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FG Should Prioritise Debt Management For Nigeria's Economic Stability

EDITORIAL

The federal government should act decisively to prioritise efficient debt management in order to safeguard Nigeria's economic stability and prevent further erosion of Nigeria's external reserves.

The recent sharp decline of $320 million in Nigeria's external reserves within just eleven days should serve as a wake-up call to policymakers. This reduction, which occurred between January 2 and January 13, 2025, reflects a deeper financial strain on the country's economy. Nigeria's foreign reserves, having previously shown steady growth, now face significant pressure due to two major factors: escalating foreign debt servicing and the Central Bank of Nigeria's (CBN) intervention in the foreign exchange market.

The numbers paint a worrying picture. Nigeria's foreign debt

CONTINUES ON PAGE 6

NGF Agrees To Tax Reform, Proposes New VAT Sharing Formula

In a critical step towards modernising Nigeria's tax system, the Nigeria Governors' Forum (NGF) and the Presidential Tax Committee have agreed on revised Value Added Tax (VAT) sharing formula, allocating 50 percent of the revenue based on equality among states. The forum also reaffirmed its support for comprehensive tax reforms to enhance fiscal stability and align with global best practices. ***Enam Obiosio*** *here looks at the discussions around the proposed tax reform and the key excerpts of the forum's meeting.*

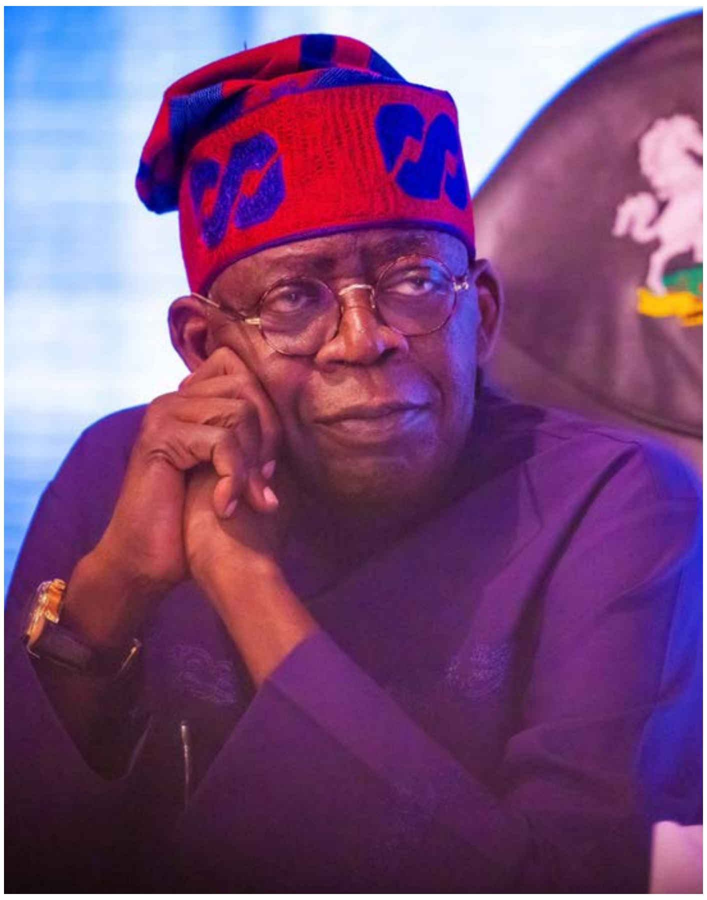
The NGF Chairman, Kwara State Governor AbdulRahman AbdulRazaq, recently made this known after the forum's subnational consultation and engagement with the Presidential Tax Reform Committee in Abuja.

Emphasising the need for an updated tax structure, Governor AbdulRazaq highlighted its importance in driving economic growth and improving fiscal governance across all levels of government.

Recall that President Bola Tinubu had earlier taken a bold step by forwarding four key tax reform bills to the National Assembly in October 2024. The proposed legislation—the Nigeria Tax Bill 2024, the Nigeria Tax Administration Bill, the Nigeria Revenue Service (Establishment) Bill, and the Joint Revenue Board (Establishment) Bill—aims to overhaul the nation's outdated tax laws, boost compliance, and enhance revenue generation. The federal government expressed optimism that these reforms would simplify the tax framework and foster greater economic stability.

However, the proposed bills have sparked

CONTINUES ON PAGE 4



President Bola Ahmed Tinubu

Mr. Abdulrahman AbdulRazaq, Chairman NGF

AFREXIM

Afreximbank To Bolster Nigerian Airlines With 25 Dry Lease Aircraft

PG 3

INFLATION

Nigeria's Headline Inflation Soars To 34.80% In December 2024

PG 9

World Bank Forecasts 3.6% Economic Growth For Nigeria In 2025-2026

PG 14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Afreximbank To Bolster Nigerian Airlines With 25 Dry Lease Aircraft

By Jennete Ugo Anya

The African Export-Import Bank (Afreximbank) has unveiled plans to provide Nigerian airlines with 25 aircraft through its leasing subsidiary, utilising dry lease financing to enhance their operational capabilities.

This initiative, which excludes crew, maintenance, and insurance from the leasing arrangement, is designed to grant airlines greater control over their operations.

Mrs. Helen Brume, Director of Project and Asset-Based Finance at Afreximbank, announced this development during the Airline Economics Growth Frontiers Global Conference in Dublin.

The recent event, which attracted global aviation experts, highlighted the pressing need for solutions to strengthen Africa's aviation infrastructure.

Mrs. Brume emphasised that the initiative seeks to bridge gaps in aviation services and bolster Nigerian airlines' competitiveness both domestically and in servicing Bilateral Air Service Agreement (BASA) routes. "This initiative aims to provide Nigerian airlines with access to dry-leased aircraft, enabling them to better service BASA routes and domestic operations," she noted.

It was reported that Boeing's Senior Director of Finance, Ms. Lereece Rose, commended Nigeria's Honourable Minister of Aviation, Mr. Festus Keyamo, for creating a conducive environment for aircraft financing. Under Mr. Keyamo's leadership, Nigeria's Cape Town Convention compliance score rose from 49.5 percent to 75.5 percent, placing Nigeria at the forefront in Africa.

Mr. Keyamo highlighted the importance of partnerships in securing aircraft financing, expressing optimism about the potential for growth and improved service delivery in the sector. To ensure practical outcomes, he has established a dedicated committee to follow up on discussions and implement solutions for Nigerian airlines.

Historically, Nigerian airlines have struggled to access dry-leased aircraft due to non-compliance with the Cape Town Convention, which led to the country being blacklisted by the Aviation Working Group (AWG). The situation was further compounded by airlines seeking court injunctions to block aircraft repossession, undermining confidence in Nigeria's aviation market.

However, recent reforms have reshaped the landscape. In October 2024, Nigeria exited the AWG watchlist, and the Federal High Court issued a Practice Direction in September 2024, introducing binding rules and timelines for enforcing foreign court orders. These measures have significantly boosted investor confidence, paving the way for global leasing opportunities.

Afreximbank's commitment to providing dry-leased aircraft complements efforts by global financiers such as Boeing, which is partnering with stakeholders to secure aircraft insurance. Discussions are ongoing with the National Insurance Commission (NAICOM) to allow dry lease risks to be covered outside the local insurance market—a crucial step for integrating dry-leased aircraft into Nigeria's aviation ecosystem.

FG Targets Q1 2025 For Completion Of BoA Recapitalisation

By Edmond Martins

The federal government has announced its commitment to completing the recapitalisation of the Bank of Agriculture (BoA) by the end of the first quarter of 2025, aiming to strengthen financial support for smallholder farmers and boost agricultural productivity across Nigeria.

The long-delayed recapitalisation is seen as a critical step towards addressing the sector's persistent funding challenges. According to available data, the highest commercial bank loans to the agricultural sector between 2014 and 2021 amounted to N.04 trillion in 2020, representing just 5.15 percent of total commercial bank loans over the seven-year period.

