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# BUSINESS DAY

NEWS YOU CAN TRUST | \*\*WEDNESDAY 10 OCTOBER 2018 | VOL. 15, NO 158 | N300



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## BUSINESSDAY MARKET MONITOR

|  |  |   |  |                                       |   |            |                         |                  |                      |                     |                      |                      |                      |
|--|--|---|--|---------------------------------------|---|------------|-------------------------|------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| NSE  |  |  <div>Alpha Morgan<br/>Capital</div> | Bitcoin                                | Everdon Bureau De Change              |   | FMDQ Close |                         |                  |                      |                     |                      |                      |                      |
| Biggest Gainer<br>Nestle<br>N1405 <span>▲</span> 0.36 pc | Biggest Loser<br>Unilever<br>N42 <span>▼</span> -6.67 pc |   | Foreign Reserve - \$43.9bn             | ₦2,346,859.67 <span>▲</span> +0.79 pc | BUY   | SELL       | FOREIGN EXCHANGE        |                  | TREASURY BILLS       |                     | FGN BONDS            |                      |                      |
|  |  |   | Cross Rates - GBP-£:1.31 YUANY-N\$2.77 |                                       |   |            | Market                  | Spot (\$/N)      | 3M                   | 6M                  | 5 Y                  | 10 Y                 | 20 Y                 |
|  |  |   | Commodities                            |                                       |   |            | I&E FX Window           | 364.27           | <span>▲</span> -0.04 | <span>▲</span> 0.30 | <span>▼</span> -0.08 | <span>▲</span> -0.02 | <span>▲</span> -0.12 |
|  |  |   | Cocoa                                  |                                       |   |            | Gold                    | Crude Oil        | CBN Official Rate    | 306.45              | 12.75                | 13.13                | 14.97                |
| 32,417.70  |  | US \$2,102.00   | US \$1,191.10                          | US \$84.58                            | Powered by  |            | Currency Futures (\$/N) | NGUS DEC 26 2018 | NGUS MAR 27 2019     |                     | NGUS SEP 18 2019     |                      |                      |
|  |  |   |  |                                       |   |            | 364.27                  | 364.72           |                      | 365.62              |                      |                      |                      |

# FG to lose 29% of October earnings as subsidy overshadows oil rally

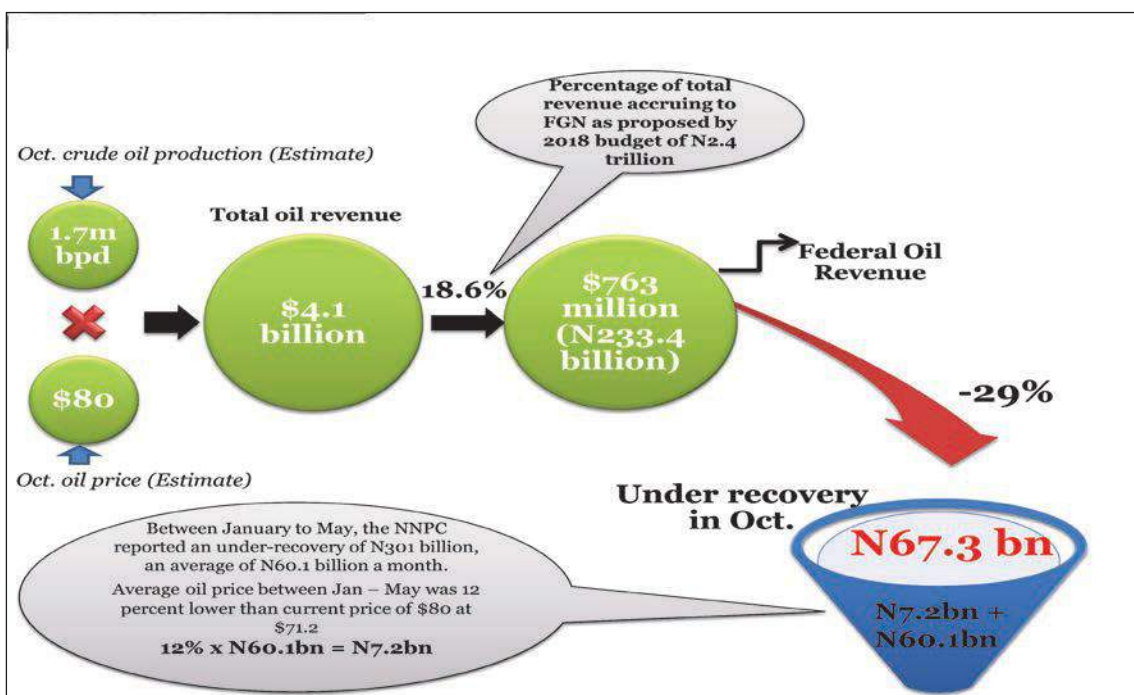
LOLADE AKINMURELE &amp; DAVID IBIDAPO

Nigeria's Federal Government could lose as much as N67 billion to defending a retail petrol price of N145 per litre in October, according to BusinessDay estimates.

That is 29 percent of the estimated N233.4 billion oil earnings for all of October, an unnecessary expense for a country with a budget deficit of N2 trillion.

Oil's march beyond \$80 per barrel holds a mixed bag for Nigeria. On the one hand, it boosts government revenue but on the other hand, it increases the cost of subsidising petrol for businesses and households.

Continues on page 38



## Property prices seen dropping as politicians seek election funds

CHUKA UROKO

In the run up to Nigeria's general elections in the first quarter of 2019, property prices will go down further from the present levels, as it is expected that the market will be receiving more assets from politicians seeking quick funds to contest

Continues on page 38

## Inside

BusinessDay holds 2018 edition of CEO Forum P. 2

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## NEWS

# BusinessDay holds 2018 edition of CEO Forum

MICHEAL ANI &amp; BUNMI BAILEY

BusinessDay, Nigeria's leading business newspaper is holding the 9th edition of its Annual CEO Forum on today, (Wednesday October 10th) at the Civic Centre, Victoria Island, Lagos.

The theme of this year's Summit is "Leadership in Unfamiliar Terrain", and will feature top Chief Executive Officers in different countries of the world and across all sectors within and outside the country.

More than 25 CEOs have been confirmed to grace this year's edition, among whom are Abayomi Awobokun, CEO Enyo Retail and Supply, an oil and gas firm that is playing in the downstream sector and located in Lagos Nigeria.

Chiedu Osakwe, Director-General, Nigerian Office for Trade Negotiation (NOTN), Bola Onadele, CEO FMDQ OTC securities, Bolaji balogun, CEO Chapel Hill Denham, Amy Jadesimi, CEO Ladol Free Zone, Yemi Osindero, Managing Partner, Uhuru Investment Partners and Georgios Polymenakos, Country Manager, Coca-Cola Hellenic Bottling Company to mention but a few.

The 2018 edition CEO forum will kick-start exactly at 9:30 am, with an executive address from Mauricio Alarcon, MD/CEO Nestle Nigeria. In addition to this address, the conference will also feature educating and informing panel discussions from CEOs of the leading organisations across strategic sectors of the economy. Subsequently, the first panel of discussants will speak on "Plastering the cracks: A conversation on the state of road infrastructure in Nigeria's commercial capital". These discussants comprise Opuioy Oforiokuma, MD/CEO ARM-Harith Infrastructure Investment; Bolaji Balogun, CEO, Chapel Hill Denham and Chief Investment Officer, Nigeria Infrastructure Debt Fund; Kunle Elebute, National Senior Partner KPMG Nigeria; and will be moderated by Macaulay Ataisie, Managing Partner, Nexton Business services.

The second panel features Chiedu Osakwe, Director-General (NOTN); Segun Osidipe, Director, Economics and Statistics, MAN; and Mauricio Alarcon, MD/CEO Nestle Nigeria. The second panellists will speak on "Nigexit: Could Nigeria turn its back on the continent. Dissecting views on the African Continental Free Trade Area (AfCFTA) Agreement.

The third panellists will speak on "Fortified Alpha: Recalibrating the Nigerian Capital Market for Resilience and Outperformance", with members including Isyaku Bala Tilde, Acting Executive Commissioner, Operations, Securities and Exchange Commission; Mohammed Garuba, Partner, Cardinalstone Partners Limited; Mathias Althoff, Partner, Tundra Founder SE; and will be moderated by Wole Famurewa, Anchor CNBC.

"Optimising Cost-to-Serve: Executing a winning retail strategy amid shrinking customer wallets", will be the topic that will be discussed by the fourth panellist session. This session will see CEOs within the Retail and retail space provide insights on the workings in their sector. These panellists include Abayomi Awobokun, CEO Enyo Retail & Supply; Georgios Polymenakos, Country Manager, Coca-Cola Hellenic Bottling Company; Juliet Anammah, CEO, Jumia; Kachi Onubogu, GED, tropical General Investments; and will be moderated by Feyi Olubodun, MD/CEO at Insights Publics.

The last CEO's on the panellist will be Amy Jadesimi, CEO LADOL Free Zone and Nnaeto Orauiki, Group MD, Genesis. Both will hammer on the topic "Business legacies that endure: Passing the torch across generations". Since 2009, BusinessDay Media Limited has brought together hundreds of Chief Executive Officers and Managing Directors, as well as C-Suite Executives of Multinationals, Major Companies, Top-tier Organisations and SMEs to the Annual CEO Forum. Subsequently, the CEO

Continues on page 38



L-R: Maikanti Baru, group managing director, Nigerian National Petroleum Corporation (NNPC); Abdulsalami Abubakar, former head of state, and Yakubu Gowon, former head of state, at the 2018 NNPC National Science Quiz Grand Finale, which Enugu State won in Abuja, yesterday. Ogun was second, followed by Edo. NAN

## Focus shifts to Air Peace financing, expansion model

IHEANYI NWACHUKWU &amp; IFEOMA OKEKE

Air Peace, one of Nigeria's domestic carriers, is just four years old this October but the airline's expansion model has become a subject of study in the board rooms of others that are still gasping for growth.

In addition to sustainable source of financing, passenger safety and on-time flights services are key to an airline's growth.

Air Peace recently signed a deal with a United States-based airline manufacturer, Boeing, for the purchase of 10 new aircraft, an order which on arrival will increase the airline's fleet size to 37. The newly ordered 737 MAX is the fastest-selling airplane in Boeing history, accumulating more than 4,700 orders from 102 customers worldwide.

The 737 MAX 8 is part of a family of airplanes that offer 130 to 230 seats and the capacity to fly up to 3,850 nautical miles (7,130 kilometers). With improvements such as the CFM International LEAP-1B engine and Advanced Technology winglets, the 737 MAX will help Air Peace save more than 20 percent on fuel cost, compared to its current single-aisle airplanes.

Allen Onyema, chairman of Air Peace said the airline has come to stay and is ready to compete with any international airline. He disclosed that the 10 B737 aircraft it purchased would be deployed to the Lagos-Paris; Lagos-Frankfurt; Lagos-Amsterdam; Lagos-Milan; Abuja-Jeddah; Kano-Dubai and Enugu-London, adding that the B777 would be used on the London, United States, China and Johannesburg routes.

Tayo Ojuri, an industry expert who spoke to BusinessDay lauded the airline for "doing well locally".

Ojuri, who is the Chief Executive Officer, Aglo Limited, an aviation support service said, "it is something to be happy about, especially succeeding in an industry in which many airlines have failed."

He however thinks growth should be strategic and well planned. "It is good to know that AirPeace is looking for strategic alliances and partnerships. For the international flights to actually be sustainable, you need to have that international partnerships and alliances. This will make them codeshare to transfer passengers and cargo with other airlines.

"The other thing that is key is that they have to define what kind of model they are running. You find out

Continues on page 38

## Turkey, NACCIMA, NIA, others back BUILDMACEX

Atlantic Exhibition, the organisers of the annual construction trade fair tagged, "Building, Construction and Machinery Exhibition," or simply BUILDMACEX, has partnered with the Turkish government towards bringing innovation to the Nigerian construction industry.

The firm said this in a statement while preparing to anchor the fifth edition of the fair between October 16 and 18, 2018, at the Eko Convention Centre, Eko Hotel & Suites, Lagos.

The event is to hold between 10.00am and 5.00pm daily.

Stating that the event would feature conferences, exhibitions, technical sessions and product presentations, the firm said the fair had been endorsed by the National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA); the Nigerian Institute of Architects; as well as the Nigerian Institute of Quantity Surveyors.

Speaking on the purpose for the trade show - with the theme, "Building an ecosystem for innovating: Repositioning the Nigerian building

sector towards international standard practices" - the Chief Executive Officer of Atlantic Exhibition, Mr Paul Olugbade, said, "We are passionate about resolving today's building and construction challenges and believe this event will be a rallying point for all stakeholders, including architects, builders, surveyors, developers, agents, stakeholders, engineers, interior designers, contractors; land owners, distributors, wholesalers and major retailers in the industry."

Some of the speakers billed to engage the audience at the plenary and breakout sessions include - Arc. Tonye Briade - President of NIA; Bldr. Kenneth Nduka - President of NIOB; Prof M.O. Dada - HOD, Department of Building UNILAG; and Arc. Adobe Njoku - President of Nigeria Institute of Architect, among others.

The statement added that over the years, the firm had through its exhibitions brought together over 80 exhibitors and 3,000 visitors from over 20 countries, including Nigeria, Turkey, Portugal, Lebanon, the United Arab Emirates, the United Kingdom and China.

## Coca Cola to complete acquisition of Nigeria's Chi in Q1 2019

DANIEL OBI

Coca Cola, the global foremost beverage brand, is likely to complete acquisition of Nigeria's Chi Limited, a top juice company, early next year, BusinessDay gathers.

The value of the complete acquisition is still under wraps, but in 2016 Coca Cola made initial equity investment of 40 percent in the company estimated to be in the range of \$300 million to \$400 million, as analysts, as of 2016, put the value of Chi at about \$1 billion.

After the acquisition of 40 percent equity, Coca-Cola had last two years indicated plans to increase ownership to 100 percent within three years, subject to regulatory approvals, while working on other long-term commercial structures. Chi, maker of Chivita juice brand and Hollandia yoghurt, is the market leader in juices and value added dairy, and its product portfolio includes iced teas and snacks.

"We are still on track to complete the acquisition (of Chi Limited) by the end of Q1 2019," Peter Njonjo,

president of Coca-Cola's West Africa business, told Reuters.

According to sources, the parent company of the Lagos-based Chi Limited, Tropical General Investments (TGI) Group, owned by a European family, had been considering sale of the company for some time. Apart from Chi, TGI is into agribusiness involving seed multiplication, fertilizer distribution, cotton, cocoa and vegetable oil milling as well as healthcare products with Chi Pharmaceutical, which owns a WHO approved plant. TGI is also into oil and gas, industrial chemicals manufacturing and real estate development.

The acquisition, according to sources, is part of global strategy by Coca Cola, the US company, to diversify from its core business.

The Coca-Cola Company, whose flagship brand (Coca-Cola) is the world's most recognised brand with a brand value of about \$84 billion, is the largest player in the Nigerian beverage industry and its brands are present in almost every home.

The company's decision to invest an undisclosed amount to acquire 40 percent of Chi Limited in 2016 with

100 percent complete acquisition three years later is a strategic step to leapfrog into value added dairy, which is an emerging and high growth beverage category where Chi has gained leadership and built a strong competitive advantage over the years.

The planned full acquisition, if actualised, will enable Coca-Cola reclaim leadership of the Nigerian juice market it lost to Chi Limited a couple of years ago and also build a strong capability to expand its West African portfolio of still beverages. This investment is clearly aimed at consolidating Coca-Cola's leadership of the Nigerian beverage market.

It is not clear whether Coca-Cola will rename Chi Limited after the full acquisition or allow it to operate under the Chi brand name.

Coca-Cola is showing confidence in Nigerian economy. Nigeria with estimated population of about 180 million (comprising about 90m youth population), high urbanisation and a growing middle class is certainly a huge market that is hard to ignore, particularly for fast moving consumer goods companies.





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- 🕒 1 pm - 6 pm (Exhibition)
- 📍 Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Abuja

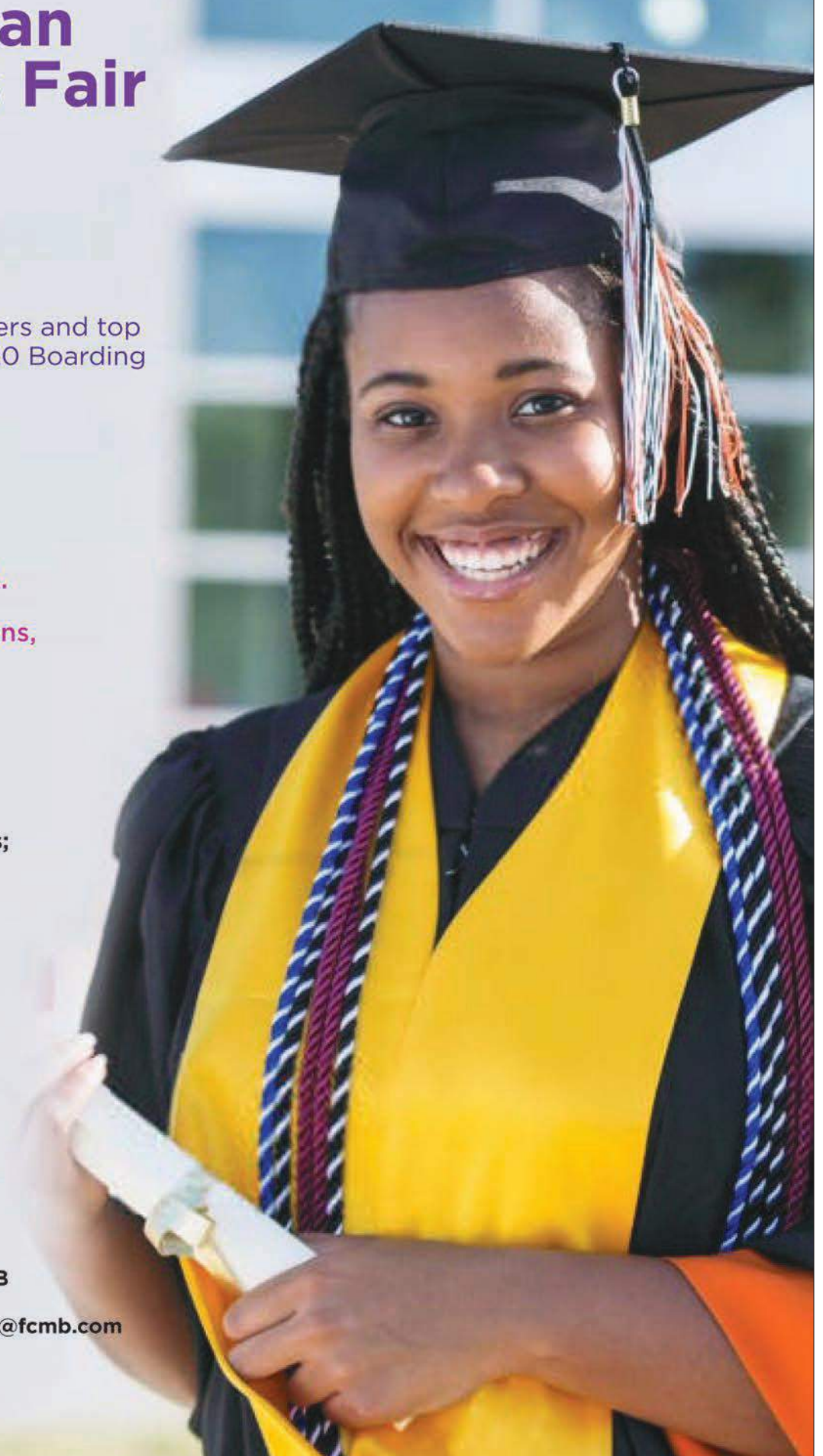
### ■ LAGOS

- 📅 Saturday 13th October, 2018
- 🕒 9 am - 12 noon (Seminar)
- 🕒 1 pm - 6 pm (Exhibition)
- 📍 Southern Sun Ikoyi Hotel, Alfred Rewane Road, Ikoyi, Lagos

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Tony O. Elumelu, CON  
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His Excellency  
Uhuru Kenyatta  
President of Kenya

## Fireside Chat with Dr. Awele Elumelu



Dr. Awele Elumelu  
Board of Trustee, TEF



Moderator:  
Eleni Giokos  
CNNMoney Africa Correspondent

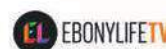
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## NEWS



L-R: Arvind Pathak, chief operating officer, Dangote Cement plc; Odeyeyinwa Kazeem Olayemi, managing director, Kazas Heritage, (One of the 10 winners), and Joseph Makoju, group managing director, Dangote Cement plc, during the presentation of GAC GS8 car for top performing distributor of Dangote Cement, in Lagos.

## 561,000bpd capacity refineries suffer set back as licences expire

OLUSOLA BELLO

**P**aucity of fund has crippled efforts of 15 companies given licences to establish refineries with combine capacity to produce 561,000 barrels per day (bpd) of petroleum products, and this has caused their licences to expire.

According to a document from the Department of Petroleum Resources (DPR) cited by BusinessDay, licences to established (LTE) given to some of the companies in 2015 have expired. The licences have two years expiration period.

Insider sources from the DPR say the companies still have opportunities to revalidate their licences

... lack of funds put promoter in disarray

whenever they are ready to continue work, but they will have to start the process all over again.

The refineries have capacities ranging from 5,000bpd to 107,000bpd, and they are to produce petroleum products such as petrol, Liquefied Petroleum Gas (LPG), household Kerosene, Automotive Gas Oil (AGO) and Low Pour Fuel oil (LPFO).

Of the 15 refineries, 10 are classified as modular refinery. But in real sense, about seven of them belong to the category called conventional refinery because their capacities are more than 10,000bpd and are to produce more than petrol.

Any refinery that has above 10,000bpd capacities

in technical terms cannot be called modular refinery, while the remaining five are conventional refinery because they planned capacities of 100,000bpd capacities and above.

The licensees have one major challenge, which is their inability to source finance. Some of them have carried out the front-end engineering design (FEED) but have not been able to proceed beyond this because of lack of fund.

For instance, the popular Amakpe Refinery planned for Eket in Akwa Ibom State has had it licence for approval to construct (ATC) revalidated since 2007. The only thing that had happened after that was that the DPR went to inspect and

certified its fabrication process units fit, but they could not ship them in-country from the United States of America, and was taking over by AMCON.

The exposure of banks to the oil and gas sector, which runs into several billion of naira, is said to be the major reason banks are not interested to give out loans for such projects.

Apart from these 15 companies above, there was one Kainji Resource Limited meant to be sited in Oguta, Imo State, and which had had it FEED granted approval but the regulatory agency said it was still awaiting the submission of detailed engineering design, even though its licence to establish had expired too.

## Kaduna traders laud FG's financial inclusion scheme for SMEs

KELECHI EWUZIE

**T**raders at the Abubakar Gumi Central Market, Kaduna State, has lauded the Federal Government for its National Social Investment Programme scheme geared towards boosting financial inclusion for small medium enterprises.

They observed that through the Trader-Moni initiative, massive potential in the informal economy will be unlocked which in turn supports government's agenda on poverty alleviation, job creation, financial inclusion and

prosperity of all Nigerians irrespective of their educational qualifications or background.

Cross section of traders made this known after the Vice President Yemi Osinbajo launched the Federal Government's programme tagged: Trader-Moni, in Kaduna State

Osinbajo who was accompanied by Governor Nasir el-Rufai and other dignitaries went round the market amidst tight security to acknowledge beneficiaries and encourage them to always judiciously use the loan.

Speaking at the launch, Osinbajo said when the traders repay the collateral free

loan of N10, 000; they qualify for higher sums of N15,000, N20,000, N50,000 and N100,000. He said the loan was meant to empower them to expand their businesses and trade. In an interview with one the beneficiaries, Esther Onne, who was full of praises for the vice president, said the money will go a long way to drive her food stuffs market.

She said, "I really appreciate our vice president for promoting this initiative. I have heard about the success of the scheme in other parts of the country but I thought it will be politicised but to my surprise

it was a very fair process.

"I have received the money and I immediately invest it on my business." Onne added.

Jafar Abubakar, a trader in ginger and garlic admitted his initial scepticism about Trader-Moni but had a change of mind when he was registered. He noted with the delight that the process was very easy and did not require him to provide any documents or qualifications. He said the money will be used in expanding his business. In his words: "I will use the N10,000 to buy more ginger and garlic which will help me sell more.

## AXA Mansard partners Richardson Oil and Gas on the 10th edition of Health, Safety, Security and Environment Forum

**A**XA Mansard – a member of the AXA Group, the global leader in insurance and asset management has again partnered with Richardson Oil and Gas Limited to organize the PSRG – Richardson Health, Safety, Security and Environment (HSSE) Forum.

The HSSE Forum is a platform for the meeting of major players and HSSE practitioners in various sectors to meet, discuss, analyze issues in Health, Safety, Security and Environment (HSSE) practices in Nigeria and relate these with international best practices.

The just concluded forum, which held on the 25th & 26th September, 2018 at The Convention Centre of the prestigious Eko Hotel and Suites was its 10th anniversary. It was chaired by Mr. Tony Atah, Managing Director, Nigeria LNG Limited. The event was also graced by dignitaries from various sectors the Nigerian economy; including Oil and Gas, Marine, Security, Manufacturing, Engineering, Finance, Construction, Telecommunications, Health and Insurance sectors.

Commenting on the initiative, the Chief Executive

Officer of AXA Mansard, Mr. Kunle Ahmed stated that, 'As a global brand, AXA Mansard is delighted to have been a part of this forum. We see it as an excellent channel for industry professionals and experts to come together to learn, discuss current trends, brainstorm about industry challenges and offer practical solutions to Health, Safety, Security and Environment issues.'

Special Recognition Awards were presented to members of the PSRG-Richardson Technical Committee and also presented to AXA Mansard Insurance plc in appreciation of their support towards the success of the 10th anniversary of the Forum. There was also a raffle draw during the forum with all proceeds donated to the Modupe Cole Memorial Child Care and Treatment Home School.

Mr Ahmed concluded that, 'The 2018 PSRG-Richardson HSSE Forum was indeed an educative and eye-opening event. Not only were beneficial insights into HSSE practices offered, interesting Nigerian content were also shared. AXA Mansard remains dedicated to achieve excellence and international standards in HSSE practices.'

## Abolish death penalty, group urges FG

INI OBONG IWOK

**A** group, the Human Right Law Service (HURILAWS), has advised the Federal Government to urgently abolish death penalty in the country's Constitution and also upgrade infrastructure in the nation's prisons.

HURILAWS in a statement to newsmen Tuesday in Lagos to mark the World Day Against The Death Penalty, with the theme: 'Dignity for All', noted that there was no justification for the continue retaining of death penalty in the country's Constitution, when various state governors are unwilling to sign death warrant into law, while also advocating that death penalty should be declared illegal.

The group urges Judges to campaign against the abolition of death penalty in the country, while equally charging the Federal Government to promulgate a death moratorium law.

"HURILAWS is of the view; that since the Death Sentence passed on convicts are never carried out and will never be carried out; there is no more constitutional justification for the Sentence of Death.

"The punishment of death is protected under Section 33 (1) CFRN 1999 'in the execution of the sentence of a court' and when those who should sign death warrants are unwilling to, it becomes clear that the Sentence of Death is unconstitutional since Section 33 (1) covers execution not sentencing in vain keeping the convicts in the Death Row indefinitely.

"HURILAWS therefore calls on Judges in Nigeria to employ activism to declare this practice unconstitutional. HURILAWS also calls on federal and state governments in Nigeria to stop torturing and traumatizing death row inmates by either abolishing the death penalty or signing into law a death penalty moratorium law.



RC 2176

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**9<sup>th</sup>**  
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# Leadership in Unfamiliar Terrain

**A Guide for CEOs**



October 10, 2018



8:30AM



Civic Centre, Ozumba Mbadiwe, Victoria Island, Lagos

## Confirmed Participants



**Abayomi Awobokun**  
CEO  
Enyo Retail & Supply



**Ambassador Chiedu Osakwe**  
Director General  
Nigerian Office for  
Trade Negotiations



**Bola Onadele**  
CEO  
FMDQ



**Bolaji Balogun**  
CEO  
Chapel Hill Denham



**Dr. Amy Jadesimi**  
CEO  
LADOL Free Zone



**Dr. Yemi Osindero**  
Managing Partner  
Uhuru Investment  
Partners



**Georgios Polymenakos**  
Country Manager  
Coca-Cola Hellenic  
Bottling Company



**Juliet Anammah**  
CEO  
Jumia



**Kachi Onubogu**  
GED  
TGI Group



**Kunle Elebute**  
National Senior Partner  
KPMG Nigeria



**Linda Quaynor**  
West Africa Strategy  
and Operations Leader  
Deloitte



**Mathias Althoff**  
Partner  
Tundra Fonder SE



**Mauricio Alarcon**  
MD/CEO  
Nestle Nigeria



**Mohammed Garuba**  
Partner  
CardinalStone  
Partners Limited



**Opuiyo Oforiokuma**  
MD/CEO  
ARM-Harith  
Infrastructure  
Investment



**Rathi Dinesh**  
CEO  
Lekki Free Trade  
Zone Company



**Segun Osidipe**  
Director, Econs & Stats  
MAN



**Wole Famurewa**  
Anchor  
CNBC

## Agenda

- Plastering the Cracks: A conversation on the state of road infrastructure in Nigeria's commercial capital
- Nigexit: Could Nigeria turn its back on the continent. Dissecting views on the African Continental Free Trade Area (AfCFTA) Agreement
- Fortified Alpha: Recalibrating the Nigerian Capital Markets for Resilience and Outperformance
- Optimizing Cost-to-Serve: Executing a winning retail strategy amid shrinking customer wallets
- Business legacies that Endure: Passing the torch across generations

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## **Retreat for Joint Committee for Establishment & Public Service of the Senate and the House of Representatives Committee on Pensions**

**Theme**

**Emerging Trends In Pension Administration In Nigeria**

**October 11 – 13, 2018, Transcorp Hilton, Calabar, Cross River State**

### **Speakers**



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Chairman, Senate Committee on  
Establishment and Public Service



**Hon Hassan Adamu Shekarau**  
Chairman, House Committee on Pensions



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**SMALL BUSINESS HANDBOOK**



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## The Nigerian Economic Society at 59: Where is the agricultural value chain?

**T**he new buzz word now in Nigeria is agriculture. There is something close to mass hysteria surrounding agriculture among our countrymen now. Everyone is talking about it. The recent oil shocks have forced Nigeria to once again begin a search for an alternative to oil. As usual, the lot fell on agriculture and everyone has been busy promoting one idea or another in that field. To show his zeal for agriculture, a governor in the South east has to cut the working days in the civil service to 3 days in a week. Workers are permitted to stay out of office work on Thursdays and Fridays, in order to practice agriculture. But this is not the first time we preached diversification. Remember Obasanjo's Operation Feed the Nation (1977) and the Green Revolution of Shehu Shagari (1980). Very powerful mantras and buzz words that rent the air but moved no mountains.

The Nigerian Economic Society (NES) is 59 this year; just one year short of the official retirement age

in Nigeria. It also caught the bug of agriculture. At 59, every Nigerian worker is expected to ready himself for inevitable retirement, so as to make way for the younger generation of public servants to also serve their fatherland. This makes the number 59 somewhat scary, if not nightmarish; in a certain sense, for all public servants in Nigeria. In fact, for some not-so-obvious reasons, workers in the public sector in Nigeria are afraid to retire from their jobs.

Clearly, the civil service is no longer as protective of the worker as it used to be. Gone are the days when house officers - young medical school graduates in the final stages of their professional training - were automatically provided with finance to acquire private cars for their use, and senior civil servants were also given cars and official quarters. At that time, public servants earned enough to maintain a healthy standard of living, and to even make some savings. That is no longer the case today. This drastic change in the socio-economic state of workers and their families has led many, especially those in the civil service, to take measures, ethical and otherwise, to prolong their stay in the service, including amending their ages. Sometimes, this amendment comes by way of outright falsification of existing personal records, in order to continue to be in the service. At 59, they begin to feel jittery as they tidy up and prepare to go home.

For starters, the high rate of inflation has overtaken the growth rate of family earnings, and their savings have become negative.

We cannot achieve food security when state governors have made it a point of duty to acquire the best pieces of land in their states for the private use of themselves and their families

They used to earn enough to maintain a certain level of living, which was relatively reasonable, even across continental space. Currently, it is no longer so. Many years of disastrous socio-economic policy design and application has produced an economy that is at best stagnant and at worst substantially shrunken. Years of outstanding economic growth in the region of ten per cent, over a considerable length of time, has not changed much, having been neutralized by a ravaging population growth, poor policy choices and pathological and compulsive corruption. Although the country's main export earner, oil, has witnessed a few price glitches, and output has once in a while fallen below projections, there has been reasonable stability in the oil market to absolve it of the blame

for our present economic pass.

At the 2018 annual conference of the society, which had the theme "optimizing agricultural value chain" I had taken advantage of my role as Chairman of one of the break-out sessions to remind the society that if it were a person in Nigerian public service, it would have been busy winding down its activities in preparation for retirement as it clocks 60 in 2019.

But the NES is not a human person or Nigerian worker, and so has nothing to fear about age 59 except one thing - perhaps atrophy; from underutilization. I had suggested that the society faced two options - either to renew itself or retire like its human counterparts, when it clocks 60 in 2019. The NES, in my view should be in a position to remind Nigeria that we have travelled this road of agriculture mantra before. They ought rather to focus on finding out what we are doing differently this time around. Truly, the current popular talk about agriculture is exactly what it is: talk. I do not believe we can achieve food security through this peasant agriculture we are promoting by asking civil servants, most of whom are landless, to become emergency farmers. We cannot achieve food security when state governors have made it a point of duty to acquire the best pieces of land in their states for the private use of themselves and their families. Without amending the Land Use Act to give the land back to the people who own it, we motion in vain.

The NES would need to be more aggressively engaged in the issues of economic management in the country. Incidentally, the 2018

conference theme, which was woven around agriculture, echoes the current mantra of government - focus on agriculture - optimizing value chain in the agricultural sector. Although some criticised the conference theme as not being sharp enough or not speaking to the Nigerian condition of the moment, valuable issues were raised and discussed around agricultural value chain. However, there were those who believe that the problem is not whether we maximize or optimize the value chain in agriculture but how to improve productivity and increase commercial agriculture. To them, the problem of agriculture in Nigeria begins with the land tenure system, which has been compounded by the Land Use Act. Truly, we need to find the value chain in Nigerian agriculture before we can optimize it. A country that neither has capacity to process raw produce nor to extend it to manufactures, has no agricultural value chain. Government has the resources to acquire any amount of land it needs for public use. To insist on Governor's consent and use it to deprive citizens of the freedom to use their land for commercial transaction is a disservice. The truth is that many governors are busy assigning the best pieces of land to themselves and their families to bother about the citizens and their needs. In fact, the Land Use Act inhibits commercial agriculture in so many ways. We cannot be talking about value chain when productivity and value addition are very low.

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### ADEWALE OKOYA

Okoya, former Executive Editor, Marketing Edge Magazine, writes from Lagos.

## Customer service in the internet age

**A**fter decades of doing business, the idea of customer service is now entrenched in the day to day operations of the typical multinational company. But to be sure the multinationals did not simply wake up one day and decided that customer service should form an intrinsic or fundamental part of everything they do. They learnt the lesson the hard way as those that treated the customer with disdain or neglected to provide decent customer service failed spectacularly. Sadly, the business landscape in Nigeria still parades many players that pay lip service to the ideals of customer service.

As the global business community rolls out the drum to celebrate another customer service week this year - celebrated during the first full week in October every year - two contrasting incidents within the year came flooding back into my consciousness. The incidents which involved two Nigerian owned businesses brought into sharp focus the importance of customer service and of the people who serve and support customers on a daily basis. They highlight the critical role that customer satisfaction can play in the continued existence of a business

organisation.

The first incident involved a telecommunications company which is already a multinational but barely existing as one. In order to avoid overloading my phone after joining two groups on WhatsApp in a space of two weeks, I decided to acquire a new SIM card and visited the service centre of one of the network service providers in the telecommunications sector. The lady who attended to me informed me that apart from paying a N100 for the SIM card, I was also expected to pay for recharge card in a certain amount in order to activate the line immediately.

I told her that I had bought the recharge card the previous day in preparation for the eventuality and that she should just sell the SIM card to me and register the card. Her countenance changed immediately as she insisted that I must buy the recharge card. When I still said no, she asked me to bring the N100 for the SIM card. I handed over a N200 note and she told me to give way for another customer because she had no change. As I stood by the side of her desk, I saw some N100 notes in her drawer. So, I called her out and warned that she was jeopardizing a relationship that had not even started.

Motivational speakers who teach their various audiences on personal relationships always warn that people may forget the things that others say or do to them but

they will never forget how others make them feel. I bought the SIM card, registered it and left and still remained a customer of the company not because of that experience but because my earlier encounter with the company as a journalist had been a pleasant one. Otherwise, I would either have walked out of that centre without buying the SIM card or buy the SIM card and dump it after exhausting the credit on it.

In contrast, my encounter with officials of Sterling Bank Plc at the account opening desk in one of their branches earlier in the year left me with the feeling that this is an institution that is walking the talk in terms of customer service. The young lady at the desk treated me with so much care and tolerance in spite of my grumpy self that it became clear to me that I needed to be a gentleman and adjust my behaviour. I was pleasantly surprised when at the end of the process another official insisted on escorting me to an automated teller machine outside of the bank to ensure that my first transaction with the bank was seamless.

Officials of the bank at the branch clearly understood that customer service does not end at the counter. It is the provision of service to customers before, during and after a purchase. On reflection, it became clear to me that Sterling Bank was simply living up to its name and promise of being a one-customer bank. Based on this experience, I have since introduced many associates and friends to Sterling

Bank and some of them have opened accounts with the bank. Interestingly, the regular credit alert of interest on my savings account with the bank continues to surprise me because other banks that I do business with specialize in sending debit alerts to me at the end of every month.

Considering the hoopla on social media about bank charges and the seeming inactivity of regulatory authorities in reining in the banks, it is heart-warming that Sterling Bank continues to place customer satisfaction at the core of its business and always makes out time for each customer, irrespective of status. The commendable effort by the bank to go the extra mile to ensure that customers get the quality service they deserve awakened my instincts as a journalist and I ventured to do a bit of digging on the bank. My findings were no less satisfactory.

Early into my research, I discovered that the bank takes pride in providing each customer with exclusive attention and I was simply a beneficiary of this approach to business. It came as no surprise that KPMG's BICSS for 2018 listed the bank among the top five customer-focused banks in small and medium scale enterprises (SMEs) with an enviable score of 73.6 per cent. The survey which examined the performance of banks relative to the experiences, preferences and needs of their customers since 2007 reached this conclusion after speaking to 3,590 SMEs.

Gone are the days when dissatisfied customers merely organize boycott against businesses that treat them shabbily and influence others to do the same through word-of-mouth. At that time there was very little awareness and people didn't even know they had rights. Today, the power in the hands of the customer is awesome. Offending the customer in today's economy is a highly risky proposition given the speed with which the news can spread on social media. The advent of the social media has given the consumer a voice and an upper hand on the fate of businesses that do not have a monopoly.

Given the array of brands available to customers today and the awesome power of social media, it has become evident that any brand that fails to build strong affinity with customers will soon find itself on the back foot and out of business. Brands must remain vigilant in the internet age because the tactics of yesteryears no longer work. The slightest irritation of the consumer may turn into a conflagration and consume the business if not speedily addressed. The cliché that the customer is king has taken on a more prominent role in the survival of a business because how the customer is treated will always have an impact on your business in the internet age.

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## CHARACTER MATTERS WITH DAPS



DAPO AKANDE

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## Love is...Part 2

ease. "What is wrong with me?" they wonder as frustration precedes depression. Restless greatness hemmed in inside of them because there is no guide available to navigate it out.

Eventually, under the relentless barrage of insults, demeaning words and not even a hint of encouragement they jettison all ambition and resign themselves to a life of mediocrity. After all how can the boy become a doctor when he gets all his numbers jumbled up? Simple maths, he can't do. How can her dream to become a hotshot lawyer ever materialize when she struggles to read a simple sentence? "Maybe I am as dumb as mummy and daddy say I am after all" she sighs. This is the stark reality of many a dyslexic in Nigeria. Self-confidence, self-belief, self-esteem, gone.

Dyslexia, also known as reading disorder is a condition that makes it very difficult for one to read quickly, write or spell because the brain's language processing is wired somewhat differently to what the majority of us call regular. Both alphabets and numbers look jumbled up which makes it difficult to make sense of what one is reading. Some sufferers even find it hard to follow what is being said so a little extra effort may be required to slow down speech or break it down for them. But do you know the ironic thing? This condition does not in any way compromise intelligence. Many dyslexics are highly intelligent and creative. In fact you find a disproportionately high number of the celebrated entrepreneurs in the western world are dyslexic. I am sure such names as Richard Branson, Steve Jobs, Tommy Hilfiger sound more than vaguely familiar. Why did not I mention names closer to home you may ask? To be frank, I cannot point to a single notable Nigerian who has ever pub-

Many dyslexics are highly intelligent and creative. In fact you find a disproportionately high number of the celebrated entrepreneurs in the western world are dyslexic

licly acknowledged to be dyslexic and I can think of two reasons why this is so. One, there is a distinctive possibility they do not know. Two, our society is one where appearance takes centre stage. The slightest indication that one is different automatically exposes one to taunts, mockery or condescending looks at best. Here, different, vulnerable and inferior all wear the same number shirt and you certainly do not want to appear like the wounded lion who finds himself at the mercy of the heckling hyenas. Some will even go as far telling their children not to sit next to that boy in class as if every condition is contagious.

Sadly, this reminds me of something heard on the radio. The sister of a friend of mine is involved with one of the associations of the blind in Nigeria and she said she was so disappointed, no disgusted, when a supposed university educated music star visited one of their centres and sternly refused to have any form of body contact with any of the blind children because he did not want blindness "to catch him". How stupid is

that? Unfortunately such ignorance is still so common place in this part of the world and yet we talk of love.

It is widely acknowledged that dyslexics possess an uncanny ability to see the big picture as they sift swiftly through the unnecessary. Many ooze creativity maybe as a result of living day-in day-out with adversity. They get so used to living with challenges that they develop remarkable resilience and an uncommon can-do spirit. Hear Brett Kopf, the dyslexic CEO of Remind, a teaching resource, "I was taught at a young age, by living with dyslexia, that when things seem impossible, you just find a way".

"Infuse your life with action. Don't wait for it to happen. Make it happen. Make your own future. Make your own hope. Make your own love. And whatever your beliefs, honour your creator, not by passively waiting for grace to come down from upon high but by doing what you can to make it happen... yourself, right now, right down here on earth" - Bradley Whitford.

But of course these are the lucky ones who live in a society where this condition is widely acknowledged, where they are diagnosed on time and the right intervention is readily available. That is why it saddens me to be informed an estimated 20% of Nigerians suffer from this condition that the average Nigerian has never even heard of. Even with the conservative estimated population of one hundred and seventy million people, that is a staggering thirty four million dyslexic Nigerians! Only God knows how many Steven Spielberg's, Philip Schultz, the 2008 Pulitzer Prize winner for poetry or David Boies have fallen through the cracks in our country over the years and are still falling through right now.

According to a survey conducted for her thesis by an official of the Dyslexia Foundation Nigeria, cur-

rently running a PhD program in Port Harcourt, the numbers shoot up dramatically at public schools with one in three living with this learning handicap. Hear what David Bodies has to say about the condition he has had to live with all his life: "Reading has nothing to do with intelligence. It's just one way of getting information. The important thing is how a person processes that information, the kind of person we are, the contributions we make and the kind of utility we have for society".

David Boies, undisputably amongst the most successful lawyers in the United States, could not read until he was nine years old. He sees dyslexia as a gift as it led him to develop other cognitive skills such as in depth understanding of issues and a prodigious memory which have catapulted him to the very top of his profession. Needless to say there must be many David Boies in this country waiting to be noticed, let alone discovered.

Not long ago I listened to a radio interview of an official of the Nigeria Dyslexia Foundation and was so moved with compassion that when I got home immediately sat my children down to speak to them, admonish them and enlighten them as I regularly like to do. I am of the school who believe the essence of both formal and informal education is to groom individuals to become functional members of society; developing in them character traits that conform to what should be our societal norms, values and expectations. I see it as my duty to guide them by imparting any and every bit of knowledge I feel could put them in good stead in life.

**Note:** The rest of this article continues in the online edition of Business Day @ <https://businessdayonline.com>

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ONYINYECHUKWU MBIDOM

Mbido is a banker and holds a B.Sc in Economics

## Technology and the changing nature of work

traditional banking to a digitalized way of banking to keep ahead of competition and provide excellent service to its customers. They have transformed their operations and become digitalized. Prior to technology, the traditional way of banking saw bank customers queuing up in banking halls to pay in and withdraw cash and wait for minutes or hours for transactions to be processed and beneficiaries receive funds. However, with the advent of technology, first came the Automated teller machines (ATMs) which enabled individuals to withdraw funds without having to queue in banking halls. The ATMs also enabled individuals to purchase goods online.

Next came the advent of mobile apps. Banks set up their own mobile applications for their customer to enjoy banking from the comfort of their locations. It enabled one to perform functionalities that were not in existence under the traditional banking. With a smartphone and internet access, one can view account balances real time, transfer funds locally and internationally, activate or deactivate your ATMs cards, pay bills, buy airtime request for bank products such as cheque books and ATMs cards etc.

