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Nigeria Should Look Into Key Actions To Meet IMF's Growth Projections In 2025

EDITORIAL

Nigeria is at a crucial moment as the International Monetary Fund (IMF) projects a positive economic outlook for the country in 2025, forecasting gross domestic product (GDP) growth of 3.2% and a decline in inflation to 25%. While these numbers signal optimism, they are essentially a call for action.

For us, the success of these projections hinges on committed, strategic policymaking that strengthens Nigeria's economic foundations, controls inflation, and promotes inclusive growth. Realising these projections requires a clear roadmap to unlock a stable and prosperous future.

Understandably, achieving effective control of inflation and stimulating sustainable growth begins with a seamless coordination of fiscal and monetary policy. We note that close collaboration between the Central Bank of Nigeria (CBN) and fiscal policymakers could lay a foundation for monitoring government spending, preventing budgetary excesses, and managing inflation effectively. A balanced fiscal-monetary policy framework

CONTINUES ON PAGE 6

Finance Minister, Cardoso Reassure Foreign Investors Of Economic Reforms

- As FG Plans VAT Increase To 15%
- IMF Calls On Nigeria, Others To Streamline Tax Systems For Revenue Growth

*Amid ongoing economic reforms, Honourable Minister of Finance and Coordinating Minister of the Economy, **Mr. Wale Edun,** and Central Bank of Nigeria (CBN)'s Governor, **Mr. Olayemi Cardoso** have assured foreign investors of a revitalised Nigerian economy. Speaking during an investor session at the recent **International Monetary Fund (IMF) and World Bank Annual Meetings** in Washington, D.C., they emphasised the effort in restoring market confidence, optimising fiscal strategies, and fostering investors' appeal. In this analysis, **Enam Obiosio** gives the highlights of the discussion at the meeting.*

At this gathering, attended by asset managers, investment bankers, and representatives from global financial giants such as JP Morgan and Standard Chartered, Mr. Edun outlined the government's commitment to elevating oil production to two million barrels daily—a goal within reach given Nigeria's prior peak of 2.3 million barrels per day in 2015.

He highlighted how revenue would

CONTINUES ON PAGE 4

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

Mr. Olayemi Cardoso, Central Bank of Nigeria Governor

ECONOMY
CBN Confirms Old Naira Notes Remain Valid Indefinitely
PG 3

NEWS
NCS Launches Indigenous Software 'B'Odogwu'...
PG 7

SEC
SEC Urges Stakeholders To Align With Updated FATF Standards
PG 13

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CBN Confirms Old Naira Notes Remain Valid Indefinitely

● Allocates N1.73trn For Food Imports In H1 Of 2024

By Edmond Martins

The Central Bank of Nigeria (CBN) has affirmed that the old series of N200, N500, and N1, 000 banknotes will remain legal tender indefinitely, refuting rumours suggesting a cessation of their validity by December 31, 2024.

This announcement, made on October 25, 2024, by the CBN's acting Director of Corporate Communications, Mrs. Sidi Hakama, aims to dispel ongoing misinformation.

In the official statement, the CBN clarified that reports indicating an end date for the use of old notes are unsubstantiated and intended to create uncertainty within Nigeria's payment system. The statement read: "The attention of the Central Bank of Nigeria has been drawn to discussions at different fora suggesting that the old series of the N200, N500, and N1, 000 banknotes shall cease to be legal tender on December 31, 2024. We wish to state categorically that such claims are false and calculated to disrupt the country's payment system."

The CBN emphasised its compliance with a Supreme Court ruling from November 29, 2023, which granted the Attorney-General of the Federation's request to permit the indefinite use of old naira notes. Consequently, the CBN's stance ensures that all Nigerian banknotes, both the old and redesigned series, will remain in circulation without restriction.

Reaffirming its commitment to upholding the Supreme Court's directive, the apex bank instructed its branches to continue accepting and distributing all denominations of Nigerian banknotes.

"All banknotes issued by the Central Bank of Nigeria will continue to remain legal tender indefinitely," the CBN stated, urging the public to disregard rumours about a December 2024 deadline for the old notes.

To address concerns over cash availability, the CBN encouraged Nigerians to adopt alternative payment channels to ease demand on physical currency and ensure continuous accessibility. The bank also reminded citizens of the importance of handling all naira notes carefully to maintain their quality and extend their circulation life.

This statement comes amid recent discussions in the House of Representatives, where lawmakers suggested the gradual phase-out of old naira notes and urged the CBN to ensure adequate distribution of new notes in the N200, N500, and N1,000 denominations. However, with the CBN's latest announcement, it remains clear that no immediate plans are in place to withdraw the old currency.

Mr. Olayemi Cardoso, CBN Governor

The CBN continues to reassure Nigerians that both old and redesigned naira notes are valid for transactions nationwide and has urged citizens to stay informed through official channels to prevent the spread of misleading information.

In another development, the CBN allocated N1.73 trillion for food imports over the first six months of the year. The apex bank disbursed $547.7 million (approximately N823.19 billion at the official exchange rate of N1, 503.3/$1 as of June 30, 2024) towards food imports in the second quarter of 2024. This allocation marks a 20.6 percent reduction from the $689.88 million disbursed in the first quarter, translating to a decline of 8.93 percent in naira terms from N903.95 billion in Q1.

In total, CBN allocated N1.73 trillion for food imports over the first six months of the year, as reported in the bank's quarterly statistics bulletin. The disbursements were spread over the months, with January receiving $164.43 million, February $303.91 million, and March $221.54 million, while April saw $153.27 million, followed by $197.21 million in May, and $197.22 million in June.

This funding, however, has coincided with rising food import costs. Despite the federal government's attempt to curb food inflation with a zero-duty policy on selected essential food items like maize, rice, wheat, and cowpeas, the implementation has faced setbacks. Originally announced on July 8, 2024, the 150-day duty-free import window aimed to reduce import costs but has yet to be effectively launched due to delays in the Ministry of Finance's release of a list of eligible importers, as mandated by customs regulations issued in August.

Amid these delays, Nigeria's food import price index climbed to 878.3 in September 2024, a 3.61 percent increase from August and 8.97 percent higher than July when the duty-free policy was announced, according to the National Bureau of Statistics. This brings the index to a 26.81 percent rise year-to-date, highlighting the persistence of inflationary pressures in the food import sector.

The inflation rate for imported food has surged steadily each month in 2024, rising from 26.29 percent in January to 34.83 percent by May. The index continued to climb, reaching 826.2 in July, 847.7 in August, and 878.3 in September.

The CBN's allocation emphasises ongoing challenges as inflation continues to weigh heavily on the food sector, largely fuelled by persistent supply shortages. Despite government initiatives to stabilise the food market, rising import prices reflect the complexity of tackling inflation within the current economic landscape.

Finance Minister, Cardoso Reassure Foreign Investors Of Economic Reforms

CONTINUED FROM PAGE ONE

L-R: Ms. Patience Oniha, Director-General (DG) of DMO (2nd); Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy (5th); Mrs. Kristalina Georgieva, IMF's Managing Director (6th); Mr. Yemi Cardoso, Governor of CBN (7th), and other participants at the recent International Monetary Fund (IMF) and World Bank Annual Meetings in Washington.

significantly benefit from the removal of fuel and foreign exchange subsidies, allowing funds previously diverted to subsidies to strengthen government finances.

"In terms of fiscal performance, the government inherited severe debt servicing costs that consumed almost 100 percent of national revenue and a budget deficit of 6.5 percent," Mr. Edun explained. "Through adjustments, we have reduced debt servicing costs to around 60 percent of revenue in the first half of this year. Although this rate is still high, we are managing it effectively."

He further elaborated on a slew of measures geared towards reducing the budget deficit to four percent of gross domestic product (GDP) by year-end 2024. These measures encompass tax reforms, specifically value-added tax (VAT) adjustments, to generate more revenue while safeguarding vulnerable citizens. A proposed VAT hike to 15 percent on luxury goods, pending National Assembly approval, would exempt essential items to protect low-income households.