Mr. Abubakar Kyari, Honourable Minister of Agriculture and Food Security, highlighted the importance of the recapitalisation effort during remarks about the government's strategy to reduce food inflation, currently hovering around 39.84 percent.

"The recapitalisation of the BoA will be concluded before the end of the first quarter of 2025,"

Mr. Abubakar Kyari, Honourable Minister of Agriculture and Food Security

Kyari affirmed, emphasising that the bank's network of 109 branches across the country positions it as a key player in agricultural financing.

The Vice President, Kashim Shettima, who chairs the National Council of Privatisation (NCP), had previously inaugurated a committee led by Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy, to develop a roadmap for reviving the bank. This initiative is part of the government's broader strategy to combat food insecurity and implement targeted interventions in the agricultural sector.

Mr Kyari expressed optimism about the benefits of the recapitalisation, noting that it will provide farmers with much-needed financial resources to expand their operations. He pointed out that loans from traditional commercial banks have remained insufficient to meet the needs of farmers.

In a positive turn, the Mr Kyari revealed that the 2024 farming season yielded a bountiful harvest, surpassing outputs from previous years. This improvement in agricultural performance is expected to bolster the government's efforts to achieve food security and curb inflation.

With the recapitalisation process nearing completion, the government remains focused on repositioning the BoA to fulfil its mandate of supporting smallholder farmers and strengthening the country's agricultural value chain.

NGF Agrees To Tax Reform, Proposes New VAT Sharing Formula

CONTINUED FROM PAGE ONE

heated debates across the country, with reactions reflecting Nigeria's regional complexities and socio-economic challenges. Northern leaders have expressed strong reservations, particularly regarding the VAT provisions in the reforms. On October 29, the Northern Governors Forum, in a joint meeting with the Northern Traditional Rulers Council in Kaduna, called on the National Assembly to reject any provisions they deemed detrimental to their region. They argued that the reforms could exacerbate existing challenges, including widespread poverty, economic instability, and insecurity in the North.

Prominent northern figures, including former Vice President Atiku Abubakar, Bauchi State Governor Bala Mohammed, Borno State Governor Babagana Zulum, and former Sokoto State Governor Aminu Tambuwal, also raised concerns. They cautioned that the bills could have far-reaching socio-economic consequences for the northern region, which is already grappling with significant developmental challenges.

On one hand, the National Economic Council (NEC) on October 31 advised President Tinubu to withdraw the bills temporarily to allow for more extensive consultations and consensus-building.

On the other hand, southern leaders and lawmakers have thrown their weight behind the tax reforms, describing them as essential for national progress. During meetings held on December 5 and 10, South-South Senators and members of the Southern caucus in the House of Representatives expressed their strong support for the bills. They argued that the reforms are both people-oriented and necessary for addressing Nigeria's long-standing fiscal inefficiencies.

Support has also come from key southern figures and organisations, including elder statesman and Pan Niger-Delta Forum leader Chief Edwin Clark, Lagos State Governor Babajide Sanwo-Olu, former Bayelsa State Governor Senator Henry Dickson, and the pan-Yoruba socio-political group Afenifere. These proponents believe the reforms will foster fairness, strengthen fiscal independence, and reduce over-reliance on federal allocations, thereby spurring greater development across all regions.

Amid these divided opinions, the NGF remains optimistic about bridging the gaps. Governor AbdulRazaq highlighted the need for unity, stressing that tax reform is critical for Nigeria's collective progress. He urged all stakeholders to prioritise national interest over regional divides, emphasising that a modernised tax system would ultimately benefit the entire nation.

Despite the trenchant opposition, the Senate passed the four tax bills for a second reading through voice votes last November. However, the House of Representatives indefinitely suspended debates on the Tax Reform Bills amid mounting pressure from the 19 governors of northern states. The planned deliberations were shelved following a memo signed by the Clerk of the House of Representatives, Dr. Yahaya Danzaria, after 73 northern lawmakers rejected the proposed legislation.

In a bid to address the concerns and drive public support for the reforms, the Chairman of the Presidential Committee on Fiscal and Tax Reforms, Mr. Taiwo Oyedele, and his team intensified engagement with stakeholders across the country. These consultations aimed to ensure that the bills could secure the necessary backing from the National Assembly.

Following one of such engagements in Abuja recently, the NGF endorsed an updated VAT distribution formula. The governors proposed that VAT revenues be shared with 50 percent allocated equally among states, 30 percent based on derivation, and 20 percent according to population. This formula, they argued, would promote fairness and equitable distribution of resources.

In a communique issued after the meeting, the NGF stated: "We, members of the Nigeria Governors' Forum and presidential tax reform committee, convened on the 16th of January 2025 to deliberate on critical national issues, including the reform of Nigeria's fiscal policies and tax system, and arrived at the following resolutions:

"The forum reiterated its strong support for the comprehensive reform of Nigeria's archaic tax laws. Members acknowledged the importance of modernising the tax system to enhance fiscal stability and align with global best practices.

"The forum endorsed a revised VAT sharing formula to ensure equitable distribution of resources: 50 percent based on equality, 30 percent based on derivation, and 20 percent based on population."

The communique further recommended that the Tertiary Education Trust Fund (TETFUND), the National Agency for Science and Engineering Infrastructure (NASENI), and the National Information Technology Development Agency (NITDA) remain exempt from any terminal clauses in the allocation of development levies under the bills.

It stated: "Members agreed that there should be no increase in the VAT rate or reduction in Corporate Income Tax at this time, to maintain economic stability.

"The forum advocated the continued exemption of essential goods and agricultural produce from VAT to safeguard the welfare of citizens and promote agricultural productivity.

"The meeting supports the continuation of the legislative process at the National Assembly that will culminate in the eventual passage of the Tax Reform Bills."

> Members agreed that there should be no increase in the VAT rate or reduction in Corporate Income Tax at this time, to maintain economic stability

The federal government welcomed the NGF's support and their counter-proposals, particularly the revised VAT sharing formula. According to government officials, this development marked a significant step toward achieving the reform objectives while addressing concerns raised by various stakeholders.

Also, Honourable Minister of Information and National Orientation, Alhaji Muhammed Idris, reaffirmed that the final decision on Nigeria's tax reform bills rests squarely with the National Assembly. Speaking in an exclusive interview, Alhaji Idris expressed satisfaction with the NGF's endorsement of the bills and their counter-proposal for a 50 percent equality-based sharing of VAT revenue.

The approval by the governors has sparked a spectrum of reactions among lawmakers. Babajimi Benson, representing Ikorodu Federal Constituency in Lagos State, described the development as a milestone in Nigeria's tax reform journey.

However, not all lawmakers shared his optimism. Mansur Soro, representing Darazo/Ganjuwa Federal Constituency in Bauchi State, emphasised the need for further discussions within caucuses to determine their collective position on the controversial bills.

Similarly, Mr. Muda Yusuf, Chief Executive Officer of the Centre for the Promotion of Private Enterprise, commented the NGF's stance as a strategic move to advance the reform process.

"The VAT revenue allocation issue is more political than economic. The proposition of the Governors' Forum is that political consensus is needed to pave the way for the advancement of the tax reform process," Mr. Yusuf stated, describing it as the consensus required to overcome political obstacles.

Prominent economists and academics have endorsed the NGF's counter-proposal on the VAT sharing formula, commending it as a step toward equity and fiscal sustainability for the states.

Mr. Yusuf described the development as a pragmatic resolution to long-standing concerns about VAT distribution. "It is therefore a welcome development. More than 90 percent of the contents of the reforms are still intact, even with this proposal by the governors. Not much would be lost if these propositions are accepted," he remarked, emphasising the minimal impact of the adjustments on the broader reform agenda.

While the NGF's resolutions have been commended as a step toward equity, the broader tax reforms remain contentious. Expert such as Mr. Yusuf stresses the need for pragmatic solutions to ensure inclusive economic growth. At the same time, Academic Staff Union of Universities (ASUU) warns of potential long-term consequences for critical sectors like education.

