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Why Federal Government Should Retain Nigeria's VAT At 7.5%

EDITORIAL

The recent clarification by Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, denying reports of a proposed increase in Value-Added Tax (VAT) from 7.5% to 10%, is a commendable step toward ensuring economic stability and addressing public concern.

His firm reiteration that the VAT rate remains at 7.5%, in accordance with the country's tax laws, reflects the government's awareness of the delicate balance between generating revenue and fostering a business-friendly environment.

As the country navigates complex economic challenges, it is imperative that the government resists any temptation to raise the VAT rate. Instead, the retention of the 7.5% VAT rate offers Nigeria a stable and strategic approach to economic recovery and growth.

VAT, a consumption tax applied

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NEPC Generates $2.7bn From Non-Oil Exports In First Half Of 2024 As Ayeni Highlights Catalyst For Economic Growth

- President Tinubu Underscores Nigeria's Economic Health

*Nigeria's economy is navigating both promising growth and significant inflationary challenges, as recent reports from the **Nonye Ayeni** led-**Nigerian Export Promotion Council (NEPC)** and the **Central Bank of Nigeria (CBN)** highlight. Recently, the NEPC announced a $2.7 billion increase in non-oil exports for the first half of 2024, driven by the Renewed Hope Agenda and the council's strategic initiatives. **Enam Obiosio** here also looks at how income groups and businesses differ in their outlook, with middle-income earners and large businesses feeling the greatest inflationary pressure, though businesses overall remain slightly more optimistic than households.*

In a significant stride towards diversifying Nigeria's economy, the NEPC announced the generation of $2.7 billion from non-oil exports during the first half of 2024 (H1 2024). Executive Director/Chief Executive of the NEPC, Nonye Ayeni, disclosed this during a media briefing in Abuja, revealing that the figure represents a 6.26 percent increase over the $2.5 billion recorded during the same period in 2023.

The non-oil export sector saw a total volume of 3.834 million metric tonnes during the review period, covering 211 distinct products, including agricultural commodities and items from extractive industries. This performance, Ayeni emphasized, reflects Nigeria's gradual shift from traditional raw agricultural exports to semi-processed and manufactured goods, which marks a critical transition in the country's export profile.

The improved performance comes amid findings from the Central Bank of Nigeria's (CBN) July 2024 Inflation Expectations Survey (IES), which indicates that while Nigerian businesses are beginning to feel slightly less pessimistic about inflation trends, households remain more cautious

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Nonye Ayeni, Executive Director/Chief Executive of NEPC

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Nigerian Financial Sector Surges with Over 30% Growth In H1 2024, Bolstering Economic Stability

• As Finance Minister Leads Talks On Launch Of Mortgage Finance Fund

By Jennete Ugo Anya

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

At the 17th Annual Banking and Finance Conference of the Chartered Institute of Bankers of Nigeria (CIBN) held in Abuja recently, Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy, unveiled promising figures indicating a robust recovery in the financial sector.

Represented by Dr. Armstrong Takang, Managing Director (MD) and Chief Executive of Ministry of Finance Incorporated (MoFI), Mr. Edun revealed that the sector experienced an impressive growth of over 30% in the first half of 2024.

This rebound underscores a significant turnaround from the economic contractions witnessed in 2021 and reinforces Nigeria's ongoing economic stability.

"The financial sector continues to demonstrate resilience, rebounding strongly from the contractions observed in 2021," Mr. Edun remarked. He emphasized that this growth not only highlights the sector's strength but also its crucial role in driving overall economic progress.

Mr. Edun's address at the conference reflected a broader picture of Nigeria's economic landscape. Despite ongoing challenges in certain sectors, the economy has shown encouraging signs of progress. The Gross Domestic Product (GDP) grew from 3% in the first quarter to 3.2% in the second quarter of 2024, with hopes of achieving a 3.7% growth target by the end of the year. "Our commitment to continue reforms aims to achieve a 3.7% growth target by year-end," he stated.

Sector-specific developments were also noteworthy. The oil and gas sector recorded a notable 10% growth in the second quarter, marking a significant recovery from last year's contractions. Meanwhile, the non-oil sector maintained a steady growth rate of 2.8%.

Mr. Edun, who recently clarified that the VAT rate remains at 7.5%, as stipulated by the country's tax laws, and is applied to applicable goods and services, acknowledged the slower growth experienced in sectors such as transportation, wholesale, retail trade, and manufacturing. To address these challenges, the government has introduced measures including an increase in the supply of Premium Motor Spirit (PMS) and the acquisition of biofuel buses and compress natural gas (CNG) conversion kits.

In his speech, Vice President Kashim Shettima, representing President Bola Tinubu, underscored the importance of government and banking sector collaboration. Mr. Shettima praised the CIBN for its ongoing efforts to advance the country's financial landscape, noting that these efforts play a pivotal role in supporting the government's economic rebuilding initiatives.

"Nigeria's economic story is one of resilience, determination, and gradual recovery," Mr. Shettima said. He highlighted that, despite global challenges such as inflation and geopolitical tensions, Nigeria remains on a path to recovery with a recorded GDP growth of 18.19% in the second quarter of 2024. He stressed the importance of fostering financial inclusion, supporting investments, and ensuring sustainable development.

Mr. Edun also reported a substantial increase in federal government revenue, which reached N9.1 trillion for the first half of 2024, more than double the revenue of the same period in 2023. This surge reflects the success of the administration's revenue collection reforms and effective use of technology.

Looking ahead, Mr. Edun outlined ongoing reforms aimed at enhancing macroeconomic stability. The government is addressing inflation and food prices through strategic imports and local production efforts. Additionally, the administration is implementing an accelerated stabilization and actualization plan to boost electricity supply from approximately 4.5 gigawatts to 6 gigawatts by the end of the year.

As Nigeria continues to navigate economic challenges and opportunities, the recent growth in the financial sector and the administration's proactive measures highlight a period of resilience and optimism for the country's economic future.

Launch Of Mortgage Finance Fund

In another development, Mr. Edun also convened a high-level meeting to discuss the launch of the Ministry of Finance Incorporated Real Estate Investment Fund (MREIF).

This innovative initiative aims to provide low-cost mortgage financing options for eligible Nigerians, marking a significant milestone in the One Million Homes Presidential Initiative.

The meeting, held at the Ministry's headquarters in Abuja, brought together prominent leaders from the pension and financial sectors to discuss the fund's potential to provide cost-effective mortgage options for a large segment of pension account holders.

Dr. Takang emphasized that the MREIF is designed to be market-driven while adhering to all regulatory standards.

The initiative has the potential to transform Nigeria's housing market by providing unprecedented opportunities for Nigerians to own their homes. With the alignment of key stakeholders and a clear vision in place, the MREIF is poised to make a significant impact on the country's economy.

The meeting was attended by key stakeholders, including Dr. Oluwatoyin Maiden, Accountant-General of the Federation (AGF), and representatives from ARM Pensions, FCMB Pensions, Trustfund, and NUPEMCO. Discussions centered on shaping the future of the fund and promoting economic growth through a robust real estate sector.

The launch of the MREIF is a significant step towards achieving the One Million Homes Presidential Initiative, and the Ministry of Finance remains dedicated to ensuring its success.

With the MREIF, Nigerians can look forward to a brighter future, where owning a home is within reach.

NEPC Generates $2.7bn From Non-Oil Exports In First Half Of 2024 As Ayeni Highlights Catalyst For Economic Growth

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about the economic environment.

Ayeni attributed the surge in non-oil export earnings to the successful transition of government in May 2023, as well as the impact of President Bola Ahmed Tinubu's Renewed Hope Agenda. She noted that the policy framework laid out under Tinubu's administration has brought renewed confidence and vigour to the non-oil export sector, which is critical to boosting Nigeria's foreign exchange earnings and ensuring sustainable economic growth.

"The implementation of the NEPC's strategic initiative, 'Operation Double Your Exports,' has been instrumental in achieving this milestone," Ayeni said. She further highlighted how the council's efforts in capacity building, export intervention programs, advocacy, and fostering partnerships with key stakeholders have collectively contributed to the positive results.

Looking ahead, Ayeni expressed optimism about the sector's future contributions to Nigeria's Gross Domestic Product (GDP). She outlined the NEPC's continued commitment to increasing export volumes through various intervention programs, which she believes will support broader national goals such as job creation, poverty alleviation, and economic diversification.

"I am optimistic that with the several export intervention programmes and projects we have started and are ongoing, complemented by the NEPC flagship campaign programme, 'Operation Double Your Exports,' the sector is positioned to contribute immensely to the country's GDP, increase foreign exchange earnings, and thereby ensure sustainable economic growth," Ayeni remarked, stressing that this aligns closely with President Tinubu's Renewed Hope Agenda.

As the country moves toward reducing its reliance on oil revenues, the steady growth in non-oil exports is a promising indicator that Nigeria is on the right path to achieving economic diversification and resilience in an increasingly competitive global market. The NEPC's progress report reflects the collective strides being made to position Nigerian products on the international stage, while also ensuring the long-term prosperity of the nation.

Enhancing Global Competitiveness Of Non-Oil Export Sector

Ayeni, has reiterated her commitment to enhancing the global competitiveness of Nigeria's non-oil export sector. Speaking in Abuja, Ayeni disclosed several initiatives aimed at repositioning the sector, while also appealing for greater financial backing from banks to support exporters in scaling up their operations.