In this same vein, at the recent meeting, the IMF called on Nigeria and other African countries to make their tax systems more efficient, equitable and progressive, in a bid to increase revenue and reduce fiscal pressures.

IMF's Fiscal Affairs Department Director, Mr. Davide Furceri, stressed the urgent need for African nations, particularly Nigeria, to prioritise revenue mobilisation. He stated that Nigeria's revenue-to-GDP ratio, currently at 10 percent, is among the lowest in the world. This, he explained, hampers the government's ability to invest in critical infrastructure and manage the country's debt obligations.

"Revenue mobilisation is essential, and it should focus on making the tax system more efficient, equitable, and progressive. Broadening the tax base and reducing informalities can help address these challenges," Mr. Furceri said during a media briefing for the launch of the updated Fiscal Monitor.

He expressed concern about the increasing debt service burden faced by many low-income countries in Sub-Saharan Africa, stating that around 15 percent of revenue in the region is allocated to servicing debt. This limits fiscal space for investments in infrastructure, healthcare, and education, which are crucial for development.

"The challenge is that a large part of the revenue goes to finance debt, constraining the ability of these countries to invest in growth-enhancing initiatives," Mr. Furceri noted. He urged better debt management and revenue collection strategies to address these issues.

In response to the IMF's called on Nigeria and other African countries to streamline tax systems for revenue growth, Mr. Edun, alongside IMF's Managing Director (MD), Kristalina Georgieva, reaffirmed their commitment to strengthening Africa's economic resilience in the face of global challenges.

They acknowledged the complex economic landscape, which includes geopolitical fragmentation, high borrowing costs, persistent inflation, and social instability in certain regions. They stressed the importance of maintaining economic stability while continuing to invest in growth-focused initiatives.

In a joint statement, Mr. Edun and Georgieva said: "Together, we are committed to strengthening Africa's resilience to address the many challenges facing the continent. Policy priorities are focused on securing economic recovery, addressing imbalances, and creating space for much-needed development-focused investment."

They also emphasised the need for renewed focus on domestic resource mobilisation, fiscal transparency, and governance reforms, particularly to address debt vulnerabilities and spending pressures.

Mr. Edun and Georgieva welcomed the launch of the Joint Domestic Resource Mobilisation Initiative (JDRMI) by the IMF and World Bank. This initiative aims to improve domestic revenue mobilization, enhance spending efficiency, and develop domestic financial markets across Africa.

They stated that scaling up concessional financing for Africa, particularly for climate change adaptation and mitigation, is an urgent priority. They urged continued support for the IMF's Resilience and Sustainability Trust (RST), which provides longer-term financing to help countries address these long-term challenges, including climate change and pandemic preparedness.

Looking ahead, Mr. Edun and Georgieva reiterated their support for the IMF's recent quota realignment under the 16th General Review of Quotas, which resulted in a 50 percent increase in IMF members' quotas. They also emphasised the importance of the upcoming 17th General Review in further realigning quotas to reflect the needs of developing economies.

The meeting participants were optimistic about the future of Africa's economic development, with the IMF and African leaders committing to closer collaboration on fiscal reforms and sustainable growth.

Meanwhile, Mr. Cardoso, in his address, affirmed that interest rate increases are anticipated to renew interest in local currency investments. According to him, these economic adjustments fostered greater confidence among Nigerians in the naira, incentivising local production over imports. He cited currency stability and regulatory consistency as pillars strengthening the local economy and attracting investors.

"Nigerians now have confidence in their currency," Mr. Cardoso noted, "making local production more viable and cost-effective than relying on imported goods."

He also pointed to the successful harmonisation of exchange rates, which has improved diaspora remittances by eliminating the need for informal transfer channels. In light of rising fuel prices, he explained, the Central Bank's Monetary Policy Committee took decisive action by raising interest rates to mitigate inflation.

The session also included insights from CBN Deputy Governor for Economic Policy, Mr. Muhammad Sani Abdullahi, stating that subsidy removal has substantially improved revenue collection and provided fiscal space for critical development initiatives. This reform, he noted, exemplifies the administration's broader economic strategy aimed at aligning fiscal and monetary policies to ensure stable prices and market credibility.

"Fiscal and monetary policies are harmonised to strengthen Nigeria's economic stability,"

He also cited a productive agreement between the Ministry of Finance and CBN on managing the Ways and Means, a crucial factor in curbing inflation and stabilising Nigeria's economic outlook. Additionally, reforms in public finance have fortified revenue collection processes, including better tax administration and enhanced corporate tax compliance.

Reinforcing the financial system remains a priority for the CBN, which is actively working to recapitalise the banking sector to bolster resilience amid economic shifts. Mr. Abdullahi emphasised social safety nets to ensure that vulnerable populations are shielded from the economic transition, aligning with the government's vision for inclusive growth.

Further, he outlined the administration's ambition to transform Nigeria's economy from one heavily reliant on imports to an export-oriented model. Active reforms in sectors like agriculture, electricity, and export processes are designed to increase productivity and attract foreign investment.

"Our focus is on structural transformation—steering Nigeria towards becoming an export-driven economy," he noted, emphasising the urgency of investment-friendly reforms within agriculture and electricity to catalyse this transition.

This investor dialogue, featuring robust projections and the government's multifaceted reform approach, highlights Nigeria's renewed commitment to macroeconomic stability. With strategic policy shifts and a strong emphasis on long-term growth, Nigeria is poised to present a more reliable and profitable environment for investors, reinforcing its position on the global economic stage.

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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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EDITORIAL

Nigeria Should Look Into Key Actions To Meet IMF's Growth Projections In 2025

CONTINUES FROM COVER

could allow the country to achieve its inflation target while laying the groundwork for consistent economic growth.

We also note that Nigeria's dependency on oil makes its economy vulnerable to the fluctuations of global oil markets. Therefore, diversifying revenue sources is a vital step, with agriculture, technology, and manufacturing offering promising alternatives. These sectors require government-backed incentives and private sector partnerships to accelerate growth and strengthen the economy's resilience. By prioritising non-oil exports, Nigeria could reduce its dependence on oil, secure more stable foreign exchange, and mitigate the risks associated with oil price volatility.

We wish the government understands that food inflation, a significant contributor to Nigeria's high inflation rate, demands targeted agricultural reforms. Improving infrastructure in agriculture, such as irrigation systems, transportation, and modern farming methods, would support local food production and reduce the need for costly imports. Access to grants and financing for small-scale farmers would also encourage sustainable agricultural development, benefiting the broader economy by keeping food prices more stable.

We are asking the government to adopt an export-led growth model which presents an opportunity for Nigeria to harness its competitive advantages in sectors such as agro-processing and light manufacturing. By creating special economic zones (SEZs) and offering tax breaks, Nigeria could attract foreign direct investment (FDI) into these areas, generating foreign exchange and creating jobs. A focus on exports would also aid in diversifying the economy and reducing vulnerability to external shocks, providing a more stable path to economic growth.

We agree that expanding social welfare programs to protect the most vulnerable is essential, especially given that inflation disproportionately affects low-income households. Targeted support such as conditional cash transfers, food aid, and healthcare assistance can offer relief to those in need. Improved data collection and efficient delivery systems can ensure that support reaches the right beneficiaries, helping to reduce poverty and income inequality, thus ensuring that economic progress is widely shared.

Notably, corruption remains one of the most significant barriers to Nigeria's economic progress. Addressing this challenge is crucial to ensure that resources are used effectively for development. Strengthening anti-corruption institutions such as the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC) would enhance investor confidence and ensure the efficient use of public funds. Transparency and accountability, therefore, are essential not only for Nigeria's fiscal health but also for creating a business environment conducive to growth and investment.

Investing in human capital is crucial to Nigeria's long-term growth, particularly given the country's young and dynamic population. Expanded access to education, skill acquisition programs, and digital literacy initiatives would equip Nigeria's youth with the tools needed to drive economic growth. A well-trained workforce would contribute to productivity in high-potential sectors like technology and manufacturing, supporting sustainable economic development.