Trade transactions have also

been boosted as software applications have been upgraded to facilitate faster and easier interrelationships between customers and their trade partners anywhere in the world.

This digitalization has not been without its attendant cost to the banks. Software have been purchased and personnel trained. It has involved a holistic reset from the traditional to a digital mindset, a complete psychological makeover of the entire workplace. Employees have also had to break established structures, think outside the box and automate their work processes from time to time in line with evolving technology.

With the continued penetration of technology especially with the rise in FinTech companies, the future of bank tellers may likely be threatened. But as a developing economy, there is still quite an amount of manual process involved, and a number of bank transactions that brings customers to the bank. Secondly, some customers especially in rural areas who do not have adequate access to technology and the less enlightened populace will be seen coming to the banks to perform transactions.

### Individuals and lifelong learning

With the advent of technology and the subsequent 'tech' edge in the

workplace, individuals have been spurred to take up various Information Communications Technology (ICT) learnings from basic training to computer programming and further go entrepreneurial in tech-startups.

A lot of private companies have set up outlets to encourage acquisition of necessary technological skills. Few of them include:

- Seedspace Global located in Lagos displays its passion for technological advancement by training expertise who will leverage on technology to advance the economy. It trains entrepreneurs for tech-startups.
- Andela, Lagos offers training in software developing and coding.
- Switch Fellowship, Lagos focuses on tech talent discovery, acceleration and placement.
- Moat Academy, Lagos focuses on bridging the gap between the academics and the tech industry by making many unemployed persons to become employable applicants.
- Projaro located in Abuja seeks to train and empower software engineers to become world class.
- Sevocoder located in Jos, Plateau state targets secondary school students with the aim to produce 2,000 developers by teaching children and young adults how to code.

• Swap Space, Lagos engineer people to take on developer or designer roles in top companies across Africa and beyond.

The nation's government has also showed enthusiasm in ICT training as it recently inaugurated the first digital classroom in Abuja with a target of generating \$88bn and creating three million jobs within a period of 10 years. It intends to actualize its dream of a knowledge-based and innovation-driven digital economy. It has also invited Google executives who are working to provide free Internet to 10 million Nigerians in key locations across the country.

This is a laudable initiative but more efforts should be made to take technology into the most rural and remote places as the poor state of ICT infrastructure in these areas pose difficulties to technological advancement.

Technology is here to stay, bringing new opportunities for businesses, government and individuals. Whether it brings a greater promise than peril continues to depend on how fast Nigeria prepares ahead and adapt to its ever evolving nature without creating any adverse shock.

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*"We must develop a comprehensive and globally shared view of how technology is affecting our lives and reshaping our economic, social, cultural and human environments. There has never been a time of greater promise, or greater peril" (Professor Klaus Schwab, Founder and Executive Chairman of the World Economic Forum.)*

### The changing nature of financial institutions in Nigeria

The pace of technological change is accelerating, workplace demographics are shifting and financial institutions have had to align their businesses with the dynamic needs of generational stakeholders. Financial institutions shifted from



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## Apapa ports and economic carnage

**A**lthough the access roads to Apapa and Tin Can ports were originally projected to give access to 1,500 trucks, now about 5,000 trucks seek access to the ports every day, according to reports by the Lagos Chamber of Commerce and Industry (LCCI). The report says Nigeria loses N600 billion in customs revenue, \$10 billion (N3.6trn) in non-oil export sector and N2.5 trillion in corporate earnings across various sectors on annual basis due to the poor state of Nigerian ports.

The Nigerian ports are also being listed as one of the most inefficient and expensive ports in the world by global reports. One of such reports is the moverdb.com 2018 Overseas Cargo and Freight Costs template that shows that freight costs from the United States (Los Angeles & New York) to different port destinations of the world.

The rates shows that the Apapa port from New York is the most expensive destination among the countries included in the template. For instance, it costs about \$4, 982 to ship a 20 feet container from New York to Apapa, which is about twice the amount to ship a container of the same size to Cape Town, South Africa (at \$2, 542). This is despite the fact that New York to Lagos is just 6,516 nautical miles and takes approximately 27 days for a ship to sail the distance while New York to Cape Town is 9,097 nautical miles and takes approximately 38 days to sail.

Also, the average turnaround time for ships at Apapa is estimated in excess of 30 days as against just two days for the most efficient ports globally.

The LCCI report also reveals that 25 percent of cashew nuts exported from Lagos to Vietnam in 2017 either went bad or were downgraded because of delays at Lagos ports. From exporting up to 1,700 tons per day, an exporter now exports

between 100 to 250 tons.

On the import circle, only 10 percent of cargoes are cleared within the set timeline of 48 hours while the majority of cargoes take between five to 20 days to clear.

A clear sign of how inefficient and expensive the ports are, the number of government agencies at the ports has risen to twelve instead of eight, with each demanding inspection and associated fees.

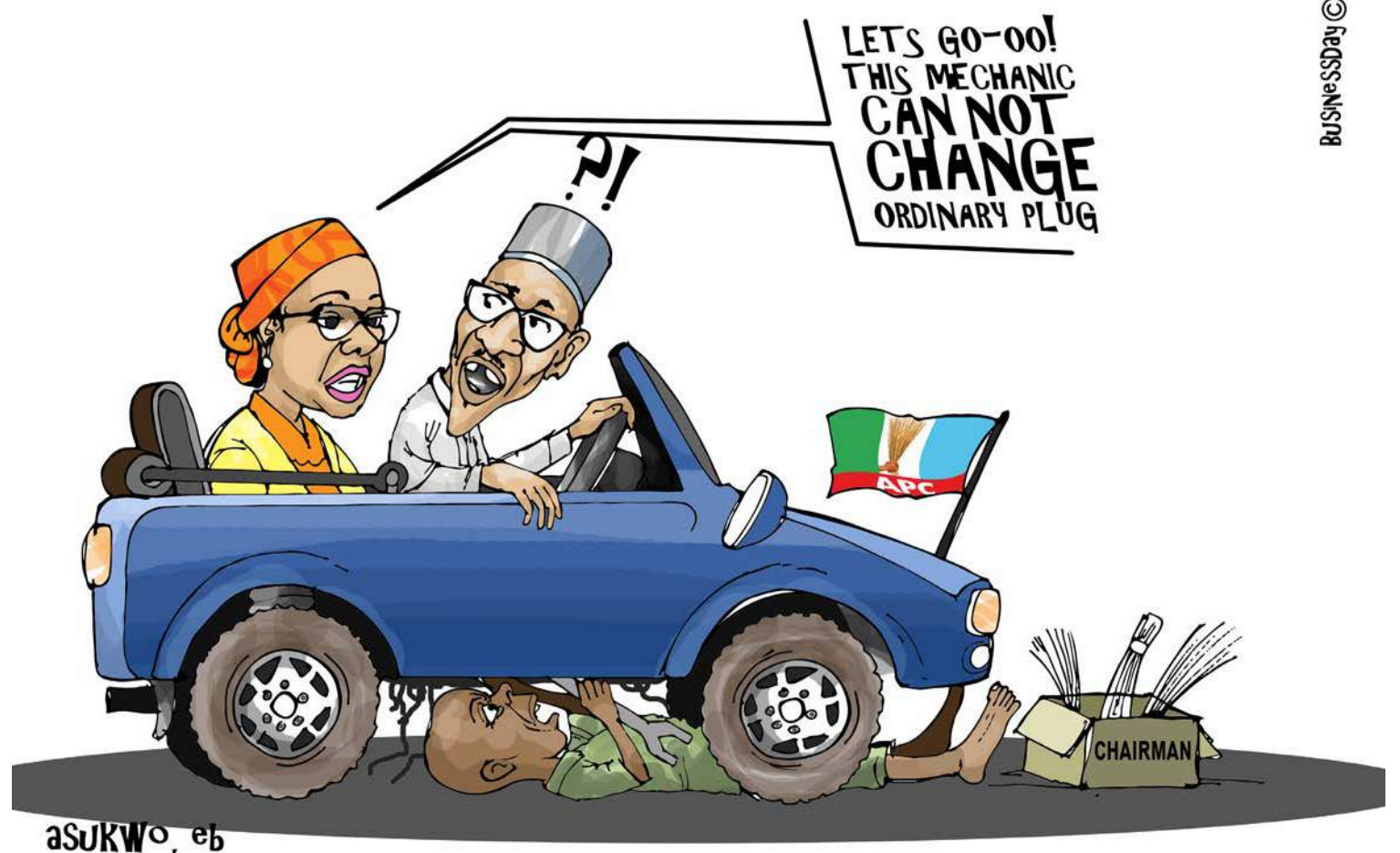
Sadly the solution to the problem of inefficiency and congestion in the ports is well known - the complete revitalisation of the sea, air and land ports in eastern Nigeria. These were viable ports in pre-independence Nigeria. However, post-independence Nigeria governments and subsequently government agencies discouraged the use of the eastern ports and concentrated virtually all shipments into and outside Nigeria at the Apapa port forcing all Nigerian importers and exporters into the Apapa port. When pressures began to

build up at the Apapa ports, the government later developed the Tin Can Island port, still within the Apapa axis to cope with the pressure on Apapa.

Of course, the pressures increased and the Lagos ports could no longer cope. To make matters worse, the eastern ports, due to abandonment, had silted and become shallow and unable to admit big ship increasing the dependency on the Apapa ports.

Therefore, any solution to the ports that does not include the complete revitalisation and repositioning of the eastern ports will amount to shadow boxing.

Thankfully, the Lagos state government has also made this point to the federal government and Nigerian Ports Authority (NPA). Once that is done, the NPA and the federal government can now concentrate on efforts to streamline ports operations to drastically cut down turnaround time to position Nigeria as a global business destination.



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# COMPANIES & MARKETS

COMPANY NEWS ANALYSIS AND INSIGHT

Korean firm to establish shoe factory in Aba

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## C & I Leasing lists N7bn fixed rate bond on FMDQ

SEYI JOHN SALAU

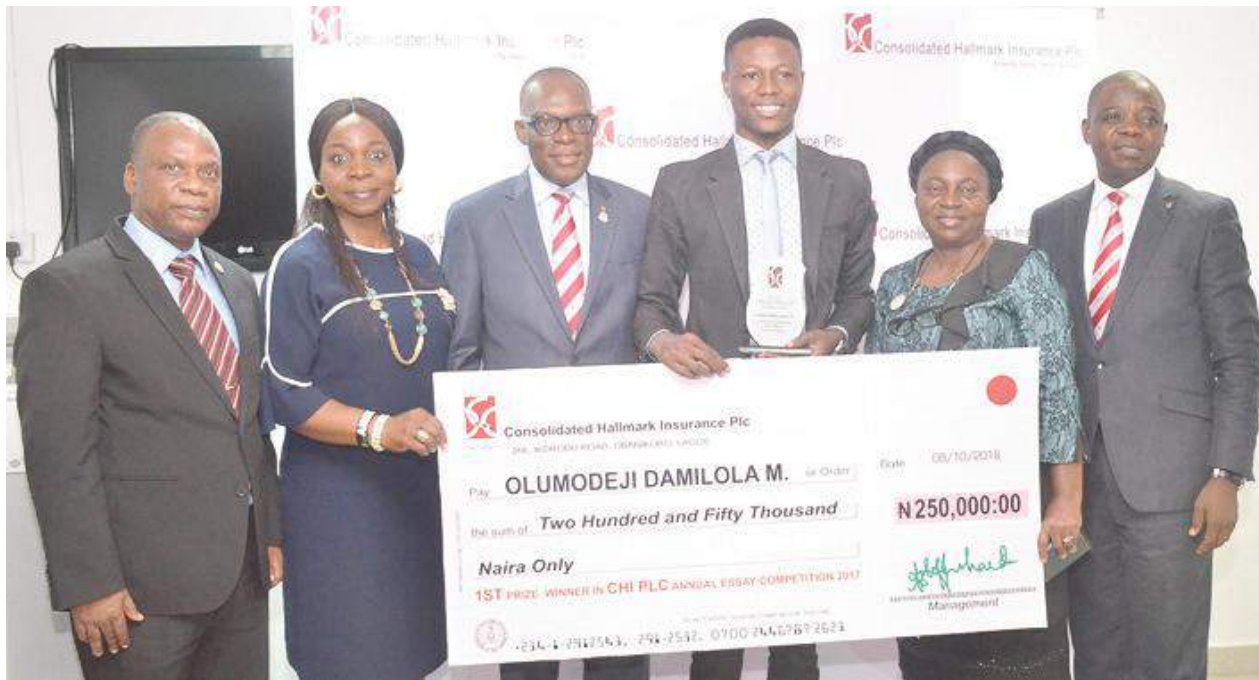
Corporate institutions have continued to successfully tap into the Nigerian Debt Capital Markets (DCM) to access stable long-term finance to fund their key activities that ultimately translate to the development of the economy at large, some of which include, but are not limited to, funding pressing development needs and supporting capital investments.

The most recent of these corporate institutions is C&I Leasing PLC, which, following the approval granted by the FMDQ Board Listings, Markets and Technology Committee, listed the C&I Leasing PLC N7.00bn Series 1 Fixed Rate Bond under its N20.00bn Bond Issuance Programme (the C&I Leasing PLC Bond) on the OTC Exchange.

To commemorate the listing of the bond, a ceremony was held at the FMDQ offices on Friday, October 5, 2018, where the OTC Exchange played host to the issuer, represented by Andrew Oti-ke Odibi, managing director/CEO, C&I Leasing PLC ("C&I Leasing"), alongside other senior executives of C&I Leasing: the co-sponsors to the issue on FMDQ, Planet Capital Limited, represented by their Executive Directors/Co-CEOs, Tony Anonyai and Efe Akhigbe, alongside Planet Capital Limited's senior execu-

tives; and other parties to the issue. Bukola Oluyadi, divisional head, Marketing Communications, FMDQ, during her welcome address, congratulated the issuer and sponsor of the issue on the success achieved in the DCM and expressed the OTC Exchange's gratitude for the issuer's decision to list the bond on FMDQ. According to her, being listed on FMDQ will avail the bond a host of benefits including, unprecedented transparency, efficient price formation and improved global visibility, among others.

She further reiterated the OTC Exchange's commitment to continually align its strategies and innovation to serve and provide the much-needed support to the players in the DCM. Andrew Oti-ke Odibi, managing director/CEO, C&I Leasing PLC, during the issuer's special address, stated, "We are grateful to everyone who contributed tremendously to the process of the issue from the beginning to this point. The expansion plans for which we raised the bond are already successfully on course with our complete acquisition of C&I Petrotech taking full ownership of six boats in the process, as well as the recent acquisition of some new vessels to take advantage of the increasing opportunities in the marine business. Also, we have invested in brand new vehicles to upgrade the travel experience for our rental and fleet management clients. In addition to these, we are able



L-R: Richard Borokini, director-general, Chartered Insurance Institute of Nigeria (CIIN); Mary Adeyanju, executive director, operations, Consolidated Hallmark Insurance (CHI) Plc; Eddie Efekoha, MD/CEO, CHI plc/president, CIIN; Olumodeji Damilola, 1st prize winner CHI plc annual essay competition; Yetunde Ilori, director-general, Nigeria Insurers Association, and Babatunde Daramola, executive director, finance, system and investment, CHI plc, during the CHI plc annual essay award ceremony in Lagos.

Pic by Olawale Amoo

to replace some expensive debts with the bond proceeds. Overall, the funds have already been put to use and we guarantee subscribers value and returns in due course." Delivering the Registration Member (Listings) remarks, Tony Anonyai highlighted, "The oversubscription of the offer is

indicative of investors' confidence in the C&I Leasing Bond. Indeed, Planet Capital is very delighted to lead the group of issuing houses in this capital raising exercise. This listing creates liquidity for the instrument and improves the price discovery process for subsequent issues by the company."

Tumi Sekoni, associate executive Director, FMDQ, in her closing remarks, applauded the issuer, C&I Leasing, for achieving this milestone and commended the sponsor to the issue and Registration Member (Listings) of FMDQ, Planet Capital Limited, for its concerted efforts towards ensur-

ing the success of the issuance. She further reiterated that through consistent collaboration with its stakeholders, FMDQ will continue to deepen and effectively position the Nigerian DCM for growth, in support of the realisation of a globally competitive and vibrant economy.

## Niola Cancer Care Foundation set to hold annual wellness & dance event

Niola Cancer Care Foundation, the first colorectal cancer NGO in West Africa is set to host its second annual wellness and dance event in Lagos.

The convener and founder of Niola Cancer, Eniola S. Akin-tunde, who shared how her pains and the loss of her beloved spouse to colon cancer led her to founding the Niola Cancer

Care Foundation said the annual event IJOYA is meant to bring people together across different ages and health statuses through a commonly shared act of dance and aerobics in an atmosphere of fun and preventive cancer screenings.

The event will also feature an enlightening session which will be held by the head of Medicals at the Niola Cancer Care Foundation, Adedapo Osino-

wo, a consultant, Laparoscopic General Surgeon at the Lagos University Teaching Hospital (LUTH)

The event will hold on Saturday, October 13, 2018 at the National Stadium, Surulere, Lagos.

It is a flagship platform from Niola Cancer Care foundation will feature prominently, exercise, screenings and dance with popular DJ, DJ COOL on the wheels of steel.

## Blockchain creating trust protocol across industries

ABIMBOLA HASSAN

The chief commodity of blockchain is not all about making money or crypto trading rather using its smart contracts to create a, "Trust protocol" which cut-off third party/ intermediary and simplify operations across various industries.

Blockchain offers people a way of working together that is open and where information is shared giving us a more level playing field, allowing us to trace ideas and resources to their originator while individual detail still remain anonymous. This could be the dawn of a better world for us all.

Blockchain most times is mis-conceived with its underlying technology, cryptocurrencies, but it goes more than just be a form of digital money but rather a system to disrupt the way we work and if dug more,

one would understand that it offers more and many major industries are to be affected for the good. The social impacts of the technology are not only stupendous but also necessary according to Andrew Nevin.

Taking a dive into the impact blockchain has on key sectors while discussing the advantage it has on healthcare, Andrew Nerven identified that its benefits lies in that it can aid with medical research because it provides researchers with more accurate data from their clinical trials. Blockchain timestamps and logs every step of the process, creates additional legitimacy and integrity in clinical trials. Additionally, storing research data in blockchain would grant access to healthcare professionals and doctors around the world which would therefore allow speedy diagnosing and better treatment.

As well as in intellectual property protection and monetization, the ap-

plication of smart contract technology could have considerable impact in the area of Intellectual Property (IP), particularly for creative industries where artists aren't always rewarded for their original content. By using a smart contract, ownership of a particular song, piece of art or writing etc will be recorded on the blockchain. Anytime that work is used for commercial purposes, royalties could be automatically paid to the artist.

Although blockchain is all too often associated with financial transactions, the potential application of smart contract technology to the arts and creative industries is considerable. How creative content ownership is recorded, monetised and distributed could be upended through the use of blockchain technology disrupting the established studio systems, recording and publishing houses as we currently know them.

## USNC pledges to mobilise capital for Nigerian start-ups in technology, innovation

ODINAKA ANUDU

The United States Nigeria Council (USNC) says it is ready to connect investors with potential investees and mobilise capital for Nigerian start-ups and companies in a bid to develop the country's technology and innovation ecosystem.

USNC also pledged commitment to develop Nigeria's technology and innovation ecosystem by bringing in influential entrepreneurs to combat market challenges being experienced in the industry.

Speaking at the round-table breakfast meeting of the 73rd United Nations General Assembly in New York City, USA, Eliot Pence, executive director of USNC, stated that the council's mission was to promote bilateral business partnership and growth in Nigeria, focusing on entrepreneurial investment in the technology and innovation ecosystem.

Pence explained that the council's breakfast meeting served as a forum for connecting investors with po-

tential investees to mobilise capital for Nigerian start-ups and companies.

According to him, the event brought together a range of ecosystem players to discuss innovation and entrepreneurial partnerships in technology, including over 45 leading Nigerian and American business executives and high-level public officials.

Pence further said the council wanted to bring influential entrepreneurs to combat market challenges in the ICT sector.

"Capital is one barrier, market access is another. USNC bridges that gap," he said.

In his address, Okey Enelamah, minister of industry, trade and investment, told the US investors about the crucial need to leverage technology to address local challenges as well as efforts by the Federal Government to strengthen the enabling environment for businesses to operate in Nigeria.

Enelamah commended the council for its work, stating "Nigeria stands to benefit from your effort."

He also spoke on the power of partnership and the

exceptional stature of the 'serial entrepreneur' members of USNC, adding "if you are looking for courage in business, it's found in this room."

The breakfast meeting was hosted by Terence McCulley, an ambassador and chairman of USNC; John Coumantaros of Flour Mills of Nigeria, co-chair, and Eliot Pence, executive director.

The commitment of USNC members was represented by the participation of Herbert Wigwe of Access Bank Plc; Wale Tinubu of Oando; Kola Aina of Ventures Platform; Tunde Folawiyo of Yinka Folawiyo Group; John Negroponte of McLarty Associates; Christina Sass of Andela; Femi Akinware of Exchange Telecommunications Ltd; and Mamadou Beye of Chevron.

Other notable attendees included Kayode Pitan, CEO of Bank of Industry of Nigeria; Yewande Sadiku, executive secretary of the Nigerian Investment Promotion Commission; Festus Ezeli, Nigerian NBA star, and executives of Renaissance Capital, Lateral Capital, Bechtel International Inc., Zephyr Management, and Lori Systems.



# COMPANIES & MARKETS

## Korean firm to establish shoe factory in Aba

...as Gada Africa launches online shop

GODFREY OFURUM, Aba

**G**ada Africa, a wholly Nigerian online marketing and logistics firm, says it is discussing with a Korean firm interested in establishing a shoe factory in Aba, the commercial hub of Abia State.

This is also as the firm launched an online marketing outlet, to showcase and market Aba-Made goods, particularly garments, arts and craft and finished leather goods, namely shoes, belts and bags.

Ben Chiobi, a retired air vice marshall and founder, Gada Africa, in an exclusive interview with Businessday in Aba, explained that it is the intention of his firm to bring in people with different kinds of machines in shoe production, to help automate shoemaking process in Aba.

He explained that Gada, has the intention of inviting officials of the Korean firm and other interested investors, from outside Nigeria, to participate in the forthcoming Aba Economic Summit, being organized, by the Aba Chamber of Commerce, Industry, Mines and Agriculture (ACCIMA), to see exactly where they can come in

to assist.

In his words, "If Gada Africa is filling the e-commerce gap, we need someone, who can fill the automation process gap. Gada is also going to fill the packaging and logistics gaps, to ensure that products from Aba are shipped to customers within and outside the country.

Apart from creating an online platform for the goods, Gada also promised to provide logistics services, to ensure that goods purchased on its site gets to the customers on time.

According to Chiobi, "That is what we call logistics value chain services. It will not be enough for us, as an e-commerce company that is running an online-mall, to just sale without bothering about how the products would get to the end user.

He stated that his firm would establish a logistics hub for made-in-Aba goods, to be known as 'Made in Aba Logistics Hub' or 'Gada Africa Hub', which would serve as a showroom and distribution point for finished goods for local consumption and export.

To ensure that it serve its customers well, the Gada Africa boss, noted that his has built partnership with local and some international

logistics handling companies, to ensure that people get every product that they order.

"But, the capacity will be built over time, but for now, the capacity that we have developed is that effective from December 1, 2019, if you place any order from our platform that order must get to you, if you live in Lagos or Abuja. The idea is to see that products that are made-in-Aba are pushed from this end.

"If an order is placed on our site for a product that is made in Aba, all that the manufacturer need to do, is to drop it in our office and we will ensure that whoever placed the order, will get it and in good time.

"Overtime, we will be able to share with our customers the timings for other destinations. We have built a structure and we will be unveiling them as time permits. And that is why I said that we have the capacity, however we do not have the capacity to send products to everywhere in the world, as I speak with you now, but we want to see that structure overtime is developed. But what I am assuring you now, is that if you live in Abuja or Lagos and you place order for any product made-in-Aba on our site, give it a maximum of four days, you'll get the product," he stated.

## Stanbic IBTC Bank deploys robots to enhance service delivery

HOPE MOSES-ASHIKE

**S**tanbic IBTC Bank, a member of Stanbic IBTC Holdings Plc, has taken another bold step towards service efficiency and enhanced customer experience with the deployment of robots to drive various dimensions of its operations.

Deployed about three months ago, the Stanbic IBTC BlueBots, as the robots are called, manage middle and back office activities. At the operational center at Ilupeju, Lagos, the robots facilitate Account Origination and Servicing for Anti-Money Laundering (AML) transactions and Processing and Clearing for inward cheque confirmation. At the Idejo, Lagos office, the Credit Risk Management System robots handle Personal Banking Credit assessments while at the bank's headquarters in Lagos, the robots are deployed in Global Market Operations (GMO) to manage T-Bills processing.

The development height-

ens the growing application of artificial intelligence by the bank with the earlier deployment of the Stanbic IBTC Bank Chatbot, christened Sami, an artificial intelligence-powered conversational and transactional channel for rendering banking services to customers.

Speaking in Lagos, Chief Executive, Stanbic IBTC Bank, Dr Demola Sogunle, said given the rapid manner technology is evolving and the disruption this can trigger, it is imperative to tap into such evolving trends and technology to address the changing needs of customers.

"The Stanbic IBTC robot deployment speaks to our determination to consistently apply innovation and technology to provide bespoke financial solutions to our clients. The special features of the Stanbic IBTC BlueBots ensure that our customers are availed seamless banking solutions consistently and conveniently," Sogunle said.

He added that the robots

were designed and deployed to reduce manual intervention, eliminate errors and reduce cost of processing in reconciliation processes, with reconciliation turnaround time reduced significantly. The project was delivered at zero cost, which is a first in the Nigerian banking industry.

"We wanted something new. We wanted to increase speed. We wanted to boost efficiency and accuracy. Constantly raising the bar is a key value for us at Stanbic IBTC and leading the implementation of all the possible applications of Artificial Intelligence (AI) in Nigeria was a good way to raise the bar" Sogunle added.

Elaborating further, Head, Business Transformation Programmes, Stanbic IBTC Bank, Wole Adesiyun, attributed the deployments to the ingenuity and creativity of Stanbic IBTC personnel as the feat was a strictly in-house project with support from Standard Bank South Africa, parent company of the Stanbic IBTC Group.

## Eliezer Workplace receives quality award for proficiency

**E**liezer Workplace Management, one of the leading facility management companies in Africa was recognised as the most proficient facility management company in the 2018 edition of the African Quality Achievement Awards (AQAA).

The award which gives quality and utmost consideration in management, products delivery and inter-personal relationship, encourages companies to live

up to world standard in service delivery. This was put together by the Africa Quality Institute, in collaboration with World Quality Alliance and the Chartered Quality Institute (UK), a global quality organisation consulting firm.

The sixth edition of the AQAA which was held at Sheraton Hotel in Lagos on 28th of September 2018 saw individuals, products and companies going home with various awards and

Eliezer Workplace Management was one of the night's biggest winners as it received the quality award in proficiency for the year 2018.

Receiving the award on behalf of the company, David Korede, the executive director of Eliezer Workplace Management said the company is truly honoured for being recognized in the category of quality and proficiency.

## Business Event



L-R: Daniel Kamau, managing director, Royal Askoning, DHV; Nonny Ugboma, executive secretary, MTN Foundation, and Kamar Bakrin, founding partner VIOS Equity Partners following a Panel Discussion moderated by Nonny Ugboma, the Executive Secretary MTN Foundation at Lagos Business School's Africa Responsible Business Forum in Lagos.



L-R: Omolara Banjoko, senior brand manager, Three Crowns Milk; Jennifer Michael, star winner prize; Pauline Pambolo, star winner; Adaobi Okonkwo, star winner, and Chris Wulff Caesar, marketing director, Friesland Campina Wamco, at the 2018 Three crowns Mum of the year grand finale in Lagos.



L-R: Auwal Abdullahi, head, enterprise business (North), MTN Nigeria; Bridget Enuma, manager, enterprise business, MTN Nigeria; Nwajagu Lotanna, facilitator, MTN-Google Training; and Nkechi Chimezie, beneficiary, MTN-Google Training, at the Digital Skills training for SMEs, organised on Friday by MTN Nigeria, in collaboration with Google, in Abuja.



L-R: Chidi Egwu, brand manager, Life Continental Lager Beer, NB Plc; Maduabuchi Ogun, Life Progress Booster Grant Beneficiary, and Michael Ndubuisi, member of customary court, Enugu, at the presentation of cheque to the beneficiaries of Life Progress Booster 2018 in Asaba, Delta State.



## Ambode urges residents to embrace waste-to-wealth initiative

Governor Akinwunmi Ambode of Lagos State on Monday urged residents to subscribe to waste-to-wealth programmes in the state to drive effective solid waste management and hygienic environment.

Ambode, who was represented by his deputy, Idiat Adebule, made the call at the 2018 World Habitat Day programme organised by the ministry of physical planning and urban development in Lagos.

The United Nations (UN) designates first Monday of October of every year as World Habitat Day, to reflect on the state of towns and cities, and on the basic right of all to adequate shelter.

The governor said that with a population of over 21 million generating an estimated 13,000 metric tonnes of waste daily, there was the need to adopt global best practice such as subscription to reuse products.

He said that the adoption of modern and globally acknowledged best practices would ensure effective and efficient waste management in a mega city like Lagos.

"I commend previous administrations for their efforts in waste management. However, continued population growth necessitated a refocus, and hence, the establishment of Cleaner Lagos Initiative.

"I need to emphasise that the best possible ways of managing solid waste are to reuse, reduce and recycle them.

"The waste-to-wealth programmes are of utmost importance in the state. As critical stakeholders, every resident should subscribe to reuse products in our households and sensitise other people to do so. We cannot afford the continuous generation of 'one-time' use and dump products given its negative consequences.

## FCT residents raise alarm over high rate of car theft

Residents of Federal Capital Territory (FCT) have raised alarm over the menace of car theft and bus robbery in the city and urged the police to rise to the situation.

Some of the residents, who spoke on Monday lamented that their lives were in danger over the activities of bandits who steal cars and rob at gun points.

Ayo Akogun, whose car a Toyota Camry was stolen while he was purchasing an item at a shop in FHA Lugbe, described situation as "disturbing".

He said that car theft had become rampant in the FCT, adding that there had been a deluge of complaints at the FHA Police Station where he went to report the case of his stolen car.

"I quickly reported the case at the Lugbe Police Station, but I was shocked to meet some people with same case of stolen car at the station while some of them had already written their statements.

"I parked my car within the FHA Lugbe in front of the shop where I went to buy provisions at about 8:00 p.m. for my family and by the time I came out, I could not find my car," he said.

Felicia Obafemi, another resident, said her car, also a Toyota Camry was stolen around 10:30 p.m. on October 4.

She said that she had to park the car close to a shop and went to pick certain items, but was jolted when she discovered the car was no longer where it was parked.

According to her, my car is a Toyota Camry with plate number YAB 579 BK with silver colour and other valuables like laptop, food items, and my purse were all in the car.

Another problem threatening the security of the FCT is the rate of robbery popularly called 'one-chance' and perpetrated by unscrupulous people to trap passengers in taxis either to rob or capture them for rituals or ransom.

Tina Dauda, a nurse in one of the FCT hospitals said she was a victim of a gang of 'one-chance' while returning from work in the early hour of September 27.

Dauda said that immediately she entered the vehicle, she became suspicious as there were only men in the car, adding that her fear later materialised when she was asked to open her bag and bring all the money inside.



Suspected trans-border robbers nabbed by the police in Lagos, after robbing a warehouse in Ogun State, on Monday.

# Cameroonian led trans-border robbery gang smashed in Lagos

JOSHUA BASSEY

Six suspected trans-border armed robbers have been arrested by the police in Lagos.

The 9-man robbery gang was led by a Cameroonian born, Ahmed Ibrahim, 33 and one Obinna, who along with three others are now at large.

The suspects were arrested by the operatives of the Lagos police command early Monday morning. They were said to have escaped from neighbouring Ogun State where they robbed a haulage company's warehouse.

Imohimi Edgal, Commissioner of Police (CP) in charge of Lagos State, who paraded the suspects said they were intercepted at the toll gate border of Lagos and Ogun by a patrol team of Rapid Response Squad (RRS) stationed in the area. They were chased by the team when they

refused to stop before they later halted at Meiran Junction, Lagos.

Apart from Ahmed Ibrahim, four other members of the gang equally arrested include, Kelechi Nebu (30), Ndueso Sunday (45), Tochukwu Egemuka (33) and Obinna Oforkaja (30).

Items recovered from the robbers included: One Volvo truck with registration number KR5 515 XR, 13 truck tyres, one refrigerator, 26 gallons of 4-litre engine oil, 24 gallons of 25-litre engine oil, two batteries, assorted charms, one cutlass and two knives.

According to the haulage company's security guard, Kenny Peters, "I was doing the rounds when they held me from the back. They wanted to shoot me first but one of them cautioned against hurting me. They macheted me in the forehead and beat me with all manners of rods including truck wheel spanners. They tied my hands to the back and carried me to

one fence, thinking that I was dead.

They looted the company's store and were set to go when I woke up. I hung on to the back of the truck from Dalemo, Sango Ogun State to toll gate, where I saw RRS team. I alerted them and they chased the truck to Meiran Junction, where they were forced to stop. Four of them fled while five were arrested."

According to sources within the company, the leader of the gang, Ahmed Ibrahim, was the brother of the haulage firm's former security guard, who, in a similar operation stole about 100 truck tyres from the company in August 2018.

The leader of the gang confessed to have recruited one Obinna, who mobilised seven more robbers for the operation. The police said they have also arrested the driver of the truck, Kudus Adebayo (33), while investigations are ongoing to arrest other members of the gang.

## Accident: LASAMBUS lauds "none should die" scheme

The Lagos State Ambulance Service (LASAMBUS) has lauded the "None Should Die" programme, launched by Health Emergency Initiative (HEI) to ensure many critically injured accident victims received early phase emergency care.

Kola Korolo, a director with LASAMBUS, gave the commendation, saying such emergency care would curb the number of deaths as a result of accidents.

Korolo said that hospital care would resuscitate and bring stabilisation to accident victims before the arrival of their family members.

"The HEI programme is quite commendable, we have 25 ambulance points in Lagos State, what we do is purely emergency.

"And seven out of 10 people we pick are indigent persons, for HEI to give succour to accident victims in an emergency is a

noble gesture and our relationship with the organisation has been fruitful in saving lives," he said.

Paschal Achunine, the CEO of HEI, a nongovernmental organisation said during the launch of the scheme that the organisation was focusing on how no victims would die as a result of lack of medical care.

Achunine said that the programme would ensure none died as a result of road accidents due to quick emergency response by the organisation.

"The organisation stands in the gap for the indigent and vulnerable in the society to ensure they access basic medical care.

"The HEI None Should Die programme will ensure prompt treatment of accident victims to stabilise them before the family members arrive.

"Many victims have died because of N5,000 treatment or less, our organisation stands for emergency treatment to avoid

death as result of money," he said.

He disclosed that over 300 indigent patients and accidents victims had benefited, while over 80 vulnerable children and women had also received succour from HEI intervention.

He appealed to the public and corporate organisations to contribute toward the progress of the initiatives to prevent many people from untimely deaths as a result of road accidents.

"HEI is funded from contributions of members and the generosity of the public who make periodic, quarterly and monthly donations to the organisation.

"You can make a financial donation no matter how small, the life you are saving today may be yours tomorrow," he said.

Achunine also appealed to motorists to drive safely during the Ember months and shun reckless and dangerous driving to avoid accidents.



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## 2019: YPP bemoans Nigeria's backwardness, urges citizens to vote Moghalu

INNOCENT ODOH, Abuja

The Young Progressive Party (YPP) has called on Nigerians to vote for the party's candidate Kingsley Moghalu in the 2019 general elections, stressing that the former Deputy Governor of Central Bank of Nigeria, has the intellectual and managerial capacity to redeem the country which has regrettably remained backward after 58 years of independence despite its enormous human and material resources.

A statement issued by the National Publicity Secretary of the Party, Egbeola Olawale Martins, entitled "58 Independence Anniversary: The need for Visionary Leadership in 2019." The party said Nigeria started a journey of nationhood with selfless and visionary leaders in the mould of Abubakar Tafawa Balewa, Nnamdi Azikiwe, Obafemi Awolowo and Ahmadu Bello in years that heralded our independence and all through the first republic, but regretted that the path of democratic progress was truncated 1966 by the military.

"Our greatest calamity as a nation has been lack of visionary leaders with capacity to think from the future, which explains why almost six decades after independence, Nigeria is currently the poverty capital of the world, the nation with the highest number of



Moghalu

out of school children coupled with the record of having the highest rate of maternal mortality in the world," the statement said.

The party also said that it is however, motivated by the fact that Nigerians are now beginning to get more involved in order to ensure that charlatans no longer find their way to positions of leadership, which he said gives hope that it is not too late to rewrite the wrongs done by past myopic, self-centred and visionless leaders.

It added that the "Young Progressives Party offers to Nigerians an opportunity to solve the leadership conundrum that has plagued

us for so long by supporting and voting for all candidates on our platform with Kingsley Moghalu, the Presidential candidate of our great party as the epitome of this new breed of bold leadership without greed so that the people of Nigeria can begin to get the kind of leaders they truly deserve."

On the just concluded governorship election in Osun state, the party said that after careful assessment of the Osun governorship election with emphasis on the rerun, which took place in some selected polling units, "it is now clear that democracy like never before is in grave danger after the

APC muscled the will of Osun people through vote buying, intimidation and violence. The APC has succeeded in not only replicating the undemocratic actions widely condemned during the dark reign of the PDP but has further raised the bar of impunity in a desperate bid to remain in power at all cost."

The party noted that the killings, maiming cum disenfranchisement of voters through intimidation, harassment of journalists and civil society observers in a rerun of not more than seven polling units and less than three thousand eligible voters shows how far the APC government is willing to go to crush anybody and anything that stands in the way of their ruthless ambition.

"We condemn the Osun rerun election because it was not a credible, free and fair contest and could not have reflected what the good people of Osun wanted especially on the backdrop of irredeemable poor performance of the incumbent Governor who has placed the entire workforce of the State of Osun on half salaries in the past three and half years and also succeeded in dragging this once competitive State in terms of Education and all round development 20 years backward.

"There is nowhere in the world except under the failed leadership of the APC that re-election has been a reward for non-performance. It contradicts logical reasoning that

the APC wants us to believe that Nigerians massively voted against the PDP in 2015 on account of non-performance yet propagate a contrary narrative by wanting us to believe that they would be embraced despite an obviously terrible performance since taking over the mantle of leadership.

"Having pauperized Nigerians under the joint administration of the PDP and APC in the last 19 years in the worst democratic period ever witnessed by mankind with the PDP laying a foundation for impunity and the hypocritical APC building on same, both parties have now devised the vote buying approach invented by PDP and improved upon by APC to take the option of choice in a democratic process away from the hands of the poor masses," the statement said.

The YPP lamented that while PDP lacked the moral justification to cry foul because that which they allowed to fester while in power is now hunting them, it is however no justification for the APC to continue this reign of impunity. "We are amazed that the APC has learnt nothing both as opposition in recent past and currently as a ruling party but let us assure the powermongers in APC that just like the voting masses revolted against the PDP in 2015, same fate awaits them in 2019 as the time for honouring themselves through this tyrannical reign of terror will soon come to an end.

## Global Rights promotes democracy in Nigeria

JAMES KWEN, Abuja

Global Rights, an international human rights and governance organisation has restated commitment towards deepening democracy in Nigeria to guarantee citizen's rights.

Global Rights gave this indication at a colloquium to mark its 40th Anniversary in Abuja.

Executive Director, Global Rights Country Office, Abiodun Baiyewu-Teru said the organization was founded in Washington DC in 1998 with the name International Human Rights Law Group and later changed its name to Global Right Partners for Justice in 2003 on the occasion of its 25th anniversary.

According to Baiyewu-Teru, "in 2014, the organization shut its Washington headquarters and

devolved the center of its operation to its country office in Nigeria, from where the organization has continued to work with local activists in Africa to promote and protect the rights of marginalized populations"

She noted that, "the Organisation has stood for the equality and dignity of all human beings. We have worked in the most oppressive countries around the world, including Nigeria, working on issues of ensuring access to justice to remedy the dignity of a human person and ensuring the effective governance of our natural resources and human rights."

Baiyewu-Teru added that Global Rights will always ensure that citizens have a voice and their voices are amplified and that people are able to speak for themselves and stand to be citizens in their own country.

## How Adebola emerged SPD governorship candidate in Kwara

SIKIRAT SHEHU, Ilorin

O lajide Adebola, a Medical Doctor, has emerged the governorship candidate of the Social Democratic Party (SDP), in Kwara State for 2019 elections.

Adebola, who was the sole candidate, was affirmed by all the delegates for the primary at the party secretariat, Ilorin.

The primary which was conducted by four officials from the national headquarters of the party in Abuja led by Godwin Anasowe Esq. was equally witnessed by two officials from the Independent National Electoral Commission (INEC), led by Ayodeji Akerele from the legal Department of the Commission, Ilorin office.

Addressing the delegates, SPD national delegate, Anasowe said electing a governorship candidate was not an easy task as the responsibility of the state rests on his shoulders for at least four years, as he even told the delegates that they were free to make their choice even if there was only

one aspirant for the post.

Adebola, in his acceptance speech thanked all the delegates for the confidence reposed in him and affirmed his candidature.

The governorship candidate promised not to disappoint members of the party and the state in general if elected as governor in 2019.

He said he was very positive that God chosen SDP to liberate Kwara and its people of the shackle of bondage of close to two decades.

Adebola lamented that Nigeria at 58 is in a pathetic situation because of misplaced priority of the past leaders and promised to implement SDP programmes that centered on welfare of the people if elected.

While calling on all Nigerians to love each other and the country as a whole as Nigeria marked 58 years of independent, he said: "We have misplaced our values, let us have a rethink of our value and stop chasing money for Nigeria to be great.

"We should grow in love, love for one another and the country is the solution to our problem.

"The one you love, you will not steal his money and the money that

belongs to the country. The reason for our backwardness as a nation is that there is no more love in the country."

While lamenting that Kwara people were suffering, battered, buffeted, beaten and down trodden as a result of over 18 years of bad governance imposed on the people, the guber hopeful declared that he was in the race to the Government House to redeem the integrity of Kwara and bring back the lost glory of the state and revamped the decaying infrastructure.

Adebola, a thorough and bred son of Kwara, added that he has traversed the length and breadth of the state and understood the suffering of the people.

"You are poor and in pain when you can't pay your children school fee, you are poor when you can't access good healthcare, when you lack good water and your roads are in deplorable conditions.

"We are ready to liberate the people of Kwara, that is why I termed my campaign slogan 'Liberation 2019' and I will not disappoint you," he said.



Politics  
& Policy

## 2019 Presidency: Real 'war' begins as Buhari, Atiku, Duke, others emerge

INNOCENT ODOH, Abuja

The 2019 Presidential race is now set to begin in earnest as heavy weight candidates have been thrown up by the political parties in a contest that will unarguably be fierce with each candidate already beating their chests and sounding optimistic of winning the coveted presidential crown and occupy Nigeria's political power pinnacle.

In the Early hours of Sunday, October 7 at the Eagle Square in Abuja, the ruling All Progressives Congress (APC) in a special convention for the party's primaries, simply affirmed President Muhammadu Buhari as its flag bearer in the race. The Returning Officer in the presidential primaries, Kayode Fayemi said Buhari polled 14, 842, 072 million votes.

According to him, "that gives you a pointer to what we are going to have in the 2019 elections. This is the registered votes of the registered members of our party. We are not talking about other Nigerians who will vote for the president in the general elections", he said.

Shortly after he was declared as the APC candidate, President Buhari gave assurance to members of the party and Nigerians that he will not disappoint them if he is re-elected as President in 2019.

"I thank you deeply for your support and confidence in me. I will not let you or the people of Nigeria down. Fellow party members, it is with a deep sense of humility that I stand before you today to accept the nomination of our party, the APC to be its candidate and flag-bearer in the 2019 presidential elections.

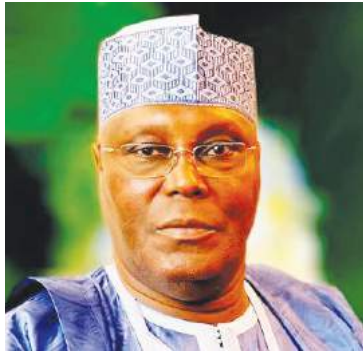
"As I stand today before you, there is no honour greater than the confidence given to me by all of you when you affirmed my nomination. I accept this honour as a tribute and mark of confidence to carry the responsibility as we all join hands to continue the good work of the APC government to 2023 and beyond," he said.

On the same Sunday morning, the main opposition party, the People's Democratic Party (PDP), in keenly contested presidential primaries during the party's convention held at the Adokie Amasime Stadium Port Harcourt, elected former Vice President Atiku Abubakar as its Presidential Candidate.