CBN Unveils DocFlow, MDAs Naira Payment Solutions To Advance Digital Transformation

Fines Nine Banks N150m Each For Failing To Dispense ATM Cash

By Jennete Ugo Anya

Mr. Olayemi Cardoso, CBN Governor

The Central Bank of Nigeria (CBN) has launched two innovative digital solutions, the document flow (DocFlow) System and the ministries, departments, and agencies (MDAs) naira payment solution.

These initiatives, unveiled on January 15, 2025, at the CBN head office in Abuja, mark a significant step in the bank's 'Digital First' transformation strategy introduced by Governor of CBN, Mr. Olayemi Cardoso, in December 2023.

Speaking at the launch, Governor Cardoso highlighted the DocFlow System as a critical tool for modernising the bank's document management processes. The system aims to digitise operations, reduce dependency on paper, and streamline approval workflows. This transformation aligns with the bank's efforts to enhance efficiency and sustainability by adopting eco-friendly practices.

The MDAs naira payment solution was described as a groundbreaking development in automating cash withdrawal processes for government entities. It is expected to improve service delivery, reduce errors, and strengthen safeguards against fraud. Additionally, it is projected to achieve a 70 percent improvement in payment turnaround time, which will further enhance Nigeria's financial ecosystem.

Deputy Governor of Operations, Emem Usoro, commended the initiative as a testament to the CBN's commitment to innovation and operational excellence. Similarly, Mrs. Jide-Samuel, Acting Director of the Information Technology Department, emphasised the reliability of the MDAs Payment Solution, noting its successful testing phase and alignment with the Bank's objective of achieving excellence in central banking operations.

This launch highlights the CBN's commitment to creating a fully digital operational framework, reducing costs, accelerating service delivery, and fostering sustainability by minimising paper usage. It also aligns with the bank's broader strategy to strengthen Nigeria's financial ecosystem through technology-driven advancements.

The unveiling of these solutions coincides with the CBN's ongoing efforts to expand the adoption of its digital currency, eNaira. While the bank has announced plans to enable eNaira usage for payments into government accounts and facilitate vendor and beneficiary payments by MDAs, it is yet to confirm whether the eNaira will be integrated into the MDAs naira payment solution.

In another development, the CBN penalised nine deposit money banks (DMBs) N150 million each, totalling N1.35 billion, for failing to ensure cash availability through automated teller machines (ATMs) during the festive season.

This enforcement action follows spot checks on bank branches, revealing non-compliance with the apex bank's cash distribution guidelines.

The sanctioned banks include Fidelity Bank Plc, First Bank Plc, Keystone Bank Plc, Union Bank Plc, Globus Bank Plc, Providus Bank Plc, Zenith Bank Plc, United Bank for Africa Plc, and Sterling Bank Plc.

According to a press statement by the Acting Director of Corporate Communications at CBN, Mrs. Hakama Sidi Ali, the fines have been debited directly from the banks' accounts with the CBN.

In the statement, the CBN reaffirmed its zero-tolerance policy for cash flow disruptions, emphasising the need for financial institutions to adhere to cash circulation guidelines, particularly during high-demand periods. Mr. Cardoso's administration has consistently warned banks to prioritise seamless cash availability for public trust and economic stability.

Mrs. Sidi Ali stressed that the apex bank will continue to impose strict sanctions on any institution found in violation of its policies. "Ensuring seamless cash flow is paramount to maintaining public trust and economic stability," she said, adding that further actions would follow if banks fail to comply with cash distribution regulations.

The CBN also announced plans to intensify monitoring of cash hoarding and rationing activities, both at bank branches and by point-of-sale (POS) operators. It is working closely with security agencies to curb illegal cash sales and enforce the N1.2 million daily withdrawal limit for POS operators.

In its statement, the CBN confirmed that ongoing investigations and spot checks are being conducted to ensure strict compliance. The regulator warned of additional sanctions against banks and POS operators found guilty of operational violations, including hoarding and non-compliance with withdrawal limits.

These measures are aimed at enhancing accountability and improving the efficiency of cash distribution, ensuring Nigerians have uninterrupted access to cash during critical periods. The enforcement action reflects the CBN's determination to uphold regulatory compliance and safeguard public trust in the financial system.

This development follows earlier directives from the CBN, which in September last year announced its intention to sanction banks failing to dispense cash through ATMs. By November, the regulator urged bank customers to report difficulties in accessing cash through designated phone numbers and email addresses, beginning December 1, 2024.

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EDITORIAL

FG Should Prioritise Debt Management For Nigeria's Economic Stability

CONTINUES FROM COVER

servicing expenditures rose by a staggering 39.8 percent from January to September 2024, totalling $3.6 billion. This surge, compared to the $2.6 billion spent in the same period the year before, highlights the growing burden of debt obligations. These obligations, including loans from international institutions such as the World Bank and International Monetary Fund (IMF), as well as bilateral loans from countries such as China, are denominated in foreign currencies. This means that they are paid from Nigeria's external reserves, which are already under pressure from a volatile exchange rate and rising demand for foreign currency.

This continued depletion of Nigeria's foreign reserves to meet debt obligations has wide-ranging consequences. With reserves shrinking, the country faces mounting challenges in stabilising the exchange rate and managing inflation. For instance, the CBN's interventions in the foreign exchange market have been crucial in preventing the naira from spiralling further downward, but these interventions deplete the reserves. While such actions are necessary to ensure market stability, they come at the cost of the reserve buffer that the country needs for long-term economic resilience.

One cannot ignore the interconnectedness between debt servicing and exchange rate management. As Muda Yusuf, Chief Executive Officer (CEO) of the Centre for the Promotion of Private Enterprise, correctly points out, Nigeria's external reserves serve two vital purposes: debt servicing and currency stabilisation. Both of these functions are inextricably linked, and any failure to effectively manage one will inevitably affect the other. We believe, the government must realise that continuously increasing debt servicing, which now consumes a larger portion of the national budget, can eventually jeopardise both Nigeria's financial health and its economic future.

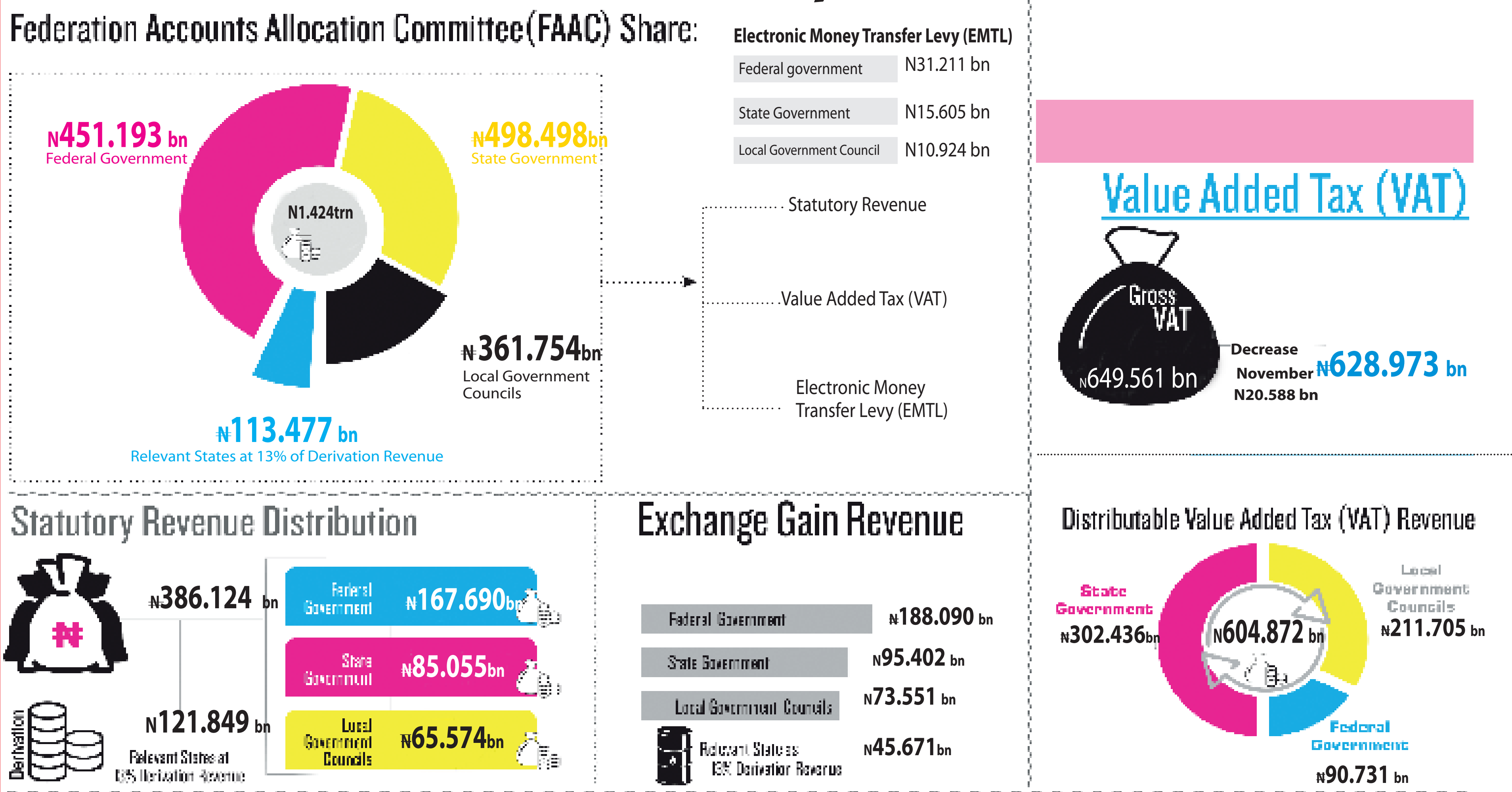
Moreover, the fact that Nigeria's debt servicing obligations are eating into resources meant for infrastructure development, social programs, and human capital investment is a matter of grave concern. With the first half of 2024 recording a 68 percent increase in debt service payments compared to 2023, we urge Nigeria to ask itself how long this fiscal juggling act can continue without risking more severe consequences, such as reduced foreign direct investment, increasing inflation, and even economic contraction.

