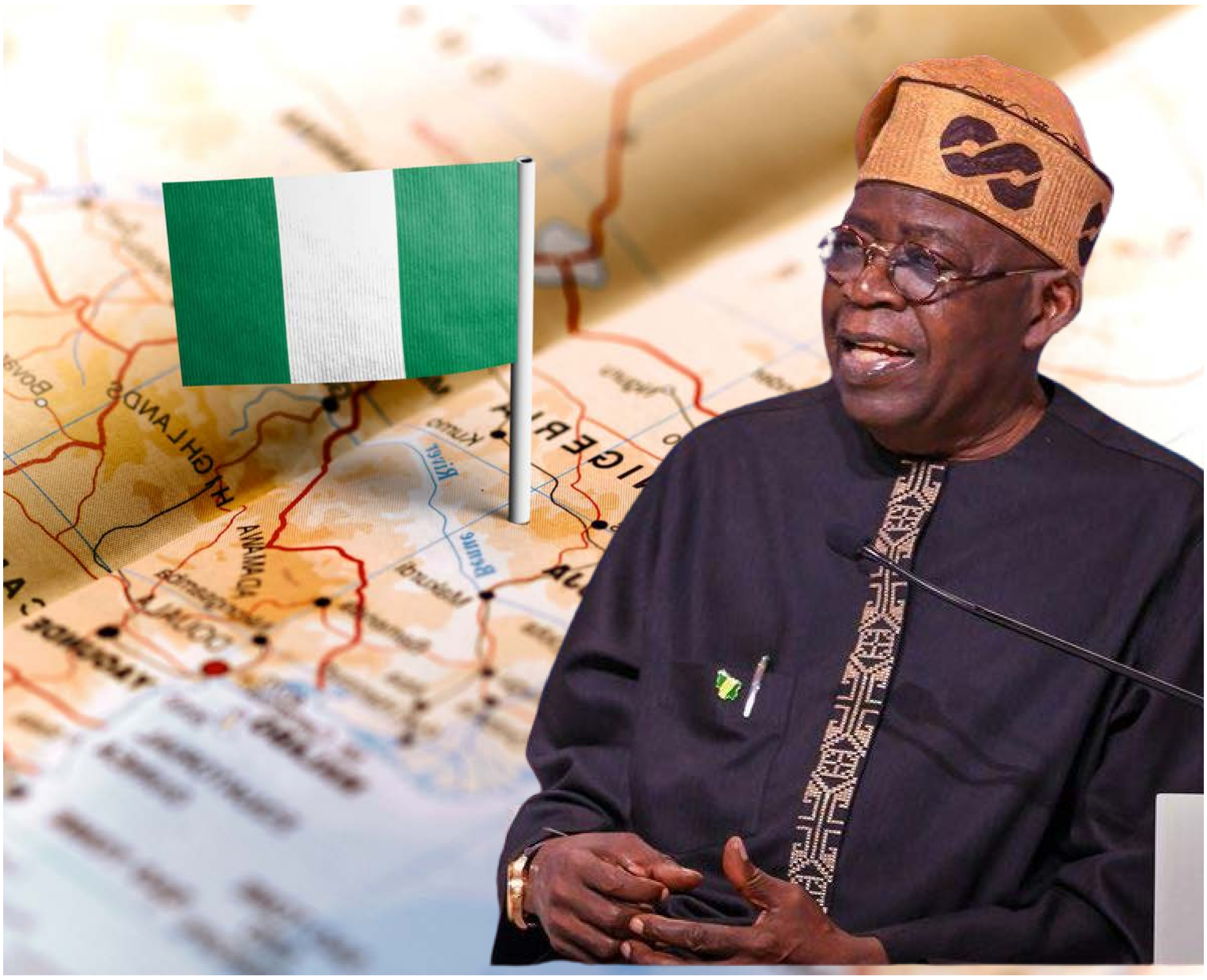

President Bola Ahmed Tinubu

Afrexim Bank Inaugurates $100m Quality Assurance Centre In Imo State

By Musa Ibrahim

Nigeria has marked a significant milestone in its quest to enhance international trade with the inauguration of the Africa Quality Assurance Centre (AQAC) in Imo State.

This new facility, courtesy of the African Export-Import (Afrexim) Bank, aims to elevate Nigeria's export capabilities by providing internationally recognised certification for locally produced goods.

The AQAC, the second of its kind in Nigeria following the Ogun State facility, is strategically located to leverage Imo State's abundant agricultural and natural resources. During the unveiling ceremony, Imo State Governor, Mr. Hope Uzodimma, expressed his delight at the selection of Imo for this pivotal project. He highlighted the state's strategic location and rich resources as key factors that make it an ideal site for the centre.

Prof. Benedict Oramah, President and Chairman of the Board of Afrexim Bank, conveyed through his representative, Mrs. Kanayo Awani, Executive Vice President, Intra-African Trade, that the AQAC is set to revolutionise the acceptance of African products in the global market. He emphasised that strong political will, leadership, and capital from Africa were critical in realizing this vision of economic growth and transformation.

"The Centre will end the era of African products being rejected in the international market," said Prof. Oramah.

He noted that African exporters have historically faced substantial losses due to the lack of quality assurance, and the $100 million investment in AQAC is designed to protect and promote African businesses. The centre will focus on ensuring that agricultural products and other export goods meet international standards and certifications.

Governor Uzodimma underscored the significance of the AQAC, stating that it aligns with his administration's Shared Prosperity Agenda, which focuses on job creation and economic development. He expressed gratitude to the Afrexim Bank for choosing Imo State and assured the bank's partners of the state's support.

He also highlighted the state's ongoing efforts to foster international business, including the dredging of the Orashi River to the Atlantic Ocean, creating the Orashi Free Trade Zone, and harnessing the state's gas deposits.

The inauguration ceremony, held at Umuowa in Ngor Okpala Local Government Area, was a grand event attended by high-profile dignitaries and foreign investors. Representatives from Afrexim Bank's partners, such as Hassan Allam, Elsewedy Electric, and Bureau Veritas, as well as local partner Fidelity Bank, were present to witness the landmark occasion.

Mrs. Oluranti Doherty, Afrexim Bank Director of Export Development, highlighted the critical role of AQAC in addressing the compliance challenges faced by African exporters. She reiterated the strategic advantages of Imo State, including its central location and the presence of Imo International Airport, which facilitated the decision to establish the centre there.

As the AQAC prepares to become operational, it promises to transform Imo State into a major player in international trade. This initiative is poised to enhance the economic landscape of the region, providing a robust platform for Nigerian goods to gain international acceptance and fostering a conducive environment for foreign direct investment.

Governor Uzodimma's commitment to providing a supportive environment for the project underscores the state's readiness to embrace this opportunity for economic advancement.

The AQAC stands as a testament to the potential for growth and prosperity in Imo State and beyond, heralding a new era of quality and competitiveness for Nigerian exports on the global stage.

AfDB Advocates For Industrial Revival In Nigeria

By Jennete Ugo Anya

In an address delivered during the 93rd birthday celebration of Mr. Anthony Shobo, Prof. Oyebanji Oyelaran-Oyeyinka, Senior Special Adviser (SSA) on Industrialisation to the President of the African Development Bank (AfDB), laid out a comprehensive roadmap for revitalising Nigeria's industrial sector.

The event, organised by the Nigeria Society of Chemical Engineers (NSChE), provided a platform for Prof. Oyelaran-Oyeyinka to present his insightful lecture, 'Why Nigeria's Development Lags: Causes and Consequences of Premature Deindustrialisation.'

His message was clear: "Nigeria must hinge from its current trajectory of premature deindustrialisation to foster a robust industrial base."

He underscored the necessity of government support for local companies, advocating for an environment that enhances efficiency and competitiveness. This call is particularly resonant given Nigeria's historical challenges with sustaining industrial growth.

The professor's analysis pinpointed two critical indicators of deindustrialisation: the declining share of manufacturing employment and a reduction in manufacturing value added to gross domestic product (GDP). These trends, if unaddressed, could further undermine Nigeria's economic stability and growth prospects.

Prof. Oyelaran-Oyeyinka stressed the importance of factory-level investment to spur efficient production and incremental innovation, essential for meeting domestic demand and reducing dependency on imports.

Highlighting the immense potential of Africa's food and agribusiness sector, projected to reach $1 trillion by 2030, he called for substantial investments in food processing and logistics. With 65 percent of the world's uncultivable arable land, Africa—and by extension Nigeria—holds the promise of not only achieving food self-sufficiency but also becoming a significant player in the global food market. This sector, if properly harnessed, could catalyse broader industrial growth.

He emphasised the critical role of manufacturing export capabilities as a growth driver, advocating for policies that promote economic and industrial diversification. The reliance on raw material exports has long hindered Africa's industrial development, and shifting towards value-added manufacturing is seen as a pivotal strategy for wealth generation and sustainable economic growth.

Mr. Anthony Shobo

For Nigeria to realise this vision, he called for enhanced investment in infrastructure and institutions that facilitate ease of doing business. Strengthening the industrial capabilities of national firms, he argued, is the foundation upon which long-term economic fortunes are built. This approach aligns with historical precedents set by the world's wealthiest nations, whose industrial capacities underpin their economic strength.