Atiku polled a total of 1,532 votes to beat his closest rival, Governor Aminu Tambuwal of Sokoto who polled total votes of 693 votes, Senate President, Bukola Saraki who came third with 317 votes and former governor of Kano state Rabiu Kwankwaso, who garnered a total of 158 votes to finish fourth. Gombe state governor, Ibrahim Dankwam secured 111 votes while former Jigawa state governor, Sule Lamido polled 96 votes. Former Kaduna state governor, Ahmed Makarfi had 74 votes while Tanimu



Buhari



Atiku



Duke



Moghalu



Ezekwesili



Sani



Gbor

Turaki, ex-Minister of Special Duties garnered 65 votes. Attahiru Bafarawa, David Mark and Datti Baba-Ahmed finished last after they got 48, 35 and 5 votes respectively. 68 votes were void.

Atiku in his acceptance speech lauded the delegates and the leadership for choosing him promising to work with the 11 other aspirants to work for the victory of the party in 2019.

"Today, we are witnessing a landmark event because the re-branding of the PDP and the return of democratic governance in this country, we are witnessing the most credible, transparent and fairest primaries.

"I am prepared to listen to you, to take your advice so that together we can be part of the success. I believe we have learnt our lessons and we shall continue to improve on this," he said.

Atiku said further the PDP "cannot afford to fail Nigerians who having seen the failure of the All Progressives Congress, APC, are now prepared to return the PDP back to power. "It is not just enough to say APC has failed but the PDP must be able to offer solutions to the challenges affecting this nation. That is the only way to take over power from this clueless government."

On Saturday October 6 at the Old Parade Ground in Abuja, the Social Democratic Party (SDP) also elected former Governor of Cross River state, Donald Duke as its flag bearer during a special convention. Out of 1,726 valid delegates of the party across the nation and the FCT, Duke clinched the SDP ticket by polling a total of 812 votes to beat former Minister of Information and National Orientation, Professor Jerry Gana, who got total of 612.

Niger Delta activist, John Dara, came third with 104 votes. Erudite scholar Iyorwuese Hagher, came fourth having secured 72 votes,

while Delta state-born clergy man Felix Osakwe got 10 votes to come behind.

Duke had in a remark said that he will work to redeem Nigeria from the shackles of poor leadership and initiate policies that will transform the nation and put it on a path of progress, justice and sustainable development.

Addressing party faithful before the commencement of the primary, National Chairman of the SDP, Olu Falae, urged politicians to focus on the welfare of the masses and stop the disgraceful spread of political monetisation in our country.

He lamented that Nigerians had helplessly watched their leaders degenerate in recent years with widespread neglect of the interest of the masses. He regretted the ineffective and incompetent leadership, in the country, stressing that it had resulted to what he called "social and food insecurity, lawlessness, impunity, insurgency, widespread corruption, nepotism and poverty."

In September, former Deputy Governor of the Central Bank of Nigeria, Moghalu emerged presidential candidate of Young Progressives Party (YPP) during the party's national convention held in Abuja.

The 55-year-old public intellectual and a former officer of the United Nations was unanimously voted by delegates from all the states of the federation through the Option A4 voting system adopted by the party for its presidential primary, which was monitored by officials of the Independent National Electoral Commission (INEC).

Moghalu, who polled 243 votes out of 253 accredited delegates, stressed that Nigeria desperately needs a leader of international repute, not politicians that had failed the country. He said "more than ever before, Nigeria needs to be driven by a vision, informed

by a worldview that determines everything else.

"Up till about 40 years ago, China was viewed as a basket case; overpopulated, unproductive and ruined economically by policies of the decades prior to that.

"Today, they snap their fingers and nearly every single African Head of state shows up in China with their hands out, eager for Chinese largesse. That's what a country driven by a worldview can achieve.

"In accepting the presidential ticket of this great party, I stand here before you to say that Nigeria is fully capable of achieving greatness at home and abroad in our lifetimes. But this cannot happen with the normal way of doing things, the so-called Nigerian way."

He solicited support from all Nigerians irrespective of their ethnic or religious background adding that he has developed the right vision, character and competence to lead Nigeria out of economic backwardness and political instability.

Former Vice President of World Bank and Co-founder of Bring Back Our Girls, BBOG, movement, Oby Ezekwesili, on Sunday October 7, won the presidential ticket of Allied Congress Party of Nigeria, (ACPN) during that party's the national convention in Abuja.

In her acceptance speech, Ezekwesili regretted that Nigeria under the President Muhammadu Buhari Government remains in "unsustainable failure" adding that 2019 is a defining moment which provides opportunity to unite and galvanise the potentials of the Nigerians to build a great nation."

The former education minister said her campaign slogan "Project Rescue Nigeria" was apt for the moment even as she lamented that it was a great tragedy that Nigeria instead of making progress is rather derailing and moving towards total economic collapse.

She promised to offer equal opportunities to all Nigerians ir-

respective of tribe, gender or belief saying "Enough is now enough; we have decided that Nigeria will no longer accept a leadership of mediocres, which has kept it down and allowed wanton and senseless waste of innocent lives.

"I bring a message of hope to you that I and millions of supporters will march in solidarity to ensure that Nigeria gets a new and focused leadership in 2019."

Also on Sunday, the National Chairman of the Action Democratic Party (ADP), Yabagi Sani, was elected as the presidential flag bearer of the party during its national convention in Abuja on Sunday. The trained Engineer was affirmed as the party's candidate after over 5 million delegate votes adopted him as the candidate.

In his acceptance speech, Yabagi said the condition of the country is terrible such that only a proactive and visionary leader can change the fortunes of the country for the better. He promised that the ADP is the credible alternative. "My vision is to transform the economy through massive investment in agriculture, industry, manufacturing, and food processing by the establishment of cottage industries across the 774 local governments in the country to provide jobs for the unemployed. This is the only way the country can change and the issue of insecurity ravaging parts of country can be easily curtailed," he said.

The All Progressives Grand Alliance (APGA) conducted their Presidential primaries on Sunday October 7 Abuja and elected John Gbor, a retired Major General in the Nigerian Army as its flag bearer, by a unanimous decision in the exercise conducted by the chairman of the National Planning committee Joe Anyinka.

In his acceptance speech, Gbor said "my government will be committed to a strong, united and prosperous Nigeria where no one and no place is left behind. He said that Nigeria urgently needs restructuring to enable the constituent units explore its full potentials instead of the current system that breeds indolence, greed and laziness.

Now the stage is set for contestation of votes ahead of the election possibly on the fundamental issued troubling the nation. Alliances are also looming as some of the parties that do not have wide reach and with less formidable opponents are already poised for the alliance.



# How I will provide adequate representation for Edo South Senatorial District – Owie

Candidate of the Action Democratic Party (ADP) for the Edo South Senatorial District of Edo State in the 2019 generation elections, Ese Owie (PhD) is brimming with fresh ideas and determination to change the fortunes of his zone. The erudite scholar, lawyer and entrepreneur, believes he will use the power of legislative appropriation to bring infrastructure development to his people. In this interview with JOHN OSADOLOR and INNOCENT ODOH, he also advocated for the restructuring of the federation as the panacea to the myriad of crises rocking the nation. Excerpts:

**You have emerged as the Senatorial candidate of the ADP for the Edo South Senatorial District. Why did you choose the ADP?**

I am a lawyer by training, an entrepreneur by calling and a public intellectual, so at every point in my life I have sat down and decided the route I will take. Thankfully I was part of the process that brought the two leading political parties today into being. I was a founding member of PDP, a founding member of the A.C.N that became APC. So there is really nothing anybody can tell me about the PDP or the APC. For me I am not running on the issue of political platform, I am running on just one issue- competence.

We must change the negative narrative about Nigeria. For instance, in those days parents did not send children to private schools. We were sent to federal government institutions so my key interest is in interrogating the current public governance structure and ask whether or not the current legislature has done their job. So it is not about power it is about service.

**What do you see in Nigeria and Edo state of today that motivated you to seek this office?**

In all modesty I have been blessed by God and there are structural issues in Edo that we must fix. I am not scared to say the truth. A lot of people lie. I tell people that Edo (former mid- west) was the only region post- independence that was created via constitutional means through a referendum. So, one of the fallacies in our historical discourse is that Nigeria stood on a tripod post-independence that was not true. It was true for just 2 and half years and Edo was the fourth one. Edo was conceived as the epicenter of sub regional development so the reason why the Binis did not take any key position in the post premiership position was that they wanted the capital and we wanted the capital because we wanted to drive development.

So, whoever emerges senator for Edo South, must represent the collective aspirations of every mid-westerner, be it Ijaw, Itshekiri, be it Ishan, be it Urhobo, be it Benin. So the only thing driving me is that we must have development. Fifteen years after we still cannot explain why the Benin Bye pass is not complete. Phase one was completed in 2003 fifteen after not a dime has been put on the Benin bye pass. The University of Benin Teaching Hospital (UBTH) was the second largest tertiary hospital in this country with over 900 beds, but today it has no functional dialysis machine. The Benin-Lagos road is not complete. The power of the legislature is in appropriation. A legislator that cannot convince his colleagues to appropriate money for projects he has an interest in is a failed legislator.



Owie

I have an aversion for tokenisms, you cannot in this modern stage say you are commissioning sole apple light of 150,000, that is not the job of a senator. You cannot be a senator and be giving grinding machines or tricycles (Keke NAPEP). The power is over ways and means of appropriation, and God willing when I am elected, I will challenge all my contemporaries to a proper debate.

**The challenge however is that Edo is APC dominated and you are running under a relatively new party- the ADP. Do you believe that this new party will help you realise your dreams?**

I come from by far the most cosmopolitan senatorial district in this country. Edo South is home to every ethnic group in this country. So one thing is for certain, election rigging in my district is not possible. I have worked for government, I have a track record in the private sector; I am Ivy League trained, so Edo will decide. I will take on the establishment head on and all I am asking for is free, and fair election. Thanks to social media, voters are a lot more intelligent today; the lies people told 20 years ago cannot hold water today. So this level of incompetence must stop and the reason people like us are joining the field is that we want to stop incompetence. So when you say that Edo is an APC or PDP state it is not true.

The Edo voters are extremely enlightened they will vote according to their collective consciences and I believe I am the best man in the race and by the grace of God and the will of the people, come February 2019, I shall emerge as the Senator for Edo South.

There was a reason the government postponed the Edo governorship election for those who know. For the first time in our history the Edo gover-

norship election was decided by 50,000 plus votes, it has never happen before. So there are undercurrents that people are not reading, they are being naïve. That the APC moved the Edo election was an indication of a problem. Even in Osun look at what has happened in Osun, the dynamics are changing. I am running on just one platform, the issue of credibility and an addendum to that is competence because a system that breeds incompetence cannot be a system.

**You said that you are a founding member of the APC, so why do you have to abandon the APC for the ADP?**

I did not abandon the APC, there are legacy issues. I worked for an APC government, I was a cabinet commissioner under the APC but the way government works not everything that happened that you make public. There are a few things that happened while I was commissioner under the APC government but my relationships with the people with the APC government remains. They are still my brothers, sisters and friends. There are also reasons I am not running under the APC, those are personal issues.

I believe the APC is still good but what I want to do I don't think the current epoch is the right place to go. While I respect the party as a political party of means I also have my personal political ambitions so I will not do APC. It is the reasons for the PDP. I believe I have the pedigree, the network, the experience, the track record to win in a general election. So I am doing a new party and I am asking the Edo people to come and vote regardless of party. I have been tried and I have been tested. I grew revenue for over 300 percent in six months, I was a commissioner that served without blemish, my track record is there for

other people to see, let them bring out the other people and let us evaluate and let the people vote.

**In term of ideas is there a possibility that what the APC lacked in ideas is what you have found in the ADP?**

My service to the APC government was out of my commitment to my personal friend and mentor Adams Oshiohmo. So I am not in the position to interrogate what happened in his government or interrogate the manifesto of the APC. That I served in the APC government was out of my personal respect for former Governor Oshiohmo and his visionary leadership. You notice that since I left I have not made a statement against his government or made a state against the APC.

I am in a platform that gives room to interrogate the current system. Why should the Lagos-Benin road not be complete? Why should Oloibiri where Nigeria first struck oil 60 years ago in Bayelsa not have a functional health system? There are structural issues we must interrogate whether we like it or not. It is not just the issue of APC or PDP but the current structure of governance in Nigeria. Is this structure sustainable? If it is not then we must restructure the federation and actively do a proper devolution of powers.

**What is your own definition of restructuring? The Vice President sees it as geographical demarcation. If you were to be in the Senate, how will you pursue the issue of restructuring?**

Anybody in the executive that is talking about restructuring is either talking out of ignorance or mischief because at the heart of restructuring is a fundamental constitutional amendment. So the restructuring can only be done by the National Assembly and the state assemblies, because in the absence of the amendment of the 1999 Constitution you cannot change the current governance structure.

So Presidential candidates that tell I will restructure Nigeria in six months are either joking, lying or are being ignorant. The most important thing is having a competent legislature. In normal systems the legislature is the most important arm of government because the executive can only work where the legislature makes proper laws. That is why the US Congress is the most powerful arm of government.

So for restructuring the first thing we must do is to elect competent legislators in 2019 and sit down and review our constitution and agree on our governance structure and in the absence of that we will continue to have no country. A situation where by a state from the North West gets more money because it has 44 local governments than a state in the South west does not make sense. We must have a proper system for accounting for revenues, for sharing revenues

because what we have today is a fraud. So I am for restructuring 100 percent but the restructuring that will be done properly with a vibrant and effective and efficient National Assembly.

**If you will take one issue to the National Assembly, what will that issue be?**

If I am elected senator today, I will focus on infrastructure. Like I said earlier, the former Mid- West seats in the neck between the north and south, there is no road between Lagos and the east and every year we do appropriation. Legislators go to Abuja and literally go to sleep. So for me the main thing that I will do is to ensure that there is a proper appropriation for infrastructure.

And whoever is senator for Edo South, must represent the collective interest of the entire Mid- west and must build linkages between Edo and Delta that is why I said as Senator for Edo South I will ensure that the Auchi Polytechnic is properly funded as a centre for development for technical education. I will ensure that the Abuja-Lokoja-Okene-Auchi -Benin Road is fully completed in my four years of office by way of appropriation. I will put enough pressure on the Minister of Works to do it. I will ensure that the Benin- Lagos road is fully funded and completed; I will ensure that the Benin Airport is upgraded to a full international airport so that the people of the then Mid-west will no longer need to go to Abuja or Lagos to travel abroad.

For health care, I will ensure that the UBTH is properly funded to play its parts as the centre for health care excellence not just on paper. So for me it is about ways and means I will play the right politics to ensure that between my colleagues and I what we need expenditure wise is covered and the people of Edo will get what they desire. Enough of mediocrity, enough of tokenism, we have gone past the stage of sharing grinding stone, Keke NAPEP.

**In specific areas of youth empowerment what will you propagate in Edo south?**

I have worked in multi-jurisdictions and I have lived in about 7 countries and one thing that is clear is that we have the wrong approach to empowerment. What we call youth empowerment in Nigeria is a euphemism for thuggery. The politicians don't do anything for the youth but six months to election they will buy motorcycles (Okada), and share for them. For me we must have a structured approach to trade policy subsidization. The current level of state aid is not sustainable. We cannot have 25 development finance institutions. You have SMEDAN, Bank of Industry; you have NEFRON and so on. We must have a way of pooling these funds together and have a rule based system for state support.



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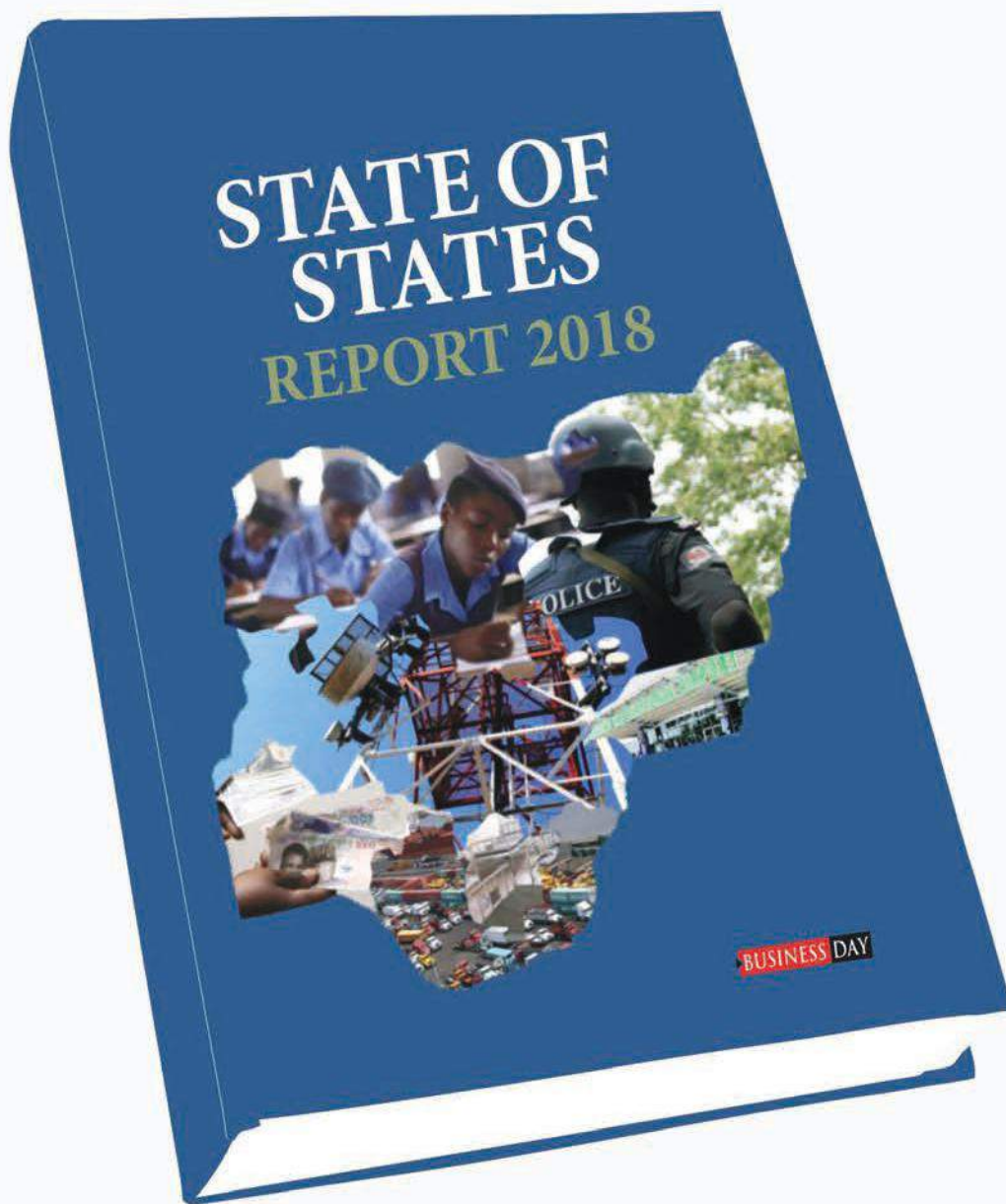
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## Nigeria's cocoa mold level rises to 7% as rainfall persists

...main-crop harvest commences

...N600 per kg at farm-gate

JOSEPHINE OKOJIE

**P**ersistent rainfall and damp weather in major cocoa growing regions of the country has induced a 7 percent rise of mold levels in Nigeria's cocoa beans, as main crop harvest commences, cocoa farmers association says.

Sayina Rima, national president, Cocoa Association of Nigeria (CAN) tells BusinessDay that the mold level which is caused by persistent rainfall might affect the crop quality and lead to lower pricing of the country's cocoa beans.

"The persistent rainfall in major cocoa growing states is making it difficult for farmers to dry their cocoa beans since the main crop harvest commences," Rima says.

"Some of the cocoa beans are now having mold and the levels is as high as seven percent," he says.

Currently, a kg of cocoa at the farm-gate sells for N600, while a metric ton goes for N600,000. At the international market, a metric ton sells for \$2,019 on the International



L-R: Terence McCulley, chairman, United States Nigeria Council; Kayode Pitan, chief executive officer, Bank of Industry, and Wale Tinubu, chief executive of Oando Plc, during a discussion at the roundtable breakfast meeting of the 73rd United Nations General Assembly in New York City, USA recently.

Cocoa Organisation (ICCO) daily prices of cocoa beans as at the time of writing.

"It has been raining extensively

in Ondo state and farmers have been sacrificing a lot to ensure that their cocoa beans get dried," says Ademola Akinmulure, a cocoa farmer in

Omiolayan village in Ondo state.

"With adequate sunshine, it takes four to five days to dry our cocoa to the required standards but with the

constant rainfall it takes an average of nine and 10 days to dry the cocoa beans," Akinmulure says.

Nigeria is the world's fifth largest cocoa producer alongside Cameroun after Ivory Coast, Ghana and Indonesia with estimated output of 240,000 tons in the 2017- 18 season, according to ICCO data.

Nigeria has two cocoa harvests which includes the smaller midcrop from April to June, and the main crop from October to December.

The main crop normally accounts for about 70 percent of Nigeria's cocoa output while the midcrop accounts for the remaining percentage.

Despite cocoa being major foreign exchange earner for the country after oil, Nigeria has failed to steadily increase its cocoa production.

Apart from bad weather conditions, lack of improved seedlings, low investments in the industry, high numbers of un-rehabilitated cocoa trees and aging farmers among others, are major reasons for Nigeria's loss of 'cocoa power' in the global market, BusinessDay investigation found.

## Maize production receives boost as Oyo cultivates 24 hectares

AKINREMI FEYISIPO, Ibadan

**M**aize production in the country has received a boost as the Oyo State Government has cultivated 24 hectares of the grain under the Oyo Agricultural Initiative (AgricOyo) in the late 2018 planting season.

Oyewole Oyewumi, the state commissioner for Agriculture, Natural Resources and Rural Development, during his inspection at maize farms in Paapo village, Iseyin made this known to journalists, while adding that the state has adopted modern technology for the production of maize.

Oyewumi explained that efforts of the government in the agricultural sector cannot be visible within the short period of time like the construction of roads, saying that the AgricOyo initiative is a systematic approach which has started yielding positive results with the cultivation of the 24 hectares of maize.

The commissioner, who was represented by Victor Atilola, permanent secretary of the state Ministry of Agric said that the initiative is aimed at creating jobs, ensuring food security and improving livelihoods through massive engagement of human and

material resources in the state.

He said the vision of Governor Ajimobi in launching the AgricOyo in 2016 has made people appreciate the importance of mechanised agric, saying that this is contrary to insinuation that the programme is a waste as it has started yielding results.

Oyewumi commended Iseyin Local Government for complementing the efforts of the state government in achieving its vision for AgricOyo, enjoining other agrarian local governments and the general public to imbibe the spirit of farming as agriculture is the bedrock of the nation.

In his address, Yekini Akanni, chairman, Iseyin Local Government, speaking through Adeniyi Adekunle, vice chairman, appreciated Governor Ajimobi for launching the AgricOyo in his Local Government, saying that he has been working earnestly to ensure that the initiative yielded positive results.

Earlier in his welcome remarks, Taiwo Adewale, head of Iseyin Local Government Administration, (HLA), pointed out that Paago was the root of AgricOyo in 2016 which has assisted the development of Iseyin Local Government.

He therefore commended the state, local government and his team for a job well-done in the realization of this landmark among the agrarian local governments in the state.

## Cade Creek International launches \$25m agric project in Osun

...to create 6,000 jobs

BOLADALE BAMIGBOLA, Osogbo

**C**ade Creek International, an american company based in Colorda, in partnership with Youth Off The Streets Initiatives (YOTSI), a non-governmental organisation, is setting up a \$25 million farm in Ifon Orolu local government area of Osun state.

Announcing the partnership during the presentation of the Memorandum of Understanding (MoU), at the palace of Olufon of Ifon Orolu, Patrick Alley, chief executive officer, Case Creek International said when fully operational, the farm would create over 6,000 direct jobs.

Alley told newsmen that he received spiritual directive to come to Africa to help provide jobs and add improve the livelihood of millions of people while praying in his house in 2008.

To ensure maximum yield, the American said an irrigation specialist would be brought from the US, adding that besides providing jobs, the farm would also train people of the state in different new innovations of modern method farming.

He added that different crops would be planted, and emphasised on a new cornflakes company that would be opening in the country soon, adding the company would

source for corn from the farm.

He further explained that the primary purpose of Cade Creek Farming is to provide effective and environmental friendly agribusiness in Africa, utilising it vast experience to help the people of Africa in the farming sector.

Alley noted that the intention is to teach the local labour forces how to use the equipment and give them knowledge of commercial farming.

Also part of the initiative, Alley opined that Cade Creek would also contribute funds for housing the employees and for the medical and school.

"I had the vision to come to Africa and help in empowering people in year 2008 while praying. The vision kept on coming. Our goal is to make Africa independent of any food that is needed in the continent and to help the poor," Alley said.

In his remarks, Kennedy Nyere, the president of Youth Off The Street Initiative (YOTSI), the initiator of the project, said his NGO has agriculture and food security as one of its five cardinal programmes, stressing that empowerment of the unemployed remains the main motive behind the establishment of the farm.

"The farm has taken off since May. A team visited the site of the farm and conducted soil test and our

soil experts certified the soil good for farming," Nyere said.

"We have gotten the assurances from government and the community that our investment here is save. The community is friendly. \$25million will be invested by an American investor. The community is giving the group the land to farm. Resources will come from US and our group.

"Youth Off the Street Initiative conceived the project and we brought in other partners. Olufon of Ifon was invited to the US for the meeting we had with the investor and an agreement was reached," he adds.

In his remarks, Olufon of Ifon, Oba Almaroof Magbagbeola, said commended Patrick Alley, whom he described a good man with vast experience in agriculture, for investing in the town.

The royal father said he met Alley and others involved in the project in United States and worked out the modalities and assured that the investment would be protected by the indigenes of the community.

Corroborating the views expressed by the monarch, Benson Adekunle, chairman, Orolu local government, Ifon Osun, said arrangement for security of the investment have been concluded and called for cooperation of all stakeholders to ensure security of the farm.



# Livestock: Stakeholders call for more diagnostic laboratories

JOSEPHINE OKOJIE

**S**takeholders in the livestock industry have called on the Federal Government to create more diagnostic laboratories for animal care and livestock disease treatment in the country

Iruka Okeke, a professor of Pharmaceutical Microbiology at the University of Ibadan recently lamented the limited diagnostic capacity in many African countries and its impact on global health security, according to a statement made available to BusinessDay.

“We cannot have a secure world if we cannot have pathogens and diseases diagnosed in the areas where they emerge,” Okeke said during the annual conference organised by the Nigeria Centre for Disease Control (NCDC) and the Nigeria Field Epidemiology and Laboratory Training Programme (NFELTP).

She emphasised the need for the establishment of more diagnostic laboratories with skilled professionals in African countries where tests and pre-emptive diagnosis can be carried out to prevent further outbreak of animal diseases.

Also, a 2011 report by the International Livestock Research Institute (ILRI) states that livestock



Ezekiel Ibrahim, national president, Poultry Association of Nigeria (PAN) exchanging pleasantries with Martin Middernacht, managing director of Chi Farms Ltd, at the official commissioning of Chi Farm's City Laboratory in Ibadan, Oyo state recently.

disease present both economic and health dangers to developing countries like Nigeria.

“Wealthy countries are effectively dealing with livestock diseases, but in Africa and Asia, the capacity of veterinary services to track and control outbreaks is lagging dangerously behind livestock intensification,” the report said.

Diseases outbreaks have continued to limit the growth of

Nigeria's livestock industry as farmers are often frustrated and dejected after recording huge losses.

**C**ontagious Bovine Pleuropneumonia (CBPP), Peste des Petits Ruminant (PPR) Foot and Mouth Disease (FMD), Avian Influenza (HPAI) African Swine Fever (ASF) are some of the diseases that have bedeviled and crippled the growth of the sector, causing huge financial loss and indebtedness to

livestock farmers.

Commenting on the state of the poultry industry in Nigeria, Audu Ogbeh, Minister of Agriculture and Rural Development, while speaking during the commissioning of Chi Farm's City Laboratory in Ibadan, Oyo recently, noted that for a livestock business to be profitable, it is imperative that diseases are effectively controlled and eradicated.

He pointed out that, this can only

be achieved through efficient and accurate animal disease diagnosis.

“It is worthy to note that animal disease diagnosis is an important component of veterinary services and that Nigeria has quite a number of laboratories that is carrying out animal disease diagnosis such as National Veterinary Research Institute, VOM and eleven (11No) Veterinary Teaching Hospitals (VTHs) as well as few private veterinary laboratories that are operating at below their optimal levels thereby leading to huge gap in veterinary diagnostic services”

The Minister expressed hope that more animal health diagnosis centers like the newly established City Laboratory will help the Federal Government's vision of ensuring profitability for farmers.

The laboratory which was established by Chi Farms, a subsidiary of Tropical General Investment (TGI) Group and Zoetis, a global animal health company under its African Livestock Productivity and Health Advancement (A.L.P.H.A.) initiative, will go a long way in complementing the effort of the National Veterinary Research Institute (NVRI) in reducing the chances of animal disease outbreak in the country through quality diagnosis and research for pre-emptive mitigation against production losses, according to Ogbeh.

## Oyo, IITA collaborate to boost agric productivity with Investment summit

AKINREMI FEYISIPO, Ibadan

**T**he Oyo State Government in collaboration with International Institute of Tropical Agriculture (IITA) is set to hold an agriculture investment summit to boost agricultural productivity in the state.

The summit with the theme: ‘Transforming Oyo State's Agriculture and Agro -Allied Industry: Private Sector Participation’ is expected to have over 10 keynotes speakers and panellists, 35 exhibitors, 300 delegates and over 2000 visitors in attendance.

According to Oyewole Oyewusummit, Oyo state commissioner for Agriculture, Natural Resources and Rural Development, the which is schedule to take place at the Conference Centre, International Institute of Tropical Agriculture (IITA), Oyo Road, Ibadan became imperative in order to bridge the gap among farmers, agro producers, agro-allied industries, research institutes, government, agricultural banks and private companies among others.

Oyewumi stated that Oyo State Agriculture Investment Summit (OYSAIS) is aimed to trigger the industrial and agro-allied sector of the state, explaining that the summit will complement the efforts of the state government in its AgricOyo programme.

The commissioner said that OYSAI is designed to attract private sector

finance and investment companies, Infrastructure expert, fund managers, International Development Banks, potential agriculture investors, agro-allied industry and all stakeholders in the agribusiness.

He said that the summit, which is supported by private equity firms, commercial banks, leading agribusiness companies, investment and finance companies, international aid organisations, insurers and government agencies, will also seek to address key agricultural issues like access to finance, market, research and mechanisation among others.

Oyewumi disclosed that the keynote speakers include Governor Abiola Ajimobi of Oyo State, Kola Jamodu, chairman of BAT Foundation, Abubakar Suleiman, MD and CEO of Sterling Bank, Ebrima Faai, director, AFDB, Kayode Pitan, MD, Bank of Industry, Sani Dangote, group vice president, Dangote Industries Limited, Paul Gbadebo, MD, Flour Mills of Nigeria and Kenton Dashiell, deputy director, IITA.

The commissioner said that the summit is free for exhibitors of agricultural produce, adding that Folashade Joseph of NAIC, Ayodeji Balogun of AFEX, Venkataramani S. of Olam Nigeria, Bolaji Akinboro of Cellulant also serve as keynote speakers.

The summit is schedule to hold 11th and 12th of October, 2018.

## How to establish moringa tea bag processing factory

OLUMAKINDE ONI

**M**oringa is a food, medicine and forage crop. Moringa cultivation is gaining popularity in Nigeria in recent times. Many Nigerians are now establishing Moringa plantations and consuming a lot of the products.

The health benefits of moringa are limitless. Moringa has a strong antioxidant effective against prostate and skin cancers. It is an anti-tumor and an anti-aging substance. It modulate anemia, high blood pressure, diabetes, high serum or blood cholesterol, thyroid, liver and kidney problems.

It also has strong anti-inflammatory properties ameliorating rheumatism, joint pains, arthritis, edema and lupus. It is effective against digestive disorders including colitis, diarrhea, flatulence (gas, ulcer or gastritis).

It is an anti-bacterial, anti-microbial and anti-viral agent, it is effective against urinary tract infection, typhoid, Syphilis, dental carries and toothaches, fungus, thrush, common cold, Epstein-Barr virus, Herpes - simplex, HIV AIDS, warts parasites, worms, schistosomes and trypanosomes.

It is a detoxifying agent, it is effective against snake and scorpion bites. With all the health benefits of Moringa listed above, a Moringa tea produced in Nigeria, well packaged with aggressive marketing strategies will sell like hot cake. A moringa-tea production factory is nothing but a goldmine that will definitely turn around the fortunes of the promoters.

### Technical Information

Moringa plantations are springing up in Nigeria and it has been well established that Nigeria has the potentials to grow millions of hectares of Moringa, hence the raw materials supply can never pose any problem. Not only this, the awareness of usefulness of moringa is gaining ground every day.

Moringa leaves are plucked, washed, sterilized and well dried. The dried leaves are later milled into powdery form and now flavoured. We can have different flavours such as strawberry, vanilla, ginger and others. The next step is to package in permeable tea bags. Tea bags are now stuffed in small packs. Attractive and good packaging is a pre-requisite to market acceptability. Serious minded investors can be put through the technicality.

### Financial Implication

A sum of N8.75 million will be required to set up this project. The breakdown is given below:

|                            |   |                   |
|----------------------------|---|-------------------|
| • Pre-Investments          | - | N250,000          |
| • Accommodation            | - | N2,500,000        |
| • Plant and Machinery      | - | N3,000,000        |
| • Utilities                | - | 2,000,000         |
| • Take-off Working Capital | - | 1,000,000         |
| <b>TOTAL</b>               |   | <b>N8,750,000</b> |
|                            |   | =====             |

A well packaged feasibility report/ Business plan is a pre-requisite to project take-off and finance sourcing. This can be provided for serious minded investors.

### Profitability

The project has potentials to generate a turnover of N300 million on annual bases with a minimum pre-tax profit of N130 million already computed. This is another income and job generating opportunity that has far reaching positive effect on the Nigerian Economy. Serious minded investors can be assisted in the establishment of this project. Contact author on 08023058045 or olumakindeoni2@yahoo.com and nucleusventuresniglt@yahoo.com



# INSURANCE TODAY

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Anxiety Away, Value Assured



L-R: Modupe Akinwande, head, Enterprise Risk Management; Elizabeth Agugoh, head, Marketing and Corporate Communications; Bode Opadokun, managing director; Tunde Mimiko, executive director; Pauline Ogebe, head, Legal; Dunni Oladokun, head, Retail and Jacqueline Agweh, head, Claims all of FBN General Insurance at a press conference held recently in Lagos.

## FBN General Insurance unveils three new retail products to deepen penetration

**U**nderwriting firm, FBN General Insurance has unveiled three new products into the Nigerian market, targeting to increase consumer appetite with simple, affordable and flexible products.

According to the company, this is part of its efforts to deepen insurance penetration, having taken into consideration class of people in terms of affordability.

The three new products, Auto Flexi Insurance, Flexi Home Insurance and Flexi Guard Insurance, according to the management of the company, have been approved by the National Insurance Commission (NAICOM).

Speaking on the benefits and values of the products at a press conference in Lagos, Bode Opadokun, managing director/CEO of the Company said the new products are simple, affordable and flexible.

He said Auto Flexi is designed to meet customers' specific needs. "Auto Flexi came out of the needs that customers have in terms of request. We have seen several instances where some of our customers both existing even prospective having issue of pricing. Pricing in terms of affordability and ability to pay the premium that is applicable based on the value of some of the vehicles."

The products, according to him, is designed to cover the insured against specific, pre-agreed losses; legal liability to pay compensation to a third party in the event of an accident that cause property damage or bodily injury to the third party.

He said the policy also covers the insured in the event of damages due to an accident and fire damage up to the agreed value insured.

The policy is divided into three variants of Flexi Gold, Flexi Silver and Flexi Bronze with agreed insured value up to N1 million for a premium of N40,000; N500,000, for a premium of N25,000 and N100,000 for a premium of N15,000 respectively.

The product also covers third party property damage up to N2 million in all the three variants.

Speaking also on Flexi Home policy, Opadokun said the product

is a home content insurance policy, designed to ensure adequate cover for customers' treasured home including the contents.

"The FBN General Insurance Flexi Home is a home content insurance cover that compensates the insured in the event of loss or damage to property belonging to the insured as a result of fire and/or allied perils," the MD added.

The product is available in four variants, namely: Flexi Home Bronze, Flexi Home Silver, Flexi Home Gold and Flexi Home Platinum for agreed insured value of N1 million, N2 million, N3 million and N5 million for an annual premium of N7,500, N15,000, N20,000 and N30,000 respectively.

On the Flexi Guard, the MD said "Flexi Guard is a protection policy that pays compensation to the insured in the event of injuries, disability or death caused solely by external and visible event."

The policy is available in three variants of Flexi Guard Silver, Flexi Guard Gold and Flexi Guard Platinum. The policy covers among other things bodily injury, death or permanent disability to the tune of N500,000 for a premium of N1,500, N1 million for a premium of N3,000 and N2 million for a premium of N5,000.

This insurance product, according to the MD, provides cover for other eventualities such as any form of accidents; strike, riot and civil commotion; Dog bite, wild animal attack as well as motorcycling either as a rider or as a passenger.

On what should be expected from FBN General as the year winds down, the MD said, the firm will continue in its profitability trajectory, having recovered from a loss position to a profit position since 2016, adding that the company will continue to sustain a robust top line and bottom line while maintaining a steady growth profile in her profitability margin and return on investments.

On his achievement as the MD/CEO of the company in the past two years, he said he has been able to take the company from a loss position to profitability even as he promised to sustain the momentum going forward.

## CHI reaffirms commitment to deepening insurance education, research in Nigeria

**U**nderwriting firm, Consolidated Hallmark Insurance (CHI) Plc has reaffirmed its commitment towards encouraging research, as well as body of Knowledge in insurance industry in Nigeria.

Eddie Efekoha, managing director/CEO of the Company, who is also the CIIN President, gave the assurance at the 2017 edition of the award ceremony of CHI Annual National Essay Competition for higher Institutions in Nigeria offering insurance and actuarial sciences held in Lagos.

The Annual National Essay Competition commenced with the maiden edition in 2011 based on the firm belief by the CEO in developing talent and expanding the industry knowledge whilst encouraging research.

It entered its 7th edition in 2017 and has since been attracting significant interest with participation from institutions of higher learning spread across the country, with winners in the past emerging from University of Lagos, University of Uyo, The Polytechnic Ibadan, Lagos State Polytechnic and the second prize winner receiving awards today coming from the Imo state university.

Topic for the 2017 edition – 'The

impact of digitalization on marketing of Insurance services' is quite appropriate in view of the increasing pull of private as well as corporate organizations to usage of new media channels for payments and also as the primary source of information. The insurance industry cannot but tap into rapidly unfolding cash-less society.

The overall winner of this year's edition Olumodeji Damilola of the Lagos State Polytechnic went away with N250, 000.00, and opportunity for interview for employment in CHI on graduation from school. While the second prize winner is Onyeneke Chukwuemeka from Imo State University who got N150, 000, 00 and third prize winner, Asunlegan Babatunde from Imo State University who took away N100, 000.00. All the first prize winners in previous editions took up employment positions with us in CHI Plc.

Stakeholders who were in attendance including the vice chancellor Imo State University commended CHI for the initiative, while urging other institutions in the industry to emulate the as this will increase the bonding and interrelationship between the universities and the corporate world.

Richard Borokini, director general, Chartered Insurance Institute

of Nigeria and Yetunde Ilori, director general, CIIN who were in attendance to witness the exciting event said the programme has in a big way assisted the work of the Institute in deepening insurance education in Nigeria.

They also expressed optimism, that having sustained the programme in the last seven years, there is no doubt that it has come stay.

It is in two levels - first level is the students' departmental assessment panel constituted by their HODs which usually forward the best three entries to the company.

The second level of assessment is usually by an independent panel of distinguished insurance practitioners constituted by the company. They grade the best entries received from the various Institutions while average scores are arrived at to determine the final winners in the three categories.

The Annual CHI Plc Essay Competition for Tertiary Institutions has since carved a niche for itself, and students of Insurance and Actually Science now increasingly look forward to participating in it. It is now an integral part of the company's Corporate Social Responsibility projects to which we shall continue to commit resources to annually.

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# Pension Today

In Association with  
**Diamond PFC**

## Leaving a secured tomorrow...write a 'WILL'

**A**ccidents, misfortunes, natural disasters and other unfortunate events happen every day and no one is completely shielded from these incidents. Since we cannot tell if and when such incidents will happen, wisdom dictates we make plans for such eventualities.

According to industry statistics, only 1 percent of learned Nigerians have a WILL in place, which means that many of us would be creating problem to our families and dependants should the unexpected occur today.

Make the plan today, be responsible by writing a WILL or set up a Trust so it is easier to know who your beneficiary is(are). Note that there is a difference between your Next-of-Kin (NOK) and your beneficiary (ies), experts said.

Many people including pension contributors keep asking what age and at what point should somebody write a will. This article is intended to open the eyes of many who think 'WILL' is for old people, rich people or those nearing retirement.

In simple terms, it is for everybody as long as you have asset or investment that you could transfer to a beneficiary or beneficiaries. Specifically, if you are contributing to pensions, this advice is for you.

The Nigeria Contributory Pension Scheme (CPS) introduced by the Pension Reform Act recognizes the importance of the contributor, his contribution and what happens to him while in employment. This is both alive and in death. With this



realization that there is life and there is also death, the CPS has taken care of the contributor, directly or indirectly, should either of the two happen as long as the person has made his contribution through his employer.

The law states that where an employee dies, his entitlements under the life insurance policy maintained in this Act shall be paid by an underwriter to the named beneficiary.

That, upon receipt of a valid Will admitted to probate or a Letter of Administration, confirming the beneficiaries under the estate of the deceased employee, the Pension Fund Administrator (PFA) shall, with the approval of the Commission, release the amount standing in the retirement savings account of the deceased to the personal representative of the deceased or to any other person as may be directed by a court of competent jurisdiction, in accordance with the terms

of the Will or the personal law of the deceased employee, as the case may be.

In another case where an employee is declared missing and if is not found within a period of one year from the date he was declared missing, a board of inquiry is set up by the National Pension Commission (PenCom), which concludes that it is reasonable to presume that he has died, and in this case, the provisions of this section shall apply.

While this law is there to enhance the welfare of the contributor, there are a number of challenges which beneficiaries would have to contend with if there was no prior effort to address them before death occurs. This is the issue of not having a Will and dying interstate.

One of the challenges which families of the deceased pension contributor faces after the death of their loved one is the process of claiming his pension entitlements, making

**The law states that where an employee dies, his entitlements under the life insurance policy maintained in this Act shall be paid by an underwriter to the named beneficiary.**

it important that a pension contributor should procure 'Will' for management of his or her estate should the unexpected happen.

A Will is the most practical first step in estate planning, and makes clear how you want your property to be distributed after

you die. It is simply a written declaration or statement by a person (the "Testator") naming one or more persons, human or entity, as beneficiaries of his/her property after death. Another person or persons are also named in the Will as executors of the Estate with property to be distributed after the Testator's death.

Writing a Will can be as simple as typing out how you want your assets to be transferred to loved ones or charitable organizations after your death. If you don't have a Will when you die, your estate will be handled in probate, and your property could be distributed differently than what you would like.

It may help to get legal advice when writing a Will, particularly when it comes to understanding all the rules of the estate disposition process.

A Will must be written in sound judgment and mental capacity to be valid; The document must clearly state that it is your Will. An executor of your will, who ensures your estate is distributed according to your wishes, must be named; It is not necessary to notarize or record your Will, but these can safeguard against any claims that your Will is invalid and to be valid, you must sign a Will in the presence of at least two witnesses.

**What to do if there is no Will**

If someone dies without making a Will, they are said to have died 'intestate'. If this happens, the law sets out who should deal with the deceased's affairs and who should inherit their estate including property,

personal possessions and money, as well as his pensions.

**Getting help from a solicitor**

When someone dies without leaving a Will, dealing with their estate can be complicated. It can also take a long time - months or even years in some very complex cases.

If matters are complex or you feel you need help, it's a good idea to consult a solicitor as soon as possible. It's advisable to show them all the information and documentation you have about the deceased person's property, belongings and financial affairs. In the meantime, it may be a good idea to put small valuable items away for safekeeping. Usually a close relative like a spouse, child or parent will have the legal right to sort out the estate of the person who has died.

**Letters of Administration**

In order to be able to administer someone's estate you normally need to apply to the Probate Registry for a Letters of Administration. You can ask your solicitor to help you with applying for a grant or you can make a personal application.

On receipt of the grant you become the 'administrator' of the estate. The grant provides proof to banks, building societies and your pension fund administrator that you have authority to access and distribute funds that were held in the deceased's name. The overall process is often referred to as 'obtaining probate', though technically this term applies where there was a Will.



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This section is created to increase awareness and deepen knowledge about the contributory pension scheme. If you have enquiries or contributions, send to this e-mail: [diamondpfcusday@yahoo.com](mailto:diamondpfcusday@yahoo.com)



# INSURANCE TODAY

E-mail: [insurancetoday@businessdayonline.com](mailto:insurancetoday@businessdayonline.com)

## 'We are positioned to play big in the nation's insurance industry'

Nigerian insurance industry is going through a transformation, with major players strategising to take prime positions for growth. Polycarp Didam, managing director/CEO, Veritas Kapital Assurance Plc in this interview with Modestus Anaesoronye unveils his plans, direction of the company and what the year holds for shareholders. Excerpt:

**Y**ou were recently appointed the Managing Director/CEO of Veritas Kapital Assurance, what is your vision for the company?