We think the solution lies in prudent debt management. The government must take urgent steps to explore more sustainable financing options and renegotiate terms with creditors where possible. The country cannot continue relying on debt to prop up its economy at the cost of eroding its financial stability. A key part of this approach should involve reducing Nigeria's reliance on foreign loans by fostering a culture of investment that is less dependent on external financing. There needs to be greater emphasis on local revenue generation and investment in non-debt-creating ventures.

Furthermore, the CBN should find a more sustainable way of managing foreign exchange interventions, especially in the face of declining reserves. It is critical that the CBN employs more strategic, targeted interventions that balance the need for market stability with the imperative of protecting the country's reserves.

While the federal government has a difficult task ahead, we are of the opinion that the time to act is now. In prioritising responsible debt management and restructuring its economic policies to reduce the dependency on foreign loans, Nigeria cannot only stabilise its economy but also ensure a more sustainable future. Ignoring the current challenges will only lead to greater financial instability and a weakened economic position, which the country can ill afford. It is time for the government to make the tough decisions necessary to protect Nigeria's economic well-being and secure a brighter future for its citizens.

FAAC Shares N1.424trn December 2024 Revenue To FG, States And LGCs



The communiqué also noted that Oil and Gas Royalty and CET Levies experienced significant increases. However, revenues from excise duty, VAT, import duty, petroleum profit tax, companies income tax, and EMTL saw notable declines.

NCS Exceeds 2024 Revenue Target By 20.2%

By Edmond Martins

The Nigeria Customs Service (NCS) has exceeded its revenue collection target for 2024 by 20.2 percent, generating N6.105 trillion.

This performance marks a significant leap from its target of N5.079 trillion and represents a 90.4 percent increase over the N3.206 trillion collected in 2023. The revenue growth is the largest year-on-year increase the Service has seen in recent years, surpassing the previous high of 52.24 percent recorded in 2022 by 38.18 percentage points.

The NCS achieved another milestone in October 2024 by reaching its highest-ever monthly collection of N603.171 billion. The breakdown of the 2024 revenue includes N3.675 trillion from Federation Account collections, N816.902 billion from Non-Federation Account Levies, and N1.631 trillion from Value Added Tax (VAT) proceeds.

The Comptroller-General of Customs (CGC), Mr. Adewale Adeniyi, attributed this performance to the service's continued alignment with the economic policies of President Bola Tinubu and the support of Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Olawale Edun, alongside the dedication of the NCS staff.

Mr. Adeniyi emphasised that this achievement came despite significant concessions granted to various sectors, which totalled N1.682 trillion.

Mr. Bashir Adewale Adeniyi, Comptroller-General of Customs

The NCS also seen remarkable growth in trade facilitation. The total value of imports processed by the service in 2024 rose by 117.4 percent, reaching N60.29 trillion, up from N27.74 trillion in 2023. The service processed 1,262,988 import transactions, handling a total mass of 15.35 billion kilograms.

Export trade also saw impressive gains, with the total cost, insurance, and freight (CIF) value increasing by 219.5 percent to N136.65 trillion from N42.77 trillion in 2023. Although the number of export transactions remained relatively stable, export volume surged by 234 percent, with the service processing 12.35 billion kilograms of exports in 2024, compared to 3.70 billion kilograms in 2023. This increase in export mass and value signals a rise in the international competitiveness of Nigerian products.

Overall, the NCS handled a total trade value of N196.94 trillion in 2024, a significant 179.3 percent increase from N70.5 trillion in 2023. This surge in trade value highlights the growing sophistication of Nigeria's international trade and the effectiveness of the Service's trade facilitation measures.

Looking ahead, Mr. Adeniyi expressed that the NCS will focus on the development and deployment of technology infrastructure, with a particular emphasis on home-grown solutions to improve efficiency. The service commenced pilot testing of its indigenously developed customs clearance platform, 'B'Odogwu,' in the fourth quarter of 2024 as part of its Trade Modernisation Project. Mr. Adeniyi noted the importance of these locally developed solutions in enhancing operational efficiency and ensuring seamless trade facilitation.

In terms of enforcement, the NCS made 3,555 seizures in 2024, with a duty paid value (DPV) of N35.29 billion. Among these seizures were 900 arms and 113,472 rounds of ammunition. The total CIF value of the seizures amounted to N28.46 billion, with total duty assessed at N6.83 billion. These efforts stress the scale of economic sabotage prevented by the NCS through its anti-smuggling initiatives.

Mr. Adeniyi stated that trade in Nigeria has flourished under the leadership of President Tinubu and expressed the NCS's commitment to building on these achievements to drive further economic growth and development.

National Assembly Applauds FIRS For Exceeding 2024 Revenue Target Of N19.4trn

Sets N25trn Revenue Target For FIRS In 2025

By Anita Dennis

The National Assembly has commended the Federal Inland Revenue Service (FIRS) for exceeding its 2024 revenue collection target of N19.4 trillion, reaching a remarkable N21.6 trillion.

The achievement has spurred the Joint Committee on Finance to set an ambitious revenue target of N25 trillion for FIRS in the 2025 fiscal year.

Deputy Chairman of the House of Representatives Committee on Finance, Mr. Saidu Musa Abdullahi, was the first to laud the FIRS for its unprecedented performance, describing it as "worthy of commendation."

He suggested that FIRS study South Africa's tax collection model, which generates more revenue despite having a smaller population, and emphasised the importance of expanding the taxable base by incorporating more individuals from the informal sector.

Mr. Zacch Adedeji, Chairman of FIRS

Senator Joel-Onowakpo Thomas (Delta South) also commended the FIRS for surpassing its revenue target, highlighting the critical role of taxes in sustainable economic growth. He called for further reform efforts within the FIRS and proposed increasing the 2025 revenue target to N30 trillion.

Senator Binos Yeroe (Adamawa South) lauded the agency for its innovative strategies, encouraging FIRS to continue its exceptional performance. Similarly, Hon. Etanabene Benedict emphasised the significance of a robust tax revenue base to reduce dependency on borrowing for funding the national budget. He proposed setting an even higher target of N60 trillion for 2025, reflecting the agency's potential for further growth.