We do understand that Nigeria's infrastructure deficit poses a significant obstacle to growth, and public-private partnerships (PPPs) offer a practical way to address this. By leveraging PPPs, Nigeria can close gaps in transportation, energy, and digital infrastructure, with minimal strain on public finances. A structured PPP framework could improve ease of doing business, lower production costs, and contribute to accelerated economic growth, all of which are critical to achieving the IMF's optimistic projections.

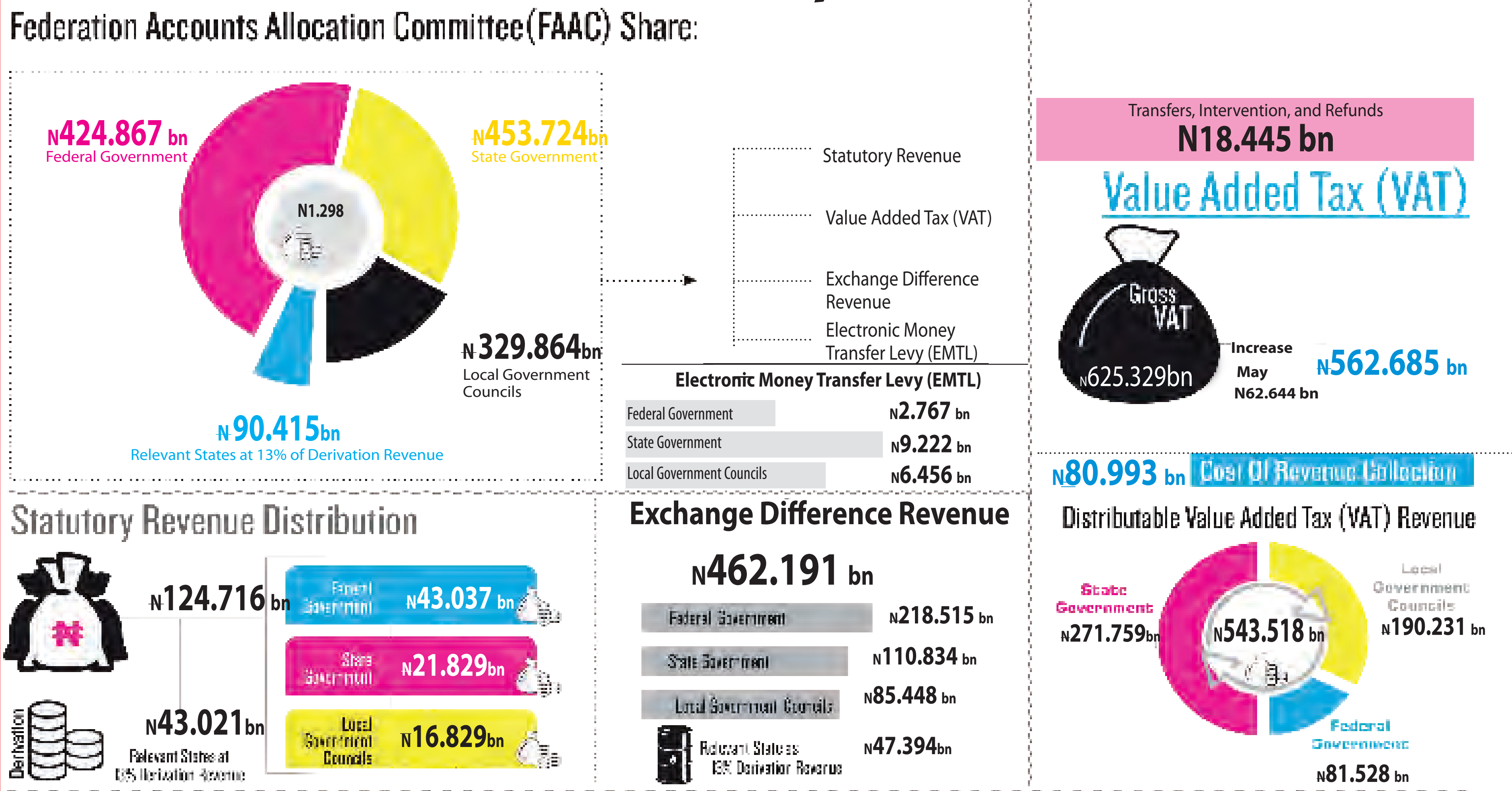
Of course, a streamlined tax system would bolster revenue collection, funding essential social and economic programs. Simplified tax policies and improved compliance among high-income earners and corporations would increase government revenue without imposing undue burdens on lower-income citizens. Embracing digital tax collection systems would also aid in broadening the tax base, giving Nigeria more resources to support growth.

Economic growth in Nigeria must reach all regions if it is to be truly inclusive. Development incentives for underserved regions would attract investment and create opportunities across the country, fostering balanced economic development and reducing regional inequalities. By promoting regional economic inclusion, Nigeria could build a more cohesive society where economic gains are shared more equitably.

It is our stand that achieving the IMF's projected 3.2% growth and 25% inflation rate by 2025 requires committed and comprehensive reform efforts across multiple fronts. This roadmap provides a balanced approach to tackling immediate challenges like inflation and longer-term goals like economic diversification and human capital development. Consistent implementation and strong institutional oversight are key to translating these projections into a stable, prosperous reality for Nigeria.

For Nigeria's policymakers, this is an opportunity to set the country on a transformative path that benefits citizens and strengthens the country's standing on the global stage. By acting on this roadmap, Nigeria has the potential to exceed these projections and secure a resilient economy that promises stability and progress for all.

FAAC Shares N1.298trn September 2024 Revenue To FG, States And LGCs



Revenue sources such as oil and gas royalty, excise duty, EMTL, and CET Levies saw significant increases in September, while VAT and import duty recorded marginal gains. In contrast, petroleum profit tax (PPT) and companies income tax (CIT) saw substantial declines.

NCS Launches Indigenous Software 'B'Odogwu' To Streamline Cargo Clearance At Ports

As NCS Port & Terminal Command Reports 29% Revenue Increase, Generating N239bn In Nine Months

By Musa Ibrahim

The Nigeria Customs Service (NCS) has developed a new indigenous software, 'B'Odogwu,' aimed at tackling persistent issues in cargo clearance processes.

This initiative comes after years of setbacks with foreign software systems, which repeatedly failed to operate seamlessly and led to significant revenue losses for the country.

During a recent press briefing at the Ports & Terminal Multipurpose Limited (PTML) on Tincan Island, Lagos, Comptroller-General of Customs, Mr. Adewale Adeniyi, explained the decision to shift towards indigenous technology. He noted that foreign service providers had failed to meet their contractual obligations, even with multiple extensions, and did not hand over control when their contracts expired. As a result, the service moved to develop a local solution, abandoning the Nigeria Integrated Customs Information System (NICIS), which expired in December 2022.

"It is disappointing when organisations fail to build reputable, reliable systems despite their prolonged presence in Nigeria. Foreign systems have let us down, with more operational failures than successful outcomes," Mr. Adeniyi said, underlining the need for a dependable, home-grown solution.

Named 'B'Odogwu,' the new system promises to transform the customs clearance process by offering end-to-end business process streamlining, customised stakeholder integration, and support for intelligent business decision-making. This modernisation is expected to alleviate the delays and downtime that have long plagued importers and agents at Nigeria's seaports, contributing to costly demurrage and other losses.

The software is part of a broader NCS strategy to leverage cutting-edge technologies like artificial intelligence and mixed reality, which will enable customs to manage Nigeria's increasingly complex trade landscape. "B'Odogwu aligns with our goal to maintain strong, resilient, and prosperous borders while meeting the highest legal and strategic standards," Mr. Adeniyi added.

Mr. Bashir Adewale Adeniyi, Comptroller-General of Customs

As part of the rollout, PTML has been upgraded with enhanced network infrastructure to support the new system. Mr. Adeniyi also announced the launch of a new verification platform for agents, automating registration processes for licenses and permits to streamline operations further.