It has been a privilege to be tasked with overseeing the future of our company. As we all know, the Nigerian insurance industry is going through renewed efforts to recapitalize the sector and ensure companies conduct business within their ability.

To this end, I envision Veritas Kapital Assurance becoming the pacesetter in several aspects of the industry; especially in the areas of underwriting excellence and expertise, prompt claims processing and payment as well as astute use of cutting edge information technology for the benefit of our customers.

Furthermore, we intend to become a composite insurance company before the end of our current strategy cycle which ends in 2021. All these are in line with our vision statement of becoming the top insurer of choice in Africa.

**What major changes took place in the last one year since coming on board of the new management?**

In the last one year, our focus has been on transformation. This has been all encompassing touching on all areas; People, Service Delivery, Product Enhancement, Information Technology, Customer Service etc.

**People:** Scaled human capital capacity with recruitment of experienced personnel

**Service Delivery:** Streamlined



Polycarp Didam, MD, Veritas Kapital Assurance

internal processes for efficient service delivery. Turnaround time for core transactions has reduced and we continue to work on this to achieve efficiency above current industry levels

**Product Enhancement:** We have continued to work on our current product bouquets to create unique value for our customers. E.g. Recent review of comprehensive motor policy where we included additional features as well as reward for customer loyalty.

**Information Technology:** We continue to develop capacities

within our I.T portfolio, these include installation and configuration of I.T help desk, Redesign of e-business portal & ongoing implementation of core business software

**Delivery Channel:** Expansion of our service delivery channel through introduction of retail sales team focused on driving insurance penetration for the everyday man

**Customer Interaction:** As part of effort to get closer to our customer and better understand their needs, we have set up a fully functional

customer service unit. Also, our customer interactive lines have been commissioned to ensure our customers are able to reach us.

**Special Risk:** We also set up our special risk team to allow them focus on needs of client operating within sectors of Oil & Gas, Aviation and Engineering.

**The insurance industry is undergoing through a transformation now, how prepared is Veritas Kapital Assurance to key into the new era?**

I am a firm believer that every challenge provides an opportunity, if one only has the strength of character to see it.

Our company welcomes the introduction of the NAICOM Tier Based Minimum Solvency Capital model as we see this as an opportunity to consolidate on past efforts while we lay the foundation for future footprint on the insurance sector. As reiterated during the just concluded AGM, we are well positioned to remain a key player underwriting risk in all sectors. Hence, we would operate in Tier 1 and we have communicated this to our regulators.

**Retail market is the way to go in deepening penetration, what is your plan in this area?**

In this regard, and as an aspect of our revised corporate strategy, we have recently set up our retail team. The team is responsible for communicating our product value proposition within the retail space. Also, we are investing in technology to provide support to the retail team as the long term plan of delivering convenient services to our customer can only be achieved

through digitization.

This is just one of the numerous strategies being implemented to reinforce and grow our company's market share.

**How do you plan to close the year in terms of business performance, and what should your shareholders be expecting?**

Our published half year result shows marked improvement compared to prior year performance. Our gross premium written grew by 30 percent as at June 2018 while there were improvements on other operating indices also. We can assure our stakeholders are that we are well positioned to surpass prior year performance.

**Why should somebody invest or retain their investment in Veritas Kapital Assurance Plc?**

Our financial indicators are improving. There is steady growth in our top line business as premium continues to inch upwards. Same applies to investment income as we seek to diversify our revenue sources.

Operationally, we have implemented a comprehensive cutting-edge cloud based application that enables us to speed-up our entire process viz-a-viz risk management, underwriting, excellent customer service as well as a guarantee of prompt claims settlement to our clients.

We have invested in the right people from right from board appointments to every individual staff within the company.

To reiterate our company is strongly positioned to generate sustainable value to its investors in the long run.

## IEI Anchor Pension takes on Hepatitis in CSR

**T**he Corporate Service Unit of IEI-Anchor Pensions has stated that, as part of activities lined up for the global Customer Service Week, the Management of IEI Anchor Pensions has chosen a very modest way to give back to the society; which the company has gained so much from.

The Corporate Social Responsibility (CSR) drive of the organization has seen the development of a plan of action to address the issue of Hepatitis, which has become a major public health concern. It is responsible for so much needless loss of lives in

Nigeria, especially in recent times. Tagged as one of the "silent killers", with a record of about 5 million deaths annually by a February 2018 report, Nigeria had one of the highest prevalence of hepatitis b infections in the world in 2016.

It is quite disheartening to note that while deaths attributed to other diseases of great public concern are on the decline, the same cannot be said about viral hepatitis which seems to witness a steady rise in fatalities despite advances made in prevention and treatment. These surveys have been carried out by organiza-

tions of repute such as the Global Burden of Disease, a non-governmental body as well as the World Health Organization. The situation is made even more worrisome considering the limited number of health facilities as well as experts who have to contend with the large number of patients, considering the population and size of our country.

Patients who detect these infections early enough however have a greater chance of survival which is the thrust of IEI Anchor Pensions position in this fight. We want to champion a course of periodic health checks

as well as public enlightenment in all there is to know about this disease. For our Customer Service Week we will be engaging our customers in health lectures as well as checks to ascertain their health status in relation to this dreaded ailment. We realize that this silent killer can only make incursions into a nation's health system where ignorance is ingrained.

As the major stakeholders in our operations and success story, we see our customers as partners in the growth and development of the pension industry and the economic



Glory Etaduovie, MD, Anchor IEI Pension

benefits it presents to the nation.

Our doors are wide open to our customers as we would love nothing more than a healthy society which surely is a happy and successful one.



# Tax Issues

## Taxing multinational enterprises: Tax Inspectors Without Borders makes significant progress

IHEANYI NWACHUKWU

An innovative international co-operation initiative that deploys qualified experts in developing countries to strengthen their ability to effectively tax multinational enterprises (MNE) has achieved significant milestones over the past year.

This is according to a new annual report from Tax Inspectors Without Borders (TIWB) from May 2017 to April 2018.

Increased tax revenues directly attributable to TIWB programmes and TIWB-style support as of April 2018 are estimated at \$414 million, according to the report, which documents activities over the second full year of operations under the OECD/UNDP partnership arrangements.

Revenues raised have been about 100 times programme costs, meaning every US dollar spent on TIWB brings in \$100 in additional tax revenues.

Eleven countries have deployed their serving tax officials to provide hands-on, learning-by-doing assistance to auditors in developing countries. New South-South opportunities are being identified, with India, Kenya, Nigeria and South Africa among those now offering expertise.

"Tax Inspectors Without Borders is delivering excellent value for money,



and while the immediate impact on revenues is important, we are even more excited about the long-term positive outcomes," said James Karanja, TIWB head of secretariat.

"The transfer of skills now underway is driving organisational change in tax authorities worldwide, which will prompt much great taxpayer compliance in the future. We are developing a model for systemic change

that puts developing countries in the driver's seat for better using taxation to raise the revenues so badly needed for economic and social development," Karanja said.

The report shows that TIWB's "learning by doing" approach has led to increased confidence of their tax auditors, who are now able to better understand case selection and management of MNE audits, particularly

in handling complex international transactions.

Its programmes have helped improve trust and co-operation with taxpayers. It has also contributed to improving political-level understanding of transfer pricing's importance, among others.

Tax Inspectors Without Borders, a joint initiative of the Organisation for Economic Co-operation and De-

Shehu Usman Ladan, president and chairman, Council Association of National Accountants of Nigeria; Samuel Nzekwe, past president, Association of National Accountants of Nigeria; Elemanya Ebiloh, chairman, Professional Women Accountants of Nigeria (PROWAN), and Folasade Adesoye, head of service, Lagos State, at the recently held 2018 annual seminar of Professional Women Accountants of Nigeria in Association of National Accountants of Nigeria.

velopment (OECD) and the United Nations Development Programme (UNDP), is boosting domestic revenue mobilisation by improving tax auditing and tightening compliance efforts across Africa, Asia, Europe, Latin America and the Caribbean.

TIWB has fully completed 10 programmes, while 34 programmes are ongoing and a further 20 are in the pipeline. TIWB is on track to meet its goal of delivering 100 deployments of tax auditor experts to developing countries by 2020.

TIWB programmes are driven by the needs of host administrations and cover a range of technical issues and industry sectors. Current programmes specialise in risk-based audit case selection, audit processes and negotiation of advance pricing arrangements.

Audits under TIWB programmes mainly deal with different issues of transfer pricing and international taxation, including permanent establishment, validation of management and service fees and the valuation of intellectual property.

Audits cover a cross-section of industry sectors including agriculture, construction, financial services, information technology and communications, hospitality, manufacturing and mining.

## CITN issues position paper on freezing of taxpayers' accounts, rights of taxpayers' appeal

The Chartered Institute of Taxation of Nigeria (CITN) has issued a position paper on freezing of taxpayers' accounts and rights of taxpayers' appeal. Below is the Institute's position as signed by Cyril Ikemefuna Ede, its president/chairman of council.

### Preamble

In recent times, the Nigerian government, in a quest to diversify the economy and increase tax revenue has introduced numerous measures to widen the tax base at the domestic level and internationally. The Federal Inland Revenue Service (FIRS) in particular has been developing strategies and approaches to improve the non-oil tax revenue collection and even recovery processes, in order to improve the revenue yield.

Some of the measures include Auto-VAT Collect initiative, Waiver of Penalty and Interest and Automation of tax collection through Information Technology. One of Nigeria's latest strategy was the just concluded Voluntary Assets and Income Declaration Scheme (VAIDS) which generated significant revenue in billions of naira and enlarged taxpayers' base.

The VAIDS was jointly handled by the FIRS and the States Internal Revenue Service. Continuing with this stance, the FIRS is determined to go after the bank accounts of defaulting taxpayers who are raking in billions of Naira in Nigeria and are not paying taxes. Through data-mining, FIRS has identified over six thousand seven hundred and seventy two (6,772) defaulting billionaire taxpayers through records obtained from the banks of such taxpayers. This is in FIRS bid to correctly ascertain their complaint status and widen the tax net.

Consequently, FIRS notified the banks of affected taxpayers of this development and in some instances, had ordered the banks, who are deposit takers to freeze the bank accounts of alleged defaulters to demonstrate the level of her seriousness. The affected taxpayers had been given defined timelines to comply with the Demand Notices for their accounts to

be unfrozen.

### Is Confidentiality in Banking Transactions Over?

Generally, banks have a legal duty to protect the confidentiality of existing and former customers, but four broad situations have been identified in which a bank can lawfully disclose confidential information: When the law compels it, where it has a public duty to, when a bank must disclose information to protect its interests and when a customer agrees.

In a number of countries, banks can also be required to give information to the Tax Authority as it is not only in Nigeria also in other countries e.g. In New Zealand the Inland Revenue Department is authorized under the Tax Administration Act 1994 to do so.

Furthermore, it seems globally Bank secrecy is over. In August 2017, FIRS signed two major multilateral instruments one of which is the Common Reporting Standard Multilateral Competent Authority Agreement (CRS/MCAA). According to Pascal Saint-Amans, Director of the OECD's Centre for Tax Policy and Administration (CTPA), the signing of the agreements makes Nigeria the 71st jurisdiction to sign the MLI and the 94th jurisdiction to join the CRS/MCAA. In effect, the agreements empower Nigeria to automatically exchange tax and financial information among other 102 tax jurisdictions and enhance Nigeria's ability and those of the other countries to contain tax avoidance and evasion as well as share financial data. As at 7th August, 2018, 103 countries have signed to the CRS/MCAA.

The Banking and Other Financial Institutions Act, Laws of Federation, 2004 guarantees the confidentiality of the transaction flows in various

entities' account between the bank and the account holder. Despite the position above, the FIRS under its domestic Establishment Act and the CITA is empowered to access any banking information voluntarily given or on request as provided in section 28(1) of the FIRS (Establishment) Act.

### Powers to Appoint Agents for Collection of Taxes

The FIRS cited the provisions of Section 31 (Powers of Substitution) of the Federal Inland Revenue Service (Establishment) Act, Cap. F36 Laws of Federation of Nigeria (LFN), as well as Section 49 of the Companies Income Tax Act (CITA), Cap. C 21 LFN 2004 (as amended) in first appointing the relevant commercial Banks as agents of collection and directing such banks to help recover the amount deemed as tax liabilities from the tax defaulters.

Section 50 of Personal Income Tax Act Cap P 8 LFN 2004 (as amended), under "Power to Appoint Agent" has a similar provision.

### Disputes and Appeals

Section 50 of CITA gives cover to persons who pay taxes due from monies held on behalf of companies from whom taxes are due, by way of indemnification under the law. The provisions of that same section further proceed to state that disputes and appeals procedure would apply as though the Customer/Taxpayer had been issued an assessment, in the ordinary course of transacting with the tax authorities. Such provisions have implications for the tax administrator as well as the taxpayer.

Disputes and appeal procedures are clearly spelt out in Section 59 and the Fifth Schedule of The FIRS (Establishment) Act 2007. For instance, aggrieved tax payers can object to the assessments within 30 days of receipt. The appeal process further af-

fords either the FIRS or the aggrieved taxpayer to appeal to the Tax Appeal Tribunal and this can continue until the Supreme Court.

### •Implications

The bold step taken by the FIRS to freeze the relevant accounts suggests that our tax system is still weak and needs to be strengthened as:

•There are a number of Taxpayers without Taxpayer Identification Numbers,

•Some have TINs and have not filed any tax returns as taxpayers, and

•Such taxpayers failed to take advantage of the VAIDS.

Another implication is that, while the FIRS is well within its remit to invoke this power of substitution and other powers under the Act, collection of the taxes would not be achieved by fiat but through compliance with all the appeal processes.

Meanwhile, it also follows that while the banks may have moved swiftly, in contemplation of the provisions of section 34 of FIRSEA, which considers any amount due, by way of tax, as constituting a debt due to the Service, recoverable by a civil action brought by the Service, it is still expected that accounts of the respondent entities are unfrozen, if for any reason they did so, as soon as it is established that the taxpayer has engaged the relevant dispute and appeal mechanism.

### Conclusion

The FIRS should be commended for seeking out taxpayers that were hitherto non-compliant. In doing so, however, they must endeavour to stay within the ambits of the laws. This is very important since based on similar provisions in the Personal Income Tax Act, it is not impossible that 36 different tax authorities may start to run after taxpayers, using the

same approach, and may therefore end up killing the goose that lays the golden egg. Taxpayers, on the other hand, are encouraged to embrace the available self-assessment process, file appropriate tax returns and meet their respective obligations as provided under the law.

### About the Institute

The Chartered Institute of Taxation of Nigeria (CITN) was established in 1982 and Chartered by Act No. 76 of 1992 to regulate Tax Practice and Administration in the country. It is the only professional body in Nigeria vested with power to regulate and control the practice of taxation in all its ramifications to the exclusion of any other professional body or Institute in Nigeria.

The Chartered Institute of Taxation of Nigeria has over the years always been an advocate for reforms in the Nigerian tax system. The Institute was part of the 2002/2003 Study Group on the Review of the Nigerian Tax System, which was inaugurated by the then Federal Minister of Finance on 6th August, 2002.

Further to the report of the Group, a private-sector driven Working Group was constituted in 2004 to review the recommendations of the 2002/2003 Study Group which invariably gave birth to eight tax reform bills, some of which had been passed into law while the remaining are still going through the legislative processes at the National Assembly. It also led to the formulation of the National Tax Policy document, which was launched by the Federal Government in April of 2012. The revised National Tax Policy document, 2016, has since been approved by the Federal Executive Council and the Institute was part of the Committee that performed the assignment.



# BANKING ₦

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## Rewarding and renewing commitment to banks' customers

Stories by HOPE MOSES-ASHIKE

**L**ast week, Nigerian banks joined its counterparts across the world to celebrate this year's customer service week with a reward and renewed commitment to their customers.

Customer Service Week is an international celebration of the importance of customer service and of the people who serve and support customers on a daily basis. In 1992 the U.S. Congress proclaimed Customer Service Week a nationally recognized event, celebrated annually during the first full week in October.

Consequently, Nigerian deposit money banks keyed into this event to design various programmes, aimed at addressing the needs of their customers.

Flagging off the 2018 Customer Service Week at the Ikorodu branch on Tuesday, Patrick Akinwuntan, managing director, Ecobank Nigeria restated the bank's commitment to excellent service delivery to meet the needs and aspirations of its customers at all times.

Akinwuntan, saw the customer week as a huge opportunity to say thank you and to celebrate customers of the bank. He assured that the bank will remain committed to excellence in products and services delivery at all its touch points.

He assured that the bank will remain commit-



ted to excellence in products and services delivery at all its touch points.

"This is another moment to celebrate you. We will always celebrate you. You are the reason why we are in business. Excellent customer service is a vital part of our promise as a bank. For us, this is more than just providing answers. It's helping customers even when they don't know they need help. It's teaching them how to do more with our products. It starts with a smile and a friendly word, and finishes with sharing our expertise, even when it has nothing at all to do with our products. We are committed to bringing you superior customer service, whenever, wherever, and however you need it. Thank you for choosing Ecobank", he noted.

Also, FCMB, keyed into the customers service week, which commenced

on Monday and ended on Friday last week, to reward its customers. was visited by the bank of-

You are the reason why we are in business. Excellent customer service is a vital part of our promise as a bank

ficers and rewarded for consistently banking with FCMB for over 26 years.

Sanusi Umar, the bank's oldest customer (based in Bauchi State), Umar said, "FCMB has been excellent and has impressed me in various aspects, especially prompt over-the-counter cheque payments, quick online transfers, efficient alternate channels and flexibility of the bank's products", Umar said, adding that "I am proud to say that my wife, four children and five other relatives have accounts with FCMB and they are very satisfied with the bank."

Oluwakayode Adigun, senior vice president and divisional head, service management and technology, FCMB, said the bank would continue to focus on initiatives that would meet the needs and aspirations of its customers.

## Union Bank introduces innovative local letter of credit

**A**s part of efforts to provide tailored services to different sections of its customer base, Union Bank recently organised a trade finance conference for its corporate customers in Lagos.

The focus of the event was to equip C-suite Executives and decision makers from large corporate organisations with market insights and opportunities they can leverage to drive growth and greater operational efficiency for their businesses.

The event was also an opportunity for Union Bank to unveil its Local Letter of Credit, a variant of the standard letter of credit adapted for use in domestic trade – a first in the Nigerian banking sector.

The newly introduced local letter of credit seamlessly bridges the payment gap between local buyers and suppliers, with Union Bank assuming the liability for payment to the seller. This positions the buyer more favorably, providing them with greater leverage in commercial negotiations. Also, with the local letter of credit, customers are able to obtain preferential conditions like extended payment days, thereby reducing working capital costs.

Highlighting the critical role of trade to the growth of the economy, Emeka Okonkwo, head of corporate and investment banking at Union Bank explained that the forum was organised at this period when corporate organisations need

to be able to identify and exploit opportunities for growth, following the Nigeria's recent emergence from economic recession.

Speaking at the event, Okonkwo said;

"The launch of our local letter of credit today is in line with our commitment to provide innovative and tailored solutions that meet the unique needs of our corporate customers. At Union Bank, we remain focused on helping our customers identify and leverage sustainable ways to build their businesses as Nigeria navigates through the economic recovery process."

Also speaking at the event, Ozeomena Nnaji, deputy director, trade and exchange at the Central Bank of Nigeria (CBN) said; "We applaud the innovation of Union Bank with the introduction of the Local Letter of Credit which is one way of deepening the relationship with customers and promoting their businesses. This initiative will also help the Bank's customers save costs and stay in business. We encourage other Banks to follow suit in providing innovative solutions to help businesses grow."

Speakers at the event included Chidi Iheka, head of transaction banking at Union Bank and Sola Olubi, head, corporate banking group specialized unit who sat on an informative panel to discuss ways to drive business growth and operational efficiency with trade finance structures.

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# EXECUTIVE MOTORING

## New A6 renews rivalry on E-Class, 5-Series ...Flaunts styling language, more tech

Stories by MIKE OCHONMA

Following in the path of the recently redesigned range-topping A8 and the sporty A7 hatchback, the new mid-size Audi A6 sedan is based on the MLB Evo architecture and adopts the brand's latest styling themes, which are intended to move beyond the boxy and less appealing designs seen on the current A4 and Q7.

The proportions and shapes of the A6 have been preserved, including the arched roofline that has become an Audi signature, while the new model is only fractionally bigger than its predecessor (0.3 inch longer, 0.5 inch wider and 0.1 inch taller).

The front end has become more angular and is a little more complex than even the new A7 and A8 designs. In back, the haunches are accentuated with a crisp fold reminiscent of the original Audi Quattro, while the wide taillights feature a futuristic, sculptural look.

The horizontal character line on the flanks curves inward and drops at both ends, which makes the car look wide when viewed from an angle and highlights the long-hood/short-deck theme when seen in profile. Wheels are sized from 17 to 21 inches; we expect 18s will be the smallest offered in the United States.

According to Audi, there's more rear legroom, and head and shoulder room are increased in both front and rear. More impressive is the techno-futuristic cabin design,



essentially identical to what we've seen in the A7 and distinguishing the A6's interior from its competitors by the generous use of glass and aluminum.

An optional ambient-lighting system offers a choice of 30 colors. The available four-spoke steering wheel seems more fitting for a premium sedan than the pseudo-sporty three-spoke wheel. The materials look extremely modern throughout, and the head-up display is far better integrated than on the current model.

The A6's pretty surface hides cutting-edge technology. The MLB Evo architecture is designed for front- or all-wheel drive and offers optional all-wheel steering.

There are four different suspen-

sions, depending on the market: a standard steel-spring suspension, a lowered Sport version, another with adaptive dampers, and an air-spring setup also fitted with adaptive damping.

While Europe will see a plethora of diesel offerings, the U.S. will have a choice between two gasoline engines: a turbocharged 2.0-liter inline-four producing around 250 horsepower and a turbocharged 3.0-liter V-6 good for 335 horses.

The latter pairs with Audi's S tronic seven-speed dual-clutch automatic transmission, which also serves the only four-cylinder offered at launch in Europe, a turbo-diesel. Audi may employ a conventional eight-speed automatic with the 2.0-liter gasoline four, as it does

today.

An S6 with a stronger twin-turbo V-6 will follow later. All A6 models will have electrically assisted powertrains; they can recuperate kinetic energy under braking and are fitted with an ultra-quiet belt-driven starter/generator to facilitate stop/start technology.

In Europe, the new A6 sedan launches in early summer; we expect it to come out in the United States in late 2018 as a 2019 model. With this new sedan, competition has gotten a lot more interesting again: Next to the luxurious Mercedes-Benz E-class and the somewhat conservative BMW 5-series, the Audi A6 is once again the coolly elegant, technology-driven alternative.

## NB, FRSC flags-off year-end safety campaign

In a move aimed at creating safety awareness on Nigerian roads in order to minimise the dangers of drink driving, the Nigerian Breweries plc in collaboration with the Federal Road Safety Corps (FRSC) has kicked off this year's edition of the Don't Drink and Drive campaign among drivers.

At the 11th edition of the campaign held at the Nigerian Breweries headquarters, Iganmu, Lagos last week Thursday, Jordi Borrut Bel, managing director and chief executive officer of the brewery giant, said, the 'Don't Drink and Drive' campaign is a Corporate Social Responsibility (CSR) initiative designed to improve safety on the roads by discouraging the habit of drink driving especially among commercial drivers, motorcycle riders and private car owners.

He said the campaign involves enlightenment rallies for drivers in various cities, deployment of print and electronic media messages, fliers, free medical checks such as blood pressure and eye tests for drivers during the rallies.

Borrut Bel explained that since the start of the initiative, the company has held enlightenment rallies in motor parks and other locations in 42 cities and towns across the country.

"In the process, we have directly engaged over 20,000 drivers, other road users and a higher number of people through media messages. There will be mega rallies this year in Eket, Akwa Ibom state, Ojota in Lagos and Minna in Niger state," he stated.

According to him, some behavioural changes have been recorded among drivers from evaluations conducted by research experts.

Boboye Oyeyemi, corps marshal of the FRSC, commended Nigerian Breweries for the laudable campaign which he said is worth emulating by other organisations.

He said the campaign's impact on road users, especially commercial drivers, has been high, since the Corps signed a memorandum of understanding with the leading brewing company.

He noted that, in order to promote responsible drinking, the FRSC has acquired digital alcoholysers to test the level of alcohol in drivers. "If the alcoholic content exceeds 0.05mm in a driver, then it is considered abnormal and not good for driving," Oyeyemi said.

Meanwhile, for the purposes of wider reach to the motoring public across the country, the mega rallies for this year's edition has been expanded to include the National Union of Road Transport Workers (NURTW), Road Transport Employers Association of Nigeria (RTEAN), Tanker Drivers, Luxury Bus Drivers, Keke and Okada Riders, Non-Governmental Organisations and members of the National Youth Service Corps, among others.

## Elizade forum engages Toyota drivers, customers

Fleet and individual customers of Elizade Nigeria Limited, front-line franchisees of the Toyota range of vehicles gathered in Lagos last week for the company's annual customers forum; which has become a yearly programme used to gauge the feeling of its clientele in the course of using the Toyota vehicles bought from the company.

During this year's gathering inside the Academy Inn, Ikeja, Lagos which attracted representatives of the Federal Roads Safety Commission (FRSC), the Lagos State Traffic Management Authority (LASTMA), the Vehicle Inspection Service and other automotive and allied services providers, James Olubanwo, chief operating officer, Elizade Nigeria Limited declared that, as a wholly

owned Nigerian company operating with world class outlook, its corporate survival can only be attributed to God and its loyal customers, given the very harsh operating environment.

According to the COO, at a time when a lot of companies are struggling to remain afloat, Elizade Nigeria Limited has made a great investment to sustain its business over the years through among which is its renewed efforts at making its customers happy.

He stated that, the depressed state of the national economy, which has culminated in the forced devaluation of the naira by over 40 percent in the last few months' gas further adversely affected the various sectors of the economy in terms of available funds for business operations.

Olubanwo stated that Elizade

Nigeria Limited will continue to try its best to reason from the customer point of view and that is why, the company is customer-centric, adding that, it is desirous of managing customers' vehicles at a considerably affordable cost. He called on fleet operators of Toyota model of vehicles to pay more



Participants at the just concluded annual Drivers Education Programme organised by Elizade Nigeria Limited in Lagos on Thursday October 4, 2018.

attention by regularly maintaining their vehicles as and when due.

The objective of hosting this year's Driver Education programme tagged "know your vehicles according to the chief operating officer of Elizade Nigeria Limited is to among other things create a forum where both

the dealership could share its knowledge about the its vehicles with the customers, a platform for better understanding between both parties, a forum for mutual education of each other and a gathering that would elicit a process for jointly providing solutions to problems that are peculiar to the operating environment.

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# Modern TRAVEL

## Transcorp Hilton Abuja emerges Africa's top business hotel

....As continent's hospitality giants get honoured by WTA

Stories by MIKE OCHONMA  
mikeochonma@gmail.com

Nigeria's hospitality sector is gaining traction as Transcorp Hilton Abuja has emerged as Africa's Leading Business Hotel alongside other winners that was announced during a recent red-carpet reception held at the just concluded World Travel Awards (WTA) Africa & Indian Ocean Gala Ceremony 2018 at the Durban International Convention Centre, South Africa.

The elite of the travel industry assembled for the World Travel Awards Africa & Indian Ocean Gala Ceremony 2018 at the Durban International Convention Centre was put together to find out who among the contenders would be crowned best of the best.

The finest travel brands in Africa and the Indian Ocean was unveiled at a star-studded gala ceremony in Durban, South Africa.

Durban, which is enjoying a renaissance thanks to a series of landmark development projects, was named Africa's Leading City Destination, while Cape Town's captivating mix of cultures, cuisines and landscapes was acknowledged as it picked up Africa's Leading Festival & Event Destination.

In the Indian Ocean categories, Mauritius cemented its reputation as the definitive romantic island by being named Indian Ocean's Leading Honeymoon Destination, while the paradise archipelago of the Maldives was heralded Indian Ocean's Leading Destination.

Hundreds of the leading travel industries figureheads



from across Africa and the Indian Ocean attended the ceremony at the Durban ICC, the state-of-the-art events and entertainment venue, which was opened by the late Nelson Mandela in 1997.

Graham Cooke, founder, World Travel Awards, said: "The Durban ICC has reinforced its standing as a world-class entertainment venue on what has been a magnificent evening of travel industry triumph, as well as a highlight of our 25th anniversary."

"We have had the privilege of recognising the leading hotels, airlines and hospitality providers from across Africa and the Indian Ocean and my congratulations to each of them."

In the aviation sector, Ethiopian Airlines was voted Africa's Leading Airline, while Kenya Airlines picked up Africa's Leading Airline - Business Class and Africa's Leading Airline - Economy Class, while Africa's Leading Airport went to Cape Town International

Airport.

Meanwhile in the Indian Ocean, Air Mauritius claimed a lion's share of the honours, winning Indian Ocean's Leading Airline, Indian Ocean's Leading Airline - Business Class, Indian Ocean's Leading Airline Brand, and Indian Ocean's Airport Lounge (The Amédée Maingard Lounge @ Mauritius International Airport).

Hospitality winners included Hilton Hotels & Resorts (Africa's Leading Hotel Brand), Saxon Hotel, Villas & Spa (Africa's Leading Boutique Hotel), Thanda Island, Tanzania (Africa's Leading Luxury Island), Hilton Cabo Verde Sal Resort (Africa's Leading New Resort), Hilton Durban (South Africa's Leading Business Hotel), Legend Golf Resort & Spa, South Africa (Africa's Leading Sports Resort), and Transcorp Hilton Abuja (Africa's Leading Business Hotel).

The ceremony marked the sixth leg of the World Travel Awards Grand Tour 2018 which

is a series of regional events to acknowledge the world's outstanding travel brands.

Events on the tour include Ras al Khaimah (United Arab Emirates), Athens (Greece), Hong Kong, Guayaquil (Ecuador) and Montego Bay (Jamaica).

The regional winners will progress to the Grand Final 2018, which is being hosted in Lisbon (Portugal) on December 1st. Find a full list of winners on the official WTA website.

WTA was established in 1993 to acknowledge, reward and celebrate excellence across all sectors of the tourism industry.

Today, the WTA brand is recognised globally as the ultimate hallmark of quality, with winners setting the benchmark to which all others aspire.

Each year, it covers the globe with a series of regional gala ceremonies staged to recognise and celebrate individual and collective success within each key geographical region.

## The impact of technology on travel industry

A new study has revealed the impact of technology on travel intention, selection and timing. If you are one of the hundreds of millions people worldwide who will fly this year, your travel choices and selections are being influenced by the connected economy.

Whether you are a smart and well-informed travel planner, a "relaxed nomad" ready to roam without stress or strife, or a deal-seeker on a budget, technology is transforming your travel experience, findings show, in a way that makes it even more accessible and frequent.

According to new research - entitled "What's Changing the Way You Travel Today" undertaken by the CMO Council's Geo-Branding Center and AIG Travel, today's diverse leisure travelers are smarter, more informed and better prepared than ever before.

Beliefs, values and interests are influencing where, how and why people travel. Technology and service innovations are making it easier and cheaper to discover, reach and enjoy travel destinations.

While deals, specials and promotions are driving desire and action, visually enriched and personalized digital content channels are

making travel experiences more alluring and exciting.

The research, centered around a survey of more than 2,000 leisure travelers by Pollfish this summer, yielded some notable statistics. Nearly half of those polled say the Internet and device connectivity makes travel better.

A further 42 percent believe technology innovations and advancements across all modes of travel have improved the experience, and 38 percent say these tech advancements have helped them find deals, discounts and destinations more easily.

More than 51 percent of travelers surveyed say great deals and discounts are what prompts them to make a travel booking. Easier, do-it-yourself travel planning is also a major factor for 32 percent of travelers.

Other influences are referrals from family and friends (29 percent), exciting images or video (21 percent), and interesting stories or articles (21 percent).

"We're in the thick of a monstrous growth in global travel," notes Donovan Neale-May, executive director of the Chief Marketing Officer (CMO) Council, which operates the Geo-Branding Center.



## Checked baggage cost on US flights increases for first time

US flights have begun to increase their baggage costs for the first time, meaning customers could now face a much more expensive journey when booking their travel across the country and Delta Airline is the latest to announce the changes, following United Airlines and JetBlue.

Flights travelling domestically between North American and Central America are to be affected by the new changes. This will mean flights are to become much more expensive for passengers.

Last August, JetBlue announced an increase for the first checked baggage from \$25 to \$30. A second



bag that is checked in will now cost passengers \$40, up from \$35.

Earlier this month, United Airlines announced they had increased their baggage costs alongside

JetBlue. Today, Delta became the latest airline to announce the same fee changes also.

Air Canada and WestJet have also increased their first checked bag fee to \$30

while a second checked bag will cost \$50, even as other airlines such as Spirit and Allegiant already charge \$30 for passengers to check a bag in.

Airlines such as Ameri-

can Airlines have not yet increased their baggage costs, where it still costs \$25 per bag. However, most airlines charge for baggage for passengers to take on

~~~~~  
**Delta became the latest airline to announce the same fee changes also**  
~~~~~

their flight.

Southwest is the only airline in the US to currently allow two free checked bags included in the ticket fare. The increase has been attributed to rising fuel costs which are up by 33 per cent, which has had a

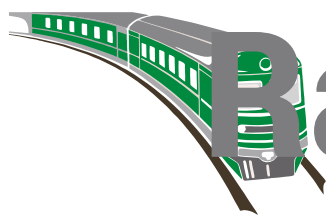
knock-on effect on travelers.

JetBlue CEO Robin Hayes explained that this means passing those costs onto low-fare passengers. A number of airlines in the UK already charge for checked baggage.

EasyJet allows passengers one free suitcase in the cabin yet charges for bags to be checked in. Airlines such as Ryanair and Jet2 also charge for checked suitcases.

However, low-cost airlines are also introducing fees for cabin bags to be brought on-board. Ryanair is the latest to only allow handbags the cabin without a fee, unless purchasing a checked bag.





# Bail BUSINESS

Local and global rail news as it breaks

## NRC moves to refurbish locomotive engines

MIKE OCHONMA

The Nigerian Railway Corporation (NRC) has placed orders for procurement of spare parts for the overhaul of locomotive engines that are awaiting repairs in its fleet.

Over the years, the abandoned dilapidated old coaches and other materials have continued to deface and alter the beauty of the rail line transport services by the corporation.

This announcement made by Lagos district manager of the corporation Jerry Oche is in reaction to series of complaints by passengers of Lagos mass transit train service over the frequent unscheduled movement of trains and brake down of few functional locomotive engines at regular intervals.

According to him, "We have awarded contract for supply of spare parts and as you know spare parts are not what you can buy off the shelf. You place order and wait for it to arrive"

"Once the spare parts arrive I can assure you that most of the engines awaiting repairs will be fixed and our service will be better", he declared.

Michael Tochukwu-Nwosu, a regular train passenger who spoke to our reporter on telephone regretted the neglect on the infrastructures belong to the NRC.

He however noted that something urgent needed to be done to give the a face-lift by removing the abandoned passenger coaches, Nigeria National Petroleum Corporation (NNPC) wagons and others that were used to transport both passengers, petroleum products and coal to other parts of the country, and to make the area conducive for the workers and for security reasons.



Meanwhile the corporation in the second quarter of this year, made 584 trips with its mass transit train (MTT) service from Ijoko/Kajola to Iddo/Apapa and vice-versa.

On the other hand, the Lagos district manager stated further that, a total of 457,000 passengers and 43 tons of luggage and passenger were respectively carried during the period under review.

For the Lagos to Kano passenger and goods train service, statistics shows that seven passenger trains worked in six months while 3,092 passengers and 276 tons of goods were conveyed between January and June this year.

Historically, the devel-

opment of railway as began in Nigeria with a 32km line of 1067mm gauge from Iddo (Lagos) to Ota (Ogun). This was in 1901 extended to Ibadan, a distance of 193km, according to 'Facts and Figures', a handbook produced by the NRC in 2006.

"Subsequently, railway construction experienced continual extension from Ibadan to Jebba (295km) 1901-1910; Kano-Baro (562km), 1907-1911; Jebba-Minna (252km), 1909-1915; Port-Harcourt-Enugu (243km), 1914-1916; and Kafanchan-Jos (17 km), 1922-1927," it states.

For 31 years, from 1927 to 1958, there was no railway development. It was the

construction of Kafanchan-Bauchi rail line (238km) from 1958 to 1961 and the Bauchi-Maiduguri line (302km) in 1961-1964 that brought the total rail route of the Nigerian railway network to 3,505km.

The Nigerian railway has been seen as playing a pivotal role in increasing the tempo of commercial activities in the many towns along the rail routes.

It has also boosted inter-ethnic marriages, acquisition of new dressing habits, food and languages and caused the emergence of mega towns referred to as railway towns such as Lagos, Umua-hia, Zaria, Kano, Kafanchan, Jos, Enugu, Aba and Port Harcourt.

## Britain to retain EU rail standards after Brexit

Britain will continue to abide by European Union (EU) rail standards and protocols after it leaves the EU, even in the event of a 'no deal' Brexit, according to a statement issued by the Railway Safety and Standards Board (RSSB) last week.

"Regardless of whether the government strikes a deal with the EU or not, the legal requirements designed to promote common safety and technical principles across all EU railways will still need to be met by UK rail companies and suppliers," RSSB states.

This means European Technical Specifications for Interoperability (TSIs) will continue to apply during the transition period if Britain reaches a deal with the EU. If no deal is reached, TSIs will be adapted as domestic legislation, published as National Technical Specification Notices by the Secretary of State for Transport.

The RSSB says Network Rail and other main line infrastructure firms, rail freight operators, rolling stock leasing companies and suppliers should plan to continue using relevant cross-industry standards after Britain's formal withdrawal from the EU, which is due to take place on March 29 2019.

European standards are

only affected by EU membership if they are referred to in EU directives. According to RSSB, this only affects less than 20% of applicable standards. The application of European standards from CEN, CENELEC and ETSI, as well as international standards such as ISO, IEC and ITU, is unaffected by Britain's departure from the EU.

The current government's policy is to maintain regulatory alignment with the EU for goods, which means there is unlikely to be any short-term divergence from EU-derived requirements such as TSIs.

"We have been working very closely with the Department for Transport over the past year to ensure that requirements derived from the EU framework are legally fit for purpose for application in Britain with workable solutions in place, even in a potential 'no deal' scenario," says RSSB standards director, Tom Lee.

Tom Lee explained that the Railway Safety and Standards Board want to ensure that day one post-Brexit, the British standards framework is suitably aligned to the EU for immediate continuity and is legally robust, whilst providing for possible future divergence, if beneficial."

## Ghana's railways rehabilitation to create 750 jobs



The rehabilitation of the railway network in the country would create employment opportunities for 750 youth in the society.

Joe Ghartey, Ghana's minister for Railways Development, said the rehabilitation works would include the construction of 33 new modern train stations with two to be located at Adjen Kotoku and Nsawam.

Ghartey said the rehabilitation of the rail lines would help in the evacuation of foodstuff from the rural areas to the cities and create more jobs for the youth. He said 14 companies including companies

from China and Germany have submitted proposals for the rehabilitation works.

Nii Lamptey Wilkinson, the Ga West Municipal Chief Executive, appealed to the chief and people of Ga West Municipality to stop the construction of illegal structures along the railway lines.

He said the revival of the train services in the country would help generate more money for farmers and traders. Frank Annor Domporeh, the Nsawam / Adoagyiri Members of Parliament, also used the opportunity to emphasise on the need to halt all unapproved structures along the rail lines.

## World's first passenger railway plan found

Plans by railway pioneer George Stephenson for the world's first passenger line to use locomotives have been found by an archive assistant.

The 1822 notebook of the Stockton and Darlington Railway was found by John Page at Network Rail's archive in York. The 26-mile (41km) railway was the world's first public steam railway when it opened in 1825.

The notebook with its detailed notes on the suggested route is now on display at the city's National Railway Museum. Page, a records assistant at the archive uncovered the note-



book that had not been seen for decades, when he searched for documents in a deeds room earlier in the year.

He found the book among about 20,000 documents on the shelves. Page said: "Since the 1950s, it has sat on a shelf unno-

ticed amongst hundreds of other packets.

"I was looking for a deed and purely out of curiosity decided to look through the packets and there it was and what a thrill it was to find."

The notebook outlines Stephenson's redesign

of and budget for the Stockton and Darlington line and became the blueprint for the railways that followed.

It shows Stephenson's survey of fellow engineer George Overton's original 1821 line and the amendments he recommended.

Peter Hendy, chair of Network Rail, said: "George Stephenson's original survey of the Stockton and Darlington Railway ushered in the railway age; not only in Britain, but around the world. The book is on display at the museum until December.





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## Impact of banking crises on consumer trust and financial inclusion

IBUKUN TAIWO &  
OLAYINKA DAVID-WEST

**T**he role trust plays in the drive for an inclusive financial services ecosystem has been identified as critical to financial services adoption. In spite of the various dimensions of trust, the recent developments in the banking sector have elevated the need to revisit the topic, this time drawing our insights from the body of evidence available.

Trust is the firm belief in the reliability, truth, or ability of someone or something. It means being confident that a person or an institution will deliver on their promises. Trust is a powerful driver of human behavior and a foundation of all relationships. In the case of money, the importance of trust cannot be over-emphasized.

Research studies have repeatedly identified trust as a major inhibitor to the adoption of formal financial services and most people would admit that trust is a fundamental pillar in driving financial inclusion. However, it may not be immediately apparent just how important trust is to the Nigerian financial service customer.

We decided to juxtapose the EFinA Access to Finance measure of financial inclusion in Nigeria (2008 - 2016) with the dates of the banking industry incidents, namely 2009 and 2016. Our aim is to explore the impact of the CBN interventions on the level of



trust among the populace and its further impact on financial inclusion.

2009 - Sanusi Lamido's Banking Reforms

This was the year five bank MDs and board of directors were summarily removed by the CBN governor for various infractions including weak corporate governance practices.

The 2010 EFinA Access to Finance Survey reported about 54 million Nigerian adults were without bank accounts, and about 4 million of them - 8.3 percent - attributed this to the lack of trust in the banking system. Another 1 percent - more than 500,000 - did not feel their funds were safe in the bank.

Unsurprisingly, the shake-up of the previous year were top-of-mind, hence attributed to the relatively high levels of mistrust.

2011 - Three Bank Licenses Revoked

Two years after the infamous 2009 "banking tsunami", Afribank, Spring Bank and Bank PHB tapped out of the Nigerian banking sector due to the CBN revocation of their operating licenses.

Fortuitously the 2012 EFinA survey reported that 6.9 percent - about 3.9 million adult Nigerians - preferred to live without a bank account due to the lack of trust in the banking sector. An additional 2.8 percent (1.4 million people) didn't feel their funds were safe in a formal financial institution.

While the percentage is relatively lower than reported in 2010, the absolute numbers of adults lacking trust in the banking system are equivalent. In addition, perceptions of the safety of funds domiciled in

banks almost tripled.

2016 - Board of Skye Bank sacked, CBN takes over

By 2016, financial exclusion levels worsened to 41.6 percent from 39.5 percent in 2014. Attributes of this spike include, but not limited to, the economic recession, the BVN enrolment exercise, and others.

However, it appears that consumers were also still reeling from the effects of the banking industry's tumultuous journey through the years. With 40.1 million adults excluded, 2.6 percent of them (about 1.04 million people) still did not trust banks enough to open or maintain an active bank account. In spite of these improvements, trust remains a concern.

2018 - Skye Bank bows out, along with 154 microfinance banks

The news of the revocation of Skye Bank's operating license in September sent shockwaves through the entire ecosystem. This was soon followed by the revocation of operating licenses from another 182 financial institutions, 154 being microfinance banks. While the Skye Bank intervention has been in operation since 2016, the revocation reasons of microfinance banking licenses range from insolvency to distress.

Through these crises, depositors continually question the safety of their funds, especially access to these monies amidst regulatory incursions! The CBN, on its part, through these interventions has averted the complete closures we witnessed with the likes of Savannah Bank and ABC Bank. The process of deposit insurance, especially for depositors with vast amounts, still leaves a sour taste in the mouths of the affected and their families.

While the impacts of trust in Nigeria may seem somewhat negligible and may never be completely eliminated, trust being one of the tenets of banking needs to be continually strengthened in the banking industry.

The responsibility is nonetheless shared between the operators and their regulators - CBN and NDIC. The depth of supervision, amongst others, needs to ensure the adherence to prudential guidelines as well as managing the possibility of systemic risk that occurred in the 2008 global

financial crises. This has led to a call for new legal and regulatory frameworks to prevent future financial crises as well as build confidence in financial markets. This becomes even more imperative as Nigeria continues to witness the influx of fintechs into the financial services space.

Likewise, through effective governance and management systems, the operators need to focus on building sustainable organisations. While various factors led to the failure of these financial institutions, the philosophy of rent-seeking without recourse to society is not only harmful but also erodes confidence.

Finally, consumer education is also an essential third leg to the trust conversation.

Improvements in financial literacy and financial education amongst all spheres of the population are welcome. The National Financial Literacy Framework published by the CBN in 2015 recognises the diverse needs of banking populace, affirms the absence of a one-size-fits-all approach and identifies consumer segments for the effective development and delivery of financial education.