In his remark, committee chairs expressed confidence in FIRS's ability to meet and surpass the N25 trillion target for 2025. Senator Sani Musa affirmed that the target is achievable and encouraged FIRS to aim higher.

Nigeria's Headline Inflation Soars To 34.80% In December 2024

● Food Inflation Rate Increases To 39.84% On A YoY Basis

By Jennete Ugo Anya

The National Bureau of Statistics (NBS) has reported a slight increase in Nigeria's headline inflation rate for December 2024.

The rate rose to 34.80 percent, up from 34.60 percent in November 2024, reflecting a marginal increase of 0.20 percent. This increase was attributed to the festive period in December, where the demand for goods and services typically surges.

On a year-on-year basis, the December 2024 headline inflation rate was 5.87 percent higher than the rate recorded in December 2023, which stood at 28.92 percent. This demonstrates a significant rise in inflation over the year. However, when examining the month-on-month basis, the inflation rate for December 2024 was slightly lower at 2.44 percent, compared to 2.64 percent in November 2024, indicating that while the average price levels were still rising, the rate of increase had slowed down marginally.

The increase in the headline inflation index was driven by various divisional components, with the highest contributors being food and non-alcoholic beverages, housing, water, electricity, gas, and other fuel, clothing and footwear, transport, furnishings and household equipment and maintenance, education, and health. The overall twelve-month average for the Consumer Price Index (CPI) ending December 2024 showed a rise of 33.24 percent, which was an 8.58 percent increase compared to the 24.66 percent recorded in December 2023.

For the urban areas, the inflation rate reached 37.29 percent in December 2024, marking a 6.30 percent increase compared to the previous year (31.00 percent in December 2023). On a month-on-month basis, the urban inflation rate was 2.56 percent, showing a slight decrease of 0.21 percent from November 2024's 2.77 percent. The twelve-month average for urban inflation stood at 35.57 percent, an increase of 9.36 percent from 26.22 percent in December 2023.

The rural inflation rate in December 2024 was 32.47 percent, a rise of 5.37 percent compared to 27.10 percent in December 2023. On a month-on-month basis, the rural inflation rate was 2.32 percent, a decrease of 0.19 percent from November 2024's 2.51 percent. The corresponding twelve-month average for rural inflation stood at 31.14 percent, which was 7.89 percent higher than the 23.25 percent recorded in December 2023.

In December 2024, the food inflation rate increased to 39.84 percent on a year-on-year (YoY) basis, reflecting a 5.91 percent rise compared to the rate recorded in December 2023, which was 33.93 percent. The primary drivers of this increase were higher prices for items such as yam, water yam, sweet potatoes, and other tubers. Other contributors included increases in the prices of beer, tobacco, guinea corn, maize grains, rice, and dried fish, particularly sardine and catfish. These price hikes were largely attributed to the demand increase during the festive period.

On a month-on-month basis, however, the Food inflation rate in December 2024 was 2.66 percent, which showed a 0.32 percent decline compared to November 2024, when the rate stood at 2.98 percent. This decrease was attributed to a reduction in the prices of several food items such as local beer (Burukutu), pinto (tobacco class), fruit juice in tin, malt drinks, rice, millet, maize flour, and various tubers like water yam, Irish potatoes, and coco yam.

The annual average rate of Food inflation for the twelve months ending December 2024 was 39.12 percent, marking an 11.16 percent increase from the previous year's average of 27.96 percent.

Regarding core inflation, which excludes the volatile prices of agricultural produce and energy, it stood at 29.28 percent on a year-on-year basis in December 2024. This was a 6.21 percent increase from the 23.06 percent recorded in December 2023. Significant price hikes were noted in areas such as passenger transport (including taxi, bus, and motorcycle fares), meals at local restaurants, personal grooming services (e.g., haircuts, women's hairdressing), and products like women's handbags and traveling bags.

On a month-on-month basis, Core inflation increased by 0.41 percent, rising from 1.83 percent in November 2024 to 2.24 percent in December 2024. The twelve-month average for Core inflation was 27.15 percent, showing a 6.39 percent increase from 20.76 percent recorded in December 2023.

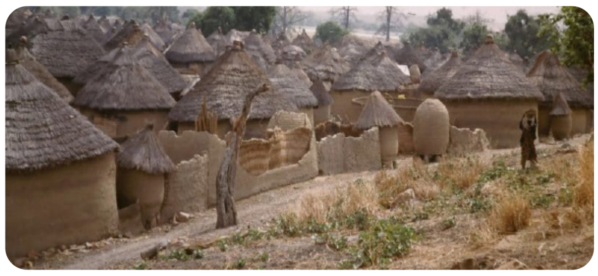
When analysing price movements, it is important to note that the CPI is weighted based on consumption expenditure patterns, which vary across states and locations. This means that comparing consumption baskets across states could be misleading due to differing weights assigned to food and non-food items.

All items inflation in December 2024 was highest in Bauchi State (44.06 percent), Sokoto State (42.43 percent), and Kebbi State (41.47 percent), while the lowest increases were recorded in Katsina State (28.33 percent), Delta State (29.23 percent), and Imo State (29.99 percent). On a month-on-month basis, the highest increases were observed in Kogi State (5.40 percent), Cross River State (4.38 percent), and Sokoto State (4.29 percent), while Yobe State (-1.82 percent), Kano State (-0.57 percent), and Abuja State (-0.02 percent) experienced declines in inflation.

For food inflation, Sokoto State (57.47 percent), Zamfara State (46.39 percent), and Edo State (46.32 percent) recorded the highest year-on-year increases. Meanwhile, Ogun State (34.24 percent), Rivers State (35.43 percent), and Kwara State (35.58 percent) saw the slowest rises in food inflation. On a month-on-month basis, the highest increases in food inflation were in Kogi State (6.53 percent), Sokoto State (6.21 percent), and Cross River State (5.90 percent), while Yobe State (-3.21 percent), Kano (-1.29 percent), and Abuja (-0.79 percent) experienced declines.