In a touching moment, Prof. Oyelaran-Oyeyinka paid tribute to the celebrated Mr. Anthony Shobo, recalling how Mr. Shobo's insistence on his recruitment at Lever Brothers marked the beginning of his distinguished career. This personal anecdote underscored the importance of mentorship and support in fostering professional growth and development.

Echoing Prof. Oyelaran-Oyeyinka's sentiments, Mr. Anthony Ogbuigwe, National President of NSChE, highlighted the critical need for deliberate actions to re-industrialise Nigeria. The current state of deindustrialisation, he noted, is a stark reminder of the challenges ahead. The call for re-industrialisation is not merely aspirational but necessitates concrete policy measures and sustained commitment.

Prof. Oyelaran-Oyeyinka's recommendations present a strategic framework for Nigeria's industrial revival. By focusing on local company support, investing in agribusiness, enhancing export capabilities, and improving institutional and infrastructural frameworks, Nigeria can chart a path towards sustainable industrial growth. As the nation grapples with the consequences of premature deindustrialisation, the insights and strategies articulated at this event offer a beacon of hope and a roadmap for economic rejuvenation.

Nigeria Takes A Bold Move Towards Inflation Reduction, Price Stability

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initial period of six months. This initiative is expected to improve local supply of rice and enhance the capacity utilisation of rice millers

Rice is a staple food in Nigeria, and reducing the import cost is crucial for both food security and price stability. This measure will likely increase the availability of rice, mitigate price spikes, and support the local milling industry, fostering self-sufficiency in rice production over time.

The suspension of VAT on the following items for the rest of 2024 is a targeted relief aimed at reducing living costs: Basic food items and semi-processed staples (e.g., noodles, pasta), raw material inputs for food manufacturing, electricity, and public transportation, agricultural inputs and produce and pharmaceutical products.

This broad suspension is designed to lower the cost of these essentials, providing immediate economic relief to consumers and supporting local businesses by reducing their operational costs.

The order includes a rebate on import duties by fixing the exchange rate for import duties and levies at N800 to one US dollar for six months.

This measure aims to mitigate the impact of exchange rate fluctuations on import costs and to provide predictable and lower import expenses for businesses. This rebate is particularly beneficial for manufacturers who rely on imported raw materials, as it helps them manage costs more effectively and maintain stable prices for their products.

Significant emphasis is placed on capital expenditures for essential infrastructure, including: Access roads to farms, solar-powered food storage facilities, irrigation systems for dry season farming, potable water and public sanitation.

A minimum of 50 percent of the incremental revenue from subsidy removal and naira flotation is earmarked for these projects. This investment is expected to: Enhance agricultural productivity, improve quality of life for rural populations and foster economic growth through improved infrastructure

Such infrastructure projects are critical for long-term economic stability and growth, as they directly enhance productivity and create a more conducive environment for business operations.

To foster a more supportive business environment, the order mandates that all ministries, departments, and agencies (MDAs) refrain from actions that negatively impact business productivity. Key directives include implementing regulatory actions in a business-friendly manner, ensuring policy decisions are data-driven and involve stakeholder consultations.

This approach is intended to increase business confidence, promote transparency and accountability, and facilitate smoother operations for businesses

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

To foster a more supportive business environment, the order mandates that all ministries, departments, and agencies (MDAs) refrain from actions that negatively impact business productivity

By reducing bureaucratic hurdles and fostering a collaborative environment, the government aims to encourage greater economic participation and investment.

It is understandable that the Ministry of Finance, in collaboration with the Central Bank of Nigeria (CBN), will explore measures to provide low-interest loans to the agriculture, manufacturing, and pharmaceutical sectors. This includes authorising commercial banks to offer low-interest loans that count towards their cash reserve ratio.

This initiative is designed to boost productivity in critical sectors, support businesses in expanding their operations and outputs.

Access to affordable finance is crucial for stimulating growth in these sectors, ultimately contributing to reduced inflation and enhanced economic stability.

The order has highlighted the need to incentivise high local content production of pesticides, insecticides, and herbicides and also reducing export incentives for raw materials in favour of local value addition.

By promoting local production, the government aims to strengthen the domestic economy, create jobs and as well as fostering innovation. This shift towards local production not only reduces dependency on imports, but also helps stabilise the naira by decreasing foreign exchange outflows.

To facilitate quicker access to necessary inputs, the Nigeria Customs Service (NCS) is directed to fast-track the clearing process for agricultural equipment, food items, manufacturing inputs, and pharmaceutical products.

Additionally, the suspension of certain taxes and levies for six months, such as road haulage tax, business premises registration fees, animal trade and produce sales tax aims to reduce the operational costs for businesses, particularly those in the logistics and agricultural sectors, thereby fostering a more competitive and productive economy.

To ensure the effective implementation of these measures, the order outlines clear guidelines for MDAs and a central mechanism for the issuance of necessary approvals.

By setting up robust implementation and monitoring frameworks, the government seeks to ensure that these measures translate into tangible benefits for the economy.

The inflation reduction and price stability order 2024 represents a comprehensive and proactive approach to tackling inflation and promoting economic stability in Nigeria. Through a combination of tax reliefs, infrastructure investments, supportive regulatory policies, and incentives for local production, the government is addressing immediate economic challenges while laying the foundation for sustainable growth.

These measures reflect a commitment to creating a more resilient and prosperous economy, benefitting both businesses and consumers alike. As these initiatives are implemented, Nigeria can look forward to a period of enhanced economic stability and growth, paving the way for a brighter future.

Pension Transitional Arrangement Directorate

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"I Am Alive" Confirmation

NOTICE

PTAD Commences "I AM ALIVE" online confirmation of Pensioners under the Defined Benefit Scheme (DBS). The web-based application is designed to confirm the aliveness of Pensioners.

FACIAL CONFIRMATION

FINGERPRINT CONFIRMATION

Facial Confirmation

1. The Pensioner will log on to PTAD website: www.ptad.gov.ng. using a smart phone/ computer system, click on the "I Am Alive" Icon at the top of the page and follow the instructions:
2. Start the "I Am Alive" confirmation process following the 2 steps validation process:
   I. Enter your pensioners numbers;
   ii. Enter your Bank account number.
3. Take your photo (it will be validated with the existing picture in the PTAD database)
4. Perform the aliveness check by moving your face to follow the moving object on the screen.
5. When the aliveness check is completed, confirmation page will display "Successful"
6. The Pensioner will receive an SMS notification of the successful completion of the process.

Fingerprint Confirmation

1. The Pensioner will need to access a computer system with fingerprint device for finger print capturing.
2. Log on to PTAD website: www.ptad.gov.ng. click on the "I Am Alive" icon at the top of the page and follow the instructions:
3. Start the "I Am Alive" confirmation process following the 2 steps validation process:
   I. Enter your pensioners number;
   ii. Enter your account number.
4. Finger Print Validation (place any of your fingers on the finger print device for capturing).
5. If the finger print is successfully captured, it will display "Successful".
6. When the aliveness check is completed, the Pensioner will receive an SMS notification of the successful completion.

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EDITORIAL

Take Strategic Actions To Make Economy More Attractive To Global Financiers

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and encouraging the participation of larger players, Nigeria can achieve greater food security, economic diversification, and rural development.

Moreover, the commitment of the IFC to long-term investment in Nigeria, particularly in critical sectors like fertilizers, reflects confidence in the country's economic prospects. As Nigeria navigates challenges posed by global shocks and economic uncertainties, strategic partnerships with international institutions such as the IFC offer a pathway towards resilience and sustainable growth.

While the President's call is commendable, it underscores the imperative for the Nigerian government to take strategic actions to make the economy more attractive to global financiers.

Firstly, the government must prioritize investment in critical sectors such as agriculture, infrastructure, and research and development (R&D). Enhancing productivity in agriculture through modern irrigation farming techniques and supporting agribusinesses like Johnvents Industries Limited, as noted by Mr. Diop, will not only increase food production but also create employment opportunities and stimulate economic growth.

Secondly, there is a pressing need to address infrastructure deficits, particularly in transportation networks. Projects like the Lagos-Calabar Coastal Highway and the Sokoto-Badagry Expressway are crucial for improving connectivity within the country and facilitating trade. Additionally, investing in rural roads and irrigation infrastructure will enhance access to markets for agricultural produce, thereby boosting rural economies.

Furthermore, the government should foster an enabling business environment by streamlining regulatory processes, improving ease of doing business indices, and promoting transparency and accountability. Global financiers seek stability and predictability in investment environments, and Nigeria must demonstrate its commitment to good governance and rule of law to attract sustainable investments.

Moreover, the government should explore opportunities for public-private partnerships (PPPs) to finance and execute infrastructure projects efficiently. Collaborating with private sector players not only mobilizes additional resources but also brings in expertise and innovation to project implementation.