"When I assumed office in October 2023, I and my management team resolved to reposition the non-oil export sector towards global competitiveness," Ayeni said. To this end, a management retreat was held in January 2024, where the NEPC outlined new strategic plans to bolster operational efficiency and build on previous successes. One of the key objectives of this retreat, she explained, was to re-evaluate the council's export promotional programs, ensuring they are aligned with emerging trends and capable of addressing the challenges faced by Nigerian exporters.

Ayeni pointed out that several Nigerian exportable products are increasingly gaining traction in the global market, particularly fresh vegetables, citrus peel, and sorghum. While these products are still in the process of making significant contributions, their growing demand reflects a shifting landscape in Nigeria's non-oil export market. "Their regular inclusion on the export table suggests a growing presence in the export landscape," Ayeni remarked.

Emphasizing Untapped Potential In The Services Sector

Beyond goods, Ayeni emphasized the untapped potential in the services sector, specifically in logistics and ICT. She urged stakeholders to explore these areas, which could significantly boost Nigeria's export earnings. "There is a lot of potential in the services segment that needs to be explored and harnessed," she said, adding that these sectors are ripe for development and present new avenues for diversifying Nigeria's export portfolio.

Ayeni also called on financial institutions to seize the opportunity presented by the growing non-oil export sector by providing much-needed support to exporters. "This support is critical to increasing the basket of exportable products and stimulating value addition, thereby increasing Nigeria's foreign exchange earnings," she said. With the implementation of the African Continental Free Trade Area (AfCFTA), Ayeni emphasized that access to affordable financing could help Nigerian exporting companies scale up production and better position themselves to tap into the global market.

A key concern for the NEPC, according to Ayeni, is reducing the volume of rejected Nigerian products in international markets. She noted that the council is working with relevant agencies and organizations to address quality control issues and ensure adherence to global standards. "The council is addressing the issues by collaborating with relevant agencies and parastatals to create awareness, build capacity for good agricultural practices, labelling and packaging, and ensure adherence to the quality and standards of exports in the global market," she explained.

Ayeni's remarks reflect the NEPC's broader vision of a thriving non-oil export sector that not only boosts Nigeria's foreign exchange earnings but also contributes to job creation, poverty alleviation, and long-term economic sustainability under President Bola Tinubu's Renewed Hope Agenda. Through strategic partnerships, export promotion programs, and a focus on capacity building, the NEPC is positioning Nigeria to compete globally and leverage the full potential of its non-oil sector.

CBN's Inflation Expectations Survey (IES)

As Nigeria grapples with inflationary pressures, the CBN's Inflation Expectations Survey (IES) for July 2024 reveals a nuanced picture of how businesses and households perceive the current economic environment. While both groups agree that inflation remains high, businesses are slightly more optimistic about the situation than households, according to the survey's findings.

The IES, which gathered insights from 1,600 businesses and 1,650 households across the country, revealed that 83.7 percent of respondents believe inflation levels are currently elevated. The overall index stood at -61.1 points, reflecting the prevailing sentiment that inflation remains a major concern. However, a closer look at the data shows a subtle divergence in outlook between businesses and households.

Businesses reported an index of -58.7 points, suggesting a somewhat less negative perception of inflation compared to households, which had an index of -63.3 points. This difference indicates that businesses are marginally more optimistic about the inflationary environment, although they still view it as challenging. Large businesses, in particular, expressed greater concern, with an index of -70.8 points, indicating that they perceive inflation as significantly high. Despite this, businesses, in general, anticipate a lower inflation rate in the near future compared to households.

In contrast, households appear more cautious, with many preparing to either draw down on their savings or take on debt to cope with the rising cost of living. The CBN's Household Expectations Survey for July, which measures consumer sentiment, painted a downbeat picture. Consumers expressed concerns that inflation would rise further in the coming months, with indices of -37.4 for next month, -26.3 for the next two months, and -15.8 for the next six months. However, the outlook brightens slightly over the longer term, as respondents expect the inflation rate to gradually ease over the next six months.

Inflation Expectations For The Near Future

When it comes to inflation expectations for the near future, businesses are more optimistic than households. The survey indicated that businesses expect lower inflation for the next month and six months, with indices of -34.4 and -11.0 points, respectively, while households expect slightly higher inflation with an index of -26.1 for next month. Both groups, however, share a common belief that inflation will continue to rise in the coming months before tapering off later.

The drivers of inflation for both businesses and households remain consistent, with energy prices, exchange rates, and transportation costs emerging as the top factors. Businesses expect energy prices to have the greatest impact on their inflation outlook, with an index of 92.8, followed by exchange rates at 89.8 and transportation costs at 88.6. Similarly, households expect inflation to be driven by energy prices (88.1), transportation costs (85.0), and exchange rates (82.7).

The survey underscores the ongoing inflationary challenges facing both businesses and consumers, even as the Nigerian economy continues its recovery and transition under President Bola Tinubu's administration. The NEPC's recent progress in boosting non-oil exports provides a glimmer of hope for increased foreign exchange earnings, but concerns around inflation persist, particularly as businesses and households navigate the rising costs of energy, transportation, and currency fluctuations. Both groups will be closely watching how these factors evolve in the coming months and what measures the government and financial institutions can take to mitigate their impact.

Income Groups' Perception of Inflation, Energy Costs as Key Driver

The Central Bank of Nigeria's (CBN) Inflation Expectations Survey (IES) for July 2024 has shed light on the varying perceptions of inflation across different income groups, with rising energy costs, high exchange rates, and transportation expenses identified as the top contributors. While inflation remains a major concern for most respondents, the survey highlights key differences in outlook between income groups, businesses, and households.

According to the survey, respondents earning between N150,001 and N200,000 perceived inflation as excessively high, with an index of -66.4 points. This group, which represents a significant portion of Nigeria's middle-income earners, expressed heightened concern over rising living costs. On the other hand, respondents earning above N200,000 exhibited a less pessimistic outlook, with an index of -58.3 points, indicating that higher-income earners felt slightly less burdened by inflationary pressures.

Overall, 83.7 percent of the survey's respondents believed inflation levels in July 2024 were high, with an overall index of -61.1 points. However, businesses demonstrated a slightly more optimistic outlook compared to households. Businesses reported an index of -58.7 points, reflecting a less negative perception of inflation than households, who recorded an index of -63.3 points. Large businesses, however, expressed the most concern, with an index of -70.8 points, highlighting their greater sensitivity to inflationary pressures.

The survey underscores the significant impact of rising energy costs on inflation expectations. Energy prices saw an increase from 90.6 points in June to 91.8 points in July, making it the top driver of inflation. The continued rise in energy costs, combined with a persistently high exchange rate, which increased slightly from 88.3 points in June to 88.8 points in July, has placed additional pressure on both businesses and households. Transportation costs followed closely as the third major factor, with an index of 88.5 points, further compounding the inflationary burden.

The findings from the survey indicate that inflationary pressures continue to weigh heavily on Nigerian households and businesses, with energy, exchange rates, and transportation being the primary drivers. However, the difference in outlook between income groups suggests that higher-income earners are more insulated from the worst effects of inflation, while middle-income groups are feeling the squeeze more acutely.

As inflation concerns persist, businesses and households alike will be looking for policy interventions to address the rising costs and alleviate the economic burden. For now, the inflation landscape remains challenging, particularly for those in lower income brackets and large businesses, who are grappling with escalating costs.

EDITORIAL

Why Federal Government Should Retain Nigeria's VAT At 7.5%

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to goods and services, plays a crucial role in Nigeria's fiscal framework. However, it directly impacts both businesses and consumers. Raising the VAT rate in the current economic climate could potentially trigger a chain of negative effects that the country is ill-prepared to handle. At 7.5%, we believe that Nigeria's VAT rate remains relatively moderate compared to many other African countries, providing a cushion for households and businesses that are already grappling with inflation, high living costs, and economic uncertainties.

Increasing the VAT rate would likely exacerbate inflationary pressures, pushing up the prices of goods and services across the board. This would hit consumers hardest, especially those in lower-income brackets, who already spend a significant portion of their income on essential goods like food, healthcare, and education. It is worth noting that the Nigerian government has recently taken steps to provide relief in these areas, including halting import duties and taxes on food items. Raising VAT, for us, would undermine these efforts and place additional financial burdens on households.

Moreover, for businesses, particularly micro, small and medium-sized enterprises (MSMEs) that are the backbone of the Nigerian economy, a VAT increase would result in higher operational costs. As businesses face rising input costs, these expenses are often passed on to consumers, further fueling inflation. Additionally, higher VAT may discourage consumer spending, slowing down economic activity at a time when the country desperately needs to stimulate growth and create jobs. MSMEs, which generate a substantial percentage of Nigeria's employment, would be disproportionately affected, as they already contend with regulatory challenges, limited access to finance, and a competitive marketplace.

Retaining the VAT rate at 7.5% also aligns with the government's broader commitment to promoting a conducive business environment. We see Mr. Edun's assurance that the government will not act contrary to the existing tax laws as a reaffirmation of the government's dedication to fostering sustainable economic growth. By keeping VAT at a manageable level, the government signals to investors—both domestic and foreign—that Nigeria remains a viable and competitive destination for investment. An increase in VAT could potentially deter investment, as businesses look for more favorable tax regimes in other markets.

Furthermore, the federal government has committed to using fiscal policy as a tool for poverty reduction. Increasing VAT would directly contradict this objective. As seen in other economies, consumption taxes like VAT tend to disproportionately affect lower-income households, who spend a larger portion of their income on VAT-inclusive goods. Keeping the VAT rate at 7.5% ensures that the government's fiscal policies remain in harmony with its social objectives, especially in the ongoing battle against poverty.