*Dr Olayinka David-West and Ibukun Taiwo are members of the Sustainable and Inclusive Digital Financial Services initiative of the Lagos Business School*

## CBN to deepen rural financial inclusion with PSBs

...proposes minimum start-up capital of N5bn

ENDURANCE OKAFOR

**I**n furtherance of its mandate to promoting a sound financial system in Nigeria and the need to enhance access to financial services for the unbanked rural segments of the society, the Central Bank of Nigeria (CBN) has proposed Payment Service Banks (PSB), the apex bank's exposure draft on the guidelines for licensing and regulation of PSBs disclosed last Friday.

Meanwhile, BusinessDay survey revealed that the lack of proximity to, and availability of, financial service points (FSPs) — bank branches or agents which are meant to provide account opening and other customer service activities are the major barriers preventing rural inhabitants from accessing financial services and products.

"The key objective of setting up PSBs is to enhance financial inclusion in rural areas by increasing access to deposit products and payments/ remittance services to small businesses, low-income households and other entities through high-volume low-value transactions in a secured technology-driven environment," CBN explained.

CBN also disclosed that in the circumstance and in collaboration with critical stakeholders in the digital financial ecosystem, such as the Nigerian Communication Commission (NCC), Commercial Banks, Mobile Money Operators and Telecommunication companies, it has conducted several study tours of other jurisdiction that have made significant progress in driving financial inclusion.

In view of the challenges to effective outreach to rural

communities as well as the need to complement the services provided by other licensed entities, the CBN therefore issues the draft regulation to provide for the licensing and operations of PSBs in Nigeria.

Although, the PSBs are expected to have a minimum capital requirement of N5 billion, the CBN proposed in the draft. Nigeria's apex bank is also proposing that entities applying for a PSB license should pay a non-refundable application fee of N500,000 as well as a non-refundable licensing fee of N2 million.

A breakdown of the exposure draft revealed that the PSBs that will be granted the license will only render the following services; maintain savings accounts and accept deposits from individuals and small businesses, which shall be covered by the de-

posit insurance scheme; carry out payments and remittance (including cross-border personal remittance) services through various channels within Nigeria; issue debit and pre-paid cards; and operate electronic purse.

Meanwhile, CBN disclosed also, that PSBs shall not carry out the following; grant any form of loans, advances and guarantees; Trade in the foreign exchange market except carry out payments and remittance services through various channels within Nigeria; insurance underwriting; under taking any other transaction which is not prescribed by the payment Service Bank Guidelines; establish any subsidiary except as prescribed in the CBN regulations on the scope of banking and ancillary matters, No3, 2010.

"PSBs are expected to le-

verage on mobile and digital services to enhance financial inclusion and stimulate economic activities at the grassroots through the provision of financial services," the country's highest lender cited.

On the structure of PSBs, the Nigeria apex bank disclosed on the guideline that the PSBs shall; operate mostly in the rural centres and unbanked locations, with not less than 50 percent access point in 'rural areas' as defined by the CBN from time to time; establish ATMs in some of these areas; and be at liberty to operate through banking agents (in line with the CBN's guideline for regulation of agent banking and agent banking relationships in Nigeria).

Other structures in which PSBs must operate as cited by CBN includes; for them

to use other channels including electronic platforms to reach-out to its customers; establish coordinating centres in clusters of outlets to superintend and control the activities of the various access points and banking agents; be technology-driven and shall conform to best practices on data storage; security and integrity; and set up consumer help desks at its main office and coordinating centres to attend to consumers-related issues.

Meanwhile, the National Financial Inclusion Strategy (NFIS) seeks to ensure that over 80 percent of the bankable adults in Nigeria have access to financial services by 2020. CBN in collaboration with stakeholders launched the NFIS on 23rd October, 2012 with the view to reducing the exclusion rate to 20 percent by 2020.



# MARITIME BUSINESS

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## Supplementary port concession agreement to be ready in December – Bala Usman

Stories by  
UZOAMAKA ANAGOR-EWUZIE

**T**he supplementary port concession agreement between the Nigerian Ports Authority (NPA) and the private terminal operators is expected to be ready in December 2018, the management of the NPA has said.

According to the NPA, all necessary arrangement it's being concluded to sign the supplementary agreement with port concessionaires.

The new agreement, they say, hopes to address some of the controversial and ambiguous issues around the port concession regime entered into by the Federal Government with private terminal operators in 2006.

Recall that Nigeria's port concession agreement, which has lasted for 12 year, is yet to be reviewed since inception of port concession regime in 2006.

As result, industry players including terminal operators, NPA and port users have blamed the non review of the agreement for notable failures in the port system especially in areas of infrastructural provisions, dollar



Marvin Abe, managing director of Apapa Bulk Terminal Ltd (ABTL), with Hadiza Bala-Usman, managing director of Nigerian Ports Authority (NPA), during the International Association of Ports and Harbours (IAPH) Regional Conference in Abuja ...recently.

payment to government and among others.

Hadiza Bala-Usman, managing director of NPA, who disclosed this at the African conference of the International Association of Ports and Harbours (IAPH) held in Abuja recently, said the NPA is seriously working with the World Bank, terminal operators and other stakeholders to ensure that

the agreement comes into effect as a perfect document.

Usman said the review will be more definite on the issues of sanctions for both operators and government as regulator, in case of default to the provisions of the agreement; redefine the Guarantee Minimum Tonnage (GMT); and address other issues around government policies that

led to massive smuggling of vehicles and rice into the country.

According to her, the plan is also to attract private investors to Nigerian ports, assuring of government's determination to continue to provide necessary infrastructure at the ports.

"We are currently reviewing the concession agreement. We are work-

ing with the World Bank as a technical partner. What we have discovered is that there is no clarity on sanctions for any of the partners that violate the rules. No clarity as to what form of penalty. These are part of the things we are looking at and we have gone far in the process," she said.

Usman, who confirmed that the supplementary agreement will be ready in the next three months, said that NPA is in talks with the terminal operators to ensure the agreement becomes functional.

"We have an inter-agency which has all the agencies of government that are part of the concessioning process including the office of the Attorney General of Federation; Bureau of Public Enterprise (BPE); Infrastructure Concession Regulatory Commission (ICRC); Federal Ministry of Transportation; NPA and we also have technical support from the World Bank," she added.

On issues around impact of government policies on cargo throughput at the port, Usman said that the authority has written to Federal Government to assess and report back, the

performance of automotive policy on the economy.

She noted that government needs to review the policy to ensure that licensed assembling plants, are currently assembling vehicles; the number of assembled vehicles and the purchasing power of Nigerians vis-a-vis their ability to buy newly assembled vehicles.

Speaking on the infrastructural challenges around the port, Riliwanu Akiolu, Oba of Lagos, expressed concern on the Nigerian ports, particularly on the poor state of Lagos port roads.

He said the Federal Government needs to appeal to Lagosians and compensate them for the hardship.

Akiolu, who spoke through a chief, Nurudeen Agoro, said: "The most hit by the hinterland challenges is Lagos State. We are suffering from infrastructure decay around the ports. The importers and clearing agents are suffering so much hardship and they pay heavily. This adds to cost of goods to final consumers."

He therefore called on the government to as a matter of urgency; intervene to save the port axis from total collapse.

## Expert calls for removal of overtime, detained goods from port terminals

**L**ucky Amiwero, member, Presidential Task Force for Reform of Nigeria Customs Service (NCS) has called the attention of the Presidency on the need to decongest the port by removing un-cleared and seized cargos from various terminals in the seaports.

To him, the cargos in question need to be moved to the federal government warehouse at Ikorodu, as statutorily provided in the Customs and Excise Management (CIMA) Act C45 of 2004.

Amiwero, who wrote a letter to President Muhammadu Buhari on the need to decongest the ports, said that Nigeria Customs is statutorily authorised to remove un-cleared and seized goods after the days specified in section 31-(1-9) of CIMA, and transfer such goods

from the terminal/shed to the federal government warehouse at Ikorodu.

The letter dated 2nd October 2018, stated that terminal operators by the provision of CIMA Act C45 of 2004 section 31-(2), are expected to transfer all such goods as supplied in the list by the proper officer to government warehouse.

"We hereby request the federal government to comply with the provision of section 31, 20 and 97 of the CIMA Act, by transferring the un-entered, un-cleared and seized goods to the government warehouse in Ikorodu, to ease the port of congestion and raise revenue for government in consonance with the provision of the Act and international best practice," Amiwero noted.

According to him, goods are removed or store at a place approved by the

proper officer, and such place shall be deemed to be a government warehouse where the goods shall be deposited in.

He further stated in the letter that only the Nigeria Customs is charged with the responsibility of collecting rent on all goods deposited in the government warehouse as contained in section 20-(b) of CIMA Act, which clearly states that rent must be paid on goods deposited in government warehouse.

"Nigeria Customs Service is conferred with the authority to fix the rent charge on goods deposited in the warehouse. The service is also the custodian of all un-cleared and un-entered goods stored in the terminals as overtime cargo and seized goods that need to be deposited in government warehouse," he added.

## Lekki Port welcomes Presidential directive on connecting rail lines to seaports

**L**ekki Port LFTZ Enterprise (LPLE), promoters of Lekki Deep Seaport has commended President Muhammadu Buhari on his recent directive that all the nation's seaports must be linked to the rail infrastructure in order to enhance cargo evacuation.

Steven Heukelom, general manager projects, who spoke on behalf of LPLE during the recent Africa Region of International Association of Ports and Harbours (IAPH) Conference & Exhibition held in Abuja, lauded

the directive, describing it as a positive step towards facilitating efficient movement of cargo in Nigerian seaports including Lekki Port when operational.

Recall that the President made this pronouncement while declaring open the IAPH conference which was attended by esteemed stakeholders, senior government officials and participants from all over Africa and the World.

"We understand that connecting the ports to the rail lines will improve the country's economic competitive-

ness as targeted under the Economic Recovery and Growth plan (ERGP). So, I have directed that every port must have the complement of rail infrastructure and our projection is that by the end of 2021, we will have standard gauge railway across the main North-South trading route," he said.

According to him, government has been giving the same level of serious attention to the improvement of road infrastructure. "At the moment, 25 major highways and 44 roads are under construction across the six geo political zones of the country."

The conference, which was organised by the Hadiza Bala Usman led management of the Nigerian Ports Authority (NPA), was well attended, and industry stakeholders believed, will no doubt yield visible improvements in port services.





# Legal Perspectives *With Odunayo Oyasiji*

## Case Review

# Prof. Theophilus Adelodun Okin & Anor V. Mrs. Agnes Iyeba Okin (2016) LPELR- CA/IL/55/2015

### What to note:

This is a matter that was decided at the Court of Appeal. This matter deals with issues that bothers on creation and dissolution of partnership.

### Fact

The 1st Appellant (defendant at the lower court) was the husband of the Respondent (plaintiff at the lower court). The Respondent was responsible for the management and day to day running of two educational institutions i.e. Kinsey Academy and Kinsey College of Education. The 1st Appellant claimed that the Respondent was running the schools on his behalf. He claimed that he had to disengage the Respondent from running the school due to her financial obsession which was affecting the administration of the school.

The Respondent on the other hand claimed that she got married to the 1st Appellant in 1994. At the time of the marriage, she was a staff of Uthman Dan Fodio University, Sokoto. She stated that she retired after the marriage and relocated to Ilorin to start Kinsey Academy with the 1st Appellant between 1997-1999. She claimed that she invested all her retirement savings into the school and that all the furniture of her former private school in Sokoto was transferred to the school. All that the 1st Appellant invested in the school was his building which was on eight plots of land.

The school progressed and other properties in the neighbourhood were acquired. The 1st Appellant and the Respondent were joint signatories to the account of the school. They registered Kinsey Academy as a partnership under Companies and Allied Matters Act in 2003. Also, they both applied and got approval for the establishment of Kinsey College of Education in 2012.

The Respondent concentrated on the administration and day to day running of the school while the 1st Appellant focused on infra-structural facilities development in the school.

The relationship between the 1st Appellant and the Respondent went sour in 2012 when the 1st Appellant solely decided to give the premises and structures of the school to Grace Owens University



owned by his junior brother. The Respondent opposed this move and this led to her disengagement and to the breakdown of the marriage.

The Respondent challenged her disengagement at the Federal High Court, Ilorin on the ground that the school was run on the basis of partnership. She asked the court to dissolve the partnership, wind down the affairs of the schools, liquidate their assets and share them equally between her and the 1st Appellant. The Federal High Court ruled in favour of the Respondent and the appellants being dissatisfied with the judgement decided to appeal.

### Issues for determination

The Appellants raised a sole issue for determination and the Respondent also adopted the sole issue. The sole issue raised was "whether from the evidence and findings of the lower court, the lower court was right to have held that, the two educational institutions were a business owned by the 1st Appellant and the Respondent jointly and to have granted the reliefs sought".

### Submissions/Arguments

The Appellant's counsel argued that the lower court was wrong to have relied on the evidence

presented by the Respondent to show partnership. He stated that it was obvious from the evidences before the court that Kinsey Academy was established in 1997 while the Respondent joined the administration of the school in 2001.

He further stated that marriage is not enough evidence to establish the fact that whatever one party owns is jointly owned by the couple. He submitted that evidence of joint ownership must always be shown to establish same. He stated that "the issue of joint ownership and partnership is a special contract and the Court only interprets any instrument to that effect made by the parties voluntarily". He argued that a cordial relationship is in law not the basis to hold that two people are partners. The counsel admitted that partnership can be inferred but that the Respondent did not give evidence that can lead to such inference.

Counsel to the Respondent contended that the Appellants did not give evidence to contradict the evidences given by the Respondent and that the implication of this uncontroverted oral and documentary evidence is that the court should rely on them and give judgement in favour of the Respondent. He urged the Court of Appeal to uphold the judgement of the lower court.

### Judgement of Court

The Court defined partnership as "a legally recognized organizational structure, an association of a business owned by two or more people who share the profits and are personally liable for all business debts. In partnership there may be a formal agreement, which may be expressed or implied between the parties of a partnership to endeavour to engage in business and how it is to be conducted, such as profit and loss sharing, capital contribution or more. In other words, partnership is a voluntary association or coming together of two or more persons who jointly own and carry on a business for profit".

The court summarised the argument of the Appellants as that the Respondent who is claiming partnership and joint ownership of the schools could not present any document in form of agreement to that effect.

The court pointed out the fact that at least 12 of the Respondent's statement on oath was not contradicted in the processes filed by the Appellants and neither were they discredited through cross-examination. Therefore, the evidences of the Respondent as to the co-ownership of the school remained intact without any form of contradictions or denial.

The court further held "the fact that the Respondent and 1st Appellant were married did not in any way disadvantage the fact that partnership could be implied by the way and manner they carried on the business of the school. The law indeed recognises family partnership, which is where two or more persons who are related, voluntarily ancestors, lineal descendants, siblings, and any trusts established primarily for the benefit of such persons".

On the effect of dissolution of partnership, the court held that "where as in this case, a partnership is for a period undefined, any of the parties can give notice or approach the Court for the dissolution of the partnership provided the right is exercised bonafide, not for the purpose of taking undue advantage of the business of the partnership. Whether such dissolution is by reason of the state of agreement of the partnership or by Court decree each party is entitled to be indemnified to the tune of expenses he had rightfully incurred on behalf of the partnership in the ordinary course of its business or for the preservation of the partnership. Then again every partner is in law jointly and severally liable with other co-partners for all debts and liabilities of the partnership. Consequently, I will add, each member unless there is a formal agreement stating otherwise, will be entitled equally to the sharing of both the physical or liquid assets of the partnership... to this extent therefore since the partnership in question was implied, I hold that the learned trial Judge was right when in his judgment he decreed that the Respondent and 1st Appellant share equally the capital and profits of the partnership since there was no implied evidence to the contrary."

The Court of Appeal ruled in favour of the Respondent and upheld the judgement of the lower court.

### Conclusion

Partnership can be implied from the way parties conduct the business. This is also applicable in marriage. The implication of dissolution of partnership is that all partners are to partake in the sharing of both physical and liquid assets of the partnership except where there is an agreement to the contrary.



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# Leadership

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## The chairman of Nokia on ensuring every employee understands machine learning – Including him

RISTO SIILASMAA

I've long been both paranoid and optimistic about the potential of artificial intelligence to disrupt — well, almost everything. Last year, I was struck by how fast machine learning was developing and I was concerned that both Nokia and I had been slow on the uptake. What could I do to educate myself and help the company along?

As chairman of Nokia, I was fortunate to be able to worm my way onto the calendars of several of the world's top AI researchers. But I only understood bits and pieces of what they told me, and I became frustrated when some of them seemed more intent on showing off their own advanced knowledge of the topic than helping me truly understand it.

Then I realized that as a longtime CEO and chairman, I had fallen into the trap of being defined by my role: I had grown accustomed to having things explained to me. Why not study machine learning myself and then explain what I learned to others who were struggling with the same questions? That might help them and raise the profile of machine learning in Nokia at the same time.

### GOING BACK TO SCHOOL

After a quick internet search, I found Andrew Ng's courses on Coursera, an online learning platform. Ng turned out to be a great teacher and I had a lot of fun getting reacquainted with programming after a break of nearly 20 years.

After completing the first course on machine learning, I took a follow-up class on deep learning and another focuses on convolutional neural networks, which are commonly used in analyzing visual imagery. As I became more familiar with the topic, I also spent time reading research papers and articles on machine learning architectures and algorithms not covered by Ng's courses. After three months and six courses, I had covered both the simple algorithms as well as many of



the more complicated architectures.

Then I dug into the most difficult part: how to explain the essence of machine learning in the simplest way possible, but without dumbing it down. The presentation I came up with is available on YouTube (view it here: [bit.ly/2C0q7Sh](https://bit.ly/2C0q7Sh)), and so far nearly 45,000 people have watched it. I've also given it to, among others, the entire Finnish Cabinet, many of the commissioners of the European Union and 200 teenage girls to get them interested in science.

Thousands of Nokia employees have seen my presentation and been inspired by it. Many of our research and development folks have come to me to confess that they were a bit ashamed that their chairman was coding machine learning systems while they hadn't even started. But now they were devoting their own free time to studying the topic and were working on the first machine learning projects for Nokia.

### THE FIVE STEPS TO AI COMPETENCE

Ultimately, I wanted to promote a wider understanding of machine learning — not just for engineers, but for everyone at Nokia. To that end, the most valuable part of my

experience has been creating a template I call "the Five Steps to AI Competence." I hope leaders across all industries can learn from these steps as they seek insights about using machine learning in their businesses:

#### 1. MAKE EVERYONE

**LEARN THEIR AI ABCs.** We plan to make familiarity with the fundamentals of machine learning a mandatory process, and will require employees to take an online test. The point isn't just to ensure that each individual has a basic understanding of the technology. The deeper message is that learning is something we should be doing throughout our lives and that we can understand really complicated topics even if we don't think we can at first.

**2. CREATE A COMPETENT POOL OF EXPERTS.** When a business leader comes up with an idea — "Hey, we could save a ton of money if we did this" or "We could make this product more competitive if we could teach a machine learning system to help" — we'll have a pool of experts on hand to evaluate it and decide whether it makes sense to try. This

could be an in-house competence center or it could even be outsourced to a third-party AI company.

These data scientists will parachute into a business unit's R&D team to show its members how to do what's necessary. With every project, the data scientists will leave behind people who now have hands-on experience with machine learning, and when our scientists return to the centralized competence center, they can share their experience about what works on the ground.

**3. PAIR ROBUST INFORMATION TECHNOLOGY SYSTEMS WITH A SOLID DATA STRATEGY.** We'll need to build IT systems that can combine any subset of data the company has access to with any other subset to amass the exact data necessary to implement a particular machine learning system. Setting up a data lake of this kind is pure IT work. The strategy half of the equation involves anticipating our future data needs. In three to five years, the competitiveness of parts of our business will be largely defined by our machine learning systems. That means that today we have to acquire the data we need to train those systems.

**4. IMPLEMENT MACHINE LEARNING INTERNALLY.** There are numerous jobs that can be done better and faster if we augment the people working on those tasks with machine learning. For that, we'll need to change people's behavior so that they look at everything around them as an opportunity to automate.

**5. INTEGRATE MACHINE LEARNING INTO PRODUCTS AND SERVICES.** We must constantly analyze ways to leverage machine learning to improve competitiveness with our customers.

Because these five steps are all equally important parts of our AI future, they must be implemented simultaneously. While we start teaching our employees the basics of machine learning, we can start building our IT infrastructure, searching for talent and adding machine learning competencies to our products and services.

I often describe myself as an entrepreneur. When you have an entrepreneurial mindset, absolutely everything is your responsibility. You truly care and your actions communicate that loud and clear.

I could have just supported Nokia's CEO and management team in talking about the need to kick-start our machine learning capabilities. But talk is cheap. Taking actions that people can see and are motivated to copy is better than any speech. The fact that the chairman of a global company went back to school to learn about a new technology was novel enough to get people's attention and encourage them to act on their own.

I hope it's just the beginning.

*Risto Siilasmaa has been chairman of Nokia since 2012 and is founder and chairman of F-Secure. He is the author of "Transforming Nokia: The Power of Paranoid Optimism to Lead Through Colossal Change."*

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  - FirstCurrent Plus Account (FCP):** A special current account that enables customers enjoy unrestricted turnover on their transactions at Zero account maintenance charge.
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## NEWS

## FG to lose 29% of October earnings as...

Continued from page 1

The Federal Government earmarked oil revenues of N2.4 trillion in the 2018 budget, using an oil price and production benchmark of \$51 per barrel and 2.3 million barrels daily, respectively.

The budgeted amount is 18.6 percent of the total oil revenue (N12.9 trillion) that the country would earn for the full-year using the same benchmark set in the budget (\$51 per barrel and 2.3mbpd).

This implies that after the International Oil Companies (IOCs) and the states have taken their share, the Federal Government lays claim to as much as 18.6 percent.

BusinessDay then plugged in an oil price of \$80 per barrel and production of 1.7 million barrels per day

in October and arrived at a monthly value of \$4.1 billion.

In forecasting the Federal Government's share of the total oil revenue for the month, we worked out 18.6 percent of \$4.1 billion and got \$763 million (N233.4 billion).

The NNPC makes provisions for the subsidy under a line item called "Under-recovery." Between January to May, the NNPC reported an under-recovery of N301 billion, an average of N60.1 billion a month.

BusinessDay used an average figure to level out sharp volatility in monthly losses reported, given that under-recovery in some months surpassed months when the average oil price was higher.

For example, under-recovery in February was higher than in January, even though oil prices were higher in

the latter month.

Oil prices in January averaged \$69.08 per barrel and the NNPC reported a lower under recovery of N45.78 billion, compared to N59.5 billion in February even though oil price was lower at \$65.73.

March 2018 however recorded the lowest under recovery by NNPC. During the period, under recovery declined by 43 percent amounting to N34.03 billion despite average oil price for the month was up about 2 percent.

The average oil price in the period between January and May was \$71.2 per barrel, 12.4 percent lower than October's \$80 forecast.

To forecast under-recovery for the month, we factored in the oil price differential of 12 percent in average under-recovery of previous months, given that under-recovery is usually higher when oil prices increase.

We derived an estimate of N67.3

billion as under-recovery for October, which is the result of adding N7.2 billion (12 percent) to the average under-recovery of N60.1 billion.

This means the Federal Government, through the NNPC, would lose as much as N67 billion in October, the highest under-recovery after the \$88 billion lost in May, defending a N145 per litre petrol price.

Further analysis shows that the N67 billion is equivalent to 29 percent of the Federal Government's estimated revenue of N233.4 billion in October.

The Federal Government has halted the practice of paying direct subsidies since state-owned Nigerian National Petroleum Corporation (NNPC) became the sole importer of refined products in 2017 after independent marketers downed tools on the back of an unfavourable price regime.

While Nigeria has kept the retail price of petrol at N145 per litre, landing costs are over N200 per litre, thanks to higher oil prices and a weaker naira/dollar exchange rate.

The marketers pushed for a price review but the de-facto peg has remained, forcing them to quit importation and rely on NNPC imports for their supply.

Nigerians may not feel it nor know it but the pump price of petrol is currently the eight cheapest in the world according to data compiled by BusinessDay.

Every day, Nigerians go to gas stations to buy petrol; they pay an average of N146.9 per litre (according to National Bureau of Statistics August average pump price) which is a 65 percent discount to the average global price, thanks largely to expensive government subsidies and crude oil swap deals which have helped suppress petrol prices.

Though popular, subsidies are

very expensive and lead to misallocation of capital in the economy.

The decrepit state of the country's refineries means Abuja relies on imports of refined petroleum to meet its daily consumption needs despite being the largest oil producer in Africa.

The government then subsidises the price of petrol, a practice it justifies as protection for vulnerable Nigerians living in poverty.

The N145 litre retail pump price for petrol was fixed as far back as May 2016 when the prevailing oil price was \$40 per barrel and the exchange rate was N280 per US dollar.

As at Monday, October 8, the price of Brent crude, Nigeria's benchmark grade, was \$83 per barrel, while the naira has since weakened to N306 per dollar.

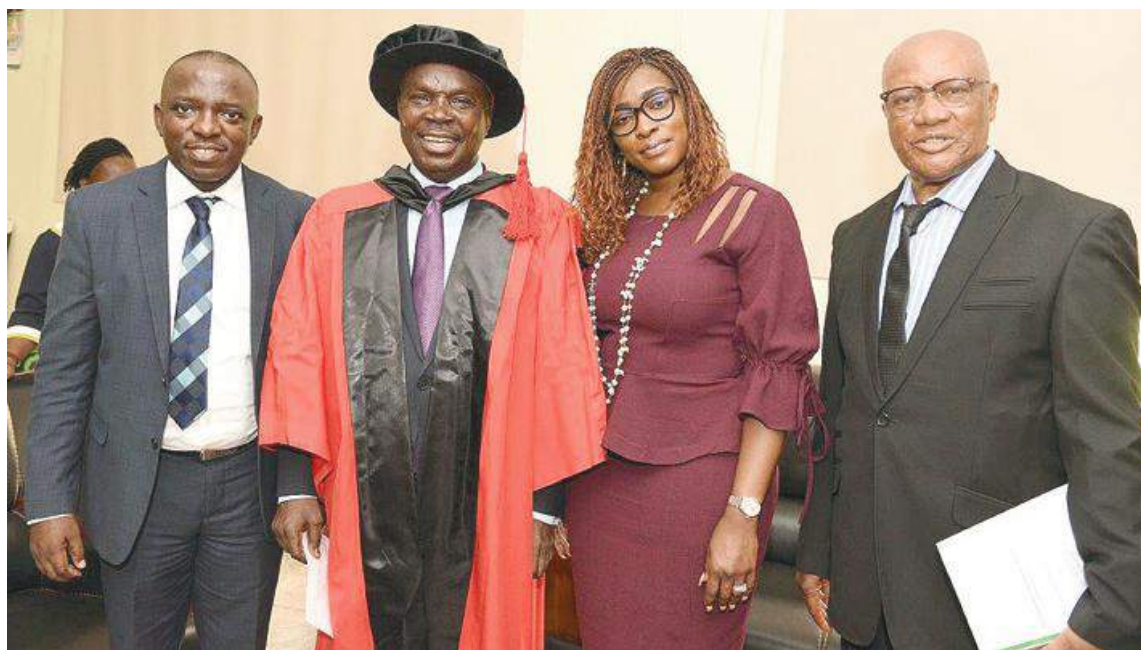
At the prevailing oil price and exchange rate, the landing cost for petrol is around N212.7 according to BusinessDay estimates, using available NNPC data.

With the average PMS price of N158.8 this year, the Federal Government has covered around N54 per litre for every Nigerian.

Petrol consumption in the country was estimated by NBS to have exceeded more than 10 billion litres in the first and second quarter this year, putting estimate subsidy payments at around N540 billion.

Although the size of the subsidy payment is high, it is not uncommon for oil producing countries to heavily subsidize gasoline prices for their citizens. Organisation for Petroleum exporting countries (OPEC) which is a cartel of some of the world's largest oil producers have six of its members included in the top 10 cheapest countries to buy petrol.

Nigeria's petrol price is the sixth cheapest among OPEC countries.



L-R: Osa Owieador, MD, Platform Petroleum, FNSE; Austin Avuru, CEO, Seplat; Victoria Avuru, and Amaechi Moshe, platform shareholder, at the occasion of the 58th founder's day lecture of the University of Nigeria, Nsukka, and conferment of Doctor of Business Administration on Avuru.

## Property prices seen dropping as politicians...

Continued from page 1

elections.

In February 2019, Nigeria will be going into general elections that are expected to cost governments at all levels, individuals and political office seekers, a lot of money for prosecuting the elections.

The property market is a haven for politicians where they launder money through proxies and return to the same market to raise funds for their elections by off-loading the properties for quick cash. Elections into political office are capital intensive and high risk ventures which banks avoid like lepers.

"The expectation is that many new assets will be coming to the market from people who want to run for elective positions. By simple economics, when supply outstrips demand, especially in an environment where you don't have liquidity, price will fall. Again, because these people want quick cash, they will sell the assets at very low prices," Gbenga Ismail, an estate surveyor and valuer, told BusinessDay on phone.

Ismail observed that already, prices have started dropping in Abuja and it is speculated that the coming election could be responsible for the drop. "Already the market has seen an over 10 percent drop in prices and it can only get worse as the we move closer to the election proper," he added.

Though Chudi Ubosi, president, International Real Estate Federation (FIABCI), Africa region, does not see the election having significant impact on property prices, Ad-

etokunbo Ajayi, CEO, Property-gate Development and Investment Company, agrees that the market will be receiving what he describes as distressed assets as the electioneering campaign heats up.

"Those who want to contest elections and need money desperately will resort to selling their assets, more so if they have no other sources of credit. The money they need is time-bound and so, unlike other sellers who can wait, these people will not have the patience and because they are coming to a market where supply already outstrips demand, they have to drop their prices. That may not help the market," Ajayi noted in a telephone interview.

Since most of these expected properties are high end, they will be coming to an already challenged segment of the market where demand and prices are low or stagnant in some locations, forcing the seller to drop his price in order to stimulate demand.

The property market, in the last 24 to 30 months, has been grappling with widening vacancy rates and falling rents, rent payment arrears and reduced up-take of new office and retail spaces. A quarter one 2018 report by the Nigerian Bureau of Statistics (NBS) shows that the sector plunged deeper into recession in this quarter.

Though the sector showed signs of rebound in Q2 2018 as shown by figures from the NBS, analysts hinge that good but negative figures on a number of factors, including improved infrastructure and capital injection into the sector by domestic investors.

The sector reported Gross Do-

mestic Product (GDP) growth of -3.88 percent in Q2, compared to the -9.40 percent rate recorded in the previous quarter, meaning that the sector has been in negative trajectory since the last quarter of 2016. The Q2 figure is 5.52 percent points better than the contraction reported for the sector in the first quarter, but not enough reason for investors to clink glasses.

Analysts advise however, that the present challenges in the market provide huge opportunities for savvy investors who are patient and have a long term view of the market. "A time like this, when distressed assets are coming to the market is time for investors to take position in the market," an analyst, who craved anonymity, posited.

The electioneering period is one for much spending as politicians will be pushing money into printing posters, organising rallies, placing adverts in both print and electronic media, wooing the electorate for votes with consumables and cash and the impact will be positive on real estate.

"All these will put a lot of money into people's pockets; people will feed well, pay children's school fees and the next thing to think about is how to pay their house rents and, in some cases, how to own a home," Femi Akintunde, CEO, Alpha Mead Group, affirmed in an interview.

Akintunde stressed that the coming election was going to be an advantage to real estate because a lot of money was going to come out. "The current government knows that they have to spend their way to win the election and come back. They have to convince Nigerians why they should still vote for them," he said.

## BusinessDay holds 2018 edition of CEO...

Continued from page 2

Forum has become the foremost event dedicated to the development of the private sector in Nigeria and the overall economy.

Last year's edition was mind-blowing as it featured the best hands from across the globe. Last year saw the presence of Richard Dobbs,

Senior Partner at McKinsey Global Institute Council.

This year's conference, as in previous editions, will provide a unique platform for the attendees and delegates to debate and exchange ideas on the issues and trends impacting upon Nigeria's economic growth and development.

## Focus shifts to Air Peace financing...

Continued from page 2

that they want to go to all the airports within Nigeria. They have the Air-Peace hopper, where they use smaller aircraft to feed the major routes. I will have suggested that they remain relevant first in the domestic and regional routes. With this relevance and the growth sustainable over three to five years, this will help them become a feeder to other airlines," Ojuri said.

The operating cost of an airline for an hour's flight is between N1 million to N1.5 million, depending on the aircraft type. These include cost of aviation fuel, dispatchers, charges from major aviation agencies, ground handlers and crew, amongst others.

The airline currently operates Boeing 777, 737, DONAIR 328, CRJ. Air-Peace operates an average of 85 daily flights locally. The airline's daily turnover from tickets sales no doubt is attracting banks' interest in its expansions.

Lagos to Abuja 11 flights, Lagos to Asaba, Abuja to Asaba to Lagos; four flights; Lagos to Port Harcourt, four flights; Lagos to Kano to Abuja to Kano to Lagos four flights, Lagos to Yola, two flights, Lagos to Benin is two flights, Lagos to Enugu is six flights. The airline also operates the Owerri, Calabar and Uyo routes daily.

An airline carries an average of 100 domestic passengers daily. Average cost for an economy ticket locally will be between N23,400 to N42,700.

For regional operations, the airline goes to five routes and operates not less than 22 flights on these routes. It operates six flights from Lagos to Ghana, two flights from Abuja to Ghana, two flights from Lagos to Freetown, four flights from Lagos to Monrovia, four flights from Accra to Monrovia, two flights from Lagos to Bangul and two flights from Lagos to Dakar.

All together, the airline operates not less than 107 flights daily. The average cost of air tickets from Lagos to Accra is between N43,000 to N83,000.

Air Peace already operates Boeing 737s between major cities in Central and West Africa. The airline, which recently added a Boeing 777s to its fleet, is looking to soon launch its international flight operations with the new order for ten 737 MAX 8 airplanes.

Each of the Boeing 737 MAX costs an average of \$113 million. This will amount to \$1.130 billion. Furthermore, one Boeing 737 MAX employs about 500 people and 10 of these aircraft will employ over 5,000 people. Air Peace will commence Dubai and Sharjah routes by November. Air Peace is speedily breaking even in the aviation sector despite operators call for the government to create an enabling environment for operations.

•Continues online at [www.businessdayonline.com](http://www.businessdayonline.com)





L-R: Temitope Oguntokun, head of sustainability and brand, Lafarge Africa; Saliat Bolanle Isola, assistant director, Universal Basic Education Commission (UBEC); John Edeh, assistant director, Planning, Research and Statistics, National Commission for Mass Literacy, Adult and Non-Formal Education; Adeola Awogbemi, executive director, Ovie Brume Foundation; Moshood Lawal, representative of the senior special assistant to the president on SDG, and winners of Lafarge Africa National Literacy Competition (North Central), during the presentation in Abuja.

## Ghana inches close to league of big oil producers

DAVID PILLING

**W**hen Kosmos Energy of the US discovered the Jubilee oilfield off the coast of Ghana in 2007, the West African country had already been harvesting cocoa for 60 years and mining gold for a century.

Charles Adu Boahen, deputy finance minister, says his country is lucky. By finding oil reasonably late in its development cycle, he says, it stands a better chance of avoiding the resource curse that has befallen other nations.

"When I was growing up, Nigeria was the number one competitor on cocoa exports," he says. "Today, I don't even think there is one cocoa tree left in the whole of Nigeria. Everybody has moved to oil; that's what

the whole country eats and dreams about."

Ghana has escaped that fate. This is largely because it already has a diversified economy in which oil — at least for now — plays a relatively minor role.

At today's production levels, the country is still a big net importer of crude. Oil revenue contributes only about 6 percent of government income, according to data from the finance ministry. Nigeria's present daily output is 2.2mbpd.

Officials describe Ghana's Petroleum Revenue Management Act of 2011 as a solid document. The act prevents Ghanaian governments, of whatever stripe, from front-loading revenue by selling oil on the futures markets. Modelled on Norwegian regulation, it stipulates that 30 per cent of petroleum revenue be paid into a stabilisation and

a heritage fund, rainy-day funds for emergencies and future generations.

One indication that Ghana has not succumbed to Dutch disease — the term given to over-dependence on a single commodity — is that its currency has not strengthened excessively.

Quite the reverse. While once there had been concern that Ghana's exports could be hindered if the cedi hit parity with the dollar, today Ghana's currency trades at five cedi to the dollar.

As things stand, Ghana will secure its place as a top-five oil producer in sub-Saharan Africa by 2020 with production of about 250,000 barrels, according to Eco-bank, a pan-African bank.

That would still put it a long way behind Nigeria, with production of 2.2m barrels a day, and Angola, at 1.8m. Ghana's production is largely accounted for by the

Jubilee field, at about 100,000 barrels a day, and the Tweneboa Enyenra Ntomme, or Ten, fields, at 70,000.

Both fields are operated by Tullow of the UK, which joined forces with Kosmos — at the Ghanaian government's urging — shortly after oil was discovered a decade ago. In addition, Eni pumped the first oil from its Sankofa field in 2017.

Sankofa is, furthermore, part of the \$8bn Offshore Cape Three Points integrated oil and gas project, which is expected to double domestic gas supply to 360m cubic feet by the end of next year. Gas is already piped from the Jubilee field to power a 200MW thermal station built by the Chinese.

## Corporate governance, infrastructure key to attract investment in aviation - experts

IFEOMA OKEKE

**E**xperts in the aviation sector have stressed that except the government provides the right infrastructure across the country's airports and operators implement corporate governance, the country may not attract the needed investment to turn the sector around.

They say for any change to be effected in the Corporate Governance of the Airline, it must be regulatory driven, as self-regulation has not worked so far.

Speaking during the 2018 colloquium organised by the Nigeriatravelmart.com, Ahmed Lawan Kuru, managing director, Asset Management Corporation of Nigeria (AMCON), said in a bid to implement corporate

governance, cash flow for setting up airlines must be professionally scrutinised to make business sense.

According to Kuru, the aviation industry operates on a low profit margin, and a low profit margin requires prudence that can only come with good Corporate Governance.

Reeling out ways to implement corporate governance, he said, "Regulators should provide affordable sources of funding and access to foreign exchange, scrutinise the ownership and source of funding of the prospective investors to confirm fitness, vet and check all the prospective owners of the company, conduct routine and deep examination of the operations and books of the airline to ensure compliance to set standards.

"Existing standards must be enforced and airlines penalised for non-compliance, appointment of Independent Directors with requisite experience on the Board of all Airlines, sole-proprietorship should be discouraged. Just like in banking, ownership should be diversified and adoption of the code of Corporate Governance for the Aviation Industry."

There are two major problems with the airlines in Nigeria, one of which is lack of an effective Board of Directors, thereby affecting internal policies and discipline, he said.

On the other hand, he said regulations were either weak and lack the courage to enforce compliance based on current standards or need more fine tuning to ensure effectiveness of the airline.

## CBN financial inclusion targets: One step forward, two steps backward!

Continued from Back Page

short-term which the formal banks are unwilling and unable to provide or service due to the high administration costs.

In addition to the instrumental needs, the informal finance sector also provides for the intrinsic needs of the majority of those classified as financially excluded- the poor and uneducated. Examples of intrinsic needs include sharing in the joys and sorrows of members like bereavement, child dedication, daughter's marriage etc. As these intrinsic needs are culturally oriented and encouraged, the preference of the informal finance groups is guaranteed. Moreover, the regulations and operations of the informal finance groups are properly understood, accepted, internalised and complied with due to the normative (cultural) origin and approach of the rules.

In promoting formal financial inclusion, there are certain questions that our policy makers need to evaluate and possibly answer. Some of the questions include: (i). why a poor village man will prefer to use the formal financial sector instead of his well understood informal sector, (ii). Does he need a national ID/Master-card for his daily existence and especially for his financial transactions, (iii). Even if he decides to use the ID/Master-card,

where will he use it and will he understand the terms and conditions of the card, (iv). Will the card be pre-paid or will it be like a normal credit card. There are so many unanswered questions to which the answers will help us in appreciating the importance of adopting a sociological approach to banking and especially for financial inclusion. This approach will ensure that any financial inclusion policy contains both instrumental and intrinsic needs of the target group to generate the required buy-in and effectiveness of the policy. It will require using some of our development priorities such as education and agriculture to innovate strategies to enhance the integration of our formal and informal financial sectors. In some instances, the informal finance sector should serve as role models for the formal sector.

Avoiding or delaying in adopting this approach will sustain our limited financial sector development especially financial inclusion evident in our inability to achieve more than 40million formal bank account holders in a country of about 200 million people.

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# Nigeria downgrades pile as IMF cuts growth forecast

HOPE MOSES-ASHIKE, Indonesia & LOLADE AKINMURELE

... cuts global growth forecast for first time since July 2016

In the same week the World Bank downgraded its economic growth outlook for Nigeria, the International Monetary Fund (IMF) followed, trimming its growth expectations for Africa's largest economy to 1.9 percent from 2.1 percent last April.

Herder-farmer clashes in Northern Nigeria, which disrupted crop production and led to the slowest growth in agriculture in two decades, was fingered as the main driver of the downgrade, as the IMF joined the World Bank in cutting its growth outlook for Nigeria.

The World Bank, this month, cut Nigeria's economic growth expectations for the year to 1.9 percent from an initial forecast of 2.1 percent, also citing sluggish agricultural output. Local investment bank, Vetiva,

cut its growth forecast to 1.7 percent from 2.1 percent, blaming "weak consumer demand, a rising cost environment, and a slump in agriculture output."

These factors are tipped to offset the impact of higher oil prices, which has climbed to a four-year high of over \$80 per barrel this month.

Growth of 1.9 percent this year means average incomes in Nigeria will contract for the fourth straight year, as population growth has consistently eclipsed economic growth, according to data compiled by Business Day. The IMF expects the trend to last another four years.

While the country's population rate has averaged 3 percent in the past decade, economic growth has been below 2.5 percent since 2015. Despite a year-on-year increase, the economy slowed to 1.5 percent in the

second quarter of 2018 from 1.95 percent in the first quarter.

The agriculture sector growth almost halved in Q2, expanding only 1.91 percent in Q2 from 3 percent in the first quarter, as crop production slipped to 1.49 percent to 3.45 percent, according to NBS data.

"The economic managers need to implement growth enhancing policies in the country that will lead to economic development," said Ayodele Akinwunmi, head of research at FSDH Merchant bank.

In a dampener on investor sentiment, the International Monetary Fund also downgraded its global economic growth projections for the first time since July 2016.

Citing escalating trade tensions and stresses in emerging markets, the Washington based lender

cut its global growth forecast for this year to 3.7 percent from 3.9 percent last April.

"At the time of our last World Economic Outlook in April, the world economy broad-based momentum led us to project a 3.9 percent growth rate for both this year and next," IMF Chief Economist Maurice Obstfeld told reporters Tuesday in Bali, Indonesia, as he explained that developments since then makes the earlier forecast overoptimistic.

"Rather than rising, growth has plateaued at 3.7 percent," Obstfeld said.

"There are clouds on the horizon. Growth has proven to be less balanced than we had hoped. Not only have some downside risks that the last world economic outlook identified been realized, mother likelihood of further negative shocks to our growth forecast has risen," Obstfeld added.

## Reforms: Edo not owing workers' salaries, BudgIT survey shows

An independent survey by civic start-up, BudgIT, has shown that Edo State does not owe workers' salaries.

The survey, conducted across Nigeria's 36 states, showed state governments that currently owe outstanding workers' salaries in the education and health sectors, secretariats as well as backlog of pension.

The survey, tagged State of States: 2018 Sub-National Salary Survey, which is valid as of September 24, 2018, showed that the Governor Godwin Obaseki-led administration does not owe salaries due school teachers, midwives in government hospitals and secretariat workers.

In a statement, Crusoe Osagie, special adviser to the Governor on Media and Communication Strategy, notes the survey confirms the state government's stance on the early pay-

ment of workers' salaries, and "civil servants can testify that they get their salaries before the 26th of every month."

According to Osagie, "The verdict of the survey by the independent researchers once again affirms what is already known by all. It goes to show everyone what workers in Edo enjoy and the fact that we are indeed committed to the welfare of workers."

He said that the ability to pay workers as and when due is the result of the frugal, time-tested resource management strategy adopted by Governor Godwin Obaseki in managing the state's resources.

Osagie said, "The state government has been able to meet her statutory financial obligation to workers as a result of her efficient financial management principle. We are happy that other people are also acknowledging this with surveys like this."



L-R: Tony Anonyai, executive director/co-CEO, Planet Capital Limited; Tumi Sekoni, associate executive director, FMDQ OTC Securities Exchange; Andrew Oti-Odibi, MD/CEO, C&I Leasing plc, and Efe Akhigbe, executive director/co-CEO, Planet Capital Limited, at the C&I Leasing plc Bond Listing Ceremony held at FMDQ OTC Securities Exchange, Exchange Place in Lagos.

## Pension fund assets rise to N8.33trn in August

CYNTHIA IKWUETOUGH

Summary of Pension Fund Assets released by National Pension Commission (PENCOM) states that the total pension assets rose six months in a row to hit N8.33 trillion as of August 2018.

The assets rose by 0.13 percent from N8.32 trillion in July 2018 with 4.22 trillion invested in Federal Government Securities by the Pension Fund Administrators (PFAs). The investment represented 69.3 percent of the total pension assets.