Nigeria's economy is heavily reliant on oil revenue, making it vulnerable to fluctuations in global oil prices. The government should diversify the economy into non-oil sectors such as agriculture, manufacturing, and services can reduce this vulnerability and attract investment in new growth areas.

Improving the regulatory framework and governance of financial institutions can enhance investor confidence and attract foreign investment. This includes strengthening banking supervision, enforcing anti-corruption measures, and promoting financial inclusion.

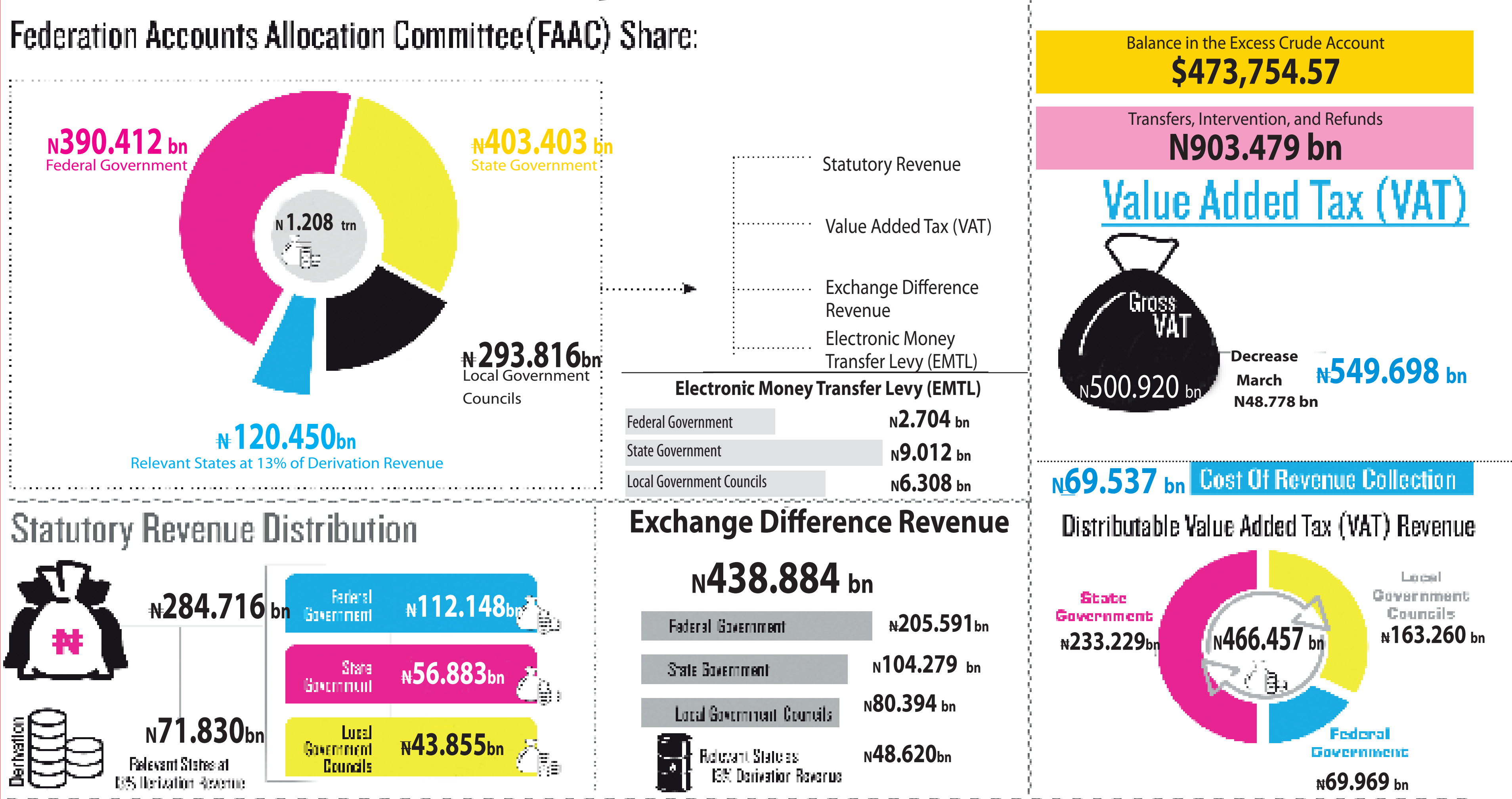
A step to embracing innovation and technology can drive economic growth and attract investment in emerging sectors such as fintech, e-commerce, and renewable energy. The government should create an enabling environment for innovation by supporting research and development initiatives and promoting entrepreneurship.

The federal government should strengthen regional economic cooperation and integration which can expand market opportunities for Nigerian businesses and attract foreign investors looking to access the wider African market. The government should prioritize initiatives that promote trade facilitation, infrastructure connectivity, and harmonization of trade policies within the region.

Lastly, the government must prioritize human capital development by investing in education, healthcare, and skills training. A skilled and healthy workforce is essential for driving productivity and innovation, which are critical factors for attracting global investments.

Nigeria has immense potential for economic growth and prosperity, but realizing this potential requires bold and strategic actions from the government. By investing in critical sectors, improving infrastructure, fostering a conducive business environment, promoting PPPs, and prioritizing human capital development, Nigeria can position itself as an attractive destination for global financiers and unlock its full economic potential.

FAAC Shares N1.208trn April 2024 Revenue To FG, States And LGCs



The communiqué highlighted that revenue from oil and gas royalties, companies income tax (CIT), excise duty, petroleum profit tax (PPT), EMTL, and CET Levies saw significant increases in April, while Import Duty and VAT recorded decreases.

Ban On Carbonated Drinks Affecting Revenue Generation – Customs

As Customs Intercept N96m Worth Of Marijuana Along Lagos Bar Beach

By Musa Ibrahim

The Nigeria Customs Service (NCS) has stated that the ban on the sale of carbonated drinks by the National Agency for Drugs Administration and Control (NAFDAC) is significantly impacting its revenue generation.

This was disclosed by the Comptroller-General (CG) of the NCS, Mr. Adewale Adeniyi, during a recent revenue monitoring exercise by the House of Representatives Committee on Finance involving all federal government-owned ministries, departments, and agencies (MDAs).

Mr. Adeniyi highlighted that the primary mandate of the NCS is revenue collection, with all funds statutorily paid into the Consolidated Revenue Fund of the federal government. He stated that the agency sets its revenue targets on a quarterly basis, which are influenced by various external factors. For the fiscal year 2024, the NCS set a target of N5.079 trillion, with monthly targets of N423 billion and N1.369 billion for each quarter.

On seizures, Mr. Adeniyi noted that the agency recorded 468 seizures in the first quarter of 2024, valued at N1.9 trillion. He emphasised that a significant portion of these seizures involved carbonated drinks, and the ban on these products is affecting the agency's revenue generation capacity.

He also pointed out that the reduction in the volume of cargoes entering the nation's ports has further impacted revenue. "The reduction in the volume of cargoes coming into the nation's ports has affected our revenue. We are looking at the projection for the second quarter of 2024, and we

Mr. Bashir Adewale Adeniyi, Comptroller-General of Customs

believe that by the end of June 2024, we would have been able to generate N3 billion," he said.

Regarding the non-inclusion of the cost of collection in the revenue document submitted to the House Committee, Adeniyi explained that this was intentional. He noted that the Act establishing the NCS empowers the agency to collect seven percent of the total revenue as the cost of collection.

Deputy Chairman of the House Committee, Hon. Seidu Abdullahi, commended the NCS for its revenue generation efforts, acknowledging that the agency had exceeded the expectations of the House and revenue authorities. However, he urged the NCS to re-evaluate the granting of waivers to importers, insisting that waivers should only be granted if they offer substantial benefits to the nation's economy.

Also, the NCS Western Marine Command intercepted 17 sacks of Cannabis Sativa, containing 1,257 parcels worth N96 million along Bar Beach in Lagos State.

The interception was officially handed over to the National Drug Law Enforcement Agency (NDLEA).

Speaking during the handover at the command in Apapa, Lagos, Customs Area Controller Mr. Paul Bamisaiye, revealed that the command's officers, aiming to cleanse the Western waterways of smuggling activities, intercepted the 609 kg haul of marijuana. He stated that a patrol team at the Bar Beach station had received credible intelligence regarding a boat on the high sea carrying suspected contraband items.

"Upon receiving the information, the team moved towards the described location and intercepted a fibre boat fitted with a 200-horsepower Yamaha engine, carrying the suspected items," Mr. Bamisaiye explained.

In a related development on May 19, 2024, the command's officers intercepted another contraband-laden boat during a routine patrol along Panko Creek in the Badagry waterways. This wooden boat, fitted with a 25HP Yamaha engine, was carrying 505 bags of foreign parboiled rice, with a combined duty paid value of N59.2 million. The smugglers abandoned their boat and dived into the water upon sighting the patrol boats.

He stated that these smuggling activities contravene sections 245 and 254 of the service Act 2023. He appealed to the public and traders to avoid engaging in illicit drugs and smuggling, emphasising that such activities lead to economic sabotage and contribute to societal menaces like banditry, kidnapping, and armed robbery.