Acknowledging potential challenges during the implementation phase, the Comptroller General assured stakeholders that a dedicated technical support team would be on standby to address any issues that may arise, ensuring a smooth transition to the new system.

The NCS expects that the new platform will not only improve the ease of doing business but also position Nigeria's ports to meet international standards in customs administration, ultimately boosting national revenue and reinforcing trade efficiency.

In another development, the NCS PTML announced a remarkable 29 percent increase in revenue for the first nine months of 2024, amounting to N239, 233,530,265.48.

This achievement was disclosed by the Customs Area Controller, Comptroller Tenny Daniyan, during a recent press briefing.

Compt. Daniyan highlighted that the highest monthly revenue collection was recorded in July 2024, when the command generated an impressive N33 billion.

"This record is the highest collected by the command this year so far, and we are optimistic about surpassing it before the end of the year, as positive signs indicate the result of constant review and evaluation of our revenue collection mechanism," he stated.

This figure marks a significant rise compared to the previous year, emphasising the effectiveness of the command's revenue collection strategies.

Part of the revenue success is attributed to the strategic approach of the dispute resolution committee, which has effectively managed trade disputes, resulting in a commendable two-hour clearance time for compliant Roll-on/Roll-off (RoRo) cargoes. Compt. Daniyan urged stakeholders to prioritise compliance with customs regulations and fully utilise the services implemented by the Comptroller General of Customs (CGC).

FG Secures N289.597bn In October Bond Auction

As Public Debt Rises To N134.3trn In Q2 2024

By Anita Dennis

The federal government raised N289.597 billion from its October 2024 bond auction, according to the Debt Management Office (DMO).

The auction, held on October 21, featured two re-opened tranches: the 19.30 percent FGN APR 2029 (5-year bond) and the 18.50 percent FGN FEB 2031 (7-year bond).

Despite inflationary pressures, investor interest remained robust, leading to a higher-than-offered allotment.

The government initially offered N180 billion, with N90 billion allocated to each bond, a slight decrease from the N190 billion offered in September. Despite offering a lower amount, the total allotment surged to N289.597 billion, underscoring strong demand for government securities.

The 5-year bond attracted N60.737 billion in subscriptions, while the 7-year bond saw a dramatic rise with N328.584 billion in bids. Total bids climbed to N389.321 billion in October, up from N293.097 billion in September, highlighting investors' preference for longer-dated bonds in a rising interest rate environment. Out of these bids, N57.237 billion was allotted from the 5-year bond and N232.360 billion from the 7-year bond.

The auction saw an increase in marginal rates, reflecting investor expectations for higher yields amidst inflation and tighter monetary policies. The 5-year bond's marginal rate rose to 20.75 percent, a 9.2 percent increase from September's 19.00 percent. The 7-year bond saw its marginal rate climb to 21.74 percent from 19.99 percent, representing an 8.8 percent rise.

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

The rise in rates signals challenges for the government in managing borrowing costs, with investors demanding higher returns due to inflationary concerns and shifting fiscal dynamics.

The outcome of the October auction showcases the complex environment the government faces in raising capital. While the larger allotment demonstrates the government's ability to meet its financing needs, the higher borrowing costs reflect the challenges of balancing market expectations in the face of persistent inflation.

Investors' demand for higher yields suggests a cautious outlook, and the government may need to adjust its debt strategy to accommodate rising costs if market conditions persist.

The settlement date for the auction was set for October 23, 2024. Ensuring sustainable financing terms will be crucial as borrowing costs continue to rise.

Also, Nigeria's public debt increased to N134.3 trillion ($91.3 billion) in the second quarter of 2024, according to the DMO.

This marks a 10.35 percent rise from N121.7 trillion ($91.5 billion) in the first quarter, largely driven by the devaluation of the naira.

While the dollar equivalent of the debt remained relatively stable, the total debt grew significantly in naira terms, stressing the impact of exchange rate fluctuations on debt valuation.

In Q2 2024, domestic debt accounted for 53 percent of the total debt, amounting to N71.2 trillion ($48.4 billion), while external debt made up 47 percent, equivalent to N63.1 trillion ($42.9 billion). The debt-to-GDP ratio has now exceeded 50 percent, raising concerns about fiscal sustainability.

The majority of domestic debt (78 percent) is held in the form of FGN Bonds, reflecting the government's reliance on local bond markets for financing. Other domestic borrowing instruments include Nigerian Treasury Bills, Savings Bonds, Sukuk, Promissory Notes, and Green Bonds, showcasing a diverse portfolio of public financing options.

On the external front, 50.4 percent of the debt comprises multilateral loans, 13.7 percent bilateral loans, and 35.9 percent commercial loans, indicating a balance between concessional and market-based borrowing.

Debt servicing payments surged by 69 percent in the first half of 2024, reaching N6.04 trillion, up from N3.58 trillion in the same period of 2023. The naira devaluation has likely driven this sharp rise in foreign debt repayment obligations, straining the Federal Government's financial resources as debt repayment consumes a growing portion of its budget.

The increase in both domestic and external debt, alongside rising debt servicing costs, signals growing challenges in managing Nigeria's fiscal stability, especially amidst persistent exchange rate volatility.

NEPC Honours BAT Nigeria For Export Innovation, Economic Contributions

By Edmond Martins

The Nigerian Export Promotion Council (NEPC) has awarded BAT Nigeria prestigious recognition as one of the nation's leading non-oil exporters.

The company, which generates approximately $110 million annually in foreign exchange through exports, has been lauded for its significant contributions to Nigeria's economic growth and balance of trade.

BAT Nigeria's investment of over $185 million in a state-of-the-art manufacturing facility in Ibadan, Oyo State, is a cornerstone of its success. This facility produces world-class products for export to 13 West African countries and the United States of America (USA), further establishing BAT Nigeria as a key player in the non-oil export sector.

During the event, the External Affairs Director of BAT West and Central Africa, Ms. Odiri Erewa-Meggison, expressed her gratitude for the recognition from NEPC, emphasising the importance of continued collaboration between exporters and regulatory bodies. She lauded the federal government's engagement with exporters, noting that the involvement of the Honourable Minister of Trade and Investment, the Standards Organisation of Nigeria (SON) Director-General, and the NEPC Chief Executive Organisation (CEO) in addressing export-related issues is a step in the right direction.

"It is encouraging that the government acknowledges the efforts of non-oil exporters in supporting Nigeria's economic progress. Having key figures engage with us directly is a positive step towards identifying the bottlenecks we face and finding actionable solutions," Ms. Erewa-Meggison stated.

She further highlighted the critical need for stronger government support, particularly in relation to the Export Expansion Grants (EEGs), which Ms. Erewa-Meggison described as a vital incentive for Nigerian exporters to remain competitive in the global market.

"To compete effectively on the global stage, exporters need robust incentives. Without such commendable initiatives like the EEGs, the business environment could become less attractive for manufacturers to expand their export operations," she explained.

Ms. Erewa-Meggison also noted the unresolved backlog of EEG payments, some of which date back to 2009. Over 39 exporters are still awaiting payments totaling over N60 billion. Resolving these outstanding grants, she argued, is essential to sustaining export activities and ensuring the continued growth of Nigeria's manufacturing sector.

Another key point raised by Ms. Erewa-Meggison was the need for seamless access to export proceeds. She emphasized that unrestricted access to these funds is critical for exporters to contribute effectively to Nigeria's foreign exchange reserves.

"A stronger partnership between the government and exporters is necessary to unlock opportunities, create jobs, and spur economic growth," she remarked, underscoring the collective potential of such collaboration.

The event brought together high-level stakeholders, including the former Honourabe Minister of Trade and Investment, Dr. Doris Nkiruka Uzoka-Anite; NEPC Executive Director and CEO, Mrs. Nonye Ayeni; and Director-General of SON, Mr. Ifeanyi Okeke. Prominent players in the non-oil export sector were also in attendance, celebrating their contributions to fostering economic growth and diversifying Nigeria's revenue streams.