A breakdown of investments in FGN securities indicated that FGN bonds had N4.22 trillion, treasury bills had approximately N1.49 trillion, Agency bond like the Nigeria Mortgage Refi-

nancing Company (NMRC) and the Federal Mortgage Bank of Nigeria (FMBN) had N10.91 billion, Sukuk bonds had N53.03 billion and Green bond had N6.95 billion.

Local Money Market securities followed behind with an investment of N965.84 billion, representing about 11.6 percent of the total pension assets and consisting of Banks with N849.09 billion (10.2 percent) and Commercial papers with N116.75 billion (1.4%).

Domestic ordinary shares came third adding N630.25 billion or 7.6 percent weight on total assets. The local ordinary shares fell by 7.2 percent from its figure in July while foreign ordinary shares rose by 0.8 percent to N63.95 billion.

## Innovation in energy storage wins NLNG's \$100,000 Science Prize

FRANK UZUEGBUNAM

The Advisory Board of the Nigeria Prize for Science Tuesday announced "Nanostructured metal hydrides for the storage of electric power from renewable energy sources and for explosion prevention in high voltage power transformers," a work by Peter Ngene, as the winning work for this year's The Nigeria Prize for Science, worth a \$100,000.

The announcement was made by the chairman of the Advisory Board for the Science Prize and a science prize laureate, Akpoveta Susu at a press conference in Lagos.

The winner, Ngene, is an

assistant professor in the Inorganic Chemistry and Catalysis group of the Debye Institute for Nanomaterials Science, Utrecht University in The Netherlands. He is the recipient of the prestigious KNCV (The Royal Dutch Chemical Association) Van Arkel best PhD thesis (2012/2013) award, and the chair of the 2013 Gordon Research Seminar (GRS) on Metal-Hydrogen system in Italy.

He was also recently recognised as one of African leading young scientists by the award of the prestigious NEF (Next Einstein Forum) fellowship by the Chairman of the African Union (President Paul Kagame).

The "Nanostructured metal hydrides for the storage

of electric power from renewable energy sources and for explosion prevention in high voltage power transformers" is a new type of energy storage with implications on renewable energy development. The work also contributes to surmounting challenges in Nigeria around power transformers explosions due to degradation of insulators in the transformers.

Reacting to the verdict, the manager, corporate communications and Public Affairs Department at NLNG, Andy Odeh, said "With each passing year, our belief grows stronger that there is a place for The Nigeria Prize for Science in the quest to develop our country through science research and technology."

## World Mental Health Day: Obaseki proffers multi-sectoral partnership on treatment, decries stigma

Edo State governor, Godwin Obaseki, has proffered a more robust partnership involving state actors, the organised private sector (OPS), donor agencies, research institutes, charities and governments, in the treatment of mental illnesses.

Obaseki made the submission in commemoration of the celebration of World Mental Health Day, marked on October 10, each year.

The governor decried the attitude of many societies towards people having mental health problems and called for a change.

"Across the globe, some societies still discriminate against people with mental

health problems. This attitude further compounds efforts by governments, experts and other stakeholders at designing products for the treatment of patients and reintegrating them into the society," he said.

Obaseki explained that people with mental health problems deserve our love, care, understanding and support and urged thought and opinion leaders in communities across the globe to lead the fight against exclusion, stigma and prejudices held against sufferers of mental illnesses.

"As a government, we have delineated our health system for easy appreciation of the roles required by all stakeholders in the sec-

tor. We have commenced the construction of primary health centres across the state to reach all Edo people and residents irrespective of where they reside.

"The Benin Specialist Hospital will be open to offer specialist care to patients before the end of the year and we have received letters of intent from experts in the health sector, who want to partner with us to ensure that our health system can meet the needs of our people," he added.

Celebrating the 2018 World Mental Health Day, the World Health Organisation (WHO), urges regular checks for symptoms of mental illnesses beginning at a young age.



NEWS

# Nigeria may benefit from petrochemicals boom on strategic private investments

STEPHEN ONYEKWELU

Petrochemicals are set to drive growth in world oil demand, and Nigeria can benefit in the long run if it puts its acts together and encourages strategic private sector investment into its petrochemicals industry.

Petrochemicals are components derived from oil and gas that are used in daily products such as plastics, fertilizers, packaging, clothing, digital devices, medical equipment, detergents and tyres. They are becoming the largest drivers of global oil demand, in front of cars, planes and trucks, according to a major study by the Paris-based International Energy Agency (IEA), ‘The Future of Petrochemicals released October 5.

The Future of Petrochemicals is part of a new IEA series shining a light on “blind spots” of the global energy system; issues that are critical to the evolution of the energy sector but that receive less attention than they deserve.

Petrochemicals are set to account for more than a third of the growth in world oil demand to 2030, and nearly half the growth to

2050, adding nearly 7 million barrels of oil a day by then. They are also poised to consume an additional 56 billion cubic metres (bcm) of natural gas by 2030, and 83bcm by 2050.

“Our economies are heavily dependent on petrochemicals, but the sector receives far less attention than it deserves,” Fatih Birol, the IEA’s executive director said. “Petrochemicals are one of the key blind spots in the global energy debate, especially given the influence they will exert on future energy trends. In fact, our analysis shows they will have a greater influence on the future of oil demand than cars, trucks and aviation.”

Nigeria built three petrochemical plants in Elemo, Warri and Kaduna. These plants have combined capacity to produce 240,000 metric tons of polyethylene; 130,000 metric tons of polypropylene; and 18,000 metric tons of carbon black per annum.

However, a few years of operation and all the plants became moribund. A research conducted by the University of Benin, Nigeria, identified the reasons for collapse of the petrochemical plants to include irregular importation of

feedstock, poor maintenance and lack of technical and managerial capacity.

One of the plants at Elemo was sold to Indorama Petrochemicals in 2006 and now operates at an annual average availability of 99 per cent, having newly-built largest single-train fertilizer plant in the world. Indorama today is building a petrochemical hub in Africa at Elemo.

“Nigeria spends about \$11 billion on imported petrochemical related products in a year. You can understand why Dangote Industries is building one of the largest petrochemical complexes in the world in Nigeria” Emmanuel Anyaeto, director/CEO of California-based Integrated Gas and Energy Services, LLC said in an interview with a Nigerian national daily.

Demand for plastics, the key driver for petrochemicals from an energy perspective has outpaced all other bulk materials (such as steel, aluminium, or cement), nearly doubling since 2000. Advanced economies currently use up to 20 times more plastic and up to 10 times more fertiliser than developing economies on a per capita basis, underscoring the huge potential for global growth.

# Benin Monarch proposes satellite town of 24-hour power supply ... as heads of government, diplomatic corps, traditional rulers, others to grace book launch

IDRIS UMAR MOMKH, Benin

As part of plans to boost Benin cultural heritage, the Benin Monarch, Oba Ewuare 11, has proposed to establish a satellite town at Ugoneki in Uhumwode Local Government Area of Edo State.

Martin Uhomoibhi, chairman, Global Book Presentation Committee, who disclosed this at a press conference on the public presentation of the Benin Red Book, titled, “Benin Monarchy,” an anthology of Benin history in Benin City on Monday, said the satellite town would provide 24 hours power supply to the people.

Uhomoibhi said the satellite town at Ugoneki village along Benin- Agbor road would also have the basic infrastructure such as security, water, among others.

He said heads of government at national and sub-national levels as well as traditional rulers across

the country would grace the book launch scheduled to take place October 20, 2018.

Uhomoibhi, former Nigeria ambassador to Switzerland and permanent representative to the United Nations office Geneva, also disclosed that members of the diplomatic corps, captains of industry, notable curators and archivists, distinguished academics, as well as history and art aficionados from across the world were expected at the event.

While noting that the occasion promises to be an epochal one, he added that it would also herald the unveiling of the culmination of the Oba’s committed efforts to uphold Bini heritage and effectuate the regeneration of the unique essence of the Benin kingdom in the consciousness of the world.

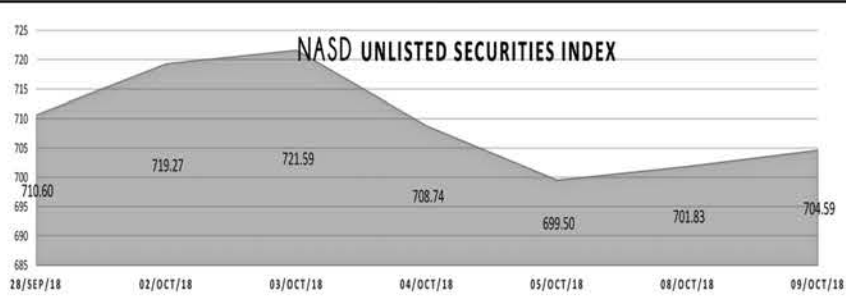
He also said the book, which weighs about 6.8 kilograms, had contribution from 18 scholars, some of them the most highly respected authorities within

and outside Nigeria on Benin history, 598 pages of meticulously researched articles and 441 iconic images.

On his part, Gregory Akenzua, the Onogie of Evbuobanosa and Abudu, who commended the scholars for the book, said the book was a new dimension to other previous books personally written by Oba Erediauwa, as the latest book was bigger and voluminous than the previous ones.

He further said that the British Museum and other notable national and international organisations had indicated interest to also join in the book launch in Benin City and other states.

Edo State commissioner for arts, culture and Diaspora, Osaze Osemwegie-Ero, commended Wells Crimson Limited, publisher of the book, under the auspices of the Oba Ewuare Foundation in collaboration with the Benin Traditional Council for further boosting the Benin cultural heritage.

| NASDAQ OTC Securities Exchange  |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
|---|-------------------|-------------------------|--------------|----------------|----------------|-------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| NASDAQ OTC DAILY MARKET SUMMARY   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| Tuesday, 09 Oct, 2018   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| The OTC Unlisted Security Index (USI) and Market Capitalisation closed the trading day on Wednesday, 09 October, 2018 with a higher movement from Tuesday, 08 October, 2018. The NASD USI and Market capitalisation closed at 704.59 Points and ₦489.70 billion respectively.   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| Number of equities traded decreased by 26.96% from 23,554 units to 17,204 units valued at ₦807,294.90 in Nine (9) deals. Negotiations focused on Four (4) out of the Thirty-eight (38) securities admitted to trade on the NASD OTC market.   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| <div><div></div><div>NASD UNLISTED SECURITIES INDEX</div><table><tr><th>Date</th><th>Index Value</th></tr><tr><td>28/SEP/18</td><td>710.60</td></tr><tr><td>02/OCT/18</td><td>719.27</td></tr><tr><td>03/OCT/18</td><td>721.59</td></tr><tr><td>04/OCT/18</td><td>708.74</td></tr><tr><td>05/OCT/18</td><td>699.50</td></tr><tr><td>08/OCT/18</td><td>701.83</td></tr><tr><td>09/OCT/18</td><td>704.59</td></tr></table></div> |                   |                         |              |                | Date           | Index Value | 28/SEP/18 | 710.60 | 02/OCT/18 | 719.27 | 03/OCT/18 | 721.59 | 04/OCT/18 | 708.74 | 05/OCT/18 | 699.50 | 08/OCT/18 | 701.83 | 09/OCT/18 | 704.59 |
| Date  | Index Value       |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 28/SEP/18   | 710.60            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 02/OCT/18   | 719.27            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 03/OCT/18   | 721.59            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 04/OCT/18   | 708.74            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 05/OCT/18   | 699.50            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 08/OCT/18   | 701.83            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| 09/OCT/18   | 704.59            |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| Kind Regards,   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| Statistics  | 09-Oct-18         | 08-Oct-18               | Change       | % Change       |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| UNLISTED SECURITIES INDEX   | 704.59            | 701.83                  | 2.76         | ↑ 0.39         |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| MARKET CAPITALISATION (₦ bn)  | 489.70            | 487.79                  | 1.91         | ↑ 0.39         |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| TOTAL VOLUME TRADED   | 17,204            | 23,554                  | (6,350)      | ↓ (26.96)      |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| TOTAL VALUE TRADED (₦)  | 807,294.90        | 1,468,763.00            | (661,468)    | ↓ (45.04)      |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NUMBER OF DEALS   | 9                 | 16                      | (7)          | ↓ (43.75)      |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NUMBER OF TRADED STOCKS   | 4                 | 8                       | (4)          | ↓ (50.00)      |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NUMBER OF UNTRADED STOCKS   | 29                | 29                      |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| GAINER(S)   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| SECURITY  | CLOSE PRICE( ₦ )  | PREV. CLOSE PRICE ( ₦ ) | CHANGE       | %CHANGE        |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FRIESLAND CAMPINA WAMCO NIGERIA PLC   | 152.00            | 150.04                  | 1.96         | ↑ 1.31%        |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| TRADED SECURITIES BY VOLUME & VALUE   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| SECURITY CODE   | TRADES            | VOLUME                  | VALUE ( ₦ )  |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| CENTRAL SECURITIES CLEARING SYSTEM PLC  | 2                 | 1,359                   | 18,351.90    |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FRIESLAND CAMPINA WAMCO NIGERIA PLC   | 3                 | 5,100                   | 775,200.00   |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FOOD CONCEPTS PLC   | 3                 | 10,705                  | 6,423.00     |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NIGER DELTA EXPLORATION & PRODUCTION PLC  | 1                 | 40                      | 7,320.00     |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| OUTSTANDING BIDS & OFFERS   |                   |                         |              |                |                |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| SECURITY  | CLOSING PRICE (₦) | VOLUME BIDDED           | LAST BID (₦) | VOLUME OFFERED | LAST OFFER (₦) |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| ACORN PETROLEUM PLC   | 0.17              | 200,000                 | 0.19         | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| AFRILAND PROPERTIES PLC   | 2.50              | 660                     | 3.20         | 50,000         | 3.10           |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| AG MORTGAGE BANK PLC  | 0.60              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| AIR LIQUIDE PLC   | 6.00              | -                       | -            | -              | 6.00           |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| ARM LIFE PLC  | 0.50              | 6,376                   | 0.50         | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| BGL PLC   | 3.00              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| CR SERVICES (CREDIT BUREAU) CLASS A PLC   | 1.00              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| CR SERVICES (CREDIT BUREAU) CLASS B PLC   | 1.00              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| CAPPA AND D ALBERTO PLC   | 34.00             | -                       | -            | 80,000         | 33.49          |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| COSTAIN (WEST AFRICA) PLC   | 0.50              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| CR SERVICES (CREDIT BUREAU) PLC   | 1.90              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| CENTRAL SECURITIES CLEARING SYSTEM PLC  | 13.01             | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| DUFIL PRIMA FOOD PLC  | 9.00              | 10,000,000              | 9.00         | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| ENSURE INSURANCE PLC  | 1.10              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FAMAD NIGERIA PLC   | 1.25              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FAN MILK PLC  | 20.00             | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FREE RANGE FARMS PLC  | 1.00              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FRIESLAND CAMPINA WAMCO NIGERIA PLC   | 152.00            | 1,000                   | 155.00       | 5,990          | 159.00         |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FOOD CONCEPTS PLC   | 0.60              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| FUMMAN AGRICULTURAL PRODUCT IND. PLC  | 1.58              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| GEO-FLUIDS PLC  | 0.53              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| GOLDEN CAPITAL PLC  | 1.00              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| INDUSTRIAL AND GENERAL INSURANCE PLC  | 0.07              | -                       | -            | 15,000         | 0.30           |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| INTERNATIONAL PACKAGING IND.OF NIG PLC  | 0.50              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| LIGHTHOUSE FINANCIAL SERVICES PLC   | 0.50              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| MASS TELECOM INNOVATION PLC   | 0.53              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| MIXTA REAL ESTATE PLC   | 2.21              | -                       | -            | 100            | 2.30           |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NASD PLC  | 2.59              | 6,375                   | 2.34         | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NIGER DELTA EXPLORATION & PRODUCTION PLC  | 180.69            | 26,500                  | 145.00       | 38,956         | 150.00         |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NIPCO PLC   | 80.99             | -                       | -            | 11,845         | 80.00          |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| NIGERIA MORTGAGE REFINANCE COMPANY PLC  | 4.55              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| RIGGS VENTURES WEST AFRICA PLC  | 0.95              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| RESOURCEERY PLC   | 0.50              | -                       | -            | 2,200,000      | 0.45           |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| SPRING MORTGAGE PLC   | 1.20              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| SWAP TECHNOLOGIES & TELECOMMS PLC   | 0.88              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| TRUSTBOND MORTGAGE BANK PLC   | 0.79              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| UBN PROPERTY COMPANY PLC  | 1.50              | -                       | -            | 9,988,100      | 1.62           |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
| VITAL PRODUCTS PLC  | 2.59              | -                       | -            | -              | -              |             |           |        |           |        |           |        |           |        |           |        |           |        |           |        |
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In furtherance of the transparency and full disclosure stance of the Central bank of Nigeria, the Monetary Policy Committee has decided that henceforth the lending rates obtainable in all Deposit Money Banks (DMBs) be made public to guide business decisions. Consequently, find below the applicable rates for each of the DMBs as at October 5, 2018. The rates will also be available on the website of the Central Bank of Nigeria

| NAME OF BANK   | ACCESS BANK | CITI BANK | CORONATION BANK | DIAMOND BANK | ECOBANK | FIRST BANK OF NIGERIA | FBN MERCHANT | FCMB  | FIDELITY BANK | FSDH  | GUARANTY TRUST BANK | HERITAGE BANK | KEYSTONE BANK LTD | NOVA MERCHANT BANK | PROVIDUS BANK | Rand Merchant Bank Nig. Ltd | Standard Chartered Bank | POLARIS BANK | STANBIC IBTC | STERLING BANK | SUNTRUST | United Bank for Africa | UNION BANK | UNITY BANK | WEMA BANK | ZENITH BANK |
|--|-------------|-----------|-----------------|--------------|---------|-----------------------|--------------|-------|---------------|-------|---------------------|---------------|-------------------|--------------------|---------------|-----------------------------|-------------------------|--------------|--------------|---------------|----------|------------------------|------------|------------|-----------|-------------|
| DEPOSIT RATES  |             |           |                 |              |         |                       |              |       |               |       |                     |               |                   |                    |               |                             |                         |              |              |               |          |                        |            |            |           |             |
| DEMAND DEPOSIT   | 0.09        | 1.20      | -               | 0.48         | 0.01    | 0.00                  | -            | 0.50  | 3.00          | -     | 2.40                | 0.00          | 0.19              | -                  | 0.00          | 5.00                        | -                       | -            | 0.71         | 0.00          | -        | 0.65                   | 0.50       | 0.50       | 1.48      | 0.58        |
| SAVINGS DEPOSIT  | 4.20        | 4.20      | -               | 4.20         | 4.20    | 4.20                  | -            | 4.20  | 4.20          | -     | 4.20                | 4.20          | 4.20              | -                  | 4.20          | 0.00                        | 4.22                    | 4.20         | 4.20         | 4.20          | 2.00     | 4.20                   | 4.20       | 4.20       | 4.20      | 4.20        |
| TIME DEPOSIT   | 10.31       | 6.80      | 13.49           | 9.24         | 9.86    | 7.50                  | 9.02         | 11.50 | 11.00         | 10.70 | 7.44                | 13.88         | 13.12             | 11.29              | 9.05          | 11.97                       | 6.95                    | 10.12        | 7.17         | 10.17         | 12.92    | 9.22                   | 10.30      | 16.00      | 8.45      | 7.68        |
| LENDING RATES  |             |           |                 |              |         |                       |              |       |               |       |                     |               |                   |                    |               |                             |                         |              |              |               |          |                        |            |            |           |             |
| AGRICULTURE, FORESTRY AND FISHING  | PRIME       | 17.00     | 15.50           | 16.00        | 15.00   | 17.00                 | 9.00         | 4.20  | 6.00          | -     | 7.00                | 27.00         | 19.00             | -                  | 9.00          | -                           | 20.00                   | 9.00         | 7.00         | 24.00         | 21.02    | 7.00                   | 23.50      | 24.00      | 9.00      | 17.00       |
|  | MAX.        | 29.50     | 23.50           | 19.50        | 28.72   | 25.00                 | 27.00        | 30.00 | 36.00         | -     | 21.00               | 30.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | 31.00        | 36.00        | 33.00         | 30.00    | 25.00                  | 45.50      | 32.00      | 25.00     | 26.00       |
|  | PRIME       | -         | 15.50           | -            | -       | 21.00                 | 20.00        | -     | 19.00         | -     | -                   | -             | 19.00             | -                  | 22.00         | -                           | 20.00                   | 28.00        | -            | 21.00         | -        | 24.00                  | 17.50      | 32.00      | -         | 17.00       |
| MINING & QUARRYING   | PRIME       | -         | 23.50           | -            | -       | 24.00                 | 27.00        | -     | 36.00         | -     | -                   | -             | 34.00             | -                  | 25.00         | -                           | 25.00                   | 34.00        | -            | 30.00         | -        | 29.00                  | 33.00      | 32.00      | -         | 26.00       |
|  | MAX.        | 14.00     | 15.50           | 14.00        | 20.00   | 14.00                 | 15.00        | 5.79  | 19.00         | 14.85 | 12.00               | 27.00         | 19.00             | -                  | 22.00         | 17.50                       | 20.00                   | 28.00        | 13.50        | 21.00         | 21.02    | 19.00                  | 9.50       | 24.00      | 29.00     | 17.00       |
| MANUFACTURING  | PRIME       | 29.50     | 23.50           | 21.00        | 28.77   | 24.00                 | 26.00        | 30.00 | 36.00         | 20.00 | 24.00               | 31.00         | 34.00             | -                  | 25.00         | 19.00                       | 25.00                   | 34.00        | 36.00        | 30.00         | 30.00    | 29.00                  | 42.50      | 32.00      | 29.00     | 26.00       |
|  | MAX.        | 15.00     | 15.50           | 19.05        | 20.00   | 19.00                 | 18.50        | 5.00  | 19.00         | 14.85 | 18.00               | 27.00         | 19.00             | -                  | 22.00         | 20.95                       | 20.00                   | 28.00        | 17.44        | 24.00         | 22.00    | 24.00                  | 24.50      | 24.00      | 29.00     | 17.00       |
| REAL ESTATE ACTIVITIES   | PRIME       | 29.50     | 23.50           | 19.05        | 28.78   | 28.00                 | 27.00        | 27.00 | 36.00         | 20.00 | 23.00               | 30.00         | 34.00             | -                  | 25.00         | 20.95                       | 25.00                   | 34.00        | 28.00        | 30.00         | 30.00    | 29.00                  | 36.50      | 32.00      | 30.00     | 26.00       |
|  | MAX.        | -         | -               | -            | -       | 14.00                 | 19.00        | -     | 19.00         | 14.85 | -                   | -             | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 9.00         | 21.00         | -        | 24.00                  | 17.50      | 24.00      | -         | 17.00       |
| PUBLIC UTILITIES   | PRIME       | -         | -               | -            | -       | 24.00                 | 28.00        | -     | 36.00         | 20.00 | -                   | -             | 19.00             | -                  | 25.00         | -                           | 20.00                   | -            | 30.00        | 27.00         | -        | 29.00                  | 24.50      | 32.00      | -         | 26.00       |
|  | MAX.        | 14.00     | 15.50           | 19.00        | 20.00   | 17.00                 | 20.00        | 5.00  | 19.00         | 14.85 | 15.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | 28.00        | 7.00         | 22.00         | 21.02    | 24.00                  | 17.50      | 24.00      | 29.00     | 17.00       |
| GENERAL COMMERCE   | PRIME       | 29.50     | 23.50           | 21.00        | 31.00   | 28.00                 | 27.00        | 30.00 | 40.00         | 20.00 | 25.00               | 33.00         | 34.00             | -                  | 28.00         | -                           | 27.00                   | 36.00        | 36.00        | 33.00         | 30.00    | 29.00                  | 42.50      | 32.00      | 30.00     | 26.00       |
|  | MAX.        | 15.00     | 15.50           | 16.00        | 20.00   | 18.00                 | 20.00        | 25.00 | 19.00         | -     | 18.00               | 27.00         | 19.00             | -                  | 22.00         | 18.50                       | 20.00                   | 18.00        | 11.00        | 21.00         | -        | 19.00                  | 23.50      | 24.00      | 29.00     | 17.00       |
| TRANSPORTATION & STORAGE   | PRIME       | 29.50     | 23.50           | 16.00        | 28.00   | 24.00                 | 27.00        | 26.00 | 36.00         | -     | 18.00               | 32.00         | 34.00             | -                  | 25.00         | 25.00                       | 25.00                   | 34.00        | 30.00        | 31.00         | -        | 29.00                  | 30.00      | 32.00      | 30.00     | 26.00       |
|  | MAX.        | 18.00     | 15.50           | -            | 20.00   | 21.00                 | 20.00        | 2.00  | 19.00         | 14.85 | 17.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 21.00                   | 28.00        | 19.00        | 21.00         | -        | 19.00                  | 21.50      | 24.00      | 29.00     | 17.00       |
| FINANCE & INSURANCE  | PRIME       | 29.50     | 23.50           | -            | 27.76   | 28.00                 | 27.00        | 28.00 | 36.00         | 20.00 | 25.00               | 28.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | 34.00        | 28.00        | 31.00         | -        | 29.00                  | 28.50      | 32.00      | 29.00     | 26.00       |
|  | MAX.        | 14.00     | 15.50           | 5.00         | 20.00   | 18.00                 | 20.00        | 1.00  | 19.00         | 14.85 | 13.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 7.00         | 21.00         | 21.02    | 24.00                  | 17.50      | 24.00      | 29.00     | 17.00       |
| GENERAL  | PRIME       | 29.50     | 23.50           | 5.00         | 29.00   | 30.00                 | 30.00        | 30.00 | 40.00         | 20.00 | 26.00               | 33.00         | 34.00             | -                  | 25.00         | -                           | 27.00                   | -            | 36.00        | 33.00         | 30.00    | 29.00                  | 49.00      | 32.00      | 30.00     | 26.00       |
|  | MAX.        | 16.00     | -               | -            | -       | 17.00                 | 19.00        | 1.00  | 19.00         | -     | 18.00               | 9.00          | 19.00             | -                  | 19.50         | -                           | 20.00                   | 9.00         | 21.00        | 21.00         | -        | 24.00                  | 24.00      | 24.00      | 29.00     | 17.00       |
| GOVERNMENT   | PRIME       | 26.50     | -               | -            | -       | 21.00                 | 28.00        | 9.00  | 36.00         | -     | 18.00               | 9.00          | 34.00             | -                  | 25.00         | -                           | 20.00                   | 31.00        | 21.00        | 29.00         | -        | 29.00                  | 24.00      | 32.00      | 28.00     | 26.00       |
| WATER SUPPLY SEWAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES                           | PRIME       | 20.00     | -               | -            | -       | 18.00                 | 20.00        | 1.00  | 19.00         | -     | -                   | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 18.00        | 21.00         | -        | 24.00                  | 17.50      | 24.00      | 29.00     | 17.00       |
|  | MAX.        | 29.50     | -               | -            | -       | 28.00                 | 27.00        | 30.00 | 36.00         | -     | -                   | 30.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 30.00        | 33.00         | -        | 29.00                  | 42.50      | 32.00      | 29.00     | 26.00       |
| CONSTRUCTION   | PRIME       | 16.50     | 15.50           | 20.00        | 20.00   | 14.00                 | 19.00        | 21.00 | 19.00         | -     | 16.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 21.00        | 21.00         | 21.02    | 24.00                  | 20.00      | 24.00      | 29.00     | 17.00       |
|  | MAX.        | 29.50     | 23.50           | 25.00        | 30.00   | 24.00                 | 28.00        | 27.00 | 36.00         | -     | 26.00               | 30.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 30.00        | 29.00         | 30.00    | 29.00                  | 29.50      | 32.00      | 30.00     | 26.00       |
| INFORMATION AND COMMUNICATION  | PRIME       | 18.00     | 15.50           | -            | 15.00   | 14.00                 | 20.00        | 6.00  | 19.00         | -     | 14.80               | 27.00         | 19.00             | -                  | 22.00         | 14.82                       | 20.00                   | -            | 14.81        | 21.00         | 21.02    | 24.00                  | 22.50      | 24.00      | 29.00     | 17.00       |
|  | MAX.        | 29.50     | 23.50           | -            | 15.97   | 28.00                 | 27.00        | 24.00 | 36.00         | -     | 25.00               | 25.00         | 34.00             | -                  | 25.00         | 15.20                       | 25.00                   | -            | 24.00        | 33.00         | 30.00    | 29.00                  | 42.50      | 32.00      | 30.00     | 26.00       |
|  | PRIME       | 17.00     | 15.50           | -            | 20.00   | 19.00                 | 20.00        | 20.50 | 19.00         | -     | 16.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 18.00        | 21.00         | 21.02    | 24.00                  | 26.50      | 24.00      | 29.00     | 17.00       |
| PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES  | PRIME       | 29.50     | 23.50           | -            | 28.00   | 28.00                 | 27.00        | 30.00 | 36.00         | -     | 25.00               | 31.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 30.00        | 29.00         | 30.00    | 29.00                  | 42.50      | 32.00      | 29.00     | 26.00       |
|  | MAX.        | 19.00     | 15.50           | -            | 20.00   | 23.00                 | 20.00        | 10.23 | 19.00         | -     | 19.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 11.00        | 21.00         | -        | 24.00                  | 25.00      | 24.00      | 29.00     | 17.00       |
| ADMINISTRATIVE AND SUPPORT SERVICES  | PRIME       | 29.50     | 23.50           | -            | 28.72   | 28.00                 | 30.00        | 27.50 | 36.00         | -     | 25.00               | 14.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 30.00        | 29.00         | -        | 29.00                  | 30.00      | 32.00      | 29.00     | 26.00       |
|  | MAX.        | 19.00     | 15.50           | -            | 20.00   | 23.00                 | 19.00        | 18.00 | 19.00         | -     | 17.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 18.00        | 21.00         | -        | 24.00                  | 25.00      | 24.00      | 29.00     | 17.00       |
| EDUCATION  | PRIME       | 29.50     | 23.50           | -            | 20.00   | 23.00                 | 20.00        | 30.00 | 36.00         | -     | 26.00               | 30.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 30.00        | 31.00         | -        | 29.00                  | 37.50      | 32.00      | 30.00     | 26.00       |
|  | MAX.        | 18.00     | 15.50           | -            | 20.00   | 23.00                 | 20.00        | -     | 19.00         | -     | 15.00               | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 23.00        | 21.00         | -        | 24.00                  | 25.50      | 24.00      | 29.00     | 17.00       |
| HUMAN HEALTH AND SOCIAL WORK ACTIVITIES  | PRIME       | 29.50     | 23.50           | -            | 28.72   | 28.00                 | 28.00        | -     | 36.00         | -     | 25.00               | 30.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 30.00        | 29.00         | -        | 29.00                  | 42.50      | 32.00      | 29.00     | 26.00       |
|  | MAX.        | 16.00     | -               | -            | 20.00   | 23.00                 | 20.00        | -     | 19.00         | -     | -                   | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 18.00        | 21.00         | -        | 24.00                  | 26.50      | 24.00      | 29.00     | 17.00       |
| ARTS, ENTERTAINMENT AND RECREATION ACTIVITIES OF EXTRATERRITORIAL ORGANIZATIONS AND BODIES | PRIME       | 29.50     | -               | -            | 28.72   | 28.00                 | 27.00        | -     | 36.00         | -     | -                   | 32.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 30.00        | 29.00         | -        | 29.00                  | 26.50      | 32.00      | 29.00     | 26.00       |
|  | MAX.        | -         | 15.50           | -            | -       | -                     | 20.00        | -     | 19.00         | -     | -                   | -             | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 11.00        | 21.00         | -        | 24.00                  | -          | 24.00      | -         | 17.00       |
| POWER AND ENERGY   | PRIME       | 22.00     | 15.50           | -            | 17.77   | 17.00                 | 19.00        | 7.00  | 19.00         | -     | -                   | 27.00         | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 19.00        | 21.00         | -        | 29.00                  | 17.50      | 24.00      | 29.00     | 17.00       |
|  | MAX.        | 29.50     | 23.50           | -            | 18.00   | 24.00                 | 27.00        | 23.00 | 36.00         | -     | -                   | 11.00         | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 27.00        | 25.00         | 30.00    | 29.00                  | 22.50      | 32.00      | 30.00     | 26.00       |
| CAPITAL MARKET   | PRIME       | -         | 15.50           | -            | -       | 20.00                 | 9.00         | -     | 19.00         | -     | -                   | -             | 19.00             | -                  | 22.00         | -                           | 20.00                   | -            | 11.00        | 21.00         | -        | 24.00                  | 26.50      | 24.00      | 29.00     | 17.00       |
|  | MAX.        | -         | 23.50           | -            | -       | 28.00                 | 27.00        | -     | 36.00         | -     | -                   | -             | 34.00             | -                  | 25.00         | -                           | 25.00                   | -            | 28.00        | 27.00         | -        | 29.00                  | 30.50      | 32.00      | 29.00     | 26.00       |
| OIL & GAS  | PRIME       | 15.00     | 15.50           | -            | 20.00   | 15.00                 | 20.00        | 11.80 | 19.00         | 14.85 | 7.50                | 27.00         | 19.00             | -                  | 22.00         | 17.61                       | 20.00                   | 26.00        | 11.00        | 21.00         | -        | 19.00                  | 17.50      | 24.00      | 29.00     | 17.00       |
|  | MAX.        | 29.50     | 23.50           | -            | 30.78   | 26.00                 | 28.00        | 23.04 | 30.00         | 20.00 | 26.00               | 30.00         | 34.00             | -                  | 25.00         | 17.61                       | 25.00                   | 34.00        | 36.00        | 33.00         | -        | 29.00                  | 42.50      | 32.00      | 30.00     | 26.00       |

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Signed: Management



# INSIGHT

## Impact of the economy and poverty ....Why government must look beyond just regulations

ROMAN O. OSEGHAE

**A**s long as Poverty, Injustice and Gross Inequality persist in our world, none of us can truly rest".....Nelson Mandela.

With an average of 8,000 people being added to Extreme Poverty daily in Nigeria according to the World Poverty clock, and Nigeria's subsequent move 24 points up the ladder on The Ease of Doing Business index from 169 in 2016 to 145 in 2017, Nigeria must look deeper and beyond the regulatory regime on The Ease of Doing Business and address the major factors that attract Foreign Investors into emerging economies if the country must benefit from the advantages of Foreign Direct Investments.

Foreign Direct Investments have different effects in an economy, which includes important avenue for improvement in the economy, increase in competitiveness, regional development, a major source of Foreign Capital Inflow which can help grow the economy, strengthen the local currency, create employment, and most important the transfer of technologies which can help propel a country to the world stage in manufacturing, become more competitive and further grows the economy.

While Governments around the world try to woo investors into their economy through easier regulations in the Ease of Doing Business, the same governments must look beyond the factors of regulations and at other factors which play a greater role in determining whether foreign investors will come or stay in their economies. Policies must be created around these factors and must not be tempered with, bipartisan politics is what will promote the positive results for the common interest of all. While Nigeria has concentrated on promoting the Ease of Doing Business through easier regulations, the country has neglected the most important factors that will attract foreign investors.

According to the 2018 Global Peace Index report, The Institute for Economics and Peace, a non-profit think tank that has authored the report for the last 12 years, outlines "The Economic Impacts of Violence: How the use of force hurts global economic output". The 2018 Reports states that the Economic Impact of Violence in 2017 was \$14.8 trillion in constant Purchasing Power Parity and roughly 12.4% of global GDP or \$1,988 per person, with Syria recording an Impact of 68% of its GDP, Afghanistan 63%, South Sudan 49%, Central African Republic 38%, Somalia 30%, and Nigeria at 11% (equivalent to \$150.2 bn) of GDP at Purchasing Power parity.

The Economic Impact of Peace goes beyond just affecting GDP growth, study shows that over the last 70 years, GDP per capita has been three times higher in highly peaceful countries compared to countries with low level of Peace. Countries with the largest improvements in peace also recorded 7 times higher per capita GDP growth than those that deteriorated the most over the last decade and would have added US\$13.87 trillion to global GDP had the low peaceful countries achieved GDP growth equivalent to highly peaceful countries. When GDP

Per capita is not increasing as it should be and population is increasing, it ultimately makes the country poorer and standard of living starts to fall.

While less peaceful countries experience economic stagnation, GDP per capita has grown on average by just one percent over the last 70 years resulting in economic factors such as high levels of poverty, unemployment, and inflation which are major risk factors for both political unrest and insecurity. As the low peace countries experience poor economic performance it leaves them more vulnerable to political instability and conflicts the very factors the multinational companies list as critical factor before investing in an economy, and according to the Global Peace Index, Nigeria falls within the very low peaceful countries.

Countries with higher level of peace have lower interest rates which ultimately helps financing in the domestic market attracting Foreign Investors compared to countries that have low levels of peace with higher interest rates which makes domestic financing expensive and in most cases leads to higher overheads and business failures. Inflation is on average three times higher and ten times more volatile in low peace countries than high peace countries and the reason why companies in developed economies rate low peace and unstable economies as high risk zones for businesses.

While all these factors play a critical role, they are all linked to low peace countries and studies shows that Foreign Direct Investment inflow are more than two times higher in countries with higher levels of peace relative to less peaceful countries and the GDP of least peaceful countries could increase by US\$527 by 2030 if they were to grow at the same rate equivalent to the most peaceful countries.

In his Book "The End of Poverty" Prof. Jeffrey Sachs states that "The Destinies of the haves are intrinsically linked to the faiths of the have nothing at all, if we didn't know this already it became too clear on September 11, 2001. The perpetrators of 9/11 might have been wealthy Saudis but is was in the collapsed poverty stricken state of Afghanistan they found sucker and sanctuary. Africa is not in the front line against terror but it soon could be"

As at 2016, the Boko Haram insurgency in North-Eastern Nigeria had claimed no fewer than 20,000 lives while about 1.8 million people had been displaced from their homes and communities grounding economic activities which not only affected the have

nothings at all but also affected the faiths of the haves. The North East Nigeria Recovery and Peace Building Assessment (RPBA) team had announced in early 2016 that the impact of the conflict in the region had cost US\$9 billion and also indicated that US\$6 billion will be needed to perform recovery efforts in the region.

Even as Nigeria declares war on terror, we must not fail to understand the deeper cause of the instability, the truth is that the increased military surveillance and expenditure will not solve the problem unless we address the fundamental cause. Had Nigeria invested the increased expenditures it is using today on military surveillance and hardware to fight insurgencies and terror on developing the people, the story would have been different.

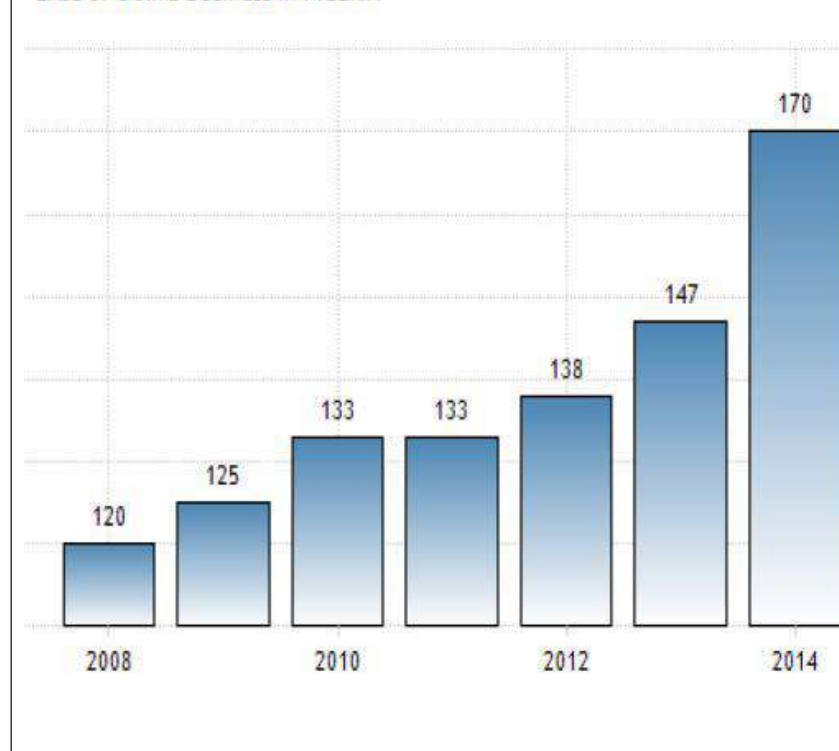
While carrying out the research, there were two major findings amongst countries where internal conflicts degenerates into terror afflicted zones, they were low education expenditure and high poverty rate. On January 14th, 2011, the Arab spring began in Tunisia which later spread to other Arab countries igniting mass protests, but the root cause were: Economic Mismanagement, Corruption, and Increasing Poverty which had reached their heights, today the consequences are still being felt in places like Libya and Syria where the situations have degenerated into full scale civil war with millions displaced and thousands killed seven years after.

According to the Broker, a think tank organization which carries out research to help policy makers with better decisions makings.... "Looking at inequality between countries essentially means looking at poverty. Research by internationally renowned experts like Paul Collier and Nicholas Sambanis has shown a strong link between the wealth of a country and the probability of it suffering from civil war."

For instance, in the Democratic Republic of Congo, a senior officer's salary is less than \$100 a month and often goes unpaid. One of the commanders of a rebel group in the east of the country recalled the moment he was recruited: "I had spent five months in a training camp in Kinshasa with no salary. My family was going hungry. When [General Laurent] Nkunda began recruiting, I saw I didn't have any option". Ironically, The Democratic Republic of Congo is where 71% of the population lives in Extreme Poverty.

While the Nigerian government may enhance the regulations surrounding the Ease of Doing Business, the greater restrictions for companies coming to

EASE OF DOING BUSINESS IN NIGERIA



invest in Nigeria still remains Political Stability and Security. In 2017, the World Bank conducted a survey to know what CEO's of multinational companies really want before investing in Emerging Economies which was published in the 2017/2018 Global Investment Competitiveness Report, Political Stability and Security was top on the list with 50% of the CEO's holding it to be critically important, and only 2% saying it is not important at all.

Large domestic market size came second with 42% as critically important, while only 4% says it is not important at all. Legal and Regulatory Environment comes third with 40% saying it is critically important while 2% says it is not important at all. Macro-Economic Stability and Favourable Exchange Rates comes fourth with 34% and Available Talent and Skills of Labour comes fifth with 28%.

But the interesting thing is that all the indicator sets which makes up The Ease of Doing Business can't function in a country that lacks peace, stability, and plagued by insecurity, eight of the eleven indicators have to do with procedures and time it will take to get things done, and a country that lacks peace or stability cannot guarantee that time frame, the North east as an example where when things starts to fall apart you can hardly get things done.

According to our findings, Nigeria has failed to focus on the major critical factor which will attract Foreign Investors despite its massive advantage of population and geographical location. Over the years the country has continued to witness security issues which has continued to plague its chances of attracting investors into strategic sectors like manufacturing. The simple truth is that as long as poverty and extreme poverty is on the rise the security challenges will not reduce. We may be able to subdue terrorism for a while but there are willing tools and people who poverty will push against their will and their very own consciences.

While Poverty and Extreme Poverty continues to increase as a percentage of population and threatens the stability of

the country, the question has been why Nigeria has recorded economic growth over the years and poverty increasing at the same time. Today the Asian countries have continued to lift their citizens out of poverty and extreme poverty while recording economic growth, China is an example where almost 800 million has been lifted out of poverty from 1981 while the opposite is happening in Nigeria. If we have economic growth and at the same time increasing poverty then it means that something is wrong and we are probably operating the wrong economic model.

Economic Growth should lead to Economic Development, and Economic Development leading to better Human Development, but Nigeria has over the years recorded Economic Growth that has not positively impacted Human Development while creating poverty.

### SUSTAINABLE DEVELOPMENT.....

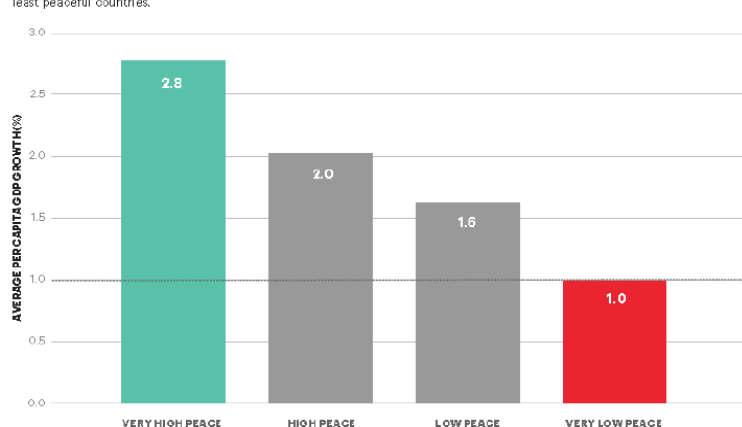
According to the International Institute for Sustainable Development (IISD) Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In conclusion, it is the Economic Development that is conducted without depletion of Natural Resources, it is an economic model that drives Education, Innovation, and Required Skills. It is then logical to conclude that we are not operating the right economic model.

Nigeria's economic model is wrong and has not created wealth over the past 37 years as the creation of wealth comes from empowering the people through investments in Human Capital Development and helping reduce the number of people living in Poverty and Extreme Poverty and affecting the people positively leading to economic progress a better human development index. Nigeria has been operating an Expense Budget since the Mid-80's rather than an Investment Budget, Investment creates wealth and not expense.