Assistant Commander of Narcotics at NDLEA Marine Command, Maggaji Bashiru, who received the intercepted substances, commended the Customs Command for its effective interception. He highlighted that this operation demonstrates the increased synergy among security agencies. AC Bashiru also mentioned that while security agencies are strategising on enforcement, smugglers are simultaneously re-strategizing.

He stated that the intercepted items would be taken to the NDLEA command for a thorough investigation.

NBS Reports Mixed Trends In Transport Fares For April 2024

By Kingsley Benson

The National Bureau of Statistics (NBS) has released its Transport Fare Watch for April 2024, highlighting fluctuating costs across various transportation modes in Nigeria.

The average fare for bus journeys within cities saw a slight decline of 0.16 percent, dropping from N969.32 in March to N967.76 in April. Despite this month-on-month decrease, there was a significant year-on-year increase of 49.32 percent from N648.12 in April 2023.

Intercity bus travel fares also dipped slightly by 0.43 percent to N7, 122.57 in April from N7, 152.97 in March. However, the year-on-year comparison shows a sharp rise of 78.31% from N3, 994.51 in April 2023.

Air travel costs presented a different trend, with the average fare for specified routes increasing by 0.25 percent to N89, 189.19 in April compared to March. Year-on-year, airfares rose by 19.00 percent from N74, 947.30 in April 2023.

Motorcycle (Okada) transport fares saw an increase of 0.92 percent to N476.49 in April from N472.16 in March. Compared to the previous year, the fare showed a modest rise of 3.07 percent from N462.29 in April 2023.

Waterway passenger transport fares edged up slightly by 0.12 percent to N1, 385.95 in April from N1, 384.32 in March. This category recorded a significant year-on-year increase of 34.45 percent from N1, 030.83 in April 2023.

State-specific analysis revealed notable variations. Anambra recorded the highest intercity bus fare at N9, 600.00, followed by Abia and Gombe at N8, 300.00. The lowest fares were in Kwara at N5, 500.00 and Ebonyi at N5, 600.00. For intra-city bus travel, Taraba had the highest fare at N1, 450.00, followed by Ondo at N1, 200.00, while Abia and Adamawa recorded the lowest at N500.00 and N590.00, respectively.

Kano had the highest air transport fare for specified routes at N96, 500.00, with Ogun close behind at N95, 500.00. Abia

Mr. Adeyemi Adeniran, Statistician-General of NBS

offered the lowest airfares at N72, 000.00, followed by Plateau at N80, 000.00. Lagos State led in motorcycle transport costs with N850.00, while Niger, Bayelsa, and Anambra had the lowest at N300.00.

Water transport fares were highest in Bayelsa at N4, 500.00, followed by Delta at N4, 200.00. The lowest fares were found in Borno at N460.00 and Gombe at N560.00.

Regional analysis showed the South-West leading in intra-city bus fares at N988.33, with the South-South close behind at N984.50. The South-East recorded the lowest at N926.00. For intercity bus travel, the South-South had the highest fare at N7, 632.50, while North-Central had the lowest at N6, 810.00. The North-West topped air transport fares at N92, 128.57, with North-Central having the lowest at N84, 571.43.

Motorcycle fares were highest in the South-West at N530.00 and North-East at N511.67, with the North-West recording the lowest at N421.43. The South-South had the highest water transport fares at N3, 525.00, while the North-East had the lowest at N770.00.

These varying trends reflect the dynamic nature of transport costs across Nigeria, influenced by regional, economic, and infrastructural factors.

FG Considers Fresh N7.24tn Loan To Stabilise Economy

By Majeed Saleem

The federal government is considering an additional N7.24 trillion loan in 2024 to fund an intervention plan aimed at reviving the Nigerian economy.

This was revealed during a recent presentation by Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy, on the Accelerated Stabilisation and Advancement Plan (ASAP). The plan seeks to address critical challenges and stimulate development across various sectors.

In the approved 2024 budget, the government's deficit stands at N9.18 trillion, partially financed by N7.83 trillion in new borrowings. The ASAP proposes borrowing an additional N9.18 trillion to fund the deficit, bringing the total new borrowing for 2024 to N16.42 trillion. Debt financing is projected to cost N8.81 trillion.

Nigeria's total public debt was N97 trillion as of December 2023. With the proposed new borrowing, the total debt is set to rise to N113.4 trillion. This increase is driven by expected revenue shortfalls, with the government warning that the additional spending could negatively impact leverage metrics if fully funded by borrowing.

For January and February, the federal government's retained revenue was approximately 60 percent of the target, primarily due to lower crude oil production volumes, which were at 74.5 percent of the budget projection. If these shortfalls persist, annual revenue is unlikely to exceed N15.8 trillion. Additionally, tax waivers amounting to 0.25 percent of gross domestic product (GDP) could reduce budgeted revenue by 3 percent.

The emergency intervention plan focuses on critical sectors such as agriculture, energy, business support, health, and social welfare, with an estimated cost of N6.6 trillion to N5 trillion. Key allocations include: Agriculture and Food Security (N498 billion or N373.5 billion), energy (N3.25 trillion or N2.44 trillion), health and social welfare (N1.10 trillion or N825 billion), business support (N1.80 trillion or N1.35 trillion).

These funds aim to improve the affordability of essential medicines, clear outstanding power subsidies and GasCo debt, and support micro, small and medium enterprise (MSMEs), manufacturers, entrepreneurs, and artisans

The government acknowledges that these interventions are necessary to sustain ongoing reforms. However, the additional borrowing could push Nigeria's debt-to-GDP ratio to 47.6 percent. According to the International Monetary Fund (IMF), Nigeria's debt was 46 percent of GDP at the end of 2023, influenced by naira depreciation. The IMF noted that Nigeria's revenue as a percentage of GDP was among the lowest globally at 9.4 percent in 2023.

In a recent assessment, the IMF identified moderate risk of sovereign stress, citing the long maturity structure of debt and moderate gross financing needs.

However, it flagged risks from global uncertainty, exchange rate depreciation, and weak revenue mobilisation. "Absent policies to safeguard macroeconomic stability and improvements in the fiscal position, risks would be increasing," the IMF stated.

Recall, while presenting the 2024 budget, Mr. Edun emphasised a strategy of less reliance on borrowings and a greater focus on promoting domestic and foreign investment, as well as privatising critical government assets.

At the IMF and World Bank spring meetings in April, he announced that Nigeria had qualified for a $2.25 billion loan from the World Bank at one percent interest rate.

As Nigeria contemplates this substantial loan to stabilize its economy, the focus will be on effective implementation and strategic investments to ensure sustainable economic growth. The success of the ASAP will depend on the government's ability to manage debt levels while fostering an environment conducive to investment and economic reform.

Also, the federal government unveiled plans to address the lingering issue of electricity debt, amounting to approximately N1.7 trillion, by issuing bonds and promissory notes.

This initiative, outlined in the draft Accelerated Stabilisation and Advancement Plan (ASAP) presented by Mr. Edun to President Bola Tinubu, aims to alleviate tariff shortfalls and liquidity challenges within Nigeria's power sector.

The ASAP document reveals a collaborative effort involving the Ministry of Finance, the Federal Inland Revenue Service (FIRS), and the Central Bank of Nigeria (CBN), alongside key stakeholders in the power sector. Together, they will implement alternative settlement methods for verified legacy debt, primarily through the issuance of bonds and promissory notes.

The plan entails quarterly disbursements totalling N216 billion to gas suppliers, ensuring a consistent and reliable gas supply to power plants. This initiative will replenish the Gas Supply Stabilisation Fund (GSSF), crucial for maintaining the stability of the gas supply chain.

The ASAP proposes conducting Variable Renewable Energy Integration (VREI) studies to incorporate solar and wind energy into Nigeria's energy mix. With an investment of $2 million, this initiative aims to diversify the energy sources and reduce overall energy costs.

The plan includes completing 25 Transmission Company of Nigeria (TCN) substation projects and 25 TCN transmission line projects, each at 30 percent completion. These efforts, costing $73.2 million and $170.4 million respectively, aim to enhance transmission capacity and bridge infrastructural gaps in the power sector.

An investment of €4.5 million is allocated to increase the capacity of the Niger Delta Power Holding Company (NDPHC) by adding 1000 MW of generation capacity. This expansion will significantly augment Nigeria's power generation capabilities, addressing persistent power shortages.

The immediate interventions outlined in the ASAP carry a total cost of N1.916 trillion, $245.6 million, and €4.5 million. Through these initiatives, the government seeks to stabilize the power sector swiftly, ensuring a more reliable electricity supply across the nation.

The announcement comes amid mounting concerns over substantial debts owed to power generation companies (GenCos) by the Nigerian Bulk Electricity Trading Plc (NBET). Industry stakeholders, including Tony Elumelu, Chairman of the Board of Directors at Transcorp Group, have urged the government to expedite actions to settle these debts, emphasizing the critical need for liquidity to sustain reliable electricity generation.