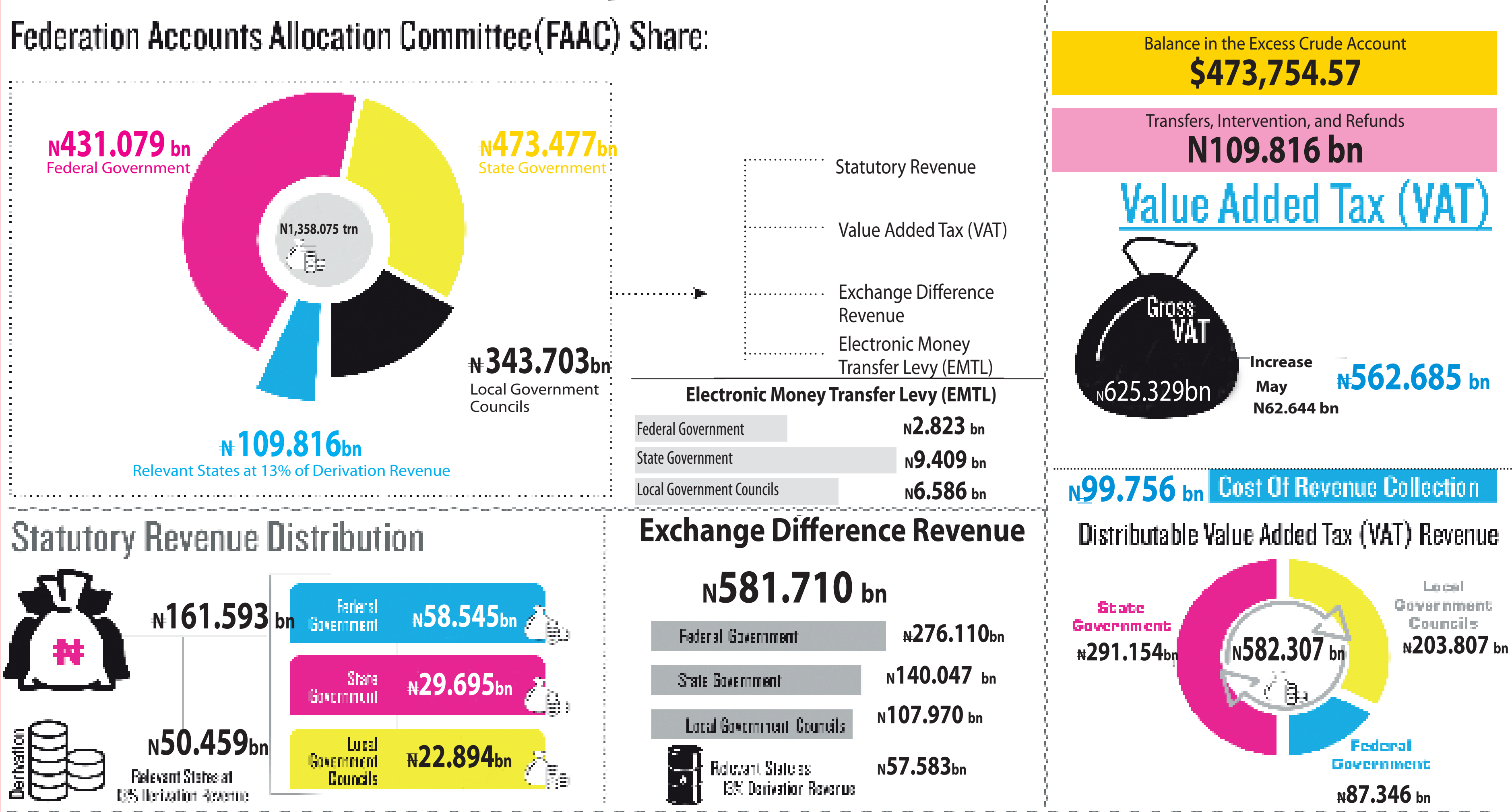
Another critical factor is Nigeria's ongoing economic recovery. The country is still rebounding from the effects of the COVID-19 pandemic, fluctuating oil prices, and other global economic disruptions. Raising VAT during this period could slow down the recovery process, as it would reduce household spending power and increase the cost burden on businesses. A stable VAT rate helps maintain economic momentum by allowing businesses and consumers to operate in an environment of fiscal predictability.

Moreover, retaining the current VAT rate would support the government's broader economic reforms, including the recently implemented suspension of import duties and taxes on food. These measures were designed to provide immediate relief to Nigerians, particularly those facing the rising cost of living. Increasing VAT now would negate the positive impacts of these reforms, placing further pressure on an already strained populace.

It is also important to consider the wider economic benefits of a steady VAT rate. When VAT is stable, businesses can plan their operations more effectively, making long-term investments without fear of sudden changes in tax policy. This creates a ripple effect, fostering economic growth through increased production, employment, and consumer spending. A predictable VAT regime also simplifies compliance for businesses, reducing the administrative burden and improving overall tax collection efficiency.

It is our position that retaining VAT at 7.5% will allow the government to maintain fiscal responsibility without compromising public welfare. Instead of seeking to raise VAT, the government should focus on expanding the tax base, improving tax compliance, and addressing leakages in revenue collection. These measures would ensure that the government generates sufficient revenue without placing additional burdens on Nigerians.

FAAC Shares N1.35trn July 2024 Revenue To FG, States And LGCs



Oil and Gas Royalty, Petroleum Profit Tax (PPT), Value Added Tax (VAT), Import Duty, Electronic Money Transfer Levy (EMTL) and External Tarrif levies (CET) increased significantly, while Companies Income Tax (CIT) recorded a decrease. Excise Duties increased only marginally.

BOI Secures €1.425bn To Boost Nigeria's Private Sector

By Edmond Martins

In an impressive transaction, the Bank of Industry (BOI) has successfully raised €1.425 billion from the senior phase of its global loan syndication, surpassing expectations by 42.5%.

This milestone marks the largest syndication in the bank's history and demonstrates international investors' confidence in Nigeria's economy.

The facility, which includes fully and partially guaranteed tranches by Africa Finance Corporation (AFC), is to finance the growing demand for BOI funds across the country.

This achievement follows the successful repayment of a €1 billion term loan syndicated facility in July 2024.

According to Dr. Olasupo Olusi, MD/CEO of the BOI, "This syndication is a testament to our dedication to providing low-interest, longer-tenured funds to Nigeria's private sector, aligning with President Bola Ahmed Tinubu's vision."

BOI made this known in a statement, saying that this is the senior phase of another landmark transaction for the bank tapping the syndicated loan market.

The bank said that the Facility includes a fully guaranteed and a partially guaranteed tranche by the AFC.

Dr. Olasupo Olusi, Managing Director/CEO of BOI

The statement further said: "Previously Bank of Industry had raised EUR 1,000,000,000 via a Term Loan syndicated facility In July 2022, which has been successfully repaid in July 2024. The performance of the syndication is a mark of confidence in the bank and indeed in the Nigerian economy by foreign investors who perceive a bright future for the country.

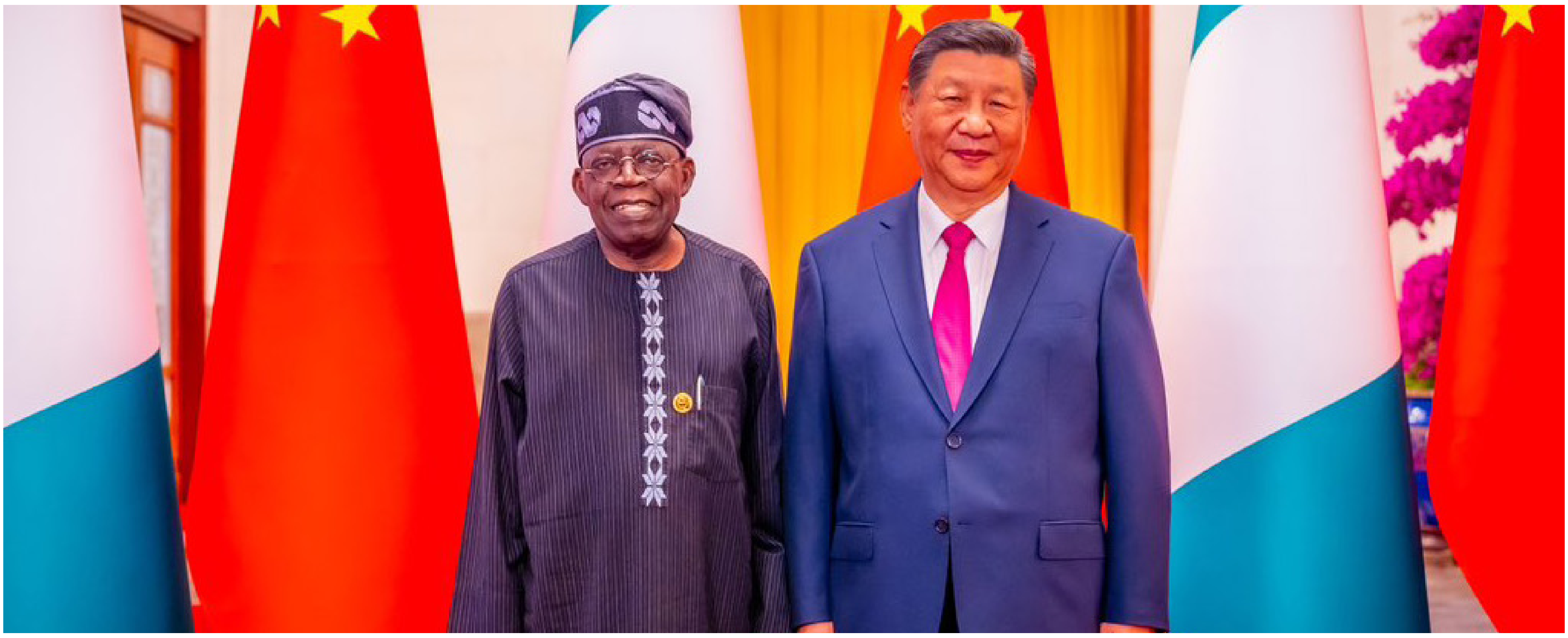
"The proceeds of the loan will help finance a growing demand for BoI funds across the country. According to Dr Olusi, "this is the largest syndication in the Bank's history and is testament to the hard work and dedication of the management of BoI to ensuring that much needed low interest and longer tenured funds are available to Nigeria's growing private sector in line with the vision of His Excellency President Bola Ahmed Tinubu.