This can be seen on the Human Development Index where the country has stayed at the Low Human Development Quartile since 1990 despite recording economic growth and Expansion without being able to move up to the Medium Development Quartile whereas some countries have been able to move up from Low Human Development to Medium Human Development as they record economic growth, a scenario where the growth has been

GDP growth by level of peacefulness, 1960-2016

Countries with very high levels of peace, on average, achieved over three times higher per capita GDP growth compared to the least peaceful countries.



Source: WDI, IEP



# on the ease of doing business

Nigeria had less people living in Poverty. In 1981 approximately 47% out of the population of 75.7 million people lived in poverty representing 35.6m people, by year 2000 the percentage had increased to 65% of the 122.3m people bringing the total headcount of people living in poverty to 79.5m people.

By 2010, percentage living in poverty had further increased to 70% of the total population of 158.6m people, the headcount living in poverty increased to 111m, this means that between 1981 and 2010, a total of 75.4m had been added to poverty. The Percentage living in Poverty has remained at 70% ever since while population continues to increase thereby increasing the headcount of people living in poverty, by the end of 2015, headcount had increased to 126.8m out of a population of 181.2m. The worrisome part is that GDP has increased from \$61.1 bn in 1981 and reaching an all-time high of \$568.5 bn in 2014, an increase of \$507.4 bn (830.4%), within the same period Nigeria added 87.9m people to poverty and by 2016 had added 94.6m people to poverty.

Today Nigeria can be said to be in a situation called the Poverty Trap....A mechanism which makes it very difficult for people to escape poverty. A poverty trap is created when an economic system requires a significant amount of various forms of capital in order to earn enough to escape poverty. When individuals lack this capital, they may also find it difficult to acquire it, creating a self-reinforcing cycle of poverty.

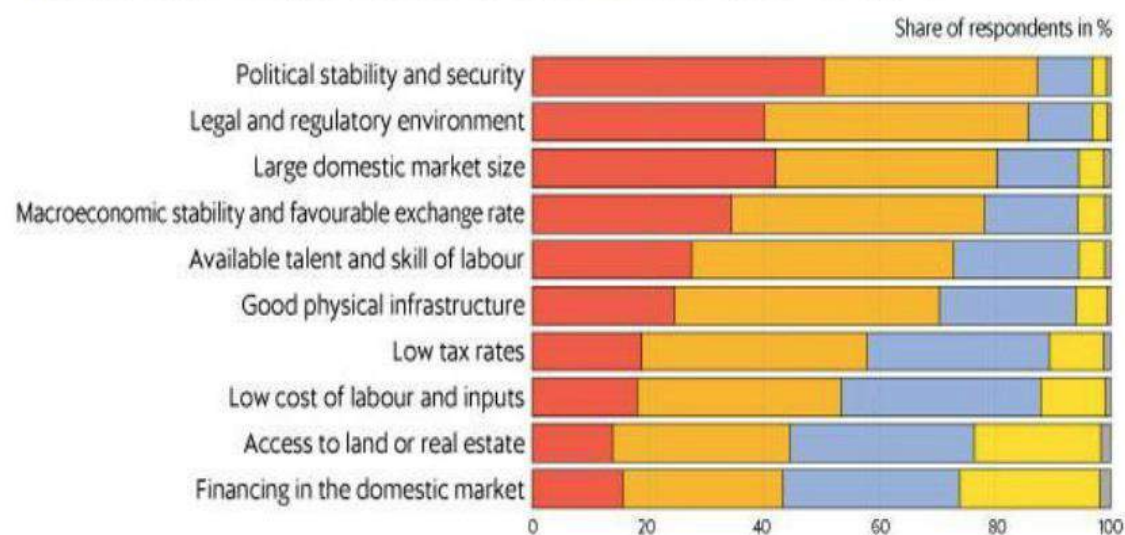
Looking back at the economy from 1981 to date, Nigeria has had both Economic Recessions and Economic Growth with Poverty Increasing at both times, so no matter what happens in the economy poverty continues to increase. As Poverty continues to increase, Crime, Social Unrest, and Corruption will continue to increase which can lead to both State and Regional Instability.

By 2016, China's Economy had grown from \$196bn in 1981 to \$11.2 trillion in 2016 (5617%) lifting 789.5m people out of poverty, India's Economy grew from \$196.9bn in 1981 to \$2.264 trillion in 2016 (1050%) and lifted 137m people out of poverty, Indonesia's economy grew from \$85.5bn in 1981 to \$932.3bn in 2016 (990%) and lifted 78.7m out of poverty, Thailand lifted out 29.4m people with an economic growth of \$34.8bn in 1981 to \$411.7bn in 2016 (1083%), Malaysia lifted out 2.93m people with an economic growth, and Bangladesh lifted out 24.3m people.

How did the Asian countries who were behind countries like Nigeria in the 60's, 70's, and early 80's able to

## Factors affecting investment decisions

■ Critically important ■ Important ■ Somewhat important ■ Not at all important ■ Don't know



Note: Multinational Corporation Executives were asked how important these Characteristics were in their decision to invest in developing countries.

Source: World Bank

make such a giant stride?.....it was because the Asian countries changed their economic model in the mid-80's by investing in Human Capital Development thereby driving Sustainable Development, ironically from research it was the same time Nigeria started reducing its investments in Human Capital Development.

Reaching 5% of GDP in 1981, Nigeria continued to reduce its Education Expenditure from the mid-80's reaching an all-time low of 0.76% (Less than 1%) in 1992 and it has remained below 1% ever since, while it continued to treat education as an expense rather than an Investment. Investing in Human Capital Development is what helps individuals create wealth by attaining their potentials and this has long been the economic model of the western world, this was what Nigeria did in the 60's, 70's, and early 80's and why Nigeria was ahead of the Asian countries. Immediately Nigeria stopped the Asian countries started their massive investments in Human Capital Development, building sustainable development and growth which has led to the reduction of poverty across the region.

With abysmal investment in Human Capital Development, there is no meaningful investment in the people to create wealth, and as poverty increases corruption continues to increase as well....Poverty leads to Corruption and Corruption further reinforces Poverty

leading to deeper Poverty, this is why the number of Extreme Poverty in Nigeria will continue to increase threatening peace and limiting foreign investments. EFFECT OF INCREASING POVERTY ON THE GLOBAL PEACE INDEX AND TI INTERNATIONAL

The increasing Poverty over the years has led to increased crime, social unrest, and corruption in Nigeria, with the Social unrest leading to both state and regional instability between 2012 and 2015 when Boko Haram insurgency unleashed terror on North-Eastern Nigeria. The Global Peace Index which measures Global Peacefulness through 1) The level of Societal Safety and Security, 2) Extent of Ongoing Domestic and International Conflicts, and 3) Degree of Militarisation, ranks countries annually on peace.

The number one factor which drives foreign investors' confidence in an economy is Political Stability and Security, in 2008 Nigeria ranked 118 out of 163 countries in the Global Peace Index, by 2011 the country had moved down the ranking to 142, and by 2013 it had further moved down to 148, this was the same time Boko Haram terrorized the North-East of the country. By 2014 and 2015, Nigeria's ranking reached 151 at the height of the insurgency, not surprisingly Foreign Direct Investments into the country started reducing after reaching its peak of \$8.84bn in 2011 to \$7.07bn in 2012 and reaching \$3.13bn in 2015.

Poverty leads to corruption and corruption breeds social unrest which leads to insecurity, it is no surprise that almost all the countries at the bottom of the Transparency International Index are the same countries at the bottom of the Global Peace Index. Almost all the countries at the bottom of the Global Peace Index are the same countries on the Global Conflict Tracker, a platform which tracks all the major conflicts in the world and which affects The United States interests globally.

Since Political Stability and Security is the number one factor that determines the Ease of Doing Business, the same countries dominate the bottom of the Global Ranking in the Ease of Doing Business and are the same countries ravaged by Poverty and Extreme Poverty. Nigerian may have succeeded in reducing the insurgencies in the North-East and moving up the global ranking in the Ease of Doing Business by 24

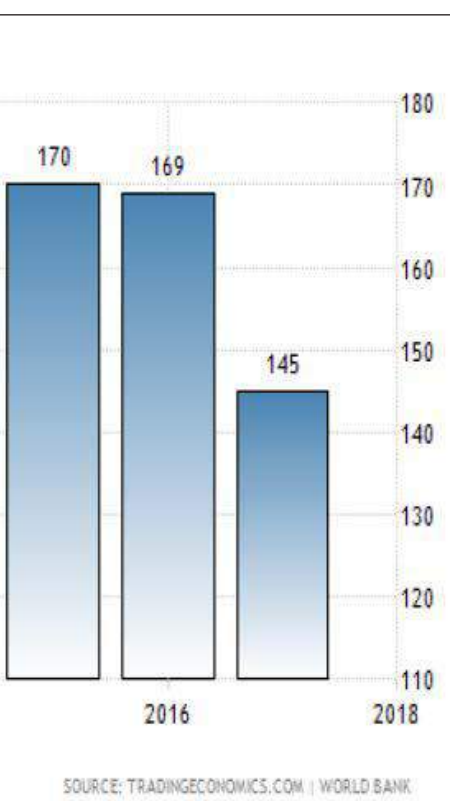
points, from 169 to 145 but the question is will it be sustainable with the increasing Poverty and Extreme Poverty?

If we must attract Foreign Investors we have got to reduce Poverty and Extreme Poverty, only then can Nigeria guarantee security, and to reduce poverty we have got to change our Economic Model from a mineral resource economy by building a Sustainable Economy which invests in Human Capital Development, by investing in Education it enables the people create wealth and improve their standard of living. Enhancing regulations is not what will bring in investors but a stable political and security environment will not only attract investors but attract long term investments and not just Foreign Portfolio Investments.

Most foreign investors would rather invest in economies with high level of peace, a lower return on investments where long term sustainability of business can operate than investing in a country where there is low level of peace and higher return on investments. This is why investors tend to concentrate their Greenfield investments in countries with high level of peace and the countries ultimately benefit from technology transfers compared to countries with low level of peace where investors are more interested in short term investments through FPI's and cash in on high returns due to high interest rates and investments are not really beneficial to the people in the real sector of the economy where it would have made much impact.

As Poverty and Extreme Poverty increases we should expect increase in social unrest and insecurity in the future, and as Nigeria leads the world in Extreme Poverty with 44.3% of its population and 70% living in Poverty, the country might just be building up both state and regional instability in the future repeating what happened between 2012 and 2015 and investors will avoid investing in the economy no matter how good the regulations are in the Ease of Doing Business and the reasons why the government must look beyond just regulations.

**Roman O. Oseghale. MSc, EMBA**  
Head Consultant/CEO  
IntelServe Inc. Canada



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

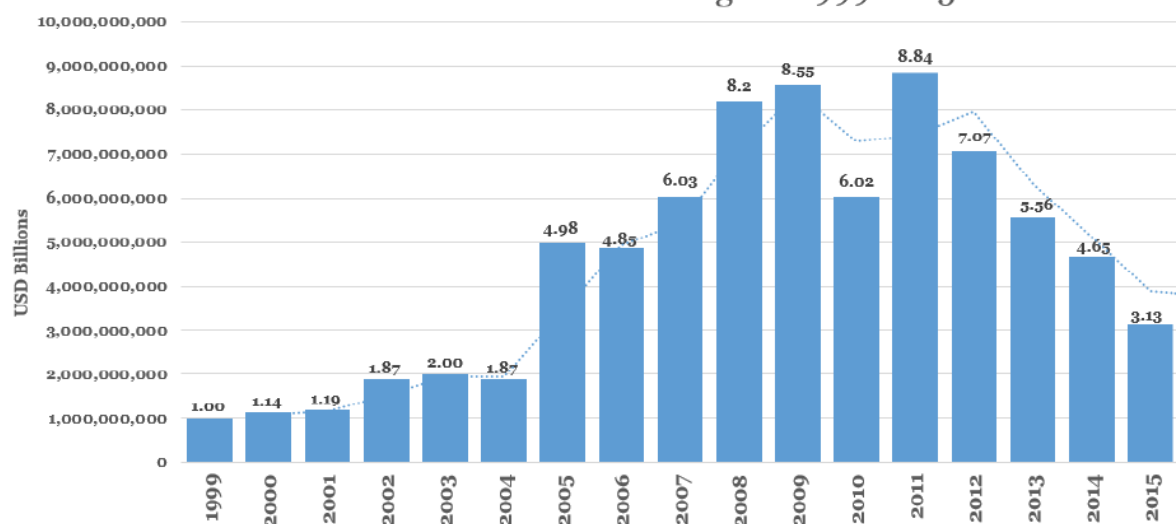
able to positively affect the population.

The Human Development Index is a composite index of life expectancy, education, and per capita income, it is no surprise that the index of life expectancy and education falls under Human Capital Development which when invested in leads to higher per capita income and this is where Nigeria has failed woefully and hence has remained at the Low Human Development quartile of the Human Development Index.

Countries that have sustained economic progress despite moving up the Human Development Index have managed to reduce their levels of violence and have escaped what has been termed the conflict trap: a tendency where countries with low income, low growth, and primary commodity dependence to remain trapped in a cycle of violence, political and economic instability. Economic instability is a known catalyst for political upheaval and social unrest which further reinforces poor economic performance. INCREASING POVERTY....

In the 60's, 70's, and early 80's Nigeria had a better standard of living than most Asian and African countries because of the heavy investments in Human Capital, especially Education which most Asian countries and African countries were not investing in, hence

## FDI Inflow into Nigeria 1999-2015



Source: The World Bank



INSIGHT

# Impact of the economy and poverty on the ease of doing business

## ....Why government must look beyond just regulations

ROMAN O. OSEGHALE

As long as Poverty, Injustice and Gross Inequality persist in our world, none of us can truly rest”.....Nelson Mandela.

With an average of 8,000 people being added to Extreme Poverty daily in Nigeria according to the World Poverty clock, and Nigeria's subsequent move 24 points up the ladder on The Ease of Doing Business index from 169 in 2016 to 145 in 2017, Nigeria must look deeper and beyond the regulatory regime on The Ease of Doing Business and address the major factors that attract Foreign Investors into emerging economies if the country must benefit from the advantages of Foreign Direct Investments.

Foreign Direct Investments have different effects in an economy, which includes important avenue for improvement in the economy, increase in competitiveness, regional development, a major source of Foreign Capital Inflow which can help grow the economy, strengthen the local currency, create employment, and most important the transfer of technologies which can help propel a country to the world stage in manufacturing, become more competitive and further grows the economy.

While Governments around the world try to woo investors into their economy through easier regulations in the Ease of Doing Business, the same governments must look beyond the factors of regulations and at other factors which play a greater role in determining whether foreign investors will come or stay in their economies. Policies must be created around these factors and must not be tempered with, bipartisan politics is what will promote the positive results for the common interest of all. While Nigeria has concentrated on promoting the Ease of Doing Business through easier regulations, the country has neglected the most important factors that will attract foreign investors.

According to the 2016 Global Peace Index report, The Institute for Economics and Peace, a non-profit think tank that has authored the report for the last 12 years, outlines “The Economic Impacts of Violence: How the use of force hurts global economic output”. The 2018 Reports states that the Economic Impact of Violence in 2017 was \$14.8 trillion in constant Purchasing Power Parity and roughly 12.4% of global GDP or \$1,988 per person, with Syria recording an Impact of 68% of its GDP, Afghanistan 63%, South Sudan 49%, Central African Republic 38%, Somalia 30%, and Nigeria at 11% (equivalent to \$150.2 bn) of GDP at Purchasing Power parity.

The Economic Impact of Peace goes beyond just affecting GDP growth, study shows that over the last 70 years, GDP per capita has been three times higher in highly peaceful countries compared to countries with low level of Peace. Countries with the largest improvements in peace also recorded 7 times higher per capita GDP growth than those that deteriorated the most over the last decade and would have added US\$13.87 trillion to global GDP had the low peaceful countries achieved GDP growth equivalent to highly peaceful countries. When GDP

Per capita is not increasing as it should be and population is increasing, it ultimately makes the country poorer and standard of living starts to fall.

While less peaceful countries experience economic stagnation, GDP per capita has grown on average by just one percent over the last 70 years resulting in economic factors such as high levels of poverty, unemployment, and inflation which are major risk factors for both political unrest and insecurity. As the low peace countries experience poor economic performance it leaves them more vulnerable to political instability and conflicts the very factors the multinational companies list as critical factor before investing in an economy, and according to the Global Peace Index, Nigeria falls within the very low peaceful countries.

Countries with higher level of peace have lower interest rates which ultimately helps financing in the domestic market attracting Foreign Investors compared to countries that have low levels of peace with higher interest rates which makes domestic financing expensive and in most cases leads to higher overheads and business failures. Inflation is on average three times higher and ten times more volatile in low peace countries than high peace countries and the reason why companies in developed economies rate low peace and unstable economies as high risk zones for businesses.

While all these factors play a critical role, they are all linked to low peace countries and studies shows that Foreign Direct Investment inflow are more than two times higher in countries with higher levels of peace relative to less peaceful countries and the GDP of least peaceful countries could increase by US\$527 by 2030 if they were to grow at the same rate equivalent to the most peaceful countries.

In his Book “The End of Poverty” Prof. Jeffrey Sachs states that “The Destinies of the haves are intrinsically linked to the faiths of the have nothing at all, if we didn’t know this already it became too clear on September 11, 2001. The perpetrators of 9/11 might have been wealthy Saudis but is was in the collapsed poverty stricken state of Afghanistan they found sucker and sanctuary. Africa is not in the front line against terror but it soon could be”

As at 2016, the Boko Haram insurgency in North-Eastern Nigeria had claimed no fewer than 20,000 lives while about 1.8 million people had been displaced from their homes and communities grounding economic activities which not only affected the have

nothings at all but also affected the faiths of the haves. The North East Nigeria Recovery and Peace Building Assessment (RPBA) team had announced in early 2016 that the impact of the conflict in the region had cost US\$9 billion and also indicated that US\$6 billion will be needed to perform recovery efforts in the region.

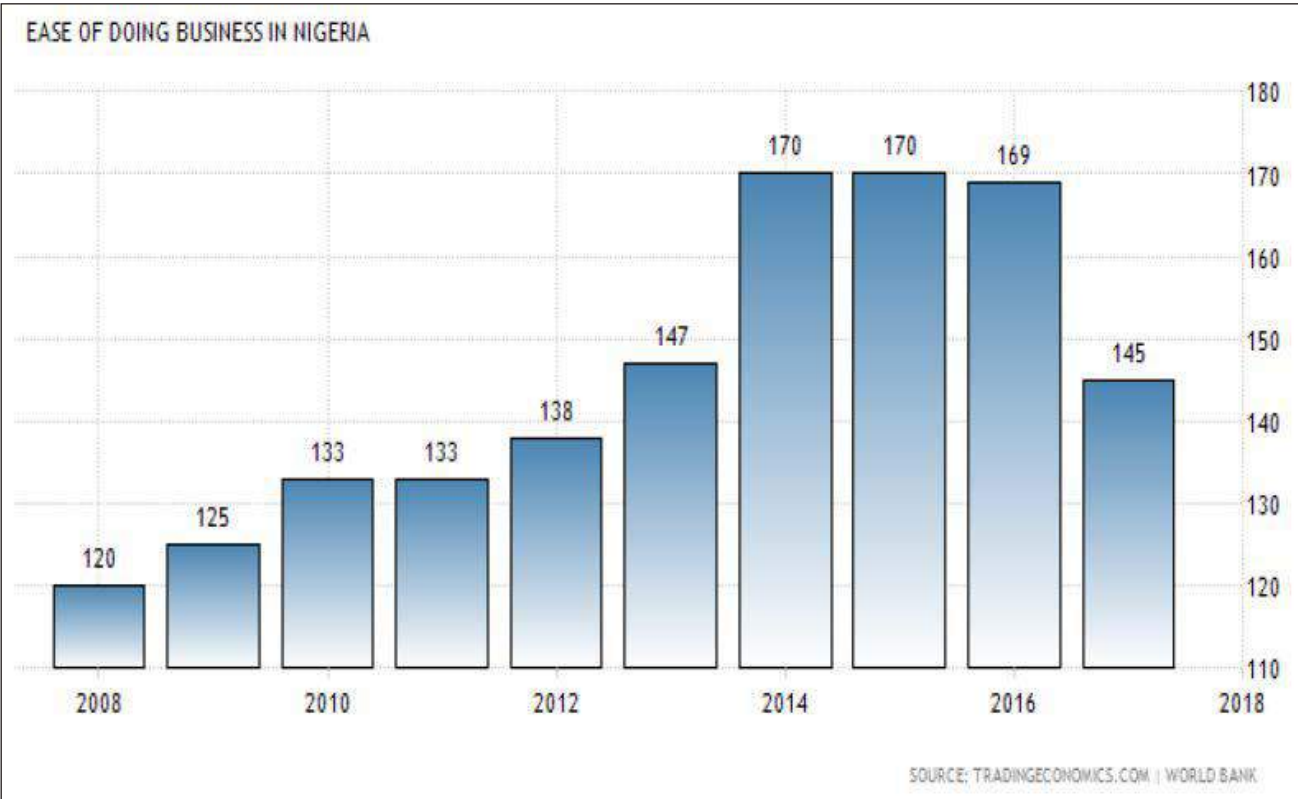
Even as Nigeria declares war on terror, we must not fail to understand the deeper cause of the instability, the truth is that the increased military surveillance and expenditure will not solve the problem unless we address the fundamental cause. Had Nigeria invested the increased expenditures it is using today on military surveillance and hardware to fight insurgencies and terror on developing the people, the story would have been different.

While carrying out the research, there were two major findings amongst countries where internal conflicts degenerates into terror afflicted zones, they were low education expenditure and high poverty rate. On January 14th, 2011, the Arab spring began in Tunisia which later spread to other Arab countries igniting mass protests, but the root cause were: Economic Mismanagement, Corruption, and Increasing Poverty which had reached their heights, today the consequences are still being felt in places like Libya and Syria where the situations have degenerated into full scale civil war with millions displaced and thousands killed seven years after.

According to the Broker, a think tank organization which carries out research to help policy makers with better decisions makings.... “Looking at inequality between countries essentially means looking at poverty. Research by internationally renowned experts like Paul Collier and Nicholas Sambanis has shown a strong link between the wealth of a country and the probability of it suffering from civil war.”

For instance, in the Democratic Republic of Congo, a senior officer's salary is less than \$100 a month and often goes unpaid. One of the commanders of a rebel group in the east of the country recalled the moment he was recruited: “I had spent five months in a training camp in Kinshasa with no salary. My family was going hungry. When [General Laurent] Nkunda began recruiting, I saw I didn't have any option.” Ironically, The Democratic Republic of Congo is where 71% of the population lives in Extreme Poverty.

While the Nigerian government may enhance the regulations surrounding the Ease of Doing Business, the greater restrictions for companies coming to



invest in Nigeria still remains Political Stability and Security. In 2017, the World Bank conducted a survey to know what CEO's of multinational companies really want before investing in Emerging Economies which was published in the 2017/2018 Global Investment Competitiveness Report, Political Stability and Security was top on the list with 50% of the CEO's holding it to be critically important, and only 2% saying it is not important at all.

Large domestic market size came second with 42% as critically important, while only 4% says it is not important at all. Legal and Regulatory Environment comes third with 40% saying it is critically important while 2% says it is not important at all. Macro-Economic Stability and Favourable Exchange Rates comes fourth with 34% and Available Talent and Skills of Labour comes fifth with 28%.

But the interesting thing is that all the indicator sets which makes up The Ease of Doing Business can't function in a country that lacks peace, stability, and plagued by insecurity, eight of the eleven indicators have to do with procedures and time it will take to get things done, and a country that lacks peace or stability cannot guarantee that time frame, the North east as an example where when things starts to fall apart you can hardly get things done.

According to our findings, Nigeria has failed to focus on the major critical factor which will attract Foreign Investors despite its massive advantage of population and geographical location. Over the years the country has continued to witness security issues which has continued to plague its chances of attracting investors into strategic sectors like manufacturing. The simple truth is that as long as poverty and extreme poverty is on the rise the security challenges will not reduce. We may be able to subdue terrorism for a while but there are willing tools and people who poverty will push against their will and their very own consciences.

While Poverty and Extreme Poverty continues to increase as a percentage of population and threatens the stability of

the country, the question has been why Nigeria has recorded economic growth over the years and poverty increasing at the same time. Today the Asian countries have continued to lift their citizens out of poverty and extreme poverty while recording economic growth, China is an example where almost 800 million has been lifted out of poverty from 1981 while the opposite is happening in Nigeria. If we have economic growth and at the same time increasing poverty then it means that something is wrong and we are probably operating the wrong economic model.

Economic Growth should lead to Economic Development, and Economic Development leading to better Human Development, but Nigeria has over the years recorded Economic Growth that has not positively impacted Human Development while creating poverty.

### SUSTAINABLE DEVELOPMENT.....

According to the International Institute for Sustainable Development (IISD) Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In conclusion, it is the Economic Development that is conducted without depletion of Natural Resources, it is an economic model that drives Education, Innovation, and Required Skills. It is then logical to conclude that we are not operating the right economic model.

Nigeria's economic model is wrong and has not created wealth over the past 37 years as the creation of wealth comes from empowering the people through investments in Human Capital Development and helping reduce the number of people living in Poverty and Extreme Poverty and affecting the people positively leading to economic progress a better human development index. Nigeria has been operating an Expense Budget since the Mid-80's rather than an Investment Budget, Investment creates wealth and not expense.

This can be seen on the Human Development Index where the country has stayed at the Low Human Development Quartile since 1990 despite recording economic growth and Expansion without being able to move up to the Medium Development Quartile whereas some countries have been able to move up from Low Human Development to Medium Human Development as they record economic growth, a scenario where the growth has been

Wednesday 10 October 2018

Nigeria had less people living in Poverty. In 1981 approximately 47% out of the population of 75.7 million people lived in poverty representing 35.6m people, by year 2000 the percentage had increased to 65% of the 122.3m people bringing the total headcount of people living in poverty to 79.5m people.

By 2010, percentage living in poverty had further increased to 70% of the total population of 158.6m people, the headcount living in poverty increased to 111m, this means that between 1981 and 2010, a total of 75.4m had been added to poverty. The Percentage living in Poverty has remained at 70% ever since while population continues to increase thereby increasing the headcount of people living in poverty, by the end of 2015, headcount had increased to 126.8m out of a population of 181.2m. The worrisome part is that GDP has increased from \$61.1 bn in 1981 and reaching an all-time high of \$568.5 bn in 2014, an increase of \$507.4 bn (830.4%), within the same period Nigeria added 87.9m people to poverty and by 2016 had added 94.6m people to poverty.

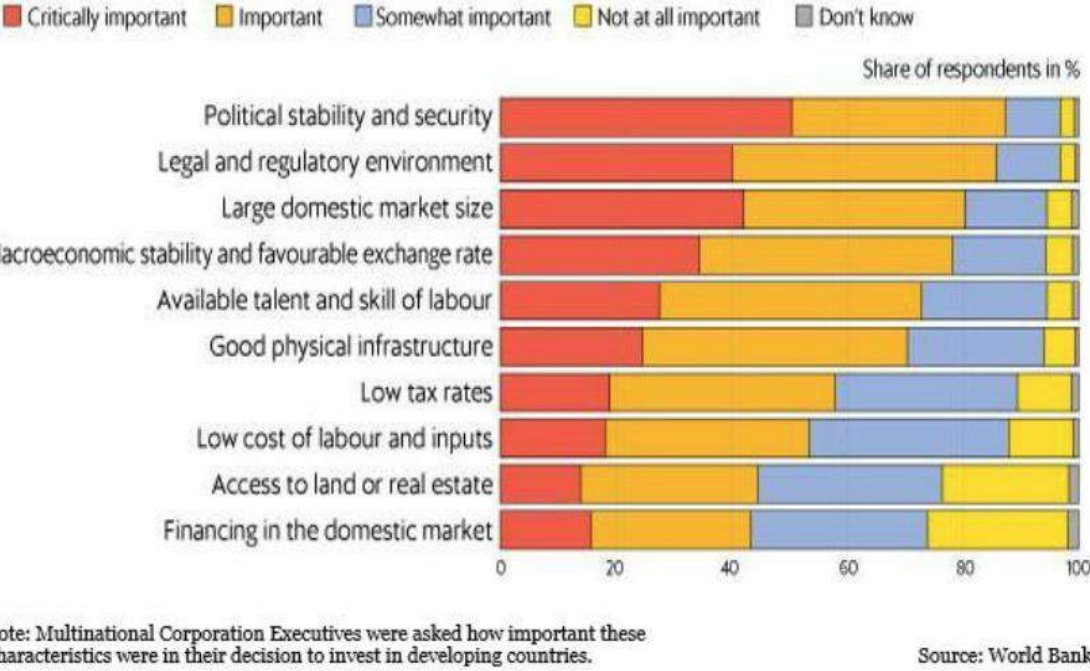
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**Roman O. Oseghale. MSc, EMBA**  
Head Consultant/CEO  
IntelServe Inc. Canada



# NEWSPAPER ANNOUNCEMENT

*This announcement appears as a matter of record only*

## CERPAC RECEIVABLES FUNDING SPV PLC

A Future Flow Company incorporated in Nigeria with registration number: 1413669

Announces the result of the

### OFFER FOR SUBSCRIPTION

OF

**₦1,600,000,000.00**

**15.5% SERIES 2 FIXED RATE BONDS DUE 2025**

**UNDER THE ₦25,000,000,000 MEDIUM TERM NOTE PROGRAMME**

### A FUTURE FLOW SECURITISATION OF EXPATRIATE RESIDENCE PERMIT RECEIVABLES

Four Application Forms for 1,600,000 units were received in connection with the Offer for Subscription

No Application Form was rejected

The Application Forms for 1,600,000 units was valid under the terms of the Offer

**The Offer is therefore 100% subscribed**

Arising from the above, the Basis of Allotment is therefore as follows:

| Range ('000)     | No. of Applicants | Units Applied for ('000) | Cumulative Total ('000) | ₦ ('000)         | % Allotted | Units Allotted ('000) | Comment |
|------------------|-------------------|--------------------------|-------------------------|------------------|------------|-----------------------|---------|
| 50 - 500         | 3                 | 850                      | 850                     | 850,000          | 100%       | 850                   | Full    |
| 501 - 1,000      | 1                 | 750                      | 1,600                   | 750,000          | 100%       | 750                   | Full    |
| <b>Total</b>     | <b>4</b>          | <b>1,600</b>             |                         | <b>1,600,000</b> |            | <b>1,600</b>          |         |
| <b>Allotment</b> |                   | <b>1,600</b>             |                         | <b>1,600,000</b> |            |                       |         |

The Securities & Exchange Commission has cleared the basis of allotment stated above as well as this announcement.

The Allotment of the Bonds will be effected by way of e-allotment and consequently the Registrars, **Africa Prudential Plc**, will credit the Central Securities Clearing ("CSCS") accounts of the allottees with the allotted bonds before 14<sup>th</sup> of November, 2018.

ISSUING HOUSE/BOOK RUNNER

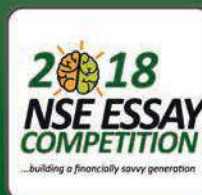
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**Write &  
Win Big!!**



**Topic:**  
Discuss how technology can  
promote financial literacy and  
encourage investment habit  
among youths?

Entry Opens:  
Monday, July 9, 2018  
Entry Closes:  
Friday, October 26, 2018  
#NSEEssayCompetition



### 1st Prize

#### Student

- N250,000 worth of equity investment
- N500,000 scholarship fund for university education
- Laptop/tablet
- Certificate of achievement
- Headline the NSE Closing Gong Ceremony

#### School

- Trophy
- Three PCs and a printer

### 2nd Prize

#### Student

- N200,000 worth of equity investment
- N400,000 scholarship fund for university education
- Laptop/tablet
- Certificate of achievement
- Participation in a closing gong ceremony

#### School

- Trophy
- Two PCs and a printer

### 3rd Prize

#### Student

- N150,000 worth of equity investment
- N300,000 scholarship fund for University education
- Laptop/tablet
- Certificate of achievement
- Participation in a Closing Gong Ceremony

#### School

- Trophy
- One PC and a printer

**Consolation Prize For Seven Winners:** i. Laptop/Tablet ii. Certificate of Achievement iii. Recognition at the Award Ceremony

## GUIDELINES:

- The competition is open to only Senior Secondary School students
- Only one entry per person is allowed
- Essays must be filled on the entry form which is available for download at [www.nse.com.ng](http://www.nse.com.ng)
- Entries must be typewritten in English and not more than 1,000 words
- All entries should be sent via e-mail to [essay@nse.com.ng](mailto:essay@nse.com.ng) or submitted online on [www.nse.com.ng](http://www.nse.com.ng) and on [www.facebook.com/TheNigerianStockExchange](https://www.facebook.com/TheNigerianStockExchange)
- The Nigerian Stock Exchange's Panel of Judges decision is final
- Entries open Monday, July 9, 2018 and close Friday, October 26, 2018
- For all competition details, please visit [www.nse.com.ng](http://www.nse.com.ng)





## FINANCIAL TIMES

World Business Newspaper

# US threatens to block trade talks with China at G20

## White House wants to list of concessions from Beijing before Trump–Xi negotiations

TOM MITCHELL AND LUCY HORNBY

US officials have warned China that Donald Trump will not engage in trade talks with Xi Jinping at next month's G20 summit if Beijing does not produce a detailed list of concessions, according to two people briefed on negotiations between the countries.

The Chinese, however, say they have such a list but would not present it without some guarantee of it being received in a stable political climate in Washington, including a point person with a mandate to negotiate on behalf of the Trump administration, according to the two people.

US officials have been frustrated by what they see as Beijing's unwillingness to discuss substantive "structural issues" related to its economic and trade policies. Beijing has been similarly irritated by the erratic approach of the Trump administration, and the inability of US cabinet officials to negotiate binding deals.

At the first round of trade talks in early May, US negotiators presented Vice Premier Liu He with a detailed list of more than 140 specific demands, ranging from market access barriers to large, long-term purchases of US energy and agricultural commodities that would reduce Beijing's large goods trade surplus with the US.

In August, Chinese negotiators indicated that they could reach agreement on about a third of the demands relatively quickly and were willing to engage in discussions on another third.

The remainder, they added, were off-limits because of national security or other concerns. These included US demands that China's domestic cloud computing market be opened to foreign companies.



But Mr Liu's team has not yet presented its detailed response to US negotiators. Chinese officials were prepared to do so at a fifth round of trade talks in Washington last month, but the discussions were abruptly cancelled after Mr Trump slapped tariffs on more than half of all Chinese exports to the US.

Officials now say that they need China's response well in advance of the G20 summit in Buenos Aires scheduled for November 30, in order to pave the way for substantive trade discussions between the two leaders. Mr Xi and Mike Pence, the US vice-president, are also due to attend the annual Asia-Pacific Economic Cooperation leaders' summit in Papua New Guinea on November 18.

Both Mr Liu and his deputy negotiator, Vice Commerce Minister Wang Shouwen, remain reluctant to visit Washington after a dramatic deterioration in bilateral relations. Chinese negotiators have instead suggested that a US cabinet official should visit Beijing in the coming weeks to advance the talks.

On Monday, Chinese foreign minister Wang Yi and US secretary of state Mike Pompeo traded barbs, with each blaming the other for undermining the relationship between Washington and Beijing.

The unusually testy public exchange came just days after Mr Pence launched a scathing attack on Beijing, accusing China of trying to sway the outcome of the US midterm elections through propaganda and influence operations.

The following day, the Pentagon released a report warning about the consequences of Beijing's alleged grip on military and industrial supply chains.

In another reflection of escalating tensions, Terry Branstad, the US ambassador to Beijing, has been summoned by Chinese foreign ministry officials twice over recent weeks. The first dressing down occurred on September 23 after the US government sanctioned a Chinese military unit and its commander for buying armaments from a Russian company that had been blacklisted by Washington.

Mr Branstad was summoned for a second time after Mr Trump alleged, in a speech to the United Nations on September 26, that

the Chinese government was attempting to influence the outcome of next month's congressional elections — an allegation repeated by Mr Pence last week, without citing any evidence.

Mr Pence's recent move to speak publicly on China issues has officials in Beijing wondering if he is an appropriate point person after overtures to Jared Kushner, Mr Trump's son-in-law, and various cabinet officials have failed to yield a reliable line of communication to the White House.

China has designated top economic official Liu He and vice-president Wang Qishan to deal with the US. But some visiting Americans worry that Mr Wang's discursive style will quickly exhaust Mr Trump's attention span.

## Growth policies and populism threaten global economy, IMF warns

World Economic Outlook downgrades most country forecasts for this year and next

CHRIS GILES

Risks are building in the global economy, with growth supported by increasingly unsustainable policies and global co-operation undermined by nationalist policies, the IMF warned on Tuesday.

The fund's comments came as it revised down its economic forecasts modestly for most countries for this year and next in its twice yearly World Economic Outlook.

Positive features that drove economic momentum in 2017 were ebbing away and financial markets had not yet reflected the rise in threats to the world economy, the report said.

Warning that the world was now in "an environment where financial conditions could tighten suddenly and sharply," the IMF urged countries "to advance policies and reforms — both multilaterally and

at the country level — that extend the momentum and raise medium-term growth for the benefit of all, while building buffers for the next downturn."

The fund had unusually stern words for the US, its largest shareholder, criticising the Trump administration's imposition of tariffs and tax cuts near the top of the economic cycle and calling for both to be reversed.

It warned that if Donald Trump, US president, erected further trade barriers with China and imposed tariffs on the automotive sector, the combined effect would knock 1 per cent off the US economy in the long term and about half that from the global economy.

Mr Trump's fiscal policy was "unsustainable", it said, and the US should instead concentrate on stabilising and reducing the level of

Continues on page A11

## BoE warns EU that £41tn of derivatives at risk after Brexit

UK central bank predicts Europe will bear cost of disruption to clearing if no action taken

CAROLINE BINHAM

The Bank of England has issued its starkest warning to date that as much as £41tn of derivatives contracts maturing after Brexit are at risk unless European officials address regulatory uncertainty.

The BoE said on Tuesday that, unless a statement is forthcoming from the European Commission, clearing houses will have to tell their European members such as banks to move their books of businesses, or risk falling foul of European law.

Ultimately, the BoE said, EU banks will bear the cost of the disruption. It cited industry estimates that suggest that for every single basis point increase in the cost of clearing interest rate swaps alone could cost EU businesses about €22bn a year.

Clearing houses must give members three months' notice to move their business, which effectively means that any commission announcement over derivatives must happen before Christmas to allow

central counterparties such as LCH to take action.

The UK government has said that it will authorise European clearing houses, and give temporary permissions for three years from 2019 that would allow financial companies to continue with their current regulatory authorisations. But no parallel announcement has been forthcoming from the EU.

While regulatory bodies such as the European Securities and Markets Authority have said they will enter into a series of memoranda of understanding with UK regulators, those are yet to be negotiated while political discussions continue.

Clearing houses, largely run by exchanges, sit between parties in a deal and manage the impact to the market if one side defaults. London is the heart of the global business. Its three clearing houses — LCH, ICE Clear Europe and LME Clear — process more than \$450tn in interest-rate, credit, forex and metals-related swaps from around the world. Without access, participants face a hefty

rise in trading costs — or an inability to hedge their market exposures.

EU law states that members such as banks must use authorised central counterparties to clear derivatives and interest-rate swaps.

The European Central Bank estimates EU-based groups clear 90 per cent of their interest-rate swaps in the UK, with EU-based companies having over-the-counter derivative contracts with a notional value of £69tn at UK clearing houses, an increasing share of which — at £41tn — will mature after March 2019, when the UK is due to leave the EU.

"Absent action by EU authorities to address these issues, the contracts EU clearing members have with UK CCPs will need to be closed out, or transferred, before March 2019," the BoE wrote in its Financial Policy Committee statement on Tuesday. "The movement of a large volume of contracts in a short timeframe would be costly to, and disrupt the derivatives positions of EU businesses and could strain capacity in the derivatives market."



FT

## NATIONAL NEWS

## Growth policies and populism threaten

Continued from page A10

public debt.

“Procyclical stimulus, which is contributing to rising global imbalances and heightened risks to the US and global economies, should be withdrawn,” the report said.

With the global burden of public and private debt still growing, the IMF said financial vulnerabilities were increasing. The pressure was likely to mount because economic growth rates were expected to slow in the medium term. International co-operation was also undermined by rising inequality and the advance of populist governments following nationalist policies.

Maurice Obstfeld, the IMF’s chief economist, said: “With geopolitical tensions also relevant in several regions, we judge that, even for the near future, the possibility of unpleasant surprises outweighs the likelihood of unforeseen good news.”

The downbeat tone of the report contrasts with global growth forecasts only a little weaker than those the IMF published in April and updated in July. The global economy was set to grow 3.7 per cent in 2018 and 2019, it predicted, a downgrade of 0.2 percentage points in both years.

The 2018 downgrade stemmed mostly from weaker data than expected earlier this year in the eurozone, UK and Latin America.

The IMF said US growth this year was “exceptionally robust” on the back of historically low unemployment and tax cuts, but it downgraded its US growth forecast for 2019 by 0.2 percentage points to 2.5 per cent, to reflect the likely damaging effects of tariffs. The eurozone is expected to expand 1.9 per cent next year.

Growth in the US and eurozone is expected to slow in the medium term and converge at a sustainable rate of 1.4 per cent, the IMF thinks.

Forecasts for some emerging market economies, notably oil producers benefiting from the rise in crude prices this year such as Russia and Saudi Arabia, were revised higher. But the IMF sharply downgraded forecasts for crisis-hit Argentina and Turkey. Argentina’s economy is expected to shrink by 2.6 per cent this year and 1.6 per cent in 2019, while Turkey is expected to grow 3.5 per cent this year and 0.4 per cent in 2019, compared with growth of 7.4 per cent in 2017.

Reflecting an end to the global synchronised upswing of 2017, the IMF calculated that 45 poorer countries — accounting for 10 per cent of the global economy — would see their living standards fall further behind those of rich countries over the next five years.

To address the darkening outlook, the IMF recommended countries focused on policies that would generate inclusive growth and rising wages. Even with historically low unemployment in advanced economies, wage growth has not picked up.

The fund also urged countries to improve their public finances and consolidate their budgets so they would have more firepower in the next downturn.

Germany, with its low public debt and high trade surplus, was singled out as an exception. Angela Merkel’s government was urged to invest more to improve infrastructure and raise long-term growth performance.



An AfD march in Berlin. Critics claim that the far-right party ‘legitimises people’s grievances and amplifies their anger and rage’ © Getty

## Rightwing terror in Europe draws fuel from populism and xenophobia

### Warnings grow that extremists are becoming more sophisticated and more violent

DAVID BOND AND GUY CHAZAN

When German police arrested seven men last week, accusing them of forming a rightwing terror group called “Revolution Chemnitz”, prosecutors said they had foiled an extremist plot to strike at the heart of Germany’s establishment.

After a summer of fierce clashes and rising tensions in the east German town that has become a byword for hard right violence and xenophobia, the arrests have thrown a new spotlight on a Europe-wide expansion of rightwing terror.

Europol, the EU’s law enforcement agency, recorded a near doubling in the number of individuals arrested for rightwing extremist offences last year, a trend analysts say is being driven by social media and a dangerous mix of populist politics, economic inequality and a dissatisfaction with liberal elites and institutions.

“There’s no doubt there’s an atmosphere where a spark could really set things off,” said Nick Ryan from Hope not Hate, the British anti-racism campaign group.

Nevertheless the jump in the number of rightwing arrests is still

small compared with the number of individuals arrested on suspicion of jihadist extremism or violence. Europol recorded there were 20 rightwing arrests in all EU countries in 2017 compared with 705 jihadist arrests.

But security analysts and police say that while the numbers are low and serious attacks rare, the groups are becoming more sophisticated in their planning and more likely to use weapons and serious violence. That point was borne out by the arrest of a group of 10 rightwing extremists across France this summer who had plotted to kill Muslims.

“The rightwing threat was not previously organised,” said Mark Rowley, the Metropolitan Police’s former head of counter terrorism, this year. “Every now and then there’s been an individual motivated by that rhetoric who has committed a terrorist act but we’ve not had an organised rightwing threat like we do now.”

Last Monday’s arrests in Chemnitz came at a time when far-right violence is declining in Germany. After reaching a peak in 2016, when refugees were still pouring into the country, the number of attacks on migrant hostels and extremist, anti-foreigner protests

and demonstrations fell sharply last year.

According to a report on political violence from Germany’s domestic intelligence agency, the Verfassungsschutz, or the BfV, there were 1,054 acts of extreme rightwing violence in Germany last year, down from 1,600 in 2016 — a decline of 34 per cent.

While experts say that the number of rightwing terrorists in Germany has not necessarily grown in recent years, they have become increasingly confident. That is largely due to the success of Alternative for Germany, a far-right, anti-immigration party that is now polling at around 18 per cent nationally. It entered the Bundestag for the first time last year.

“The extreme-right terror scene has been given a big boost by the AfD,” said Joachim Krause from the University of Kiel. “They feel they have the wind in their sails.”

Marcel Dirsus from the Konrad Adenauer Foundation, a think-tank, added: “The AfD legitimises people’s grievances and amplifies their anger and rage. That might end up encouraging people with rightwing views to resort to violence to achieve their political objectives.”