With outstanding electricity debts surpassing N2 trillion, the GenCos have echoed calls for urgent government intervention to safeguard the viability of electricity generation. Earlier initiatives, such as the proposed payment of N130 billion to settle gas supply debts, underscore the government's commitment to addressing sectoral challenges and ensuring energy security for Nigerians.

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

FG Proposes 1% Cost Of Collection For Revenue Agencies

By Edmond Martins

In a significant policy shift, the federal government is considering a new law to reduce the cost of collection for revenue-generating agencies to one percent.

This move aims to increase government income for project financing, aligning Nigeria with global benchmarks where the cost of collecting revenue typically stands at one percent.

Currently, in Nigeria, this cost ranges from four to 35 percent.

The proposed legislation is part of approximately 450 policy recommendations by the Presidential Committee on Fiscal Policy and Tax Reforms, aimed at modernising the nation's outdated tax laws. These recommendations were discussed at a public consultation workshop for journalists and public analysts.

Mr. Taiwo Oyedele, chairman of the tax committee, stated, "The one percent will cut across everybody. If you cannot collect revenue with one percent, you should not be collecting it; it means you are not prepared for it."

The agencies affected by this proposed change include the Nigeria Customs Service (NCS), Federal Inland Revenue Service (FIRS), Nigerian National Petroleum Company Limited (NNPCL), Nigerian Upstream Regulatory Commission (NUPRC), and the Ministry of Mines and Steel Development (MMSD), among others.

Mr. Oyedele emphasized that agencies collecting revenue outside their core mandates should refocus on their primary responsibilities. "They were not set up to collect taxes. They have no competence. They are not efficient at collecting it. We are all better off if everybody plays to their strength," he noted.

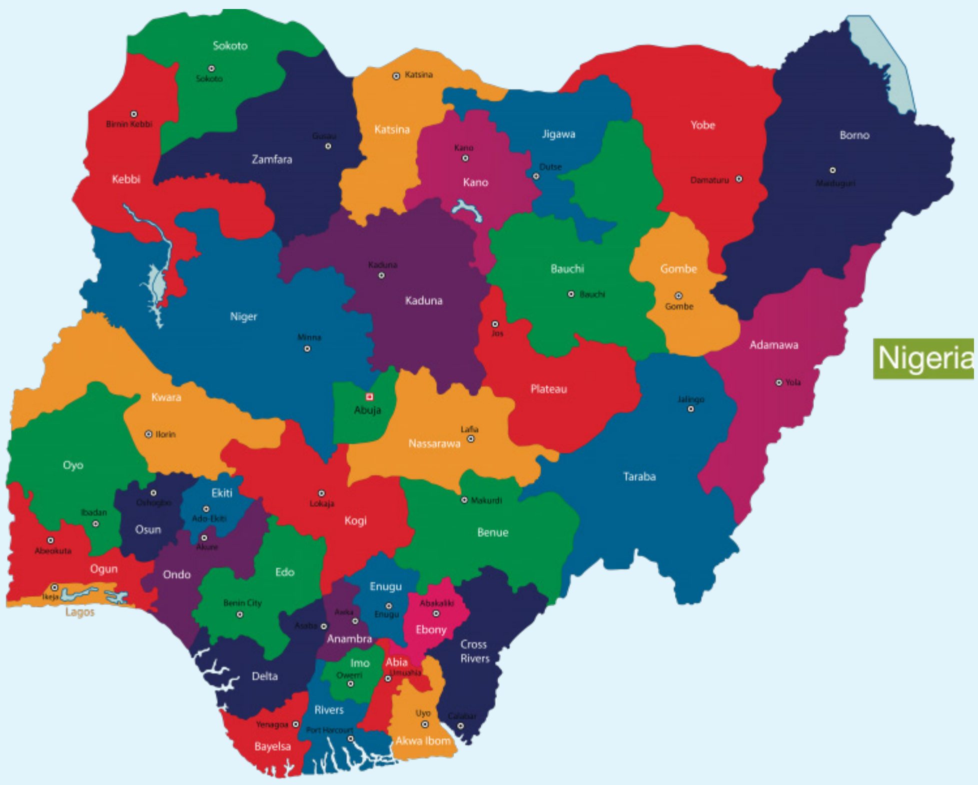
Additionally, he revealed that the current administration has abandoned the practice of accompanying the annual budget with a Finance Act. Introduced by the previous administration, the Finance Act was meant to stimulate economic growth and ensure macroeconomic stability. However, Mr. Oyedele criticised its frequent amendments, suggesting that a more stable legislative framework should be established. "We think once we rewrite the laws and create a proper framework, things like the Finance Act will be a once-in-five-years conversation, not annual," he stated.

The committee also recommends exempting manufacturers, farmers, and nano and small-scale enterprises from withholding tax payments, reflecting the government's commitment to not taxing the seed or capital but rather the profit from businesses.

If implemented, these changes could significantly streamline revenue collection processes and increase efficiency, ultimately providing the government with more funds for critical development projects.

IMF Predicts Nigeria's Economy To Reach $1.85trn By 2029

As Nigeria's Current Account Balance Surpasses $1.432bn



By Kingsley Benson

The International Monetary Fund (IMF) has forecasted a significant growth trajectory for Nigeria's economy, predicting it will reach $1.85 trillion by 2029 in Purchasing Power Parity (PPP) terms.

This projection indicates steady economic expansion over the next five years.

According to a recent IMF data, Nigeria's gross domestic product (GDP) in PPP terms has been on an upward trend, increasing from $1.36 trillion in 2023 to an anticipated $1.852 trillion by 2029.

The GDP is a key indicator of a country's overall economic activity, and PPP allows for more accurate international comparisons by relating exchange rates to price levels between countries.

The data reveals a consistent growth pattern, with a notable 5.5 percent increase expected in 2029.

Additionally, Nigeria's share of the global GDP based on PPP is predicted to rise slightly from 0.77 percent in 2023 to 0.78 percent by 2029, reflecting a steady growth path for the nation's economy.

Despite facing significant challenges, such as the 2020 recession caused by the COVID-19 pandemic and fluctuating oil prices, Nigeria's economy shows signs of gradual expansion. The country's share of global GDP has remained relatively stable, ranging between 0.775 percent and 0.778 percent from 2024 to 2028.

Economist Shadrach Israel highlighted in an interview, "The IMF reports indicate that the government's reforms and initiatives have contributed to the country's economic growth."

The trend of Nigeria's GDP in PPP terms over recent years supports this optimistic view. In 2024, the GDP stood at $1.44 trillion, rising to $1.51 trillion in 2025, and $1.587 trillion in 2026. This growth continued with a GDP (PPP) of $1.67 trillion in 2027 and $1.759 trillion in 2028.

"The IMF's prediction of Nigeria's economic growth is a positive sign for the country's future, indicating potential for increased economic prosperity and development," Mr. Israel noted.

This steady recovery and growth in Nigeria's GDP in PPP terms suggests a promising future for Africa's largest economy.

In another development, Nigeria's current account balance recorded a surplus of $1.432 billion in 2024, according to the IMF. This marks an improvement from the $1.21 billion surplus noted in 2023, as detailed in the IMF's 'World Economic Outlook Database'.

The increase in the federal government's account balance is attributed to the country's growing gross national savings and investment. In 2024, Nigeria's gross national savings rose to 26.32 percent of its GDP, up from 24.61 percent in 2023. Similarly, total investment climbed to 25.75 percent of GDP in 2024, compared to 24.28 percent the previous year.

A country's current account balance encompasses its trade balance, net income, direct transfers, and asset income, offering a comprehensive view of international economic transactions. A positive balance indicates a net lending position, while a negative balance indicates a net borrowing position.

The IMF's data suggests a positive outlook for Nigeria's economic growth and stability, with increasing investment and savings driving the economy forward. This trend is expected to persist, fostering economic stability in the region.

However, these economic developments occur amid challenges following the removal of subsidies by President Bola Tinubu in May 2023. The removal has led to a spike in electricity tariffs, food prices, transportation costs, house rents, and inflation rates, which currently stand at 33.69 percent according to the National Bureau of Statistics (NBS).

In response to these economic pressures, the Nigerian Labour Congress (NLC) and the Trade Union Congress (TUC) declared a nationwide industrial strike, demanding a living wage of N494, 000 monthly, a significant increase from the current N30,000 being paid by the federal government. The government has shown willingness to negotiate, considering a wage higher than the initially offered N60, 000.

This dynamic economic landscape underscores the complexities of Nigeria's path toward growth and stability, balancing fiscal reforms with socio-economic demands.

FG Inaugurates 300mscf Gas Gathering Facility In Delta State

After decades of gas flaring in Nigeria's oil fields, the federal government has inaugurated a 300 million standard cubic feet (mscf) gas gathering facility in Kwale, Delta State.

Constructed by Nedogas Development Company Limited in collaboration with the Nigerian Content Development and Monitoring Board (NCDMB), the facility marks a crucial step towards ending the environmentally harmful practice of gas flaring.

The gas gathering hub, strategically located in the OML 56 producer area, addresses the challenge of stranded gas resources by providing an evacuation pipeline to link gas resources to Nigeria's gas pipeline network. This infrastructure enables the monetization of previously wasted gas resources and the conversion of environmental pollutants into valuable products.