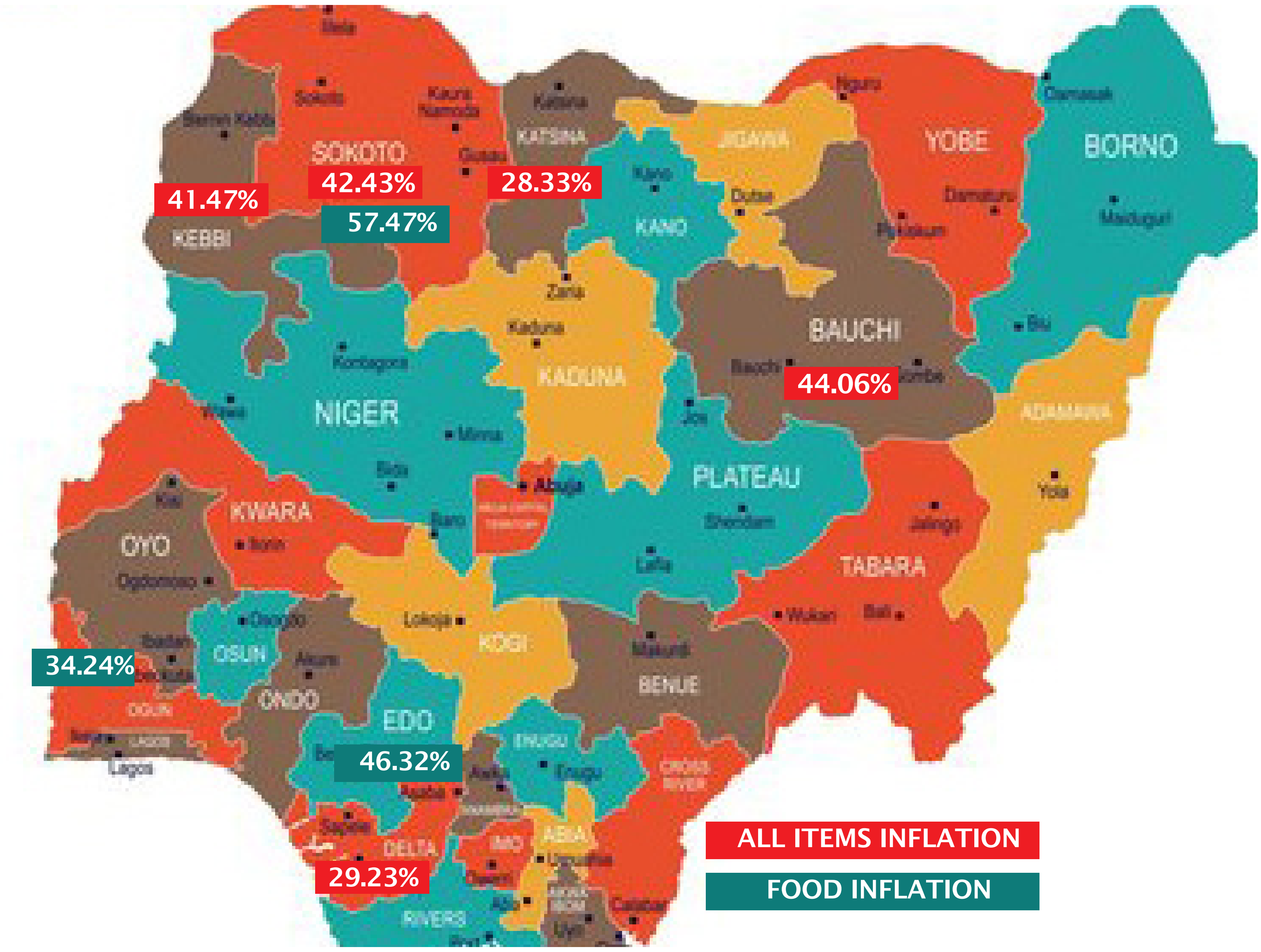
URBAN INFLATION

37.29	35.57
YEAR ON YEAR	TWELVE MONTH AVERAGE



RURAL INFLATION

32.47	31.14
YEAR ON YEAR	TWELVE MONTH AVERAGE



PenCom, BPSR To Enhance Pension Management By Linking IPPIS

By Anita Dennis

The National Pension Commission (PenCom) and the Bureau of Public Service Reforms (BPSR) are set to collaborate on integrating the Integrated Payroll and Personnel Information System (IPPIS) with the pension system to ensure smoother transitions for retirees in Nigeria.

This initiative was discussed during a recent meeting between the two agencies in Abuja, as revealed in a statement by BPSR's Head of Strategic Communication, Mr. Aliyu Umar.

BPSR's Director-General, Mr. Dasuki Arabi, highlighted the challenges in pension management prior to the establishment of PenCom in 2004. He noted the inefficiencies of the old defined benefits scheme, which resulted in delayed payments and significant arrears.

Mr. Arabi reaffirmed BPSR's advocacy for the Contributory Pension Scheme (CPS) as a sustainable alternative, ensuring contributions from both employees and employers.

PenCom's Director-General, Ms. Omolola Oloworaran, acknowledged that while significant progress has been made, evolving challenges in pension disbursement and technology integration require continuous reforms.

A key focus of the meeting was the integration of PenCom's system with IPPIS, a government initiative designed to streamline payroll and personnel data. According to Ms. Oloworaran, the goal is to create a seamless transition from salary payments to pension payments as soon as a public servant retires.

"When IPPIS was developed, the aim was to automate the transition process, eliminating manual documentation and delays," she said.

Ms. Oloworaran also stressed the importance of pre-retirement training for public servants. Citing statistics that over 40 percent of civil servants die shortly after retirement, she advocated for preparing workers at least four years prior to their exit.

"We need to prepare workers years before retirement. By the time they exit, they will have a plan in place," she stated.

The discussions emphasised the need for a robust partnership between BPSR and PenCom to improve pension management, enhance technology integration, and provide comprehensive pre-retirement training. This collaboration aims to create a more efficient, transparent, and humane pension system for Nigeria's public servants.

TCN Increases Power Supply In Ota With New 132/33kV Transformer

By Kingsley Benson

The Transmission Company of Nigeria (TCN) has made a major advancement in improving power supply in Ogun State with the installation of a new 132/33kV power transformer at the Ota transmission substation.

The announcement was made recently via the company's official X (formerly Twitter) handle.

This new transformer has increased the substation's capacity from 228MW to 328MW, a significant 100MW boost that will enhance the distribution of more reliable and consistent electricity in the region.

The development also plays a vital role in improving electricity supply to both Ibadan Distribution Company (Ibadan DisCo) and Ikeja Distribution Company (Ikeja DisCo), ensuring they can meet the rising demand for power in the area.

The installation of the new transformer will facilitate the delivery of additional bulk power to areas including Ota, Iju, Ilogbo, Sango, Ijoko, Atan, Ijagba, and other neighboring communities. This expansion is expected to significantly improve the power supply to both residential and industrial customers in the region.

"With the commissioning of this transformer, the substation's capacity has increased from 228MW to 328MW," said TCN. "This enhancement enables Ibadan DisCo and Ikeja DisCo to supply more electricity to their customers, addressing the growing demand for reliable power."

The project is part of TCN's broader efforts to expand Nigeria's power grid and strengthen the overall transmission capacity. As part of the ongoing TCN-World Bank initiative, the project aims to improve Nigeria's power infrastructure, enhancing both transmission capacity and the reliability of the electricity supply.

In particular, the Lagos Power Distribution Project, a component of the initiative, focuses on upgrading the high-tension 132 and 33kV systems, as well as expanding the 11kV and low-tension distribution networks to meet the increasing power demands in Lagos and its metropolitan areas.

This expansion in Ota marks a significant step in TCN's broader strategy to meet the growing electricity demands across Nigeria, ensuring a more reliable power supply for both residential and industrial needs.

FG Prioritises Climate-Smart Practices To Enhance Food Security *-President Tinubu*

● Advocates Technology, Global Collaboration For Sustainability

By Musa Ibrahim

President Bola Ahmed Tinubu

President Tinubu has reiterated his administration's commitment to adopting climate-smart agricultural practices to boost food security and minimise environmental harm.

Speaking during the Abu Dhabi Sustainability Week in the United Arab Emirates (UAE), the President emphasised Nigeria's leadership role in driving a just energy transition and sustainable development across Africa.

In his address, President Tinubu highlighted the critical need for global collaboration to mitigate climate change and achieve sustainability. He noted Nigeria's unique position as Africa's most populous nation and one of its largest economies, highlighting its responsibility to demonstrate leadership in addressing climate challenges.

"To succeed, we must innovate, collaborate, and decide decisively as a global community," he said. "We have embraced the vision of sustainability by aligning global aspirations with local realities."

President Tinubu outlined his administration's sustainability framework anchored on three pillars: energy transition, climate resilience, and sustainable development. Recognising the importance of reducing carbon emissions, the President reaffirmed Nigeria's commitment to a just transition to clean and renewable energy, while balancing environmental sustainability with economic growth.

He spotlighted Nigeria's efforts to adopt modern, eco-friendly agricultural techniques aimed at enhancing food security and protecting local communities from the adverse effects of climate change. As part of these efforts, the government has approved policies such as the National Clean Cooking Gas Policy, which promotes clean energy solutions with environmental, health, and socio-economic benefits.

President Tinubu also highlighted Nigeria's broader energy transition plan, which focuses on diversifying energy sources to reduce dependency on fossil fuels. The plan includes infrastructure development for compressed natural gas and electric vehicles, alongside the responsible exploration of solid minerals and critical metals essential for advancing the green energy transition.

"Nigeria is committed to achieving net-zero emissions by 2060, in line with global climate objectives," he said. "This transition to cleaner alternatives is a cornerstone of our national development strategy."

Acknowledging Nigeria's pressing environmental challenges—including deforestation, desertification, coastal erosion, flooding, and pollution—President Tinubu cited the shrinking Lake Chad as a stark reminder of the urgency for action. He emphasised the government's collaboration with local communities to implement solutions that build resilience and mitigate environmental impacts.