Discussions at the event focused on overcoming trade operation challenges and enhancing the competitiveness of Nigerian exports. These exports play a crucial role in generating foreign exchange and sustaining Nigeria's economy.

The NEPC event marked an important step toward strengthening the relationship between the federal government and non-oil exporters. Stakeholders reaffirmed their commitment to working together to create a thriving export ecosystem that supports Nigeria's economic resilience and positions the country competitively in global markets.

The recognition of BAT Nigeria's export innovation and economic contributions underscores the crucial role of non-oil exports in Nigeria's economic diversification. Through strategic partnerships and continued government support, the non-oil export sector is poised to flourish, driving long-term national economic prosperity.

Finance Minister Says Nigeria, Other Developing Nations Must Shield Vulnerable Populations Amid Reforms

By Jennete Ugo Anya

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

The Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, has called on developing countries, including Nigeria, to prioritise the protection of their vulnerable populations as they implement economic reforms and structural adjustment programs.

Mr. Edun made these statements recently during the media briefing of the Intergovernmental Group of 24 (G24) on International Monetary Affairs and Development. His remarks coincided with the release of the International Monetary Fund's (IMF) latest World Economic Outlook (WEO) report, which downgraded Nigeria's growth forecast for 2024 from 3.3 percent to 2.9 percent.

Mr. Edun's comments emphasised the need for balance between achieving macroeconomic stability through reforms and ensuring that the immediate burden of these changes does not disproportionately affect the poor. He stressed that the vulnerable must be prioritised, given the front-loaded costs that reforms typically impose on these groups.

He equally pointed out that while reforms are essential for long-term economic growth, they often come with immediate hardships for the general population, especially the poor. He warned that the costs of reforms, such as rising inflation and living expenses, are often felt before the benefits become apparent. This reality, Mr. Edun argued, highlights the urgent need for countries undertaking reforms to plan and implement comprehensive social safety nets.

"The key lesson that I think I will focus on is that in devising these programmes and carrying out reforms, what is particularly important because the benefits are over the longer term and the costs are front-loaded, is the social safety net that will help the poor and the vulnerable cope with the upfront costs with a spike in their cost of living," Mr. Edun said during the media briefing. He further noted that these safety nets should be a fundamental aspect of the planning process, not an afterthought.

In many developing nations, the economic reforms introduced often include measures such as the removal of subsidies, the devaluation of currencies, and the tightening of monetary policies to control inflation. While these reforms are necessary to stabilise economies, they can lead to a sharp increase in living costs, including higher prices for food, fuel, and essential goods. Mr. Edun's call for social protection mechanisms aims to shield those at the lower end of the income spectrum from these adverse effects.

He also emphasised that implementing social safety programs should involve clear communication to the public, explaining the nature of the reforms, their expected outcomes, and how long they will take to materialise.

"Another thing is communication. I think one of the critical things in carrying out these macroeconomic reforms that are so fundamental is communicating what is being done, what is to be expected, and also the timing of the various activities," Mr. Edun said.

Boosting Public Trust through Transparency and Direct Benefits

In addition to social safety nets, Mr. Edun advocated for transparency in the distribution of any direct benefits or financial transfers to vulnerable populations. He recommended that governments consider publishing detailed information about these programs and establishing a public dashboard to track their progress. According to him, such initiatives would not only build public trust but also ensure that the reforms are understood and supported by the general population.

"If it is a programme to give direct benefits, direct transfers of funds, to a group of people, then they should be published for everyone to understand. There should be a dashboard that people can follow, thereby engendering and building public trust," he said.

Nigeria's Foreign Exchange Challenges and Crude Oil Production

The Finance Minister also touched on Nigeria's ongoing foreign exchange (FX) crisis, noting that the country's ability to resolve these issues depends significantly on increasing crude oil production. Nigeria, Africa's largest oil producer, has been grappling with challenges in managing its FX supply, with the naira experiencing persistent depreciation against major foreign currencies.

Mr. Edun acknowledged that the country's foreign exchange shortages were exacerbated by low oil production levels and expressed the government's commitment to boosting crude oil output as a critical step toward stabilizing the economy. He stressed that a stronger FX position would be instrumental in achieving broader economic reforms.

Call for Increased Concessional Funding from Multilateral Institutions

In his role as a representative of Nigeria and the G24, Mr. Edun reiterated the need for more concessional financing from multilateral institutions such as the International Monetary Fund (IMF) and World Bank. He explained that concessional loans—those offered at more favourable terms, including lower interest rates and longer repayment periods—are essential for developing countries undergoing structural reforms.

"We continue to ask for an improved global financial architecture that provides us with more concessional funding, particularly for those countries that, as I said earlier, are undertaking the macroeconomic reforms that everybody agrees are sensible and will lead to better lives for their people," Mr. Edun said.

He further noted that while inflation in developed economies has begun to ease, many developing nations like Nigeria are still contending with high inflation rates and elevated interest rates, which make borrowing more expensive. This, Mr. Edun argued, makes it all the more crucial for countries like Nigeria to have access to concessional funding to not only meet their immediate financial obligations but also to drive long-term economic growth.

"In the developing world, rates are still high, and that fight against inflation means that the interest rates also will remain high," Mr. Edun remarked.

He further highlighted that while borrowing is not ideal, it is often necessary for countries to manage their economies, especially when concessional financing is available. He praised the IMF's recent 36 percent reduction in borrowing costs, describing it as a positive step toward helping developing nations manage their debt while gaining access to the resources needed for economic development.

As Nigeria continues its path toward economic recovery, Mr. Edun's remarks stressed the delicate balance between implementing much-needed reforms and ensuring that the nation's most vulnerable populations are shielded from the immediate fallout. His call for greater financial support from global institutions reflects the broader sentiment among developing nations that structural adjustments must be accompanied by sufficient international backing to ensure sustainable and inclusive growth.

"We call for larger sums that can really make a difference, not just to be able to help a country cope with its immediate payment needs, but to have funds to grow the economies. That is what the fight against inflation translates to for the developing countries," Mr. Edun said, signalling the need for long-term developmental strategies that extend beyond immediate crisis management.

FIRS Launches USSD Code *829# To Enhance Taxpayer Satisfaction, Simplify Tax Processes

• Confirms Withholding Tax Regulations Active Until December 2024

By Jennete Ugo Anya

The Federal Inland Revenue Service (FIRS) has launched an Unstructured Supplementary Service Data (USSD) code *829# aimed at enhancing taxpayer satisfaction and simplifying tax-related processes.

This initiative, recently unveiled by FIRS Chairman, Dr. Zacch Adedeji, at the Revenue House in Abuja, forms part of the celebrations for this year's Customer Service Week, themed: 'Above and Beyond.'

With this launch, Nigeria becomes the sixth African country to implement a USSD code for tax payment services. According to a statement by Dare Adekanmbi, Special Adviser on Media to the FIRS chairman, the new service allows taxpayers across all mobile networks in the country to perform various tasks, such as retrieving their Taxpayer Identification Number (TIN), verifying Tax Clearance Certificates (TCC), obtaining information on tax types and rates, locating the nearest FIRS office, and addressing general tax inquiries.

Speaking at the event, Dr. Adedeji emphasised the agency's commitment to simplifying tax administration, ensuring seamless interaction with FIRS regardless of location.

"This *829# USSD code gives every taxpayer - from busy urban areas to remote regions - the ability to engage with FIRS effortlessly," he said.

He encouraged taxpayers to take advantage of the service for all their tax-related queries.

"With this USSD code, taxpayers no longer need internet access to retrieve their TIN, verify their TCC, or get tax information. This technological advancement reflects our commitment to creating a tax system that is transparent, efficient, and responsive to the needs of all taxpayers," Dr. Adedeji stated.

In addition to the USSD code, FIRS launched a Customer Centricity Guide, a manual outlining the agency's policies and procedures for maintaining high levels of customer service. This guide reinforces FIRS's commitment to treating taxpayers as partners in nation-building, emphasising respect, professionalism, and efficiency in every interaction.