According to reports, the facility is expected to contribute approximately $240 million annually to Nigeria's Gross Domestic Product (GDP) within the first four years through trunk line tariffs, liquid product sales, and other infrastructural tariffs. It offers a convenient location for gas producers in the cluster to deliver their resources via pipeline connections, spanning distances ranging from 3km to 21km.

Mr. Felix Ogbe, the Executive Secretary of the NCDMB, expressed excitement about the project, emphasizing its significance in advancing Nigeria's commitments to reducing emissions. He highlighted Nigeria's pledge at COP 26 to achieve net zero by 2060, affirming the government's seriousness in tackling gas flaring and environmental sustainability.

The Kwale Gas Gathering facility, intricately linked to the Nigerian Gas Infrastructure-owned 48-inch OB-3 gas trunkline, is designed to gather, compress, inject, and meter natural gas from fields. Its implementation aims to eliminate routine flaring, harness gas for economic purposes, and mitigate environmental degradation.

Chairman of Nedogas, Mr. Emeka Ene, praised the successful completion of the project despite initial challenges, noting its potential for replication across over 100 gas flaring sites in the country.

Honourable Minister of Gas, Mr. Ekperipe Ekpo, urged stakeholders in the oil and gas sector to innovate and collaborate in converting flared gas into valuable products.

The commissioning comes against the backdrop of significant gas flaring in Nigeria, with approximately $1.9 billion worth of gas flared between 2020 and 2024, according to the Nigerian Gas Flare Tracker. This widespread practice, prevalent in several states across the country, underscores the urgent need for sustainable solutions to mitigate its adverse environmental and economic impacts.

Senate Confirms Agama As DG Of SEC

As SEC Vows Swift Resolution Of Unclaimed Dividends

By Chiamaka Okpala G.

The Senate has officially confirmed Mr. Emomotimi Agama as the Director-General (DG) of the Securities and Exchange Commission (SEC).

Alongside Mr. Agama, the Senate also confirmed several other key appointments within the SEC: Mr. Frank Chukwuogor as Executive Commissioner for Legal and Enforcement, Mr. Abimbola Ajomale as Executive Commissioner for Operations, and Mr. Samiya Usman as Executive Commissioner for Corporate Services.

These confirmations came after Mr. Osita Izunaso, Chair of the Senate Committee on Capital Markets and Senator representing Imo West, presented a comprehensive report.

He affirmed that the nominees were thoroughly vetted, meeting all necessary requirements set by President Bola Tinubu.

Following the presentation, the Senate voted and confirmed all nominees.

Deputy Senate President, Mr. Barau Jibrin, urged the newly appointed officials to perform their duties with utmost diligence for the nation's benefit.

"They should strive to execute their responsibilities effectively to help revitalise Nigeria's economy," Mr. Jibrin emphasised.

He further encouraged them to uphold the trust placed in them by the President and the nation, using their roles to enhance the country's wellbeing.

Mr. Emomotimi John Agama, SEC Director-General (DG)

Meanwhile, the DG of the SEC, Dr. Emomotimi Agama, had committed to swiftly addressing unresolved issues in the capital market, particularly the pervasive problem of unclaimed dividends.

Dr. Agama made this pledge during a recent meeting with the Association of Securities Dealing Houses of Nigeria (ASHON) in Abuja.

Describing unclaimed dividends as the "big elephant in the room," Dr. Agama stressed the urgency of tackling this issue.

"Unclaimed dividends are a monster that we must deal with now. Whatever it will take to address it, we must do it," he asserted.

Dr. Agama called for collaboration among stakeholders in the capital market to reduce the significant volume of unclaimed dividends. He encouraged ASHON to submit a practical proposal to address the current situation. "We cannot continue to do things the same way and expect different results. You need to strengthen the institutions under you and ensure continuity of legacy," he emphasised.

To further combat the issue, Dr. Agama urged registrars to embrace technology as a key solution.

"We must embrace technology as one of the ways to deal with unclaimed dividends. Let us put our thoughts together and provide a workable solution. As custodians, we implore you to provide practicable steps to address this issue," he asserted.

The SEC management team also pledged to eliminate all forms of infractions within the market, aiming to broaden the market for the greater good of the Nigerian economy. They committed to ensuring a market free from all forms of malpractices.

In his remarks, ASHON Chairman, Mr. Sam Onukwe, expressed optimism about the recent appointments by President Bola Ahmed Tinubu.

He praised the selection of Dr. Agama as DG and the three Executive Commissioners, describing it as a renewed hope for the Nigerian capital market and the economy.

Mr. Onukwe conveyed his confidence that Dr. Agama and his team would leverage their extensive experience to foster the growth and development of the capital market and contribute to the advancement of the Nigerian economy.

Nigeria's Move To CNG To Cut Petrol Imports By $4.4bn Annually

By Anita Dennis

Nigeria is set to significantly reduce its petrol imports by approximately $4.4 billion annually through the adoption of Compressed Natural Gas (CNG), the federal government recently made this announcement.

This initiative, under the Presidential Compressed Natural Gas Initiative (PCNGI), aims to convert one million diesel and petrol-powered vehicles to CNG, thereby cutting down on the importation of Premium Motor Spirit (PMS).

Mr. Zayyan Tambari, Coordinator, Regulations, Compliance and Facilitation at PCNGI, revealed during a recent presentation at the Co-Creation Session on Nigeria Gas Vehicle Monitoring System in Abuja that this conversion could save the country around $4.4 billion annually. The government's target is to replace 20 percent of the 50 million litres of petrol consumed daily with CNG.

The rollout of CNG-powered buses and tricycles has already begun, with a recent launch in Ilorin, Kwara State, led by Governor Abdulrahman Abdulrazak. This event included the unveiling of a refueling and conversion centre, as well as the introduction of CNG buses and tricycles.

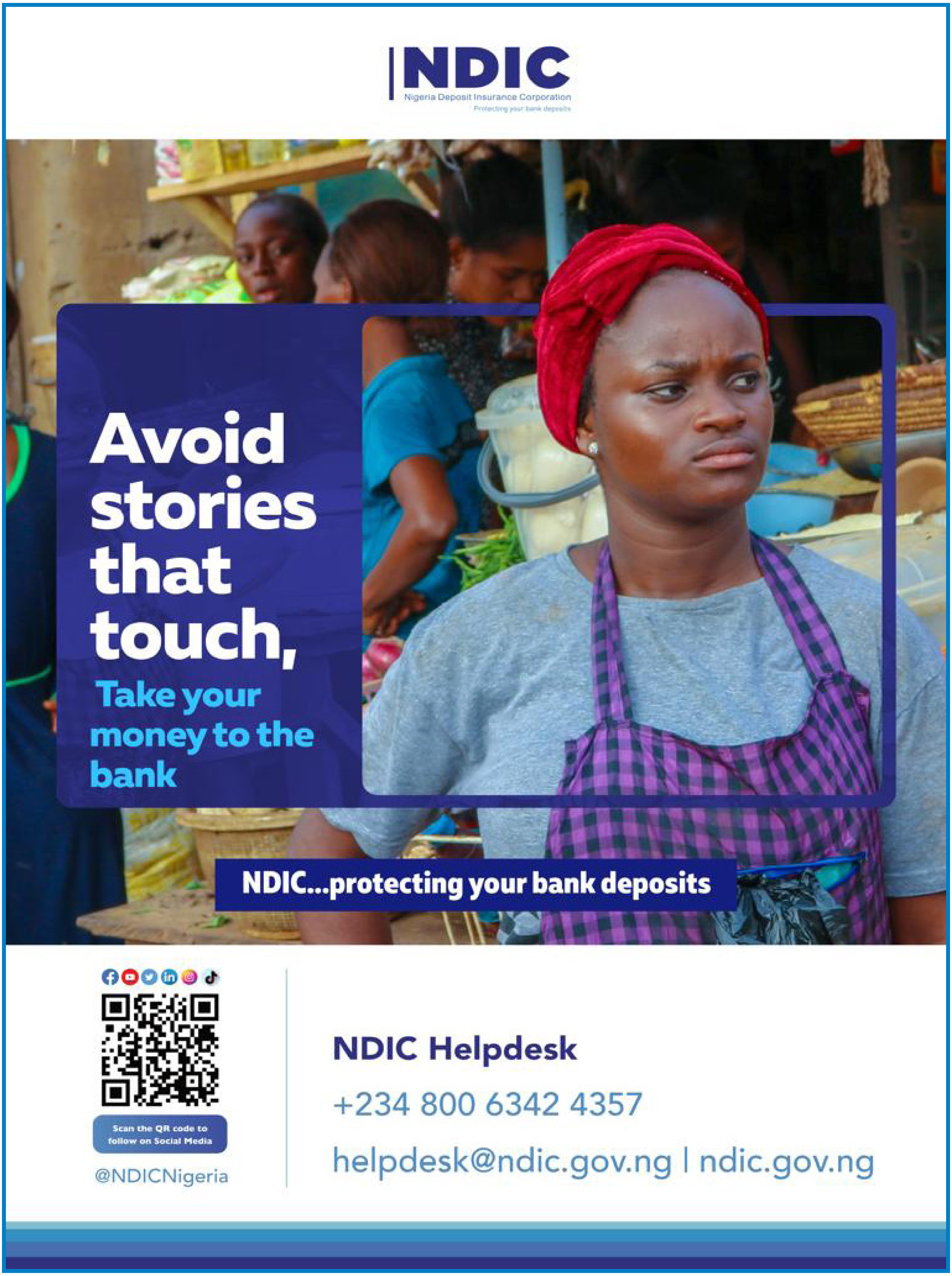
The PCNGI noted that an investment of about $890 million would be needed to develop the necessary infrastructure for this transition. Honourable Minister of State for Petroleum Resources (Gas), Mr. Ekperikpe Ekpo, represented by Mr. Abel Nsa, stressed the importance of addressing safety issues and public education on CNG usage.