He called for increased international support, emphasising the capital-intensive nature of green projects. He urged partner countries, development organisations, and private investors to collaborate with Nigeria in driving a green economy. He pointed out Nigeria's trailblasing role as the first African nation to fund green projects through Sovereign Green Bonds, with its third issuance currently underway.

The President reaffirmed Nigeria's dedication to fostering an enabling environment for businesses to thrive, emphasising the critical role of technology and innovation in driving sustainable development.

President Tinubu also highlighted Nigeria's growing embrace of advanced technologies in areas such as clean energy, water conservation, land and forest restoration, waste management, and the circular economy.

"Nigeria is increasingly adopting new technologies like clean energy, water conservation, land and forest restoration, waste management, and the circular economy," President Tinubu noted. He emphasised that partnerships with global leaders and the strategic harnessing of technology are central to addressing environmental challenges. He stated that Nigeria's arable lands present unique opportunities for advanced technological farming, including the integration of artificial intelligence to revolutionise agriculture.

On the importance of global collaboration, the president stressed that environmental challenges transcend national borders and require collective action. "Practical solutions demand mutual respect and a shared vision of the future," he stated, highlighting Nigeria's belief that sustainable development is a global imperative. He called on the international community to intensify cooperation at regional and global levels to meet the Sustainable Development Goals (SDGs) and mitigate the impacts of climate change.

Reflecting on the event's symbolic moments, he mentioned the children waving the UAE flag on the opening day, describing it as a poignant reminder of the responsibility to protect the planet for future generations. "This image serves as a call to build a sustainable world for the children and generations yet to come," he said.

President Tinubu expressed gratitude to the UAE President, Sheikh Mohammed bin Zayed Al Nahyan, for the invitation to the summit, which brought together global leaders to share insights and address pressing global challenges.

The event was attended by prominent leaders, including Italian Prime Minister Georgia Meloni, Rwandan President Paul Kagame, Malaysian Prime Minister Anwar Ibrahim, New Zealand Prime Minister Christopher Luxon, and Finnish Prime Minister Petteri Orpo, among others.

NEPAD-IPPF Drives Africa's Infrastructure Development, Integration Goals – *AfDB Vice President*

By Jennete Ugo Anya

One of NEPAD's (NEPAD-IPPF) Infrastructure Projects funded and spread across Africa.

The NEPAD-Infrastructure Project Preparation Facility (NEPAD-IPPF), a multi-donor special fund hosted by the African Development Bank (AfDB), has continued to advance Africa's infrastructure and integration ambitions.

This was revealed during the 39th Oversight Committee Meeting, held virtually with participation from over thirty institutions, including donors, partners, Regional Economic Communities (RECs), and implementing agencies.

Speaking at the event, Solomon Quaynor, the AfDB Vice President for the Private Sector, Infrastructure, and Industrialization, reaffirmed the pivotal role of NEPAD-IPPF in driving the continent's infrastructure development.

He noted that the Bank's Ten-Year Strategy (2024-2033) prioritizes mobilizing funds through project preparation facilities like NEPAD-IPPF to address the rising demand for infrastructure project preparation, particularly under the Program for Infrastructure Development in Africa Priority Action Plan 2 (PIDA PAP2).

"The NEPAD-IPPF continues to play a leading role in supporting the continental infrastructure agenda," Quaynor said.

He highlighted the Special Fund's collaboration with the PIDA Service Delivery Mechanism (SDM) in fast-tracking the bankability and financial closure of regional projects, a critical step in bridging Africa's infrastructure gaps.

Michael Andres, Principal Project Manager at German development bank KfW and Chair of the Oversight Committee, emphasized the need for synergies among Africa's various infrastructure initiatives and stakeholders.

He praised the establishment of the Alliance for Green Infrastructure in Africa (AGIA) Project Preparation Window in April 2024, which complements NEPAD-IPPF's operations.

Andres also acknowledged recent funding boosts from Canada and Germany, which have significantly expanded NEPAD-IPPF's financial base, enabling it to scale up its activities.

Maria Lladosa, Deputy Head of Division in Spain's Ministry of Economy and Competitiveness, recognized the challenging operational environment and urged NEPAD-IPPF to enhance efficiency and effectiveness.

She called for improved tools, indicators, and measures to streamline stakeholder decision-making and ensure timely project execution.

Canada, represented by First Secretary Daphne Levasseur from its Embassy in Côte d'Ivoire, reiterated its strong support for NEPAD-IPPF. Levasseur confirmed Canada's recent financial replenishment through Global Affairs Canada, noting its commitment to Africa's infrastructure development.

The meeting reviewed several critical issues, including the NEPAD-IPPF Special Fund 2024 Mid-Year Report, technical assistance fund activities, and progress on continental initiatives under PIDA PAP2.

It also provided an assessment of the Fund's financial performance between January and October 2024, highlighting areas of progress and opportunities for further improvement.

NEPAD-IPPF continues to be a linchpin in Africa's efforts to foster regional integration, attract private sector investment, and prepare transformative infrastructure projects. With increased funding, enhanced partnerships, and a strategic focus on efficiency, the Facility is well-positioned to accelerate the continent's infrastructure agenda, bridging critical gaps and driving sustainable development across Africa.

The NEPAD-IPPF facility provides critical financial and technical assistance to African countries, Regional Economic Communities, and Specialized Agencies for preparing viable and bankable projects. Focus areas include energy, transport, information technology and communication (ICT), and trans-boundary water resources.

NERC Handovers Full Electricity Regulatory Oversight To Four States

By Kingsley Benson

The Nigerian Electricity Regulatory Commission (NERC) has completed the transfer of full regulatory oversight to four states, marking a significant shift in the country's electricity market structure.

The states—Enugu, Ekiti, Ondo, and Imo—are now fully responsible for regulating their respective electricity markets.

NERC made this announcement on its X handle recently, confirming that the process of transferring oversight to 10 states began on January 10, 2025. The states involved in this transfer include Enugu, Ekiti, Ondo, Imo, Oyo, Edo, Kogi, Lagos, Ogun, and Niger. As of now, oversight has been fully transferred to four of these states, with the remaining six still in progress.

This move is part of the ongoing implementation of the 2023 Electricity Act, which has altered the operational framework of the Nigerian Electricity Supply Industry (NESI) that has been in place since 2013.

Previously, the market had been dominated by 11 electricity distribution companies (Discos), including Abuja, Benin, Enugu, Eko, Ibadan, Ikeja, Kaduna, Kano, Jos, Port Harcourt, and Yola, as well as the 12th company, Aba Power Electric.

With the completion of the transfer in Enugu, Ekiti, Ondo, and Imo, adjustments have been made to the existing market structures in the Enugu, Benin, and Ibadan Discos.

NERC further disclosed that by 2025, the other six states will integrate their sub-companies, leading to further changes in the structure of the electricity market. This shift aims to enhance efficiency and regulatory oversight within the Nigerian power sector.

World Bank Forecasts 3.6% Economic Growth For Nigeria In 2025-2026

By Jennete Ugo Anya

The World Bank has projected an average annual economic growth rate of 3.6 percent for Nigeria between 2025 and 2026, crediting the federal government's recent macroeconomic and fiscal reforms for boosting business confidence and driving recovery.

This projection, contained in the latest World Bank's Global Economic Prospects, January 2025 report, reflects optimism about Nigeria's economic trajectory following notable policy changes. The report estimates that Nigeria's gross domestic product (GDP) growth rose to 3.3 percent in 2024, primarily fuelled by expansion in the services sector, especially financial and telecommunication services.

The World Bank highlighted the federal government's fiscal and monetary policy adjustments as key factors in this growth. The unification of the exchange rate and enhanced revenue administration significantly boosted government revenues, narrowing the fiscal deficit. Additionally, the Central Bank's tightening of monetary policy helped address inflationary pressures and stabilise the naira.

The broader Sub-Saharan African (SSA) region is also expected to experience improved growth, with projections of 4.1 percent in 2025 and 4.3 percent in 2026. According to the report, regional growth prospects have been upgraded, reflecting easing financial conditions, lower inflation, and improvements in various economies. Approximately half of SSA economies are forecasted to see upward growth revisions in 2025 and 2026.