Mr. Zacch Adedeji, Executive Chairman of FIRS

"As we celebrate this milestone, I urge all taxpayers to fully utilize the *829# service and embrace the Customer Centricity Guide. Your feedback will be critical in helping us improve these services to meet your evolving needs," Dr. Adedeji said.

Mrs. Nnenna Akajemeli, National Coordinator of Servicom, commended FIRS for its efforts toward improving taxpayer satisfaction, noting the impact of the new initiatives.

Mrs. Loveth Onanuga, Director of FIRS Taxpayers' Service Department, also highlighted the agency's focus on exceeding taxpayer expectations, aligning with the 'Above and Beyond' theme of Customer Service Week.

Also, the FIRS announced that the existing Withholding Tax (WHT) framework will remain in place until December 31, 2024.

This was revealed in a recent public notice issued by the agency, informing taxpayers and tax professionals of the continued application of the current WHT rules until the end of the year.

According to the notice, signed by Dr. Adedeji, the new Deduction of Tax at Source Withholding Regulations, 2024, will officially come into effect on January 1, 2025. However, the current regulations under the Companies Income Tax (Rates, ETC, of Taxes Deducted at Source (Withholding Tax) Regulations (S.I. 1.10 of 1997) will govern tax deductions through the remainder of 2024.

"The Deduction of Tax at Source Withholding Regulations, 2024, published in the Federal Government Gazette, will take effect from January 1, 2025. Until then, the existing WHT regime remains active until December 31, 2024," the FIRS statement read.

Taxpayers were urged to ensure compliance with the current regulations, as outlined in the notice. "We encourage taxpayers to remain compliant with their tax obligations in line with these existing laws," FIRS stated.

Recalled, it was reported that the federal government had introduced new tax regulations aimed at alleviating the tax burden on the manufacturing sector and small businesses. These new rules were detailed in the Deduction of Tax at Source (Withholding) Regulations, 2024, signed by Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy.

The new regulations are designed to simplify the process of tax deduction at source, reducing complexities and promoting ease of compliance for businesses. Once effective in 2025, they will cover payments made under the Capital Gains Tax Act, Companies Income Tax Act, Petroleum Profits Tax Act, and Personal Income Tax Act, streamlining the process for businesses and taxable individuals alike.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41% of Nigerian Households Depend on Fuelwood for Energy, NBS Reports

● As Food Prices Surge In September 2024

By Jennete Ugo Anya

The National Bureau of Statistics (NBS) has unveiled that approximately 41 percent of households in Nigeria rely on fuelwood as their primary energy source.

This revelation comes from the inaugural 2024 Nigeria Residential Energy Demand-Side Survey (NREDSS), conducted in collaboration with the Federal Ministry of Power and the Energy Commission of Nigeria. The survey aims to provide essential data for evidence-based planning and decision-making within the energy sector.

The findings highlight a significant dependence on traditional energy sources. Among respondents, 41 percent reported purchasing fuelwood, while 39 percent engage in cutting or collecting it themselves. Only 18.9 percent of households utilise alternative acquisition methods, such as barter or gifts. Alarmingly, over half of the fuelwood collected consists of branches, stems, and trees, raising serious environmental concerns. Notably, 67.8 percent of households use fuelwood for various purposes, including domestic, agricultural, commercial, cultural, and religious activities.

The NREDSS surveyed 8,100 households across nine states, representing diverse geopolitical zones, including Akwa Ibom, Bauchi, Ekiti, Oyo, Enugu, Kwara, Plateau, Kano, and Sokoto. Utilising systematic sampling techniques, the survey collected comprehensive data on energy acquisition, usage, and expenditure among Nigerian households.

In addition to fuelwood, the survey found that 22 percent of households use charcoal, with 21.6 percent purchasing it. A small percentage of respondents produce charcoal themselves or acquire it through other means. Meanwhile, liquefied petroleum gas (LPG) is used by approximately 19.4 percent of households, with an average monthly expenditure of N10,239.7.

Electricity access is another critical area of focus, with more than 58 percent of surveyed households connected to the national grid. A significant 86.6 percent reported having electricity supply during the reference period. However, most connected households—85.2 percent—are subjected to an estimated billing system, while only 14.8 percent benefit from prepaid meters. On average, households spent N4,155.8 monthly on electricity.

In response to these findings, the report recommends a multi-faceted approach to address Nigeria's energy challenges. It calls for government initiatives to promote tree re-planting and the adoption of clean energy alternatives, such as LPG, wind, and solar power, to mitigate environmental issues associated with traditional energy sources.

Furthermore, the survey advocates for establishing more LPG stations and encourages local production of gas cylinders and accessories to lower costs for end-users. Lastly, it emphasizes the need to optimize electricity generation by decentralizing the national grid through the development of mini-grids.

The insights provided by the NREDSS are poised to play a crucial role in shaping energy policy and promoting sustainable practices, ultimately enhancing the quality of life for Nigerians.

Meanwhile, the recent Selected Food Price Watch for September 2024 revealed alarming trends in the cost of essential food items across Nigeria, highlighting substantial year-on-year and month-on-month price increases.

The average price of 1kg of brown beans (sold loose) soared to N2, 738.59, marking a staggering 281.97 percent increase from N716.97 in September 2023. This figure also reflects a month-on-month rise of 6.37 percent from N2, 574.63 in August 2024.

Agricultural eggs (medium size, 12 pieces) have similarly seen significant price hikes, with an annual increase of 137.43 percent, pushing the price from N1, 047.47 last year to N2, 487.04 this September. The month-on-month increase for eggs stands at 8.64 percent compared to N2, 289.19 in August 2024.

Bread prices have also surged, with the average price of sliced bread climbing 115.74 percent from N708.36 in September 2023 to N1, 528.19 this year. On a monthly basis, bread prices rose by 4.68 percent from N1, 459.85 in August 2024.

The report further reveals that the price of 1kg of local rice (sold loose) increased by 152.92 percent year-on-year, now costing N1,914.77, up from N757.06 in September 2023. This marks a month-on-month increase of 4.57 percent. Meanwhile, beef prices have almost doubled, with 1kg of boneless beef rising by 99.99 percent from N2, 816.91 in September 2023 to N5, 633.60 in September 2024. The month-on-month increase for beef was a slight 1.44% from N5, 553.80 in August.

A detailed state profile analysis for September 2024 highlights the regional disparities in food prices. Bauchi recorded the highest average price for 1kg of brown beans at N3, 450.04, while Adamawa had the lowest at N1, 800. For agricultural eggs, Niger State reported the highest price at N3, 000.84, contrasted with Borno State's lowest at N2, 075.58. The highest price for sliced bread was found in Rivers State at N1, 852.50, whereas Yobe State had the lowest at N982.79. Kogi State reported the highest price for local rice at N2, 688.04, while Benue State had the lowest at N1, 229.14.

Regional analysis showed that the South-South zone recorded the highest average price for brown beans at N3, 241.46, followed closely by North-Central at N2, 935.96, while the North-West recorded the lowest at N2, 316.42. For agricultural eggs, North-Central and North-East zones had the highest average prices at N2, 833.42 and N2, 501.79, respectively, with the North-West having the lowest at N2, 249.65. The South-South zone again topped the list for bread prices at N1, 812.08, while the Northeast recorded the lowest at N1, 351.92. Lastly, local rice prices peaked in the Northeast and Southeast zones at N2, 031.96 and N2, 015.92, respectively, with the Northwest reporting the lowest at N1, 714.31.

These significant price increases across various food categories highlight the pressing challenges facing consumers in Nigeria and raise concerns about food security and inflation in the coming months.

SEC Urges Stakeholders To Align With Updated FATF Standards

● To Enforce Stricter Fintech Regulations To Safeguard Investors' Fund

By Jennete Ugo Anya

The Director-General of the Securities and Exchange Commission SEC), Dr. Emomotimi Agama, has called on capital market stakeholders to align with the evolving Financial Action Task Force (FATF) standards to maintain the integrity of Nigeria's capital markets.