New filling stations will only receive licenses if they can dispense CNG, according to Mr. Ogbugo Ukoha, Executive Director, Distribution System, Storage and Retailing Infrastructure, Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA). The authority is also engaging stakeholders to mandate the conversion of fuel trucks and fleet owners to CNG.

Mr. Michael Oluwagbemi, Project Director/Chief Executive of PCNGI, emphasised the economic and environmental benefits of gas, noting Nigeria's abundant gas resources. He called for strict regulatory compliance and cooperation among all members of the ecosystem to ensure a smooth transition.

The nationwide CNG conversion programme for mass transit buses has commenced in Lagos, Kwara, the Federal Capital Territory, and Rivers states. This phase involves partnerships with major transport unions and aims to scale up operations across 15 states over the next 45 days.

As Nigeria embarks on this ambitious initiative, it aims to leverage its vast natural gas reserves to achieve economic savings and promote environmental sustainability.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NDIC Deploys Close To 400 Staff To Take Charge Of Assets, Records Of Heritage Bank

Says Total Deposit Of The Bank Is Around N650 Billion, Loans Are Well Above N700 Billion

Mr. Bello Hassan, Managing Director/ Chief Executive of NDIC (2nd right), with others during the recent briefing

By Jennete Ugo Anya

The Managing Director and Chief Executive (MD/CE) of Nigerian Deposit Insurance Corporation (NDIC), Mr. Bello Hassan, has said that the corporation has deployed close to 400 of its staff members to about 116 branches and regional offices of the Heritage Bank across Nigeria.

This, according to him who recently made the statement at a press meeting, is so that the staff members can take charge of the assets and records of the bank.

By virtue of section 55 subsection 1 & 2 of the NDIC Act, the corporation has assumed the role of liquidator of the bank, also following the revocation of the banking license of the Heritage Bank by Central Bank of Nigeria (CBN), in exercise of the CBN's powers under section 12 subsection 1 of Banking And Other Financial Institutions Act (BOFIA).

At this early stage of the liquidation process, what the NDIC is doing "is to determine the claimants of the Heritage Bank. These claimants are of two categories. We have depositors and creditors. And the low side, there is priority in terms of payment. The depositors takes priority over all other claimants. We are going to start payment with depositors, and we are going to move to creditors", Mr. Hassan said.

He stated: "So for depositors, we are lucky to have the BVN Facility. That's Bank Verification Numbers. We are leveraging it to identify alternate bank accounts of those depositors of Heritage Bank in-liquidation.

"So for depositors that have alternate bank accounts within the system, they do not need to visit any branch of the bank. We are aware of their details, and we will pay them the maximum insured amount, depending on their balances. We will pay them the insured amount up to the maximum limit of N5 million.

> ...depositors that have alternate bank accounts within the system, they do not need to visit any branch of the bank

"But for customers that have only account with Heritage Bank, then they need to visit the nearest branch so they can be identified and verified by our staff that are on ground.

"If they are not able to do that, they can do it online by visiting the website of NDIC, when you visit the website on the toolbar, there is a claim button. When you click on that button, it will give you the guideline and the forms you download and what other documents that you need to attach and then upload, everything is created on the website."

Mr. Hassan also stated: "That is for those who are not able to visit either the nearest branch of the bank or any of the NDIC offices that are spread across the country. This is what is required for us to be able to pay the insured amount. We are going to pay the insured amount now."

On the insured amount, he further said: "we are going to make this payment from the funds, the Deposit Insurance Fund (DIF) which are built over time from premium we have been collecting from the insured institutions on an annual basis. Like I said, the maximum amount which we just reviewed this year is N5 million per depositor.

"So if you have N10, we will pay N10. If you have N100, we will pay N100. If you have N5 million, we will pay N5 million. If you have 10 million, we will pay you N5 million now, because that is the maximum insured amount.

Speaking further, he said: "After this, the next process is for us to realize all the assets both physical and the loans that the bank granted while it was in operation. When we realize those assets, we are now going to declare what we call liquidation dividend. And that is what we pay to the uninsured portion of the deposits. We hope to do that. After that payment, when we finish with the depositors, we are hoping to move to creditors, if there is a surplus proceeds from the realization of those assets."

In the words of Mr. Hassan, he also stated: "Let me say, with our preliminary assessment, the total deposit of the bank in-liquidation is around N650 billion. But the loans are much more than that. They are well above N700 billion. So if we believe we are able to recover all these loans, no depositor is going to lose his money. And even creditors. I assure you they are going to be settled.

"I believe this time around is going to be different. Before now, one of the greatest challenges that NDIC faced is recovery because of insufficient legal framework that empowers the corporation to be able to recover those loans that were granted by banks in liquidation. We must thank the legislators for passing the NDIC Act 2023. It has really sufficiently empowered NDIC to be able to recover these debts that were granted by the banks in liquidation.

"And I want to assure the public that we are going to leverage on those powers to be able to recover as much as possible. We are starting this process as quickly as possible. But there is really no time for us because we know those depositors are waiting to realize their deposits."

On the whole efforts by the government's agencies, Mr. Hassan said: "It will go a long way to engender confidence within the system and thereby promoting stability. Because this money that was lent to the debtors was actually not the bank's money. It is the depositors' money. The bank collected from depositors and lent to them. So they need to repay back so that we can pay those depositors.

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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

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FG Adjusts Proposed National Minimum Wage To N62,000

By Majeed Salaam

Honourable Minister of Finance and Coordinating Minister of the Economy, **Mr. Wale Edun,** submitting cost implications of the new minimum wage to **President Bola Tinubu** recently in Abuja.

The federal government has revised its proposed national minimum wage from N60, 000 to N62, 000, while the organised labour has lowered its demand from N494, 000 to N250, 000.

This development comes after Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, submitted the cost implications of the new minimum wage to President Bola Tinubu.

Accompanied by Honourable Minister of Information and National Orientation, Mr. Mohammed Idris, and Honourable Minister of Budget and National Planning, Mr. Atiku Bagudu, Mr Edun had submitted the report to President Tinubu at the Presidential Villa in Abuja.

Mr. Edun had outlined several potential new minimum wage levels, along with the expected fiscal impacts of each option on the federal budget.

Expressing support for the government's offer of N62, 000, the organised private sector also backed the proposal.

Governor Hope Uzodinma of Imo State, after the meeting of the Tripartite Committee on New Minimum Wage in Abuja, stated that although no agreement was reached, the committee would forward the two proposals to President Bola Tinubu for necessary action.

Mr. Festus Osifo, President of the Trade Union Congress (TUC), speaking on behalf of the organised labour, confirmed the development. He emphasised the need for the government to consider the workers' plight and the cost of living, advocating for a minimum wage of N250, 000 due to prevailing economic challenges.

He stated that the committee's role was to make recommendations to the President, who would then forward them to the National Assembly. He reiterated labour's commitment to advocating for a wage that can withstand Nigeria's economic realities.

Chairman of the committee, Mr. Bukar Aji, confirmed that both recommendations would be sent to the President for action.

Negotiations resumed after the organised labour suspended its strike for one week on Tuesday, 4th June, 2024, following government pleas. The strike was initiated after the government failed to meet an ultimatum given by the labour union, which expired on May 31st.

During an earlier meeting on Monday, 3th June, 2024, the government assured of increasing the minimum wage to an amount higher than the initially proposed N60, 000.

New VAT Rate To Be Implemented In Phases, Says Committee

By Jennete Ugo Anya

The proposed plan to increase Nigeria's Value Added Tax (VAT) rate from 7.5 percent to 10 percent will be carried out in phases, according to Mr. Taiwo Oyedele, Chairman of the Presidential Tax and Fiscal Policy Reforms Committee.

This announcement was made during a recent public consultation workshop in Abuja, themed: 'Proposed changes to the national tax policy, tax laws and administration.'

Empirical data shows that less than 10 percent of affluent Nigerians fulfil their tax obligations accurately.

In response, Mr. Oyedele emphasised the necessity of phased implementation to prevent a significant immediate impact on government revenue and avoid a sudden surge in prices of goods and services.