"We are grateful for the support received from the CBN and other agencies of government. Olusi assured that the Bank of Industry under his leadership will continue to work with global development financial institutions to ensure better loan terms for Nigeria's private enterprises.

"Bank of Industry Limited appointed Africa Finance Corporation and Standard Chartered Bank as the Global Coordinators of a EUR1bn syndicated term loan facility (with accordion of another EUR1bn). Africa Finance Corporation, African Export-Import Bank, First Abu Dhabi Bank PJSC, FirstRand Bank Limited (London Branch), acting through its Rand Merchant Bank division, Mashreqbank psc.

"SMBC Bank International pic, and Standard Chartered Bank were appointed as the Initial Mandated Lead Arrangers and Bookrunners. Absa Bank Limited (acting through its Corporate and Investment Banking division) and its affiliates and Export-Import Bank of India London Branch have also joined the Facility as Initial Mandated Lead Arrangers.

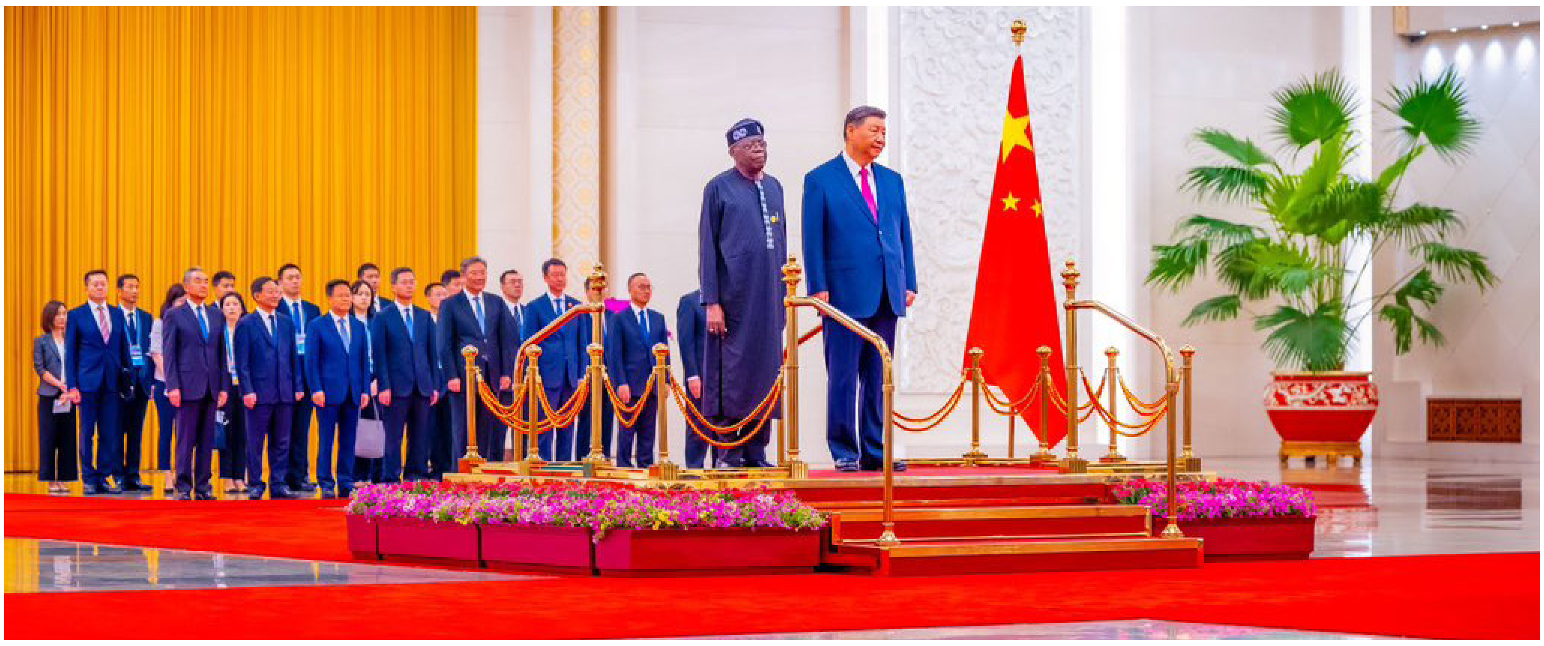
Nigeria, China Strengthen Economic Ties With Deals On Nuclear Energy, Infrastructure, Media Cooperation Ahead Of Major Africa-China Summit



By Ahmed Ahmed

Nigeria and China have taken significant steps to deepen their bilateral relationship, signing key agreements on nuclear energy, media exchanges, and infrastructure development ahead of the Forum on China-Africa Cooperation (FOCAC) summit.

his move, announced during President Bola Tinubu's official visit to Beijing, elevates the relationship between the two nations to a "comprehensive strategic partnership" aimed at driving mutual growth, development, and security.



During his talks with Xi Jinping, Chinese President, Tinubu expressed Nigeria's ambition to become China's largest trade and investment partner in Africa. The Nigerian leader highlighted his administration's commitment to economic reforms that aim to attract foreign investment and foster sustainable development. "We have recognized the need to reform our economy, and we are doing so diligently across tax and tariff reviews, to various other segments of our nation's economy," Tinubu stated. He assured Chinese investors that they would have easy access to Nigeria's markets and be able to repatriate their resources without difficulties.

President Xi, in turn, reaffirmed China's strong support for Nigeria's economic and infrastructural development. "China and Nigeria, as major developing countries, strengthening strategic coordination, will inject fresh impetus to China-Africa relations in the new era and spearhead common progress among Global South countries," Xi remarked. He emphasized that Nigeria is a critical partner in China's broader engagement with Africa, particularly through its Belt and Road Initiative (BRI), a $1 trillion global infrastructure program in which Africa plays a central role.

One of the major agreements reached during the visit is the Belt and Road Initiative cooperation plan, which will facilitate China's investment in Nigeria's infrastructure projects. This comes as Chinese companies, such as China Railway Construction Corporation (CRCC), continue to make significant contributions to Nigeria's development, including railway projects that are vital for improving the country's transportation network. CRCC, which has been involved in Nigeria for over 43 years, is also set to build the $5.8 billion Mambilla hydroelectric plant, Nigeria's largest power project, expected to be completed by 2030.

The nuclear energy sector also received a boost, with the signing of a Memorandum of Understanding (MOU) on the peaceful application of nuclear energy. This deal is expected to advance Nigeria's energy capabilities, positioning the country to explore cleaner and more sustainable energy sources as it seeks to expand its power generation capacity.

Additionally, both countries inked MOUs on media cooperation, including an agreement between China Media Group and the Nigerian Television Authority to foster media exchange programs. These agreements reflect a broader effort to strengthen people-to-people ties and enhance mutual understanding between the two nations.

President Tinubu's visit also saw engagements with Chinese tech giant Huawei, which unveiled its DigiTruck initiative, a mobile classroom aimed at improving digital literacy in underserved Nigerian communities. The initiative, which will be rolled out across 10 Nigerian states annually, is expected to train at least 3,000 students each year and align with Nigeria's broader efforts to harness digital technology for economic growth. Tinubu praised the initiative and noted that it complements his government's push to equip Nigeria's young population with the skills needed for future opportunities, as part of his Renewed Hope Agenda.

In a separate meeting, President Tinubu met with members of the Nigerian community in China, where he stressed the importance of discipline and national pride. He encouraged Nigerians living abroad to be good ambassadors and to contribute to the country's ongoing development efforts. Tinubu drew parallels between Nigeria's reform path and China's own economic trajectory, expressing his desire to replicate some of China's infrastructural successes back home.

"Nigeria is going through reforms, and we are taking very bold and unprecedented decisions," Tinubu stated. "One key takeaway from my visit to China is the commitment to replicate China's infrastructure back home. We want our children to be in good schools, not tattered huts and dilapidated buildings."

He acknowledged that Nigeria's economic transformation would not come without sacrifices, citing the removal of fuel subsidies as one example of the hard decisions needed to create a sustainable future. He stressed that these reforms are necessary to build a country with the infrastructure, energy supply, and services that Nigerians deserve.