Dr. Agama cautioned that failing to adhere to these global standards could pose significant risks to both Nigeria and the international financial system.

Speaking at the recent 2024 Compliance Summit, organised by the Nigerian Capital Market Institute—a subsidiary of the SEC— Dr. Agama emphasised the need for proactive engagement with FATF guidelines.

The summit, themed 'Navigating Regulatory Challenges: Aligning with Changes in FATF Standards in the Era of Virtual Asset Service Providers', took place gathered regulators, financial institutions, and technology innovators.

"Virtual assets are gaining prominence globally, and it is crucial that regulatory frameworks evolve accordingly," Mr. Agama stated. He further noted that effective collaboration between regulators, Virtual Asset Service Providers (VASPs), and stakeholders is necessary to ensure the successful implementation of these standards.

He highlighted several key changes in the FATF regulations that affect VASPs, including the expanded definition of VASPs to include custodial wallet providers, exchanges, and peer-to-peer platforms; the introduction of the Travel Rule, which requires VASPs to share customer information during transactions to enhance transparency; the necessity for VASPs to obtain licenses and register with relevant authorities for accountability; and the implementation of enhanced measures to combat money laundering and the financing of terrorism.

Dr. Emomotimi Agama, Director-General of Securities and Exchange Commission

The summit, according to Dr. Agama, serves as a platform for stakeholders to collaborate and address the challenges ahead, ensuring that Nigeria remains a leader in global financial integrity while fostering innovation in the evolving virtual assets space.

In another development, SEC announced its plans to implement more stringent regulations in Nigeria's burgeoning fintech sector, aiming to safeguard investors' funds and ensure adherence to capital market rules.

The announcement was made by Dr. Agama, during his keynote address at the recent Nigeria Fintech Week held in Lagos.

Mr. Agama emphasised the need for tighter oversight in the fintech ecosystem, especially following the shutdown of seven Nigerian startups in 2023, which resulted in a loss of $79.15 million in investor funds.

He stated that the SEC's regulatory focus is to balance the protection of investors with the continued growth of the sector.

He noted that while some fintech companies shut down due to their inability to raise additional funding, others struggled with inadequate corporate governance. "If you are raising funds as a fintech and a public limited company, you must be regulated by the SEC private fundraising must also comply with existing laws," Mr. Agama said.

The SEC's commitment to regulating the fintech space stems from the growing concerns about the misuse of investment data and companies raising public funds without sufficient oversight. Mr. Agama stressed that the sector cannot be left unchecked, as this could lead to significant risks for investors.

To address these issues without stifling innovation, the SEC has introduced a 'smart regulation' framework. This approach tailors existing capital market laws to meet the specific needs of fintech companies. Through FinPort, the SEC's innovation and fintech portal, the regulator is helping new and existing fintech firms navigate the capital market's regulatory landscape.

"Smart regulation allows us to account for the unique characteristics of fintech products while ensuring compliance. It is not a one-size-fits-all approach," Mr. Agama explained.

In addition to this, the SEC unveiled a three-pronged strategy for regulating the fintech space, focusing on regulatory compliance, stakeholder confidence, and investor validation.

Mr. Agama emphasised that the new regulatory framework is designed to promote sustainable growth while ensuring the necessary standards of security and consumer protection are met.

PenCom Launches Revised Service Charter, Consumer Protection Framework

By Musa Ibrahim

The National Pension Commission (PenCom) has unveiled by introduction its Revised Service Charter and Consumer Protection Framework, aiming to enhance service quality for contributors and retirees under the Contributory Pension Scheme (CPS).

The unveiling took place during the recent 2024 Customer Service Week celebrations in Abuja, marking a renewed focus on transparency, efficiency, and exceptional service delivery in Nigeria's pension sector.

These initiatives are designed to transform the way services are rendered to pension contributors and retirees, bolstering trust in the CPS and ensuring the system's long-term sustainability.

The event attracted key stakeholders, including Licensed Pension Fund Operators (LPFOs), the Nigeria Union of Pensioners Contributory Pension Scheme (NUPCPS), and other key figures in the pension industry.

In her opening address, the Acting Director- General of PenCom, Ms. Omolola Oloworaran, hailed the launch of the Service Charter and Consumer Protection Framework as a major milestone in the Nigerian pension industry's development.

The Revised Service Charter and Consumer Protection Framework come at a time when the CPS is experiencing significant growth. By August 2024, total pension assets under the CPS had exceeded N21.14 trillion, covering over 10.46 million Retirement Savings Account (RSA) holders. However, this rapid expansion also highlights the need for improved service delivery. Ms. Oloworaran emphasised that the Revised Service Charter is part of a larger strategy to ensure efficient service delivery to pension contributors.

"The Service Charter we are presenting today is designed to define clear service delivery expectations, both for us at PenCom and for the PFAs and other operators we oversee," Ms. Oloworaran stated.

"It sets the benchmarks that will govern our interactions and ensure that the trust placed in us by the Nigerian public is maintained and continually enhanced."

The Revised Service Charter is aligned with the provisions of the Service Compact with all Nigerians (SERVICOM) and the Presidential Enabling Business Environment Council's (PEBEC) ease of doing business initiative. The Charter affirms PenCom's commitment to delivering high standards of service, promoting information accessibility, ensuring non-discriminatory practices, and providing grievance redress mechanisms for stakeholders.

The Charter seeks to eliminate bureaucratic barriers that hamper the ease of doing business and outlines the feedback mechanisms for services rendered by PenCom. It also details the procedures for addressing service failures and acquiring information from PenCom.

Ms. Oloworaran further reiterated the responsibility of all stakeholders in upholding the standards set by the Revised Service Charter. She stressed that excellent service delivery is a key driver of trust in the pension system, which is critical to the security of retirement savings.

PenCom regards the Revised Service Charter as a collaborative effort and views it as a "living document" that will evolve in response to contributors' needs and

the operational realities of Pension Fund Administrators (PFAs). Ms. Oloworaran encouraged stakeholders to embrace the Service Charter and Consumer Protection Framework as tools that will guide the industry's continuous journey towards improved service delivery.

The public unveiling of the Revised Service Charter and Consumer Protection Framework has been met with optimism from industry experts and stakeholders, who commended it as a step forward in fostering a more transparent, reliable, and customer-friendly pension industry in Nigeria.

These new initiatives, coupled with the growth of pension assets, are expected to play a pivotal role in fortifying the long-term sustainability of the pension industry while ensuring that contributors and retirees receive the quality service they deserve.

When President Tinubu Gave Terrorists, Bandits A Tall Order

*In a decisive move to address Nigeria's ongoing security challenges, **President Bola Tinubu** has delivered a bold ultimatum to terrorists, bandits, and other non-state actors troubling the country. Speaking at the recent inaugural international lecture hosted by the News Agency of Nigeria in Abuja, theme: 'Insecurity in the Sahel (2008-2024): Genesis, Impact and Lessons For Nigeria,' the President's decisive words resonate as a warning to those who continue to perpetrate violence. Below, **Enam Obiosio** discusses some of the key highlights of the event.*

President Bola Ahmed Tinubu

President Tinubu represented by his National Security Adviser, Mr. Nuhu Ribadu, emphasised that his administration had reached its limit of tolerance for violence and insecurity. His message was clear: the days of impunity for criminals wreaking havoc on the nation are numbered.

"We have been going through hell in this country for 15 years because of these bad people. Enough is enough. They interfere with our commerce, education, healthcare, and even transportation. It has to stop —and it will stop," the President warned in strong language. "We are ready to confront them."

President Tinubu's approach to tackling these issues is both kinetic — using military force —and non-kinetic, which includes dialogue and peaceful resolution efforts. He stressed that while the government is open to negotiations with those who surrender, there will be no mercy for those who continue their violent acts. The President's ultimatum left little room for doubt about his resolve: "If you want to live, stop this. If you want to live your life, end it now."