The revised VAT revenue-sharing formula will increase the state collection rate from 50 to 55 percent, the local government area to 35 percent, and reduce the federal government's share to 10 percent.

Mr. Oyedele noted, "The reforms will reduce company income tax from 30 percent to 25 percent, but it will be implemented in phases. For instance, in 2025, it may be reduced from 30 percent to 27.5 percent and then in 2026, reduced from 27.5 percent to 25 percent. The VAT increment will follow a similar phased approach."

He explained that phased adjustments are crucial to maintaining government revenue stability. "If we adjust overnight, the impact on government revenue will be significant. These are some of the things we are saying should be done to prove that there is proper planning."

Currently, VAT is a 7.5 percent consumption tax administered by the Federal Inland Revenue Service (FIRS), with the final consumer bearing the tax burden. Revenue from VAT is distributed among the three tiers of government through the Federation Accounts Allocation Committee (FAAC), with 15 percent allocated to the central government, 50 percent to states, and 35 percent to local governments.

Additionally, the committee recommended exempting essential goods and services from VAT to mitigate inflationary pressures. Items such as food, education, medical services, and accommodation will carry a zero percent VAT rate to help reduce the cost of living and curb headline inflation.

According to Mr. Oyedele steps have been identified to increase the tax compliance rate from 30 percent to more than 90 percent.

He highlighted that major contributors to inflation account for 82 percent of the reasons behind inflation, and believes the committee's recommendations will help reduce inflation rather than exacerbate it.

"The solution to VAT is a political solution, not a legal one," Mr. Oyedele explained.

The committee has recommended that VAT collection be enshrined in the constitution, placing it under the exclusive legislative list. This change would centralise VAT collection, with 90 percent of the revenue going to the states and 10 percent to the central government, which is expected to resolve issues related to the derivation percentage.

One significant recommendation is that individuals must fully comply with their tax obligations to qualify for elective office or government appointments.

In his presentation, Mr. Oyedele revealed a proposed list of harmonised taxes and levies, which includes income tax, property tax, VAT, customs duties, excise tax, stamp duties, special levy, and harmonised levy. He also mentioned a social security contribution, which he clarified is "not a tax." The harmonised Tax Levy, consisting of road and market taxes, is intended to support local governments.

Under the proposed new tax regime, income tax will encompass company income tax, withholding tax, CPT, and capital gains tax, among others.

He emphasised the sensitivity of VAT, noting that people immediately feel its impact when paying for goods and services. He pointed out that VAT is currently collected on items that should be exempt, such as food, education, and health services, which are eligible for tax exemption.

Mr. Oyedele proposed a regime of zero-rated VAT, where VAT on certain items is set at zero percent, allowing businesses to reclaim the VAT incurred in producing those items. This regime would focus on essential items like food, transport, and accommodation, aiming to reduce or eliminate VAT on these necessities.

"Our goal is to address the items where more than 90 percent of our population spends over 80 percent of their income," he said.

However, he acknowledged that removing VAT on essential items would result in a significant drop in government revenue, potentially by at least 60 percent. To balance this, the committee recommends increasing the VAT rate on non-essential items.

Mr. Oyedele explained that businesses could claim input credit on services and assets, which would support the growth of new and existing businesses. This balanced approach aims to increase VAT rates and revenue shares for states while minimizing the impact on essential items that burden the average citizen.

By implementing these phased reforms, the government aims to improve compliance, enhance revenue collection, and foster economic stability, ensuring a practical and sustainable approach to tax policy and administration.

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Navigating Nigeria's Shrinking Foreign Exchange Reserves: A Call To Action

The recent revelation that our reserves have plummeted by $1.8 billion in just 10 weeks, as reported by the Central Bank of Nigeria (CBN), serves as a stark reminder of the fragility of our economic stability.

The consequences of this decline are multifaceted and far-reaching, posing significant challenges to our nation's economic resilience.

This decline can have significant impacts across various key sectors of the economy.

A reduction in foreign exchange reserves typically leads to a depreciation of the local currency. This makes imports more expensive, affecting sectors reliant on imported goods such as consumer electronics, machinery, and refined petroleum products. The increased cost of imports can contribute to inflationary pressures, affecting consumer purchasing power and overall economic stability.

The manufacturing sector heavily relies on imported raw materials, machinery, and intermediate goods. A depreciating currency raises the cost of importing these inputs, thereby increasing production costs for manufacturers. This can lead to reduced profitability, lower output, and potential job losses within the sector.

While the agriculture sector is less dependent on imports compared to manufacturing, it may still be impacted indirectly. Higher production costs for inputs such as fertilizers, pesticides, and agricultural machinery can squeeze profit margins for farmers. Additionally, if imported agricultural products become more expensive, domestic consumers may shift their preferences towards locally produced substitutes, potentially benefiting domestic farmers.

Nigeria's oil and gas sector generates significant foreign exchange earnings through exports. A decline in foreign exchange reserves could indicate lower export revenues, particularly if global oil prices are stagnant or declining. This can impact government revenue, as oil proceeds are a major source of income for the Nigerian budget.

Also, sectors such as tourism, hospitality, and education may also feel the effects of currency depreciation. A weaker currency makes it more expensive for foreigners to visit Nigeria or pay for services in foreign currency. Conversely, it may make Nigeria a more attractive destination for medical tourism or educational services for foreign students.

More so, declining foreign exchange reserves can erode investor confidence and lead to capital flight. Foreign investors may become wary of investing in Nigeria due to concerns about exchange rate stability and economic uncertainty. This can negatively impact sectors reliant on foreign investment, such as infrastructure development, telecommunications, and energy.

A shrinking reserve diminishes our ability to withstand external shocks and fluctuations in global markets. With reduced buffers in place, we become more vulnerable to currency volatility and external pressures, which can exacerbate inflationary pressures and undermine investor confidence.

POLICY BRIEF

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Furthermore, a decline in foreign exchange reserves hampers our capacity to meet import demands, particularly for essential goods and services such as fuel, pharmaceuticals, and machinery. This can lead to supply shortages, price hikes, and ultimately, reduced living standards for ordinary Nigerians.

Moreover, a dwindling reserve poses a threat to our ability to service external debt obligations and maintain sovereign credit ratings. A weakened position in the international financial markets can result in higher borrowing costs and limited access to capital, further constraining our capacity for economic growth and development.

In light of these challenges, urgent action is needed to shore up our foreign exchange reserves and safeguard Nigeria's economic future. This rapid depletion of our foreign reserves raises significant red flags and demands urgent attention from policymakers.

First and foremost, it is imperative for the Nigerian government to identify the root causes behind this alarming decline in foreign exchange reserves. While fluctuations in global oil prices and economic uncertainties may have played a role, it is essential to conduct a thorough assessment to pinpoint the specific factors contributing to this malaise.

Once the underlying causes are identified, decisive actions must be taken to mitigate the situation and safeguard Nigeria's economic stability.

On some critical steps that the government should consider? Nigeria's heavy reliance on oil exports has rendered our economy vulnerable to fluctuations in global oil prices. To reduce this vulnerability, the government must prioritise efforts to diversify revenue sources by promoting non-oil sectors such as agriculture, manufacturing, and services. By expanding the economic base, we can generate additional income streams and reduce dependence on oil revenue.

> A weakened position in the international financial markets can result in higher borrowing costs and limited access to capital...

Also, the government must stimulate export activities which is crucial for bolstering foreign exchange reserves. The government should implement policies and incentives to support exporters, streamline export procedures, and improve access to international markets. This includes investing in export-oriented infrastructure and providing financial assistance to export-oriented industries.

Sound fiscal management is another paramount in preserving foreign exchange reserves. The government should prioritize fiscal discipline, ensuring prudent expenditure practices, and minimising wastage. Additionally, measures should be implemented to enhance revenue collection, combat corruption, and promote transparency in public financial management.

More so, the government should strengthen its monetary policy. The CBN should play a pivotal role in managing foreign exchange reserves and maintaining exchange rate stability. It is essential to implement effective monetary policy measures to address currency volatility and preserve foreign reserves. This may include interventions in the foreign exchange market, interest rate adjustments, and liquidity management strategies.

Moreover, investing in infrastructure development and productive capacity is vital for stimulating economic growth and attracting foreign investment. The government should prioritize infrastructure projects that enhance productivity, facilitate trade, and attract foreign capital inflows. Additionally, efforts should be made to improve the business environment, reduce regulatory barriers, and promote private sector participation in infrastructure development.

Furthermore, collaborating with international partners and multilateral institutions can provide valuable support in stabilizing foreign exchange reserves and addressing economic challenges. The government should actively engage with bilateral and multilateral partners to explore opportunities for financial assistance, technical cooperation, and capacity building.

The decline in Nigeria's foreign exchange reserves also underscores the urgent need for proactive and strategic action. By implementing comprehensive measures to diversify revenue sources, enhance export promotion, promote fiscal discipline, strengthen monetary policy, invest in infrastructure, and engage with international partners, the Nigerian government can mitigate the current economic challenges and ensure sustainable growth and stability in the long run. Time is of the essence, and decisive action is essential to safeguard Nigeria's economic future.

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