During his address to the Nigerian community, Dr. Oche Barnabas, President of Nigerians in Diaspora Organization (NIDO) China, commended Tinubu for strengthening Nigeria-China relations and pledged the organization's support for Nigeria's 4Ds initiative, launched by the Foreign Affairs Ministry earlier this year. He also appealed for Tinubu's help in advocating for Nigeria to be recognized as a native English-speaking country in China, a status that could open up more job opportunities for Nigerians.

President Tinubu's visit to China has been hailed as a success, with significant progress made in various areas of cooperation. As Nigeria and China move forward with their comprehensive strategic partnership, the agreements reached during this visit are expected to foster development, stability, and stronger ties between the two nations, while also enhancing China-Africa relations as a whole.

As Tinubu prepares to participate in the three-day FOCAC summit, both Nigeria and China are poised to benefit from deeper cooperation in infrastructure, trade, technology, and human resource development, paving the way for a stronger and more integrated relationship between China and the African continent.

FRSC Rolls Out Innovative Mobile App To Tackle Road Crashes, Enhance Safety

• Launches Investigation Into Altercation Involving Staff, Passenger

By Musa Ibrahim

L-R: **Mr. Shehu Mohammed,** Corps Marshal, Federal Road Safety Corps, **Senator George Akume,** Secretary to the Government of the Federation, and a guest at the launch of FRSC Mobile App recently in Abuja,

The Federal Road Safety Corps has introduced a new mobile app and the National Crash Reporting Information System to improve road safety and address road traffic crashes across Nigeria.

Speaking at the launch recently in Abuja, the Secretary to the Government of the Federation (SGF), Senator George Akume, lauded the initiative as a significant advancement for the FRSC, reflecting ongoing digital transformation efforts to better manage road safety.

Senator Akume noted that these new tools aim to raise awareness among drivers and passengers about road safety and the causes of accidents.

"Data on road traffic crashes reveal that between January and December 2023, road traffic crashes claimed the lives of 5,081 Nigerians, with a total of 31,874 Nigerians injured during the period under review.

"Furthermore, between January and July 2024, 2,776 people were killed and 16,309 injured as a result of road traffic crashes. Even though the FRSC has been innovative in implementing measures against reckless driving and improper road use, these figures call for concern from both government and non-governmental stakeholders on road safety.

"It also reminds us of the need for more effort and urgent action towards reducing these figures to their barest minimum," he said.

Senator Akume further noted that it is expected to strengthen the commitment of vehicle users and traffic law enforcement officers to contribute positively to road safety issues.

"I wish to commend the effort of the FRSC Management in aligning with the vision of President Bola Tinubu's administration on the Renewed Hope agenda, aimed at digital transformation and economic growth for the nation.

"Permit me to also put on record that the Federal Government is committed to ensuring that these projects are sustained through adequate support for the benefit of Nigerians," he added.

The FRSC Corps Marshal, Mr. Shehu Mohammed, noted that the FRSC believes there is still room for improvement in this digital age.

Mr. Mohammed described the mobile app and NACRIS as crucial components of the FRSC's commitment to the President Bola Tinubu's digital transformation agenda.

"Despite our modest achievements, the FRSC still believes there is room for improvement and development, especially in line with the current global trend in the digital economy. It is in consideration of this global trend that I decided to focus on digitising FRSC operations as one of the cardinal objectives of my team.

"The launch of the FRSC Mobile App and NACRIS is therefore a deliberate effort by the Corps to align with President Tinubu's Renewed Hope Agenda, aimed at digital transformation, ease of doing business, and economic growth for the nation," he said.

The app will offer features such as alerts for speeding, dangerous driving, and vehicle document verification, while NACRIS will focus on crash reporting and data management.

The Corps Marshal noted, "The proper application of these features is expected to drastically reduce injuries and fatalities resulting from road traffic crashes.

"In this era of technological advancement, the FRSC cannot afford to lag behind. It is in this light that the Corps has decided to adapt and evolve its operations into the global network service system.

"On the other hand, NACRIS is designed to promote a multi-sectoral approach to crash reporting and data storage. We are all aware that globally, decision-makers rely on the accuracy and reliability of data to make informed decisions.

"Considering that data is a valuable tool for planning and resource allocation, the NACRIS approach is designed to ensure that collated data is used for effective implementation of policies that will positively impact road safety administration and management."

The Chairman of the House Committee on FRSC, Abiodun Adesida, praised the FRSC's leadership and the new technologies. He highlighted that the app provides real-time traffic updates and accident alerts, which are essential for safer driving practices.

He also noted ongoing efforts to amend the FRSC Act to modernise and enhance the organisation's capabilities.

In another development, the FRSC initiated a thorough investigation into a recent incident involving one of its staff members and a passenger, following widespread media coverage and social media posts.

The altercation, which occurred on August 23, 2024, along the Asaba-Ogwashi-Ukwu route, has prompted a swift response from the Corps Marshal.

The video circulating online shows a physical confrontation between an FRSC officer and a passenger in a Toyota Sienna bus. The bus was stopped by a patrol team for operating without a required speed limiting device, leading to the vehicle's impoundment.

During the process, the passenger, a woman, reportedly resisted and engaged in a struggle with the FRSC staff, causing a potentially hazardous situation.

The FRSC Corps Marshal, deeply concerned by the incident, has directed the Sector Commander of the Asaba Sector Command to carry out a comprehensive investigation and submit a detailed report to the national headquarters within 48 hours. The Corps Marshal emphasized that the FRSC is committed to maintaining high standards of conduct and will not tolerate any actions that compromise its integrity.

"The Federal Road Safety Corps is taking these allegations very seriously. We are committed to ensuring that our personnel adhere to strict rules of engagement. If the investigation reveals any wrongdoing, appropriate disciplinary actions will be taken," stated the Corps Marshal.

The FRSC reassured the public of its dedication to road safety and professional conduct. The Corps remains focused on delivering excellent service and upholding the highest standards of behavior among its staff. To facilitate transparency and accountability, the FRSC has encouraged the public to report any instances of misconduct or unprofessional behavior via the FRSC Mobile Application or by calling 122.

The FRSC continues to prioritize public trust and safety, ensuring that its operations reflect the highest levels of professionalism and respect for all road users.

Nigeria's Inaugural Domestic US Dollar Bond Issuance Raises Over $900m, Reflecting Robust Investor Confidence

By Kingsley Benson

The federal government has successfully raised over $900 million through its inaugural Domestic Federal Government of Nigeria (FGN) US Dollar Bond issuance.

This historic move, hailed by the Debt Management Office (DMO) as a significant milestone, underscores the country's growing economic stability and investor confidence.

Announced by Mr. Wale Edun, the Minister of Finance and Coordinating Minister of the Economy, the bond issuance garnered an extraordinary 180% oversubscription, reflecting strong market confidence in Nigeria's economic prospects.

The bond, which features a 9.75% coupon rate over a five-year period, was priced at par and marks the first issuance under the Domestic FGN US Dollar Bond Programme, established by Presidential Executive Order No. 16 of 2023.

The landmark issuance attracted a diverse array of investors, including Nigerians both at home and in the diaspora, as well as qualified institutional investors.

This broad investor base highlights the expanding sophistication of Nigeria's capital market and its commitment to fostering financial inclusion.

The bond is set to be listed on the Nigerian Exchange Limited and FMDQ Securities Exchange Limited, marking Nigeria's foray into a more advanced capital market.

Ms. Patience Oniha, Director-General (DG) of DMO

Mr. Edun emphasized that the successful issuance of this bond demonstrates the government's ongoing efforts to diversify its funding sources and support economic growth despite prevailing challenges. "The issuance of this inaugural Domestic FGN US Dollar Bond demonstrates that investors, as well as Nigerians, continue to have faith in the country's economy," he stated.

The proceeds from the bond will be allocated to key economic sectors, as approved by President Bola Ahmed Tinubu. This strategic allocation is part of the government's broader efforts to drive economic development and address critical funding needs across various sectors.

Ms. Patience Oniha, Director-General (DG) of the DMO, expressed her appreciation for the collaborative effort involved in the bond issuance. She commended Africa Finance Corporation (AFC) as the Global Coordinator, United Capital Plc as the Lead Issuing House/Coordinator, and Meristem Capital Limited, Stanbic IBTC Capital Limited, and Vetiva Advisory Services Limited as Issuing Houses.

Additionally, legal partners Olaniwun Ajayi LP and G. Elias, and financial advisers Constant Capital Markets and Securities Limited and Iron Global Markets Limited, were recognized for their vital roles in the successful completion of the issuance.

Ms. Oniha noted that the impressive outcome, with over $900 million raised—representing a 180% subscription over the $500 million initially offered—demonstrates the growing sophistication of Nigeria's domestic fixed-income market. She expressed gratitude for the continued support of the Nigerian public and institutional partners, emphasizing the DMO's commitment to working with investors and stakeholders to drive sustained economic growth and development in Nigeria.

This historic bond issuance not only signifies a key development in Nigeria's financial sector but also reflects the country's resilience and attractiveness to global investors.

As Nigeria continues to navigate its economic trajectory, the success of this inaugural bond issuance sets a positive precedent for future financial initiatives and investment opportunities.

NDIC, Others To Discuss Recapitalization's Impact At FICAN 2024 Conference

The 2024 Finance Correspondents Association of Nigeria (FICAN) conference, scheduled for September 28-29, will spotlight the significant effects of bank recapitalization on Nigeria's real sector and its ambitions to achieve a $1 trillion economy.

Themed "Nigeria's Journey Towards $1tn Economy: Impact of Banks' Recapitalization, Opportunities for Fintechs and Real Sector," the conference promises a deep dive into how recent regulatory changes are shaping the financial landscape.