For Nigeria, the services sector remains a central driver of economic expansion, with inflation projected to decline gradually following the monetary tightening of 2024. The report notes that reduced inflation will likely support consumption and further growth in the services sector. Oil production is expected to rise over the forecast period, though it will still fall short of the OPEC quota.

Despite the positive growth outlook, the report cautions that per capita income growth will remain weak, underscoring the need for sustained reforms to address broader economic challenges.

The World Bank's forecast offers a cautiously optimistic outlook, suggesting that with consistent policy implementation and strategic investments, Nigeria's economy could sustain its growth momentum while addressing structural barriers to prosperity.

Key Highlights on the South African Economy (Q3 2024)

- **GDP Contraction:**
  - Real GDP declined by 0.3% in Q3 2024.
  - Agriculture, transport, trade, and government services were the main contributors to the slowdown.

- **Agriculture Sector Performance:**
  - Agriculture recorded a 28.8% decline, marking its second consecutive quarter of contraction.
  - Drought severely affected the production of key crops like maize, soya beans, wheat, and sunflower.
  - Subtropical fruits, deciduous fruits, and vegetables also experienced production challenges due to adverse weather conditions.
  - Agriculture dragged GDP growth down by 0.7 percentage points.

- **Other Weak Performing Sectors:**
  - Transport, storage & communication: Declines in land transport and transport support services.
  - Trade, catering & accommodation: Weak wholesale and motor trade, along with lower performance in restaurants and catering.
  - General government: Decline in civil service employment numbers.

- **Positive Sector Performances:**
  - Finance: Largest positive contributor, driven by banking, insurance, real estate, and business services.
  - Electricity, gas & water supply: Expanded for the second consecutive quarter due to increased electricity generation and consumption.
  - Mining: Boosted by stronger production of manganese and chromium ore.
  - Manufacturing: Growth led by iron, steel, and machinery production.
  - Construction: Recorded a 1.1% increase, the largest in two years, driven by construction works and non-residential building activities.

- **Trade Activity:**
  - Exports: Declined by 3.7%, the largest drop in three years, with significant weakness in pearls, precious stones, metals, vehicles, chemical products, and machinery.
  - Imports: Fell by 3.9%, driven by reduced trade in vehicles, mineral products, vegetable products, and base metals.

- **Household Spending:**
  - Increased by 0.5%, with the recreation & culture category showing the highest growth (1.2%), mainly due to a surge in gambling activities.
  - Gross gambling revenue rose to R59.3 billion in 2023/24, a 25.7% increase from the previous year.

- **Automotive Sector Weakness:**
  - Declines in the production of transport equipment and motor vehicles.
  - Weak motor trade sales and household spending on transport.
  - Exports and imports of passenger vehicles also fell in Q3.

fmfinsights

Economy & Investment

ADVERT RATE

COLOUR

PRODUCT

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

PUBLIC NOTICE POLITICAL

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

BLACK AND WHITE

PRODUCT

Size	Rate	Vat (7.5%)
F/P	475,200.00	35,640
H/P	310,300.00	23,272.5
Q/P	152,500.00	11,437.5
14.5x5	312,150.00	23,411.25
14.5x3	286,500	286,500
9x6	252,400.00	18,930.00
9x5	301,000.00	22,575.00
9x4	240,600.00	18,045.00
9x3	225,500.00	16,912.50
8x6	330,000.00	24,750.00
8x5	265,650.00	19,923.75
8x4	235,550.00	17,666.25
7x6	215,000.00	16,125.00
7x5	155,000.00	11,625.00
7x4	150,300.00	11,272.50
7x2	135,000.00	10,125.50
6x4	148,100.00	11,107.50
6x3	120,800.00	9,060.00
6x2	80,000.00	6,000.00
5x6	155,000.00	11,625.00
5x5	180,000.00	13,500.00
5x4	102,100.00	7,657.50
5x3	115,000.00	8,625.00
5x2	120,000.00	9,000.00
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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Empowering Local Governments For True Democratic Governance In Nigeria

POLICY BRIEF
with
ENAM **OBIOSIO**

The recent decision by the federal government to establish a dedicated unit within the Office of the Accountant-General of the Federation (OAGF) to oversee the direct disbursement of funds to Nigeria's 774 Local Government Areas (LGAs) marks a turning point in the country's governance system.

This move is not just a technical adjustment to the way finances are managed at the grassroots level; it is a transformative policy shift meant to reshape Nigeria's political and developmental landscape. With the implementation of financial autonomy for local governments scheduled to commence this January 2025, we must recognise this decision as a profound statement about the importance of decentralising power, empowering local governance, and ensuring that the promises of democracy extend to the very heart of Nigeria's communities.

For decades, the financial autonomy of local governments in Nigeria has been a distant ideal, a subject of constant debate and reform attempts. The reality has often been one of financial dependence, with local councils at the mercy of state governors for their allocations. This arrangement has resulted in inefficiencies, corruption, and a system where local governments were unable to effectively serve their people. The promise of democracy in Nigeria has always been tied to the idea that those closest to the people should have the means and authority to govern effectively. Yet, the lack of financial autonomy has often undermined this ideal, with local governments functioning as mere appendages to the state government rather than as independent bodies capable of driving development at the grassroots.

The establishment of the dedicated unit within the OAGF is not just a bureaucratic reshuffling; it is a bold declaration of the federal government's commitment to finally delivering on the promise of true financial independence for local governments. This move will allow the 774 LGAs to receive their funds directly from the Federation Account, bypassing the need to go through state governments. This is no small feat—this decision marks the beginning of a process that will shift the balance of power and resource control away from state governors who have historically used their control over local government finances as a tool for political leverage. The financial autonomy of LGAs is, therefore, not just an economic reform, but a political one, a necessary correction in Nigeria's democratic journey.

However, while the promise of financial autonomy is an exciting development, it is crucial to understand the broader implications of this move for the governance structure in Nigeria. Local governments are the closest to the people, and yet they have historically been the most neglected in terms of resources, decision-making power, and autonomy. The lack of control over their own finances has led to a situation where local governments could not effectively address the needs of their communities—roads, healthcare, education, and basic infrastructure all suffered under this financial stranglehold. With financial autonomy, local councils will have the ability to control their own resources and make decisions that directly impact the lives of their constituents. This is a game-changer for rural and urban communities alike, where local leadership will now be empowered to execute policies and projects without interference from state governments.

Financial autonomy for local governments represents a major leap towards more inclusive governance in Nigeria

But the true power of this reform lies not just in the control of funds but in the way it can potentially redefine democratic governance in Nigeria. By empowering local councils with the authority to manage their finances directly, the federal government is strengthening democratic accountability at the grassroots level. Local government officials, from chairmen to councillors, will now be in a position to serve their communities with greater responsibility and transparency. This autonomy comes with the promise of better governance, as elected officials will have the resources needed to address pressing local issues without relying on the patronage of state governors.

As we look ahead to when this direct allocation of funds to local governments is set to begin, the stakes are high. Financial autonomy for local governments represents a major leap towards more inclusive governance in Nigeria. It is a necessary corrective action that recognises the centrality of local governments in Nigeria's development and democracy. However, for this reform to have its full impact, all stakeholders—from the federal government to local government officials—must be committed to ensuring that this new system functions as it is intended. It is not enough to simply create the structures for financial autonomy; there must be robust monitoring and accountability mechanisms in place to ensure that local government officials are using these funds in the service of their communities, not for political gain.

The decision to grant financial autonomy to Nigeria's 774 LGAs is a monumental one, filled with the promise of a stronger, more accountable, and more democratic governance system. The government's commitment to this reform should be applauded. But it must be followed by careful execution, vigilant oversight and a commitment to ensuring that local governments can truly deliver on the needs of the people they are elected to serve. This is not just a financial decision; it is a political one that will define the future of Nigeria's democracy. If implemented correctly, it will empower local governments to serve as the true engines of change in the Nigerian society.

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