One of the primary concerns highlighted in President Tinubu's speech was the alarming rise in kidnappings across Nigeria, which he referred to as the new face of economic crime. In recent years, kidnapping for ransom has supplanted more traditional forms of crime such as armed robbery, leading to widespread fear and uncertainty.

"These cowardly people hide behind the fear they create, taking others and demanding ransom. But just as we defeated armed robbery in this country, we will defeat kidnappers too. It is only a matter of time," President Tinubu asserted confidently, urging Nigerians to remain hopeful as his administration continues its fight against these criminals.

The President acknowledged that the road ahead would not be easy but called for patience from the public. "We are just over a year into this administration. Give us time," he urged. With a commitment to restoring law and order, President Tinubu promised that Nigerians would soon feel the positive impact of his policies.

In addition to tackling insecurity, President Tinubu also took aim at another long-standing issue—corruption. "Even those who corrupt others, be careful. We are coming for you," The President warned. His message underlined the administration's determination to root out corruption at all levels, a critical element of his broader governance strategy.

> We do not talk much, but we act. We are restoring order. Nigeria is becoming stable. Give us time, and you will see the results

President Tinubu also outlined his plans for the economic revival of Nigeria, emphasising job creation, infrastructure development, and investment in social services as key pillars. "We are committed to uplifting the downtrodden from poverty," President Tinubu stated. In the President's closing remark, he echoed confidence stating: "We do not talk much, but we act. We are restoring order. Nigeria is becoming stable. Give us time, and you will see the results."

In the same vein, His Excellency Dr. Mohamed Ibn Chambas, African Union (AU) High Representative for Silencing the Guns and Chairman of the AU High-Level Panel on Sudan, delivered a presentation as the Guest Speaker of the event.

In his presentation, Dr. Chambas stated that the Sahel region has become a hotbed of political instability, insurgency, and terrorism. This crisis is spreading across borders, threatening not just the Sahel but neighbouring countries as well.

According to Dr. Chambas, terrorist groups such as Boko Haram, Jama'at Nasr al-Islam wal Muslimin, Islamic State, and al-Qaeda in the Islamic Maghreb (AQIM) have taken advantage of the region's ethnical diversity, mix of languages such as French, Arabic, Hausa, Fulani, Bambara, and Wolof, complicated social dynamics an epicentre of global terrorism.

He noted that Nigeria's proximity to the Sahel region, where insecurity poses significant challenges, highlights the urgent need for proactive measures to avert similar crises. To prevent spillover effects from this instability, Nigeria must address the root causes of conflict, including poverty and inequality, through inclusive economic and social development policies, climate-resilient strategies, institutional reforms, and enhanced regional cooperation.

According to Dr. Chambas, to combat these issues, Nigeria must prioritise inclusive economic growth and social development. This involves investing in education and skills training, particularly in marginalised areas, and implementing vocational programs to boost employability.

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FG Must Seize The Moment To Maximise Impact Of VAT Exemptions On Economy

POLICY BRIEF
with
ENAM **OBIOSIO**

The recent announcement from the federal government to exempt 63 items from value-added tax (VAT), I will say is hopeful and cautious. This recent decision signifies a strategic response to the pressing economic challenges we face. While these exemptions may appear to be minor adjustments at first glance, the implications for the Nigerian economy are profound and far-reaching.

The official 'Value Added Tax (Modification) Order, 2024,' published on September 3, 2024, highlights the government's acknowledgment of the urgent need to stimulate key sectors, especially the oil and gas industry. Given that this sector has historically served as the backbone of Nigeria's economy, its revitalisation is essential for broader economic recovery. In a time when our economy is dealing with inflation, a volatile currency, and rising unemployment, this initiative signals a commitment to fostering investment in critical areas.

The exemption of items related to energy production and processing is particularly noteworthy. These include essential machinery and technology required for the production, distribution, and consumption of liquefied natural gas (LNG), compressed natural gas (CNG), and biofuels, among others. In reducing the tax burden on these essential components, the federal government is effectively lowering entry barriers for investors, creating a more attractive landscape for both local and foreign investment. This is a welcome shift in our economic policy, one that acknowledges the role of the energy sector in driving national growth.

However, I cannot help but voice my concerns about the current state of our economy. The volatility we have experienced in recent years, characterised by dwindling remittance inflows and high inflation rates, has left many Nigerians struggling to make ends meet. In such an environment, every step taken toward stabilising and stimulating economic activity is crucial. The VAT exemptions present a significant opportunity to reinvigorate the energy sector, which, in turn, can drive growth across other industries. For instance, an invigorated oil and gas sector can lead to job creation, increased local production, and ultimately bolster the purchasing power of Nigerians.

The benefits of these exemptions extend beyond the energy sector. A thriving oil and gas industry can contribute to enhanced revenues for the government, allowing for increased spending on essential services such as education, healthcare, and infrastructure development. These sectors are vital for improving the quality of life for ordinary Nigerians, and enhancing government revenue can lead to significant social dividends. The possibility of reinvesting these funds into public services provides a glimmer of hope amid the economic turbulence we currently face.

Moreover, we must consider the broader economic ecosystem. The banking sector, for instance, relies heavily on increased liquidity generated by investment in key industries. If the VAT exemptions succeed in attracting both foreign and local investment, we could witness a corresponding rise in banking activity. This increase would enable financial institutions to offer more credit to consumers and businesses, fostering an environment where entrepreneurship and innovation can flourish. The cyclical nature of this growth — where investment leads to increased banking activity, which in turn facilitates more investment — could be precisely what Nigeria needs to jumpstart its economy.

However, with opportunity comes responsibility. The government must prioritise transparency and effective communication as it implements these VAT exemptions. Clear guidelines should be established to ensure that businesses understand the process and criteria for qualifying for these exemptions. If businesses perceive these measures as ambiguous or inconsistent, it could deter investment rather than encourage it. In fostering a transparent environment, the government can instil confidence in investors and businesses alike, ensuring that the intended benefits of these tax modifications are realised.

> The government should establish forums for dialogue with industry leaders, labour unions, and community representatives to understand their perspectives and address their concerns

Additionally, engaging stakeholders across various sectors is vital for maximising the impact of these VAT exemptions. The government should establish forums for dialogue with industry leaders, labour unions, and community representatives to understand their perspectives and address their concerns. This collaborative approach can lead to policies that are not only effective but also equitable, ensuring that the benefits of these exemptions are felt across the board.

What strikes me most about this initiative is the broader vision it represents. The government must not view VAT exemptions merely as a short-term fix but as part of a comprehensive strategy to diversify our economy. In fostering growth in sectors beyond oil and gas — such as agriculture, technology, and manufacturing — we can create a more resilient economy that is less susceptible to the shocks that have historically plagued us.

Imagine a future where Nigeria's economic landscape is not solely defined by oil prices, but by a diverse array of industries that contribute to our gross domestic product (GDP). If we can harness the potential of our youth, our entrepreneurial spirit, and our natural resources, we can lay the groundwork for sustainable economic growth. The energy sector should serve as a catalyst for this transformation, driving investment and innovation across various fields.

Finally, it is crucial to monitor and evaluate the impact of these VAT exemptions over time. Establishing metrics for success will allow the government to gauge the effectiveness of this initiative and make necessary adjustments. Regular assessments can help ensure that the exemptions are achieving their intended goals and are aligned with the broader economic objectives of the country.

While the exemption of these 63 items from VAT is a step in the right direction, it is not the end of the journey. The government must maintain its momentum and continuously evaluate the impact of such measures. By fostering an environment conducive to investment and innovation, we can transform our economy into one that thrives not just on oil and gas but on the ingenuity and resilience of the Nigerian people.

The implications of this VAT exemption may be nuanced, but they are undeniably significant. If we approach this initiative with intention and foresight, we can pave the way for a stronger, more sustainable economy — one that benefits all Nigerians. By working together, we can harness the potential of this critical moment and build a future where economic stability and growth are not just aspirations but realities.

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