The conference will feature key speakers including Hassan Bello, Managing Director/CEO of the Nigeria Deposit Insurance Corporation (NDIC), who will deliver the keynote address. Other notable speakers include Oliver Alawuba, CEO of United Bank for Africa (UBA), and Mustafa Chike-Obi, Chairman of the Bank Directors Association of Nigeria (BDAN).

Panel discussions will bring together representatives from influential institutions such as the Central Bank of Nigeria (CBN), Nigeria Sovereign Investment Authority (NSIA), Nigeria Inter-Bank Settlement System (NIBSS), and Development Bank of Nigeria (DBN).

These discussions will address the impact of the CBN's recapitalization policy, which requires banks to meet new capital thresholds by April 2026.

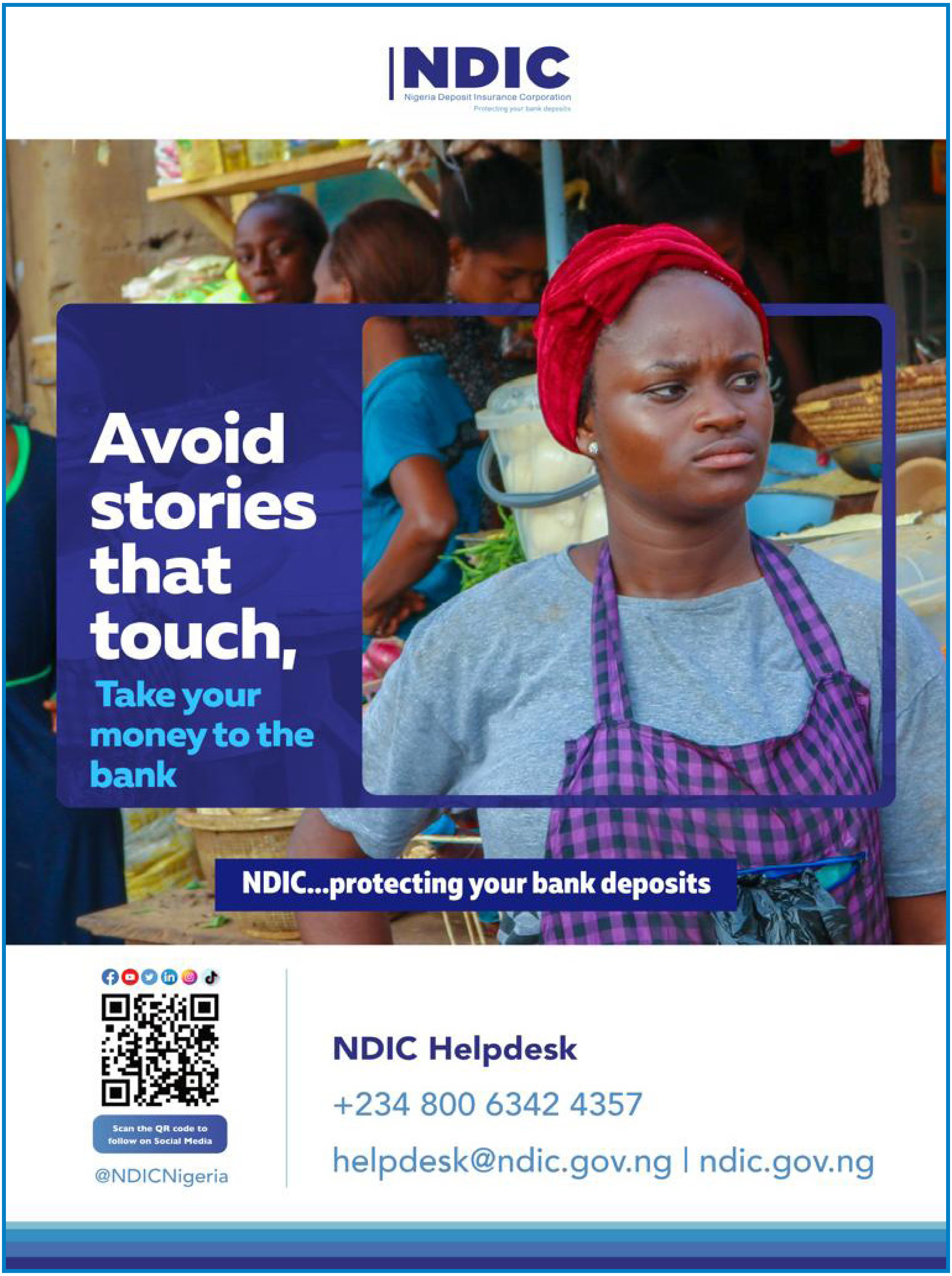
Mr. Hassan Bello, Managing Director/CEO of the Nigeria Deposit Insurance Corporation (NDIC)

Hassan Bello underscored the importance of this recapitalization, emphasizing its role in fostering a resilient financial system capable of supporting sustained economic growth. The recapitalization is viewed as a pivotal step towards building a more robust and efficient financial sector, essential for Nigeria's economic advancement.

FICAN, which represents over 150 financial journalists, is dedicated to enhancing the reporting skills and knowledge of its members. The association's annual conference serves as a platform for deepening understanding of key economic policies and fostering dialogue that supports high-quality journalism and analysis in the financial sector.

The event is also set to feature discussions on opportunities for fintech companies and their role in the evolving financial ecosystem. FICAN has collaborated with the CBN, NDIC, and Securities and Exchange Commission (SEC) to streamline the bank recapitalization process, aiming to boost efficiency and transparency within the sector.

As Nigeria strides towards its $1 trillion economic goal, the conference is billed to provide valuable insights and updates on how these financial policies are influencing the country's economic trajectory and opportunities within the financial and fintech sectors.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NEXIM Bank's Support Boosts Metal Manufacturing Nigeria Limited's Production Capacity

By Jennete Ugo Anya

The management of Metal Manufacturing Nigeria Limited (MMNL) has expressed gratitude to the Nigerian Export-Import (NEXIM) Bank led by Mr. Abubakar Abba Bello.

The gratitude is for the bank's financial support, which has significantly enhanced the company's production capacity.

During a courtesy visit to NEXIM's headquarters in Abuja recently, MMNL's Managing Director, Mr. Kumar Saraf, and Chief Finance Officer, Mr. Bikash Kumar, highlighted the transformative impact of NEXIM's facility on the company's growth and contributions to Nigeria's economic development.

Mr. Saraf commended NEXIM's leadership, headed by the Managing Director (MD) and Chief Executive, Mr. Bello, for its commitment to driving economic growth and fostering sustainable development in line with President Bola Ahmed Tinubu's Renewed Hope agenda.

He noted that with the bank's support, MMNL has scaled its production capacity to 25,000 batteries per month. The company's flagship brand, 'Starplus', has become a market leader in Nigeria, while approximately 4,000 batteries are exported monthly to Ghana and other ECOWAS countries.

Mr. Abubakar Abba Bello, MD/CEO Nigerian Export-Import (NEXIM) Bank

The visit, which was received by NEXIM's Executive Director of Business Development, Hon. Stella Okotete, provided an opportunity for MMNL to showcase its impressive growth trajectory.

Mr. Saraf emphasized that MMNL has heavily invested in forward integration, producing plastic battery cases and securing 10 Original Equipment Manufacturing (OEM) customers who previously relied on imported batteries.

The MMNL is now preparing to embark on a backward integration project aimed at securing sustainable raw material supplies. Accoreding to the company, the project would involve the mining of lead and the establishment of a beneficiation plant in Abakaliki, Ebonyi State, further boosting the company's production capacity and export potential.

Mr. Saraf noted: "Our batteries are 100% made in Nigeria with Indian technology—the first Made in Nigeria Inverter Batteries, proudly supported by NEXIM Bank."

In response, Mr. Bello commended MMNL's achievements, describing the company's performance as an inspiration for the bank's continued support of Nigerian businesses. He reiterated NEXIM's commitment to fostering economic development and sustainable growth through strategic partnerships.

"Together, we can drive economic development and foster sustainable growth in Nigeria, and we are committed to doing just that," Mr. Bello stated, pledging ongoing support for MMNL's growth and expansion initiatives.

With NEXIM's backing, MMNL's success story reflects the growing potential of Nigerian manufacturing industries to contribute to the country's economic transformation and export diversification.

FG Inaugurates New NSIA Board, Tasks Members With Driving Economic Growth, Stability

By Jennete Ugo Anya

The federal government recently inaugurated the new Board of Directors of the Nigeria Sovereign Investment Authority (NSIA), charging the members with the critical responsibility of steering Nigeria's economic growth and ensuring long-term stability.

The inauguration, held at the Ministry of Finance in Abuja, was presided over by the Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun.

In his address, the Honourable Minister highlighted the importance of the NSIA's mandate in securing a sustainable economic future for the country. He urged the newly appointed board members to leverage their collective expertise and experience in guiding the institution's mission, which plays a pivotal role in securing Nigeria's financial health for future generations.

"NSIA has become an essential institution for our nation's economic stability and growth," Mr. Edun said, reflecting on the Authority's progress over its 11-year history. He praised the institution for its achievements and reaffirmed the government's confidence in the new board to continue building on that success.

Mr. Umar Sadiq, MD/CEO Officer of NSIA

The NSIA, established in 2011 to manage Nigeria's excess oil revenues, has made significant strides in enhancing the country's sovereign wealth fund. Over the years, it has grown its portfolio across critical areas such as infrastructure, healthcare, and financial markets, contributing to Nigeria's broader economic development.

The newly appointed board comprises seasoned professionals from diverse sectors, chosen through a rigorous selection process by the Executive Nominations Committee. The final approval of the appointments came from President Bola Ahmed Tinubu, following recommendations from Vice President Kashim Shettima, who serves as Chairman of the National Economic Council (NEC).

The new board members include Mr. Segun Ogunsanya, Chairman, and Mr. Aminu Umar-Sadiq, Managing Director/Chief Executive Officer. Other members are Prof. Fabian Ajogwu, Mr. Abdullahi Mahmud Gaya, Mr. Ahmed Goniri, Ms. Ada Osakwe, Dr. Suleyman Ndanusa, Ms. Ijeoma Taylaur, and Mr. Kola Owodunni.

In his inaugural remarks, the Chairman, Mr. Ogunsanya, expressed his gratitude for the opportunity to serve and reaffirmed the Board's commitment to driving economic prosperity in line with President Tinubu's Renewed Hope Agenda. He emphasized the importance of the NSIA's role in safeguarding Nigeria's financial future.

"Our mandate is clear—we are here to enhance the wealth of our nation and ensure that future generations do not face the spectre of poverty," Mr. Ogunsanya stated.

He also highlighted the Board's ambition to significantly grow the fund under its management, ensuring that it continues to play a vital role in supporting Nigeria's long-term development.

The NSIA's renewed focus under the new board will aim to not only grow Nigeria's sovereign wealth but also to invest in key sectors that can drive sustainable growth, such as infrastructure, agriculture, healthcare, and technology. This strategic direction aligns with the government's broader goals of economic diversification and resilience amid global uncertainties.

As Nigeria continues to navigate its economic challenges, the role of the NSIA remains critical in securing a stable and prosperous future. The newly inaugurated board is expected to build on the institution's successes and explore new avenues for growth that will benefit both present and future generations.

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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

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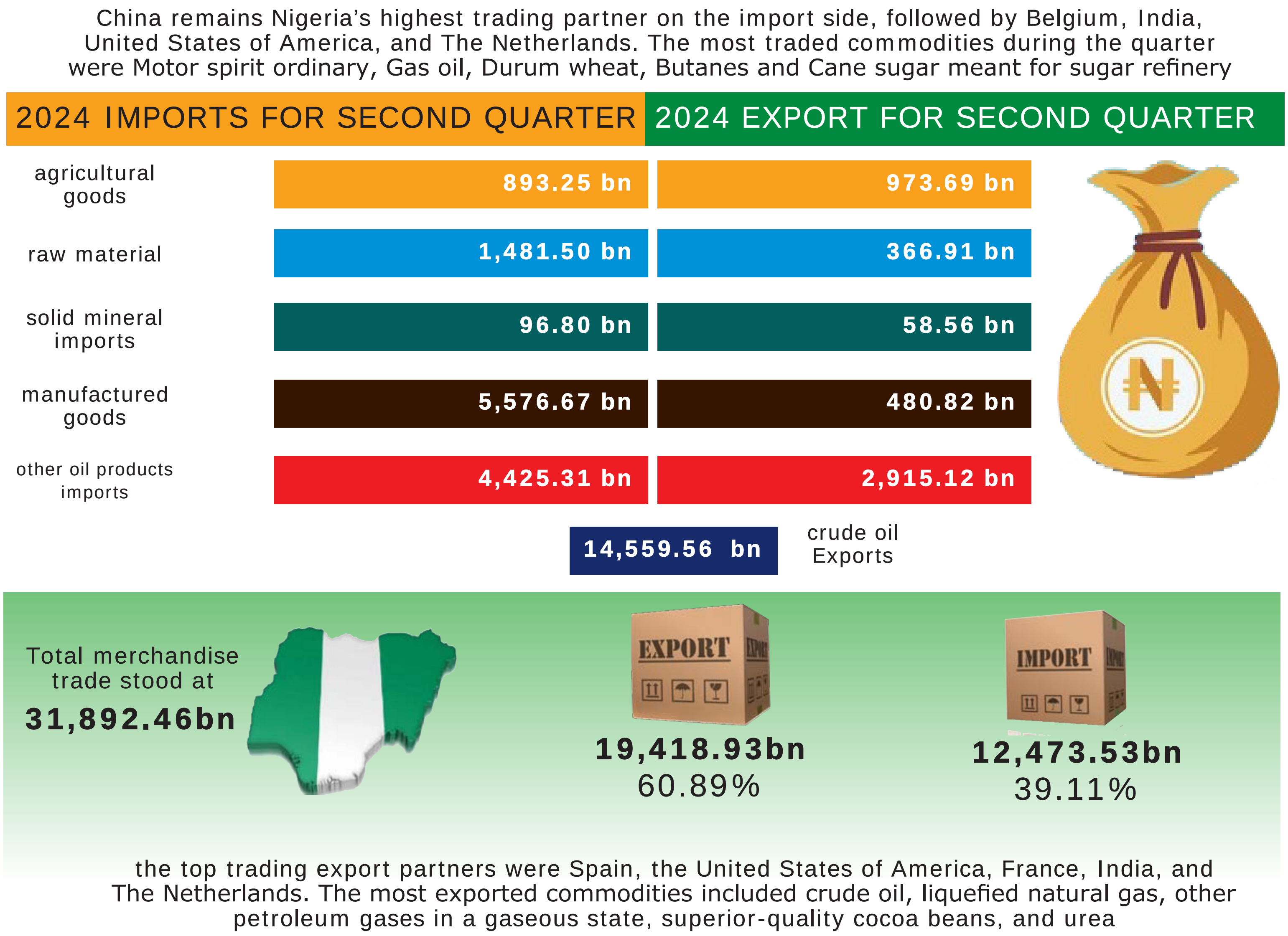
Nigeria's Trade Surplus Increases As Exports Rise In Q2 2024

Nigeria's total merchandise trade stood at N31,892.46 billion in Q2, 2024 representing a decrease of 3.76% over the value recorded in the preceding quarter and a rise of 150.39% compared to the value recorded in the corresponding period of 2023. In the quarter under review, exports accounted for 60.89% of total trade with a value of N19,418.93 billion, showing a marginal increase of 1.31% compared to the value recorded in Q1 2024 (N19,167.36) and a 201.76% rise over the value recorded in the second quarter of 2023 (N6,435.13).

Nigeria's exports trade continued to be dominated by crude oil exports, in the second quarter of 2024, crude oil export was valued at N14,559.56 billion representing 74.98% of total exports while the value of non crude oil exports stood at N4,859.37 billion accounting for 25.02% of total exports; of which non-oil products contributed N1,944.25 billion or 10.01% of total exports.



NBS: Foreign Trade In Goods Statistics – Q2 2024

Key Highlights

Imports

The value of total imports stood at N12,473.53 billion in the second quarter of 2024, representing a decrease of 10.71% compared with the value recorded in Q1, 2024 (N13.970.05 billion) and a rise of 97.93% from the value recorded in the corresponding quarter of 2023 (N6,301.95 billion).

- In the second quarter of 2024, China remains Nigeria's highest trading partner on the import side, followed by Belgium, India, United States of America, and The Netherlands. The most traded commodities during the quarter were Motor spirit ordinary, Gas oil, Durum wheat, Butanes and Cane sugar meant for sugar refinery.
- The value of agricultural goods imported in Q2 2024 was N893.25 billion, reflecting a decrease of 2.96% when compared to N920.54 billion in Q1 2024, and an increase of 96.38% compared to N 454.85 billion in Q2 2023.
- In Q2 2024, raw material imports were valued at N1,481.50 billion. This represents a 0.96% increase from N1,467.41 billion in Q1 2024 and a significant rise of 160.92% from N567.80 billion in Q2 2023.
- In the second quarter of 2024, solid mineral imports were valued at N96.80 billion. This represents a 35.61% increase from N71.38 billion in Q1 2024 and a 206.08% increase from N31.63 billion in Q2 2023.
- In the reviewed quarter, the value of imported manufactured goods was N5,576.67 billion, reflecting a 2.82% decline from N5,738.32 billion in Q1 2024 and an 84.67% rise from N3,019.78 billion in Q2 2023.
- The value of other oil products imports in Q2, 2024 stood at N4,425.31billion showing a decrease of 23.34% from N5,772.35 billion in Q1 2024 and a 98.64% rise from N2,227.84 billion in Q2 2023.

Exports

Total exports in Q2 2024 were valued at N19,418.93 billion, reflecting a 1.31% increase compared to N19,167.36 billion in Q1 2024 and a 201.76% rise compared to N6,435.13 billion in Q2 2023.

- In Q2 2024, the top trading export partners were Spain, the United States of America, France, India, and The Netherlands. The most exported commodities included crude oil, liquefied natural gas, other petroleum gases in a gaseous state, superior-quality cocoa beans, and urea.
- Exports of agricultural goods in Q2 2024 amounted to N973.69 billion, a 5.93% decrease from N1,035.02 billion in Q1 2024 and a 246.67% rise from N280.87 billion in Q2 2023.
- The value of raw material exports in Q2 2024 was N366.91 billion, a rise of 4.01% from N352.75 billion in Q1 2024 and by 151.96% from N145.62 billion in Q2 2023.
- Solid mineral exports in Q2 2024 were valued at N58.56 billion, marking a 7.65% decrease from N63.41 billion in Q1 2024 and a 71.79% rise from N34.09 billion in Q2 2023.
- The value of manufactured goods exports in Q2 2024 was N480.82 billion, reflecting a 78.95 % increase from N268.70 billion in Q1 2024 and a 126.65% increase from N212.14 billion in Q2 2023.
- Crude oil exports in Q2 2024 were valued at N14,559.56 billion, a decrease of 5.99% from N15,486.63 billion in Q1 2024 and increased by 190.86% from N5,005.71 billion in Q2 2023.
- Other oil product exports in Q2 2024 stood at N2,915.12 billion, showing an increase of 53.28% from N1,901.88 billion in Q1 2024 and a 293.54 % rise from N740.74 billion in Q2 2023.

Overview

Nigeria's total merchandise trade stood at N31,892.46 billion in Q2, 2024 representing a decrease of 3.76% over the value recorded in the preceding quarter and a rise of 150.39% compared to the value recorded in the corresponding period of 2023. In the quarter under review, exports accounted for 60.89% of total trade with a value of N19,418.93 billion, showing a marginal increase of 1.31% compared to the value recorded in Q1 2024 (N19,167.36) and a 201.76% rise over the value recorded in the second quarter of 2023 (N6,435.13). Nigeria's exports trade continued to be dominated by crude oil exports, in the second quarter of 2024, crude oil export was valued at N14,559.56 billion representing 74.98% of total exports while the value of non-crude oil exports stood at N4,859.37 billion accounting for 25.02% of total exports; of which non-oil products contributed N1,944.25 billion or 10.01% of total exports. On the other hand, the share of total imports accounted for 39.11% of total trade in the second quarter of 2024 with the value of imports amounting to N12,473.53 billion in Q2, 2024.

This value indicates a decrease of 10.71% over the value recorded in Q1 2024 (N13,970.05 billion) and a rise of 97.93% compared to the value recorded in Q2 2023 (N6,301.95 billion). The merchandise trade balance in the second quarter of 2024 remained positive at N6,945.40 billion indicating an increase of 33.63% compared to the value recorded in the preceding quarter.

During the second quarter of 2024, total imports were valued at N12,473.53billion accounting for 39.11% of total trade. Using the Standard International Trade Classification, the top-ranked group import was "mineral fuels" with N4,415.19 billion representing 35.40% of total imports, this was followed by "machinery and transport equipment" with N2,878.69 billion (23.08% of total imports) and "Chemicals & related products" with N1,886.50 billion (15.12% of total imports).

Nigeria imported goods mainly from Asia, valued at N5,580.60 billion representing 44.74% of total imports. This was followed by imports from Europe with N4,934.03 billion or 39.56%, America with N1,337.28 billion or 10.72%, Africa with N555.48 billion or 4.45%; of which imports from ECOWAS countries amounted to N166.37 billion or 1.33% of total imports, while imports from Oceania stood at with N66.14 billion or 0.53% in the second quarter of 2024.

Analysis by trading partners reveals that imports from China were valued at N3,030.33 billion, representing 24.29% of total imports. This was followed by imports from Belgium valued at N1,790.10 billion (14.35% of total imports), India valued at N1,059.58 billion or 8.49% of total imports, United States of America valued at N917.84 billion or 7.36% of total imports, and The Netherlands valued at N585.30 billion or 4.69% of total imports.

Total exports accounted for 60.89% of total trade in the second quarter of 2024. Exports by section revealed that Nigeria exported mainly 'mineral products' valued at N17,596.52 billion, or 90.62% of the total export value, this was followed by exports of 'Prepared foodstuffs; beverages, spirits and vinegar; tobacco', with N531.00 billion (2.73% of the value of total exports) and 'Vegetable products' worth N488.47 billion or 2.52% of the value of total exports.

Exports trade by region showed that Nigeria exported goods mainly to Europe valued at N8,077.79 billion or 41.60% of total exports, followed by exports to Asia valued at N4,966.81 billion or 25.58% of total exports, while exports to America was valued at N3,880.22 billion representing 19.98% of total exports. Exports to Africa stood at N2,356.01 billion or 12.13% of the total exports; out of which was to ECOWAS countries valued at N1,667.33 billion.

Analysis of exports according to trading partners revealed that during the quarter under review, the main export destination was Spain with a value of N2,007.00 billion or 10.34% of total exports, followed by exports to The United States of America with N1,855.94 billion or 9.56% of total exports, France with N1,819.94 billion or 9.37% of total export, India with N1,650.09 billion or 8.50% of total exports, and exports to The Netherlands with goods valued at N1,379.50billion representing 7.10% of total exports. These five countries collectively accounted for 44.87% of the value of total exports in Q2, 2024.

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The Proposed VAT Reforms Should Aim To Ease Household Burdens While Ensuring Economic Stability

POLICY BRIEF
with
ENAM **OBIOSIO**

As a Nigerian citizen, the recent clarifications from Mr. Taiwo Oyedele, Chairman of the Presidential Fiscal Policy and Tax Reforms Committee, have sparked both hope and skepticism. The committee's proposal, which aims to exempt essential items such as food, healthcare, and education from Value-Added Tax (VAT), while adjusting VAT on non-essential items, is undoubtedly a bold move.

The most immediate and commendable aspect of this proposal is the relief it promises to offer Nigerian households, particularly those in lower-income brackets. Essential items, including food, rent, education, and healthcare, would see their VAT rates reduced to zero percent. In a country where the average household struggles with rising inflation and limited disposable income, this would undoubtedly provide some much-needed financial relief. Data from the National Bureau of Statistics (NBS) shows that these areas make up the bulk of household expenses, meaning the VAT exemption would directly ease financial strain for millions of Nigerians.

I find it heartening that the proposal prioritizes easing the burdens of everyday Nigerians. Reducing VAT on critical services such as healthcare and education could have a profound long-term impact, making these essential services more accessible and affordable for lower-income households. In a country where out-of-pocket expenditure on healthcare remains high, and where many families struggle to afford basic education, this VAT reduction is a significant step towards fostering equality and inclusivity in access to basic needs.

Moreover, the exemption of VAT for small businesses is a crucial component of this reform. Micro, small and medium-sized enterprises (MSMEs) account for over 97% of businesses in Nigeria and are vital to job creation and economic development. By exempting these businesses from charging VAT on their sales, the government is effectively reducing their administrative burden and giving them the breathing room to grow. This could lead to a boom in local entrepreneurship, further driving economic recovery and reducing unemployment.

Additionally, the provision allowing businesses to claim full credit for the VAT they pay on assets and services is also promising. In a time when inflation is a constant threat, reducing the cost burden on businesses could help moderate price increases and ensure that inflationary pressures are kept in check. By fostering a conducive environment for investment and growth, these reforms could set the stage for broader economic expansion.

However, while the reforms appear well-intentioned, I have concerns about potential drawbacks. One primary worry is the increase in VAT on non-essential items to offset the revenue loss from the essential goods exemption. While the proposal seems to strike a balance by placing the burden on luxury goods and services, the definition of 'non-essential' could become a point of contention. What qualifies as non-essential to one person may be considered necessary to another. A broad application of higher VAT on non-essential items could inadvertently affect middle-income households, who may see prices on everyday items rise, even if those items are not technically classified as essential.

Furthermore, there is the risk that increasing VAT on non-essential goods may lead to higher costs for certain industries, such as entertainment, tourism, or luxury services. These industries, though not crucial to daily survival, still contribute significantly to the economy and provide employment to millions. A higher VAT burden could discourage consumption in these sectors, leading to reduced revenue and possibly a slowdown in job creation.

The proposal also hinges on the government's ability to successfully implement the VAT adjustments without causing disruptions. Nigeria has long struggled with inefficiencies in tax collection, and although simplifying the tax system by making VAT the only consumption tax is a step in the right direction, execution could pose challenges. Streamlining VAT refunds, for example, will require significant improvements in the bureaucracy. Delays or inefficiencies in these processes could negate the intended benefits for businesses and investors.

> I find it heartening that the proposal prioritizes easing the burdens of everyday Nigerians

Consequently, the question of how the states will manage under the new system looms large. The federal government collects VAT, but 85% of this revenue goes to the states. With VAT being a critical revenue source, especially for less economically strong states, ensuring that the reforms do not create financial gaps is crucial. While the proposal promises to safeguard state revenue by focusing VAT increases on non-essential items, there is no guarantee that the revenue will remain consistent, especially in states that may not have a robust base for non-essential goods consumption.

It is, therefore, clear that the government is aiming to strike a delicate balance between public welfare and fiscal responsibility. On the one hand, reducing VAT on essential items will have an immediate and tangible impact on Nigerian households, particularly those in vulnerable economic positions. By making everyday goods and services more affordable, the reforms provide a significant relief that could help lift many Nigerians out of poverty and reduce inequality.

On the other hand, the government must be careful not to overburden consumers with higher VAT on non-essential goods, especially as the definition of what qualifies as non-essential may vary. Additionally, the success of these reforms will depend heavily on efficient implementation, particularly in streamlining VAT refunds and ensuring equitable distribution of revenue among states.

Broadly, the proposed VAT reforms have the potential to reshape Nigeria's fiscal policy in a positive way. By focusing on reducing the financial strain on households while maintaining stable government revenue, the reforms offer a path toward a more equitable and inclusive economic future. However, the government must address potential challenges, such as ensuring that VAT increases on non-essential goods do not unduly affect middle-income earners and sectors that rely on discretionary spending. If implemented thoughtfully, these reforms could mark a significant step toward fiscal sustainability and economic recovery in Nigeria.

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