## Sony commits to successor for PlayStation 4

Next generation hardware is ‘necessary’, says president of Japanese group

KANA INAGAKI, LEO LEWIS AND LIONEL BARBER

The president of Sony has confirmed that the company is working on a successor to the PlayStation 4, as speculation intensifies over whether traditional gaming consoles have a future.

“At this point, what I can say is it’s necessary to have a next-generation hardware,” said Kenichiro Yoshida, in an interview with the Financial Times. He declined to formally name Sony’s future console the “PlayStation 5”.

His comments came after mounting debate over how Sony should address the spectacular rise of the \$70bn global smartphone gaming market and the shifting habits among its customers as it readies games studios and the global market for a successor to the PS4.

There have been industry rumours that Sony might be planning a tablet that would connect to multiple devices as online streaming of games becomes more widespread and the company seeks to derive ever greater synergies between its

games and movie divisions.

On Monday, Microsoft said it would begin public tests of Project xCloud next year to allow gamers to play across different platforms. “The test runs on devices (mobile phones, tablets) paired with an Xbox Wireless Controller through Bluetooth, and it is also playable using touch input,” said Kareem Choudhry, corporate vice-president, gaming cloud, in a blog post.

Sony has also been slow to embrace the surging potential for esports, a market based around a global audience estimated at 167m that watch online streams of professionals playing games at the highest level.

Industry analysts believe that Sony will be keen to rectify that through its next console, by ensuring that its machines are deemed powerful enough to host top level esports events.

Sony Interactive Entertainment, the division responsible for PlayStation, said it was considering various options to strengthen its position in esports, which it sees as an effective way to encourage users to play a game for a longer period of time and

to enhance the social role of games.

People in the games publishing industry with knowledge of Sony’s plans for a future console said that early indications were that it might not represent a major departure from the PS4, and that the fundamental architecture would be similar.

“Sony would likely seek to use this successful PS4 platform as long as possible,” said Kazunori Ito, analyst at research firm Ibbotson Associates Japan.

Since the PS4 went on sale in 2013, it has sold more than 80m units, becoming the fastest-selling console for Sony.

Gaming experts also say it would be premature for Sony to move away from consoles to cloud-based gaming after the PS4 reaches the end of its cycle because it would miss out on markets that will not have next-generation 5G data connectivity to download the games via the internet.

Still, analysts detect a balance shift within Sony where executives must adapt to a fast changing market rather than to expect to control it from top to bottom.

## Tata Motors hits the skids as JLR plans factory shutdown

Shares fall more than 15% in response to move blamed on weak car demand

SIMON MUNDY AND MICHAEL POOLER

Indian carmaker Tata Motors lost nearly a sixth of its market capitalisation a day after subsidiary Jaguar Land Rover announced a two-week shutdown at one of its factories because of weak demand.

Shares in Tata Motors — the biggest unit by revenue of India’s largest conglomerate — were down 15.7 per cent on Tuesday afternoon in Mumbai.

JLR’s global sales fell 12.3 per cent in September from a year earlier. The primary factor was a 46 per cent decline in China — which the company blamed in part on “trade tensions” — while European sales fell 4.7 per cent, adding to a run of weak demand for its UK factories.

On Monday JLR said it would shut its Solihull plant in the Midlands, which employs 9,000 people, for two weeks this month.

The strong market reaction to the announcement reflects Tata Motors’ heavy reliance on JLR, after a severe loss of market share in its domestic business.

Since its takeover by Tata Motors a decade ago, Jaguar Land Rover has been the emblem of a resurgent British car industry. Overall domestic output in 2016 was its highest since the turn of the millennium. But the number of vehicles rolling off UK production lines decreased in 2017, the first decline in eight years.

The UK car industry’s domestic market has been hit by weak consumer confidence amid heightened economic uncertainty in the country. Across Europe, sales of diesel vehicles have been hurt by tougher regulations imposed in the wake of the Volkswagen emissions scandal in 2015.

The two-week shutdown is just the latest move by JLR to respond to slumping demand. Last month it implemented a three-day working week at its Castle Bromwich factory until Christmas, while earlier this year it laid off 1,000 agency staff.

Estimating that the UK subsidiary accounts for nearly two thirds of Tata Motors’ earnings before interest, tax, depreciation and amortisation, analysts at Fitch warned that JLR needed to move quickly away from diesel engines in response to higher taxes in Europe. “A disorderly Brexit could significantly disrupt JLR’s supply chain,” they added, endorsing pointed public warnings from the company itself.

The move away from diesel engines has forced JLR to step up its capital investment dramatically to £4.5bn in the current financial year. This has hurt its finances, resulting in a negative operating cash flow of £1.7bn in the second quarter of the year and a loss of £194m before interest and tax.

The mounting costs have alarmed analysts tracking the company. “JLR would benefit from the discipline imposed by publicly stated cost targets, and the empowerment of a senior ‘hatchet man,’ analysts at Bernstein wrote recently.

The problems in Europe have compounded a slowing of sales in China, which was the primary growth driver for JLR over much of the past decade. Beyond the increasing saturation of that market, it has been hit this year by heavily fluctuating sales as consumers respond to import duty changes.



*This announcement appears as a matter of record only*



## Keystone Bank Limited

RC 969956

announces the conclusion of the divestment  
of 400,000,000 Ordinary Shares of 50 kobo each  
(Equivalent to a 100% Equity Stake)

in



## KBL Healthcare Limited

RC 616942

to



Alpha Partners Limited

RC 456134

The divestment is in compliance with the Central Bank of  
Nigeria's Regulation on the Scope of Banking Activities  
and Ancillary Matters, No. 3, 2010

Financial Adviser



RC 622258

*This announcement has been made in accordance with the rules and  
regulations of the Securities and Exchange Commission*

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**NOTICE** is hereby given that our Client,  
**PAYATTITUDE GLOBAL LIMITED** of No. 3  
Idowu Taylor Street, Victoria Island, Lagos,  
Nigeria, is the proprietor of the underlisted Trade Marks  
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# Opinion



**FRANKLIN NNAEMEKA NGWU**

Dr. Ngwu is a Senior Lecturer in Strategy, Finance and Risk Management, Lagos Business School and a Member, Expert Network, World Economic Forum.

In a recent circular, Central Bank of Nigeria (CBN) lamented that we are not meeting any of the financial inclusion targets agreed and contained in the 2012 Financial Inclusion Strategy. Not only are we not meeting the targets, we are even retrogressing! For instance, while we achieved 60.3% in 2012, it declined to 58.4% in 2016 against a target of 69.5%. This translates to a financial exclusion of about 41.6%. Focusing on adults, the report revealed that while 36.9 million adults were banked, over 59 million remain unbanked. According to the CBN “performance did not meet expectations across all inclusion targets for products, channels and enabler. Among product categories- credit, insurance and pension all fell short of targets by the most significant margins. Point of sale terminals and Automated Teller Machines showed the least progress among channels.”

The above is not surprising

## CBN financial inclusion targets: One step forward, two steps backward!

as pursuing financial inclusion and other policies with flawed models or approaches can only result in limited outcomes. Some people will inevitably be included but the outcome will be below the target and unsustainable. This is the reason why the number of formal bank accounts is less than 40 million in a country of 200 million people with insurance penetration of about 1% even when formal financial sector has been in Nigeria for over 122 years! To achieve a sustainable and effective financial inclusion in Nigeria, there is a fundamental need for a change of our approach to banking and other financial services. It will require a change from our present economic approach to a sociological (socio-cultural/economic) approach. With a sociological understanding of the meaning and causes of financial inclusion and exclusion, a new approach and strategy will emerge.

Defining financial inclusion as increasing access to financial services and products to those that are excluded is fundamentally flawed. This definition presents financial services and products as only possible from the formal banking sector and as such ignores the vibrant functioning of the informal finance/banking sector to which millions wrongly described as financially excluded use and

belong. Expectedly, as the meaning of financial inclusion is misunderstood, so are the causes and suggestions of possible solutions. Consequently, the limited outcomes we are achieving.

To get the appropriate definition, it might be important to clarify that those erroneously presented as financially excluded are not in the real sense of it financially excluded. As majority of them use the informal financial sector, it is wrong to describe them as financially excluded. Moreover, as the informal finance sector users in Nigeria are over 100 million people as compared to less than 40 million within the formal banking sector, our approach is further flawed. A situation where the minority dictates for the majority describing them as excluded can therefore be argued to be undemocratic and dictatorial if we use democratic principles. The reality is that Nigeria has two functional but limitedly interconnected sub-economies: the formal and the informal economies. As both are functionally vibrant due to good population of economic participants, any effort to promote more interaction of the sub-economies will require first a genuine and comprehensive appreciation of the inherent institutional peculiarities of the two sub-economies and then a carefully planned and effective

integration strategies.

Even if we in the formal sector argue that we know better than those using the informal banking sector and as such can make suggestions for them, I think that the best approach will be to genuinely engage and ask them why they don't use the formal financial sector. In 2012 CBN financial inclusion strategy, no 'formal financially' excluded person or group were deemed important to be included as stakeholders in the financial inclusion drive. The lucky and important 3 stakeholders include first, the providers such as formal banks and insurance companies, second are the enablers which are the regulatory institutions such as CBN, NDIC. The third group of stakeholders are the



There are so many unanswered questions to which the answers will help us in appreciating the importance of adopting a sociological approach to banking and especially for financial inclusion. This approach will ensure that any financial inclusion policy contains both instrumental and intrinsic needs of the target group to generate the required buy-in and effectiveness of the policy



supporting institutions and development partners such as World Bank and other agencies and experts. The situation is like a team of medical doctors that prescribe medication for a patient without interacting with the patient to find out his/her symptoms. Expectedly, the patient might improve but will not be effectively cured due to improper diagnosis of his/her ailment. This is what has been happening in our financial and other sectors of the economy. We keep adopting policies and models without careful examination of the suitability and amenability of the policies to our peculiar contexts.

If we can effectively appreciate our contextual peculiarities in our policy proposals and implementation, then the appropriate term should be 'Formal Financial Inclusion' and the definition should be 'increasing access to formal financial services and products to those that do not use the formal financial sector especially those that use the informal banking sector'. This clarification will help us in understanding the causes of formal financial inclusion/exclusion and possible solutions and contribution such as the National ID Card.

The fundamental problem with our current economic approach is that the use(s) of formal financial sector are dictated mainly by instrumental

needs. Examples of instrumental needs include for instance the need to save, transfer money to a friend, pay school fees, buy a property and pay for flight tickets etc. Expectedly, if the above needs can be met without using the formal financial sector, the need to use the formal financial sector or to be 'formal-financially' included is therefore absent. Incidentally, this is the situation in Nigeria with those wrongly classified as financially excluded. Majority of their financial instrumental needs can be met within their respective vibrant informal financial groups in addition to our cash dominated economy. Even their basic financial needs (savings and lending) can be better met within their informal finance groups than within the formal financial sector. For instance, the rotating local savings and loans provide a more effective and reliable financial system to the 'formal financially excluded' than the formal banking sector. So there is no incentive or benefit to use the informal banking sector. Not only is there no incentive or benefit to use the formal banking sector, there is inherent mismatch between the needs of the 'formal financially excluded' and the services/products of the formal banking sector. Their savings and loans are of very small amounts, volatile and

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### THE PUBLIC SPHERE



**CHIDO NWAKANMA**

Nwakanma is a Visiting Member of the BusinessDay Editorial Board and serves on the Adjunct Faculty at the School of Media and Communication, Pan Atlantic University, Lagos. Email chidonwakanma@gmail.com.

The home state of the 2018 Technovation winners upped the ante Tuesday, October 9 with the first Anambra STEM Fair. The fair in Awka featured presentations, exhibitions and motivation by a notable player in ICT Emeka Okoye. The Anambra STEM Fair received good airplay within the state.

Anambra STEM Fair held ahead of a significant ICT event, StartUp South 4, to hold on Friday, November 2 with a pre-conference on Friday, October 11, also in Awka. StartUp South seeks to “connect, expose and attract investment to startups and founders residing and operating out of South-South and South East Nigeria.” The goal is to draw attention to and empower the players in

## STEM and our societal values

the STEM, mainly ICT, ecosystem in the 11 states of the two geopolitical zones. The fact of a fourth edition confirms consistency and a deliberate effort to keep pushing until something positive happens. StartUp South targets 11 states, 13 cities, 120,000+KM2 and over 60 million people, according to its founder Uche Aniche.

Last week, we pushed the case for the education system in Nigeria to pay more attention to competitions in Science, Technology, Engineering and Mathematics, with the acronym STEM. Vice President Yemi Osinbajo has asked for the incorporation of the Arts as part of this system to derive a new acronym STEAM. The point is that we live in an era where science and technology dominate and are pushing the narratives of the world in all areas. Nigeria cannot be dancing backwards.

The good news is that some competitions aim to promote science literacy in our domain. The bad news is that while they exist, many are tokenistic in approach and impact. Nigeria needs much more than science contests as “let's-give-them-something” CSR initiatives at this point.

The difference between the contests in Nigeria and those abroad rests on cultural communication and values. Prizes are the primary ways of communicating what values we place on things, just as in

Prizes in Nigerian STEM competitions compared to the prizes we place on non-intellectual contests proclaim our societal values... The many contests in the Nigerian STEM arena do not attract interest and mass participation because the organisers have placed a cultural value of non-importance on them through the prizes on offer

marketing we know that the third P of price is what creates value exchange between buyer and seller. Prizes in Nigerian STEM competitions compared to the prizes we place on non-intellectual contests proclaim our societal values.

Over the years, people win attractive prizes for doing nothing more challenging than sitting in a house for 90 days in attempts to showcase man at his lowly best or walking in the jungle to find a supposed treasure or being the best dancing family and such no-brainers. They get brand new cars, huge cash prizes and become ambassadors for brands. They become stars in the Nigerian firmament.

The contests do not add any values beyond recreation. Audiences learn hardly any new skills, knowledge or expertise. They extend the notion of the Nigerian may African as uninterested in development but more interested in jokes and laughter.

The many contests in the Nigerian STEM arena do not attract interest and mass participation because the organisers have placed a cultural value of non-importance on them through the prizes on offer. They do not get promotion and build-up in the media nor do we celebrate their winners the way they celebrate winners of the other prizes.

Competitions out there promoting science include the National Under-17 ICT competition. Categories on the feature are coding skills, hardware and general computer appreciation. New Horizons Nigeria, an educational services organisation, sponsors the annual competition. It seeks to promote ICT literacy by discovering them young while developing the use of such skills in the school curriculum. Check them out at [www.u-17ictcompetition.com](http://www.u-17ictcompetition.com).

Payments firm Interswitch recently introduced the Interswitch SPAK National Science Competition aimed at promoting STEM. The Speed, Precision, Accuracy and Knowledge (SPAK) contest ambitiously targets 20 million teens and

10,000 schools in the country. Interswitch says SPAK will include mentoring and masterclass sessions with the CEO Mitchell Elegbe playing a role with the support of industry experts. There will be science boot camps, Adopt-A-School where employees of Interswitch would volunteer to teach at a local secondary school and a TV series. Payments firm Interswitch runs the Interswitch SPAK Science Competition aimed at promoting STEM. The Speed, Precision, Accuracy and Knowledge (SPAK) National Science Competition ambitiously targets 20 million teens and 10,000 schools in the country. Interswitch says

SPAK would include mentoring and master class sessions featuring their CEO and industry experts. There would be Science boot camps and an Adopt-A-School programme at a local school where Interswitch employees would volunteer as teachers. Then there would be a series on terrestrial TV. The Interswitch SPAK National Science Competition fits the narrative of the STEM as tokenistic CSR. Note how they would limit it to terrestrial TV rather than the more glamorous cable TV! The 2018 competition ended in May. Does anyone have a name for the winner? How did Interswitch celebrate the winner? What prize did he or she win? Is she trending?

Enter Mikano, marketers of generators, with the Mikano

STEM Competition. It offers a star prize of N400,000. Mikano STEM targets undergraduates ages 17-25 in science and engineering courses. It holds between September and December so readers can still point their undergraduate students, relatives and friends to this one on [www.mikano-intl.com](http://www.mikano-intl.com).

The Cowbell National Mathematics Competition deserves kudos for value and longevity. It offers a star prize of N1 million, second prize of N750,000 and third prize of N500,000 for all categories. There is a televised quiz competition for 13 weeks or a broadcast quarter and visibility for the schools and teachers. For 2018, prizes included an all-expenses-paid vacation. Cowbellpedia remains prime in promoting mathematics.

Others include the contests by the Nigerian Mathematical Society and the National Information Technology Whizkids Competition endorsed by the Nigerian Computer Society.

Value is at the heart of the appeal or lack thereof of the competitions. Value is also a function of society. Sponsors, policymakers and the school system need to work in collaboration to change the narrative of these competitions. Let us use them to focus our future stars on creating solutions applicable to our environment like the Onitsha Five Coding Girls.



# WEST AFRICA ENERGY INTELLIGENCE

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## POLICY



**Nigeria:**  
Schneider Electric  
promotes micro-grid  
development

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finance • people  
appointments



**Sleepy gas prices**  
stir but Nigeria  
might not get  
aboard

Page 5

## OPEC weekly basket price

| DAY      | PRICE |
|----------|-------|
| 05/10/18 | 83.17 |
| 28/9/18  | 80.64 |
| 21/9/18  | 76.71 |
| 14/9/18  | 76.59 |
| 07/9/18  | 75.16 |

Source: OPEC



Executive Secretary NCDMB, Engr. Simbi Kesiye Wabote; Senator Ita Giwa; King of Ochia Autonomous Community, Eze Ekwueme Paulinus Ekwueme; Minister of State for Petroleum Resources, Dr. Emmanuel Ibe Kachikwu; Refinery Project Manager for Lambert, Mr. Mohamad Chit; COO, Gas & Power, Nigerian National Petroleum Corporation Engr. Saidu Mohammed, and Chairman/CEO, WalterSmith Petroman Oil Limited Mr. Abdulrazaq Isa, during the ground-breaking ceremony of 5,000 barrels per day WalterSmith's modular refinery at Ibigwe, Ohaji Egbema Local Government Area, Imo state .

## Debrief

# In a world where plastic is king

ISAAC ANYAOGU

**P**lastics will displace fuels as the main driver for crude oil demand, Paris-based International Energy Agency said in a report released October 5, adding that petrochemicals will come to account for more than 33 percent of oil demand growth globally in the period to 2030.

By 2050, according to IEA projections, they will drive half of the global oil demand growth, raising this demand by 7 million barrels per day (bpd) by that year. They are also poised to consume an additional 56 billion cubic metres (bcm) of natural gas by 2030, and 83 bcm by 2050.

In a report titled *The Future of Petrochemicals*, which the organisation says was part of a series of reports that aim to uncover "blind spots", or facets of the global energy industry that receive less attention

than they deserve.

Petrochemicals – components derived from oil and gas that are used in all sorts of daily products such as plastics, fertilisers, packaging, clothing, digital devices, medical equipment, detergents and tyres – are becoming the largest drivers of global oil demand, in front of cars, planes and trucks, according to the IEA.

Plastics have become so pervasive that it seems impossible to imagine a world without them. Not only are they used for many household uses, they are also required to manufacture many parts of the modern energy system, including solar panels, wind turbines, batteries, thermal insulation and electric vehicles.

"Our economies are heavily dependent on petrochemicals, but the sector receives far less attention than it deserves," said Fatih Birol, the IEA's executive director. "Petrochemicals are one of the key blind spots in the global energy debate, especially given the influence they

will exert on future energy trends. In fact, our analysis shows they will have a greater influence on the future of oil demand than cars, trucks and aviation."

Demand for plastics – the key driver for petrochemicals from an energy perspective – has outpaced all other bulk materials (such as steel, aluminium, or cement), nearly doubling since 2000. Advanced economies currently use up to 20 times more plastic and up to 10 times more fertiliser than developing economies on a per capita basis, underscoring the huge potential for global growth.

### Taming plastics

Despite its many uses, plastics constitute an environmental nightmare and if they are poised to even become more indispensable, then the world must embrace actions to curtail the drastic consequences. The seas and oceans are filled with plastics threatening aquatic life and the earth's ecosystem.

The IEA expressed concern that

while substantial increases in recycling and efforts to curb single-use plastics are underway, especially in Europe, Japan and Korea, the impact these efforts can have on demand for petrochemicals is far outweighed by sharply increasing plastic consumption in emerging economies.

Worse still in these emerging economies, there is a tendency to not allow environmental concerns interfere with their economic goals. In African countries some analysts have argued that it will decades worth of population from the continent to match the damage western industries have wrought on the earth. This may be true, but this shouldn't morph into a race to the bottom.

To address these challenges, the report outlines a Clean Technology Scenario (CTS), which provides an alternative future in line with key UN Sustainable Development Goals, such as climate action, responsible consumption and life below water, among others.



**Brief****China:  
China boosts West African oil  
imports to offset trade war impact**

China is set to boost its crude imports from West Africa to the highest in at least seven years this month as the trade war with the US prompts the Asian nation's refiners to find alternatives.

Chinese refiners have bought about 1.71 MMbpd of crude for October loading from West Africa, the most since at least August 2011 when Bloomberg started compiling the data, according to a survey of traders and analysis of loading programs. In total, Asia's crude imports from West Africa in October will jump to 2.44 MMbpd, also a seven-year high.

The trade war with the US has cut China's interest in buying shale oil which is similar in quality to West African crude. UNIPPEC, the trading arm of top Chinese refiner SINOPEC, recently put a plan to boost US crude imports on hold. The impending



return of sanctions on Iranian crude further limits the availability for Chinese buyers.

The majors in China need to "make up not only for lost US grades, but more importantly for a cut in imports from Iran," said Michal Meidan, an analyst at researcher Energy Aspects. Chinese refineries also need to replenish their crude stocks which are well below year-ago levels, she said.

UNIPPEC bought about 30 MMbbl of West African crude for loading in October, the highest since at least August 2011, according to the survey. Other Chinese companies, including independent refineries, or teapots, also boosted their purchases. Teapot refineries typically increase their imports in the fourth quarter as they need to use up their crude import quota before it expires at the end of the year.

"After heavy maintenance over the summer and tight credit, they are now coming back to the market to try and exhaust their import licences for the year and to capitalise on strong margins as well as rising domestic product

**West Africa:  
Lukoil set eyes on new projects in West Africa**

Despite drilling a number of dry wells in West Africa in the past, Russia's Lukoil is still interested in the sub-region, according to Vagit Alekperov, the company chief executive who also said that the company "gained valuable experience through that drilling." Lukoil quit a number of projects in Ghana, Cote d'Ivoire and Sierra Leone in 2015, following unsuccessful drilling.

"We are considering new projects in West Africa," Alekperov said.

Lukoil is already working on a project with Chevron in Nigeria where the two found commercial crude reserves in 2015. Alekperov previously expressed interest in additional assets in Nigeria during a trip to the country. Lukoil and Eni are negotiating cooperation in West Africa.

Also, Lukoil expects to ink a final agreement with Italy's Eni on joint exploration work offshore the Gulf of Mexico very soon. The two companies

are planning to cooperate to reduce investment risks on four blocks in the Gulf of Mexico that they won licenses for in recent tenders. Lukoil will be operator on one, and Eni the operator at the remaining blocks, Alekperov told reporters.

"Most likely, a final agreement on establishing the con-

sortium will be signed soon," he said.

In March, Lukoil in partnership with Eni won the right to explore Block 28 in the Cuencas del Sureste basin of the Gulf of Mexico, during the round 3.1 shallow water auction. Eni owns a 75 percent stake in the license, with

Lukoil holding the remaining 25 percent in the block, estimated to contain 100 million barrels of oil equivalent.

Lukoil also won the right to explore Mexico's Block 12, which is thought to hold 409 million boe in the same basin last year, with Eni owning several other licenses in the region.

**Niger:  
Savannah makes 5th consecutive discovery  
in Zomo-1, South Niger**

Savannah Petroleum PLC, the British independent oil and gas company focused around oil and gas activities in Niger and Nigeria, has announced the result of the Zomo-1 exploration well as an oil discovery.

Steve Jenkins, Chairman of Savannah Petroleum, said: "Following the Zomo-1 discovery, our maiden exploration campaign in Niger has delivered five discoveries from five wells and resulted in the discovery of more than sufficient oil to enable us to proceed towards our planned 2019 Early Production System."

Zomo-1 is the fifth consecutive discovery to be

made in the exploration campaign conducted by Savannah's Niger subsidiary in the R3 portion of the R3/R4 PSC Area in the Agadem Rift Basin, South East Niger.

"The discovery of the Amdigh, Bushiya, Eridal, Kunama and Zomo fields in the R3 East PSC area has delivered material value for our stakeholders. The discoveries have also served to demonstrate the world class exploration potential of our wider PSC areas, where we have identified 120 potential drilling targets which we expect to high grade for inclusion in future drilling campaigns," said Andrew Knott, CEO of Savannah Petroleum.

Preliminary results based

on the interpretation of the available data set (which includes wireline logs, fluid sampling and pressure data) indicate that the well has encountered a total estimated

5.4 m of net oil-bearing reservoir sandstones in the E1 reservoir unit within the primary Eocene Sokor Alternances objective. Additional pay is thought to potentially



exist in the well, but will require further technical evaluation and/or testing to confirm. Wireline logs indicate the reservoir properties to be good quality and the available data indicates light oil consistent with Savannah's discoveries to date, and in line with offset wells and the depth/API trend observed across the basin. Oil samples have been taken and returned to surface using wireline testing equipment.

Following the successful results of the five exploration wells drilled to date, Savannah Niger has elected to commission Pre-Stack Depth Migration ("PSDM") processing of the R3 East

3D seismic dataset. PSDM processing is intended to provide Savannah Niger with a significantly enhanced definition of the oil pay zones at the crests of each of the discoveries and significantly assist in full "field scale" evaluations and associated development well planning.

Savannah Niger continues to expect to perform a well test on Amdigh-1 in December 2018, and preparations for this are underway. It is anticipated that following completion of the well test, production from Savannah's planned Early Production System (EPS) will commence in early 2019.





## Brief

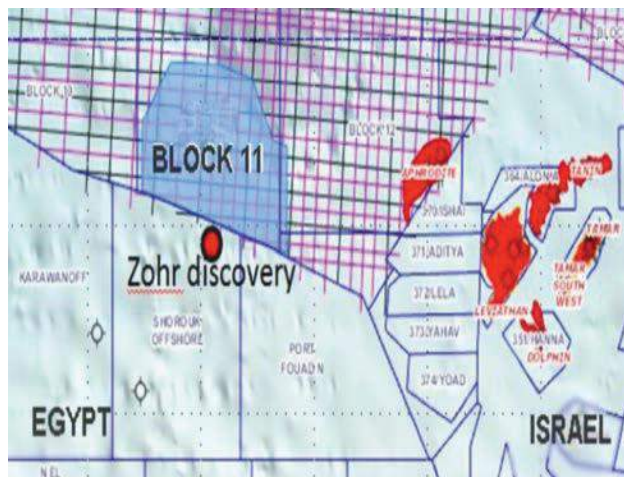
### Egypt: Rising oil bill may erase Egypt's savings from gas milestone

No sooner has Egypt achieved its milestone of regaining self-sufficiency in natural gas than another corner of the energy market threatens to deal a new blow to fragile government finances.

A six-fold increase in production at the giant offshore Zohr field means Egypt can now meet its own needs domestically. The government may now save some \$2 billion a year after receiving what it said was the final shipment

to phase out fuel subsidies by mid-2019; burden the population by lifting prices higher and faster than expected or abandon its deficit target altogether.

"It boils down to a political choice for the government: either raise prices sharply and face social discontent, or find other sources of funding such as raising taxes on the rich," said Salma Hussein, a researcher with the Cairo-based Egyptian Initiative for Personal Rights. "The government will probably choose



of expensive liquefied natural gas last week. But relief for the most populous Arab country, a net importer of refined gasoline and diesel, could be short-lived.

Egypt's 2018-2019 budget assumes oil prices at \$67/bbl but crude has already surged past \$80, threatening plans to cut the deficit under an economic overhaul program backed by a \$12-billion International Monetary Fund loan. It also poses a dilemma for the government, which had sought

what it did in the past couple of years, increase borrowing, in addition to cutting subsidies and wages."

Egypt's population of nearly 100 million has seen real incomes gutted since the pound was allowed to trade freely in 2016, propelling inflation to over 30 percent for much of last year. The nation has seen three rounds of cuts in fuel subsidies since then, and removing them altogether is certain to inflict more pain on households.

## Nigeria: NGA to showcase investment opportunities in West Africa gas

West African region strong capabilities in the gas sector and investment opportunities available will be highlighted in Abuja Nigeria from 14th -16th October.

This will be reinforced through attendance of Ghana National Gas Company; West African Gas Pipeline Company; Shell Companies in Nigeria; Nigeria LNG Limited; Chevron Nigeria and range of Nigerian oil and gas companies.

"The international gas conference and exhibition held every two (2) year, has provided the perfect platform to highlight West Africa's region long history of oil and gas production, substantial reserves and status as a leading global player in the sector," Engr. Dada Thomas, the President of the Nigerian Gas Association (NGA) said.

He opined that, the transformation we are seeing across the energy industry signals an era of opportunity for producers and consumers, both in developing nations and established markets

Speakers at the NGA 2018 international gas conference



which theme is 'Shift to Gas Economy: Pace and Scale of Innovation in the West African Sub-Region' include the Secretary General of International Gas Union Luis Bertron; CEO of Ghana National Gas Company Ben Asante; Managing Director of West African Gas Pipeline Company Walter Perez; Country Chair of Shell Companies in Nigeria Osagie Okunbor; the High Commissioner of

Trinidad and Tobago to Nigeria Wendell Vincent Carlton De Landro; the Managing Director of Nigeria LNG Limited, Tony Attah and Chairman of Chevron Nigeria Limited Jeffrey Ewing among others

For a sector with billions worth of investment opportunities and potentials for growth in such areas as; LNG plants, NGL plants, gas transmission pipelines, gas processing facilities,

gas based manufacturing industries, pipe milling and fabrication yards including financial services that exist in the gas sector, the two (2) days conference side will x-ray how governments, industry and customers will adapt to a robust gas economy

The benefits of natural gas in meeting our future energy needs are well-documented. Its supply is increasingly abundant and diverse, which means greater energy security. It is a clean-burning ally to renewables like wind and solar. Generating electricity from gas also requires relatively low capital investment. And it's highly flexible. It can be converted to liquid fuels, transported easily, and used to make other products, Dada Thomas added.

The Nigerian Gas Association (NGA) formed in 1999 is a chartered member of the International Gas Union (IGU). It has come a long way in its quest to contribute to the development of the Nigerian gas industry with advocacy tended towards ensuring the right policy environment for the realization of a viable gas sector for the Sub Saharan Africa region.

## United Kingdom: Gas fracking to start in England next week after 7-year halt

Shale gas developer Cuadrilla Resources expects to start gas fracking in northwest England soon, seven years after its first attempt to hydraulically fracture a well led to earth tremors, public protests and an overhaul of regulations.

The process, behind a surge in US gas production, involves fracturing rock deep underground using a mixture of water, sand and chemicals to encourage the flow of hydrocarbons from shale, a dense and tightly-packed sedimentary rock.

It has drawn criticism from

the public and campaigners concerned about the environmental impact of fracking and the pollution caused by fossil fuels. Protests against the practice



led to work at Cuadrilla's site being halted in 2011.

But the government, keen to cut Britain's reliance on gas imports which soared to more than 50 percent of gas supplies, has tightened regulations and earlier this year gave consent for Cuadrilla to go ahead again.

Francis Egan, Cuadrilla Chief Executive said that fracking of two wells and associated work would test gas flows.

"From that we will be able to make an assessment of how much gas is recoverable and whether it will be commercially viable to develop the site," he said.

The industry's future in Europe may hinge on the outcome. Although fracking has grown rapidly in the United States, it has not been proved viable in Europe despite several attempts, including projects that failed in Poland five years ago.

Fracking has been banned in France, Germany and several other European countries.

Cuadrilla's well will be the first fracked horizontal well in Britain and the results will be watched by shale explorers such as IGas, Egdon and Third Energy.



## Ghana: Akufo-Addo meets Eni CEO on renewable energy

President Akufo-Addo met the CEO of Eni, Claudio Descalzi, in Accra recently with the meeting focusing on renewable energy as a new area of focus for the operator of Sankofa oil and gas field.

To push its renewable energy agenda, Eni recently signed a partnership with the UNDP and says it wants Ghana to play a 'frontrunner role' in efforts on the development of renewable energy, energy efficiency, forestry and clean-cooking initiatives in Africa.

The partnership, it said, aims at achieving the Sustainable Development Goals (SDGs) and specifically SDG 7 on affordable and clean energy; SDG 13 on cli-

mate actions; and SDG 15 on land management and re-and/or afforestation.

"Improving access to energy, especially in Africa, is core to Eni's values; and it is an intrinsic part of the company's business. Eni invests more than half of its budget in Africa, boosting the domestic potential and promoting local development," the company said in a statement.

The release further noted that "Eni is already committed to the sustainable development of Ghana. The \$7bn investment in the integrated OCTP project represents Eni's firm commitment to providing long-term domestic gas supply."

Ghana's OCTP project will, it said, deliver stable, secure, reliable, and affordable volumes of gas to feed power plants for over 20 years.

"The use of domestic gas will allow Ghana to cut the use of liquid fuel, reducing CO2 emissions by 30 percent; and to limit the more expensive gas importation whose entire value chain lies outside the country.



## World: Global renewable investments to hit \$228.3bn in 2018

Market research and analysis firm Frost & Sullivan have issued the 2018 Global Renewable Energy Outlook identifying global renewable investments to reach \$228.3 billion in 2018. This growth is despite a detected slower year-on-year growth rate of 0.7 percent due to China reducing its solar uptake.

The renewable energy market is expected to achieve 154.6GW of new energy capacity by the end of this year.

The majority of the energy capacity will come from solar photovoltaics with almost 90GW, followed by wind with 53GW.

Factors driving the renewable energy market include rising electricity demand, decarbonisation goals, and government incentives.

On the other hand, market



expansion is being challenged by resource unavailability, high risks associated with investing in the market and the high upfront costs required to implement a project.

Asia is expected to invest \$114.98 billion, account for 58 percent of the global total installments in 2018. Solar, wind and biomass will account for 96 percent of the total investments.

Investments by stakeholders in North America are expected to reach \$33.17 billion, although low natural gas prices and the current US administration's measures are significant barriers to renewable energy development.

Latin America will reach \$17.7 billion in investments owing to the heavy focus on renewables in countries including Mexico, Argentina, Brazil, and Colombia.

Investments in Europe are driven by efforts by the region to meet 20 percent renewables in the energy mix by 2020 and 32 percent by 2030, goals set under the Renewable Energy Directive.

## Nigeria: Schneider Electric promotes micro-grid development



Schneider Electric has said it is committed to developing micro-grids in Nigeria as part of efforts to increase access to electricity across the country.

"Schneider has brought clean energy to rural communities/villages in Nigeria through multiple mini-grids projects," said Ifeanyi Odoh, Head of Marketing and Business Development, Schneider Electric.

"We believe access to energy is a basic human right. Energy creates social and economic development and a better life. Microgrids contribute positively to the energy future. Our microgrid markets include build-

ings, large sites and industries, utilities and cities, and rural communities," he added.

Odoh, in his presentation titled, 'Digital micro-grids: Powering commercial and industrial business' which he delivered at the Power Nigeria conference in Lagos, described Schneider Electric as the leader in digital transformation of energy management and automation. He said smart microgrids would lead to enhanced efficiency and significant energy savings in business.

According to him, Schneider Electric has been providing energy management solutions to key markets across West Africa with 50 per

cent of Nigeria's transmission and distribution substations using its solutions to deliver safe and reliable power to homes and businesses.

Mojola Ola, Head, Building Business, Schneider Electric, said the company was working with qualified partners to respond to the needs of the market and promote local content by continuously transferring knowledge and expertise to local partners.

"Technology is affecting the way we do things and our products are connected and smart," he added.

The Marketing Communication Manager, Viviane Mike-Eze, said

the company was committed to corporate social responsibility and local content development in Nigeria.

"Schneider Electric has placed a high focus on energy training in Nigeria. Our latest actions in the past two months were to sponsor the training of STEM girls with the Visiola Foundation in solar energy, rewarding the top students with a two-day discovery trip to Schneider Electric facilities and technology center. We have also donated electrical training equipment to the University of Ibadan with continuous training of trainer programme to ensure the equipment is put to good use," she added.



## POLICY

WEST AFRICA  
ENERGY INTELLIGENCE

# Sleepy gas prices stir but Nigeria might not get aboard

STEPHEN ONYEKWELU

Natural gas prices surged to a ten-month-high on the back of low United States gas stockpiles, higher-than-usual power demand due to a warm autumn and nuclear plant outages but Nigeria will be unable to contribute to narrow this demand-supply gap because of its stalled gas development projects.

Natural gas prices are up about 12 percent over the last month to roughly \$3.16 per million British thermal unit. On Wednesday of the week ending October 5, they hit a more-than-seven-month high, at \$3.26 per mmBtu.

London-based Barclays Bank expects a volatile winter for natural gas prices, with supply and demand balanced on a "knife's edge"

"If winter weather comes

in mild, then this current storage shortfall is a speed bump on the way to a looser market in 2019. If cold weather comes to fruition, though, the tenor of the 2019 outlook is fundamentally changed and the market will spend a good portion of next year just digging out of the storage deficit," Michael Cohen, head of energy markets research at Barclays, wrote in a research note on Thursday.

With widened global deficit, Nigeria, world's fourth largest liquefied natural gas producer could have naturally stepped up to the plate to fill the storage shortfall just as Russia and Saudi Arabia are doing to fill the supply shortfall created by Venezuela and Iran. This will not happen.

The Nigeria Liquefied Natural Gas (NLNG) is one the fastest growing LNG companies globally, with the development of new trains between 2000 - 2007.

However, after the comple-

tion of train 6 in 2007, no new train has been developed. The six trains have a total production capacity of 22 million tonnes/annum of LNG and 5 million tonnes/annum natural gas liquids (NGL) from 3.5 billion cubic feet of natural gas reserves.

Around October 2017, there was a report that approval for the Final Investment Decision, (FID), for the production of the Bonny Train 7 was given by NLNG Ltd, this still lingers.

NLNG Ltd is seeking \$7billion from the global financial markets for the sustainability of its operations through investment in Nigeria's upstream gas sector, and expansion project. The project is expected to increase total production capacity by approximately 36 per cent to 30mn tonnes/annum.

According to Dada Thomas, president Nigerian Gas Association (NGA), the project is advantageous to both Nigeria and NLNG Ltd, and the expected

increase in production capacity would increase Nigeria's gas export, enabling the country regain its place as one of the top three gas exporters globally, and encourage diversification of energy resources.

Thomas said in an interview with a Nigeria national daily and emphasised that amplification in gas exports would boost LNG export earnings by 17 per cent to approximately \$5.13bn, which would create more bulwark to enable the Central Bank of Nigeria (CBN) prop the naira.

Barclay's view that natural gas prices will moderate speaks

to the roots of the rally. While low stockpiles provide a bearish backdrop, it is largely the unseasonably warm weather and unplanned nuclear power outages that are to blame.

Cooling degree days, or days that were warm enough to require air-conditioning, were 20 percent higher in September than the 10-year average, according to Barclays. Meanwhile, Hurricane Florence forced power plants in the Carolinas region to shut down as much as 17 gigawatts of nuclear power, or about 10 gigawatts more than usual over the last four years.

The Energy Information Administration (EIA), the statistical arm of the US Energy Department, said more than half (53 per cent) of the US LNG exports in 2017 were shipped to three countries: Mexico, South Korea, and China, all of which had received the LNG volumes from Nigeria. Falling US gas stockpiles would have meant an opportunity for Nigeria. No, Nigeria will not seize the day.

**London-based Barclays Bank expects a volatile winter for natural gas prices, with supply and demand balanced on a "knife's edge"**



## WEST AFRICA ENERGY INTELLIGENCE

## FINANCE • PEOPLE • APPOINTMENTS

### ■ Brief

#### Sonatrach to launch offshore drilling with Total, ENI in Algeria next year

**A**lgeria's state-owned oil and gas company Sonatrach will launch offshore drilling with France's Total and Italy's ENI on two sites in the east and west of Algeria at the start of 2019, We have gas in the east around Skikda, and oil in the west around Mostaganem," he added.

Sonatrach and Total have also agreed to invest \$406 million to boost the output of the gas field named Tin Fouye Taban-



Abdelmoumene Ould Kaddour, Sonatrach chief executive said.

"We should start drilling at the beginning of next year," Abdelmoumene Ould Kaddour told reporters on the sidelines of a signing ceremony with Total for a petrochemical plant that will produce 550,000 tonnes of polypropylene per year.

"The potential is huge.

kort Sud.

"Our partnership with Total is good and it allows us to implement our long term strategy," Ould Kaddour said.

Patrick Pouyanne, Total Chairman and Chief Executive said in a statement earlier that Total and Sonatrach had signed new agreements, including a contract to develop the Erg Issouane gas field.

### Total 'Startupper' project to boost capacity of local enterprises

**T**otal Nigeria has announced the commencement of the 2nd edition of its 'Startupper of the year' project, an initiative focused on promoting entrepreneurial drive of young business people in the country by providing financing support and mentorship.

The first edition of the initiative unveiled in 2015 and held across 34 African countries targeted young entrepreneurs with innovative ideas across all business sectors as a way to encourage business development.

At the launch of the second edition of the project in Lagos, the company said it has a duty to create opportunities for all its stakeholders especially at this period when Africa is pursuing inclusive social and economic development.

After recording huge success at inception, Total is now launching the project at global scale in almost 60 countries and on every continent.

Addressing the media on expectations from this year's Startupper project, Bunmi Popoola-Mordi general manager human resources and corporate services/secretary of Total, said the programme is designed to support and re-



L-R: Bruno Dormoy, Executive Director, Finance & Development, Total; Vincent Nnadi, Executive General Manager, CSR & Medical Services, Total; Bayo Rotimi, CEO Quest Advisory Services; Bunmi Popoola-Mordi, General Manager, Human Resources & Corporate Services/Company Secretary of Total, during the press conference organized to announce the commencement of the second edition of Startupper by Total in Lagos yesterday.

ward young entrepreneurs up to 35 years of age who have a project or have created a company in the past two years, regardless of their business sector.

She said that in each participating country, a local jury made up of Total experts, leaders of business incubators, company chief executives and prominent local actors would select three winners. Each winner will receive the 'Startupper of the year by Total' label and would be eligible to receive financial assistance, professional support and an advertising campaign to provide their project with visibility.

The projects will be judged on three criteria which includes their innovative nature, social and community impact and feasibility and development potential. This year's edition would give priority attention that will lead to an award to top female entrepreneur.

She said winner of this year's project which will be concluded in the first quarter of 2019 will receive a financial support of N6 million, while the second runner up will receive N3.6 million and third person will get N2.4 million.

The winner of 2015/2016 maiden edition Opeyemi Owo-

sho who shared his experience said he was able to boost his gas cylinder production with the financial support from Total. Today he said about 12 people are in his employment and is looking forward to expand his plant capacity.

According to him, with the support he has been able to source 80 per cent of production materials locally.

He said he is prompted to go into the business having realised the investment potentials as Nigeria ranks as lowest consumer of cooking gas in sub Saharan Africa despite its huge gas reserves.

### Egypt signs deal for sale of stake in oil company ENPPI

**E**gypt has signed an agreement with three banks to manage the sale of a 24 percent stake in state oil company Engineering for Petroleum and Process Industries (ENPPI) on the Egyptian stock exchange, the petroleum ministry said.

The government signed the deal with investment bank CI Capital, Jefferies bank, and Emirates NDB,

the ministry said in a statement. It did not give the timing of the offer.

The ENPPI share offer has been pushed back several times, with officials initially saying it would take place before the end of 2017.

The sale is part of a series of public and private share offerings expected over the coming months, including the first sales in state-owned com-

panies for more than a decade.

Five of the sales in

state-owned companies are expected by the end of 2018 from

a total of 23 offerings over the next few years. The government

hopes the sales will help reduce its budget deficit and promote

competition.

The state owns vast swathes of Egypt's economy, including at least three of the country's largest banks along with much of its oil industry and large chunks of real estate.





## MARKETINSIGHT

WEST AFRICA  
ENERGY INTELLIGENCE

## Oil prices rise ahead of November US sanctions against

Oil prices rose, lifted by looming US sanctions against Iran's crude exports that are set to start next month.

The gains helped claw back some of the losses from the previous session due to rising US inventories and after Saudi Arabia and Russia said they would raise output to at least partly make up for expected disruptions from Iran.

International benchmark Brent crude oil futures hit \$84.94 per barrel, up 36 cents, or 0.4 percent from their last close. US West Texas Intermediate (WTI) crude futures were up 41 cents, or 0.6 percent, at \$77.74 a barrel.



"Crude oil prices drifted lower on combination of rising oil production in Saudi Arabia and Russia and a build-up of inventories in the US. That said, prices remained resilient as supply worries persist amid looming Iranian sanc-

tions," ANZ bank said.

Overall oil market sentiment is bullish. Financial traders have accumulated bullish long positions betting on a further rise in prices amounting to almost 1.2 billion barrels of oil.

Meanwhile, the num-

ber of short positions in the six most important petroleum futures and options contracts has fallen to the lowest level since before 2013, creating a near-record imbalance between bullish and bearish positions in financial crude markets.

## Oil producers need to pump more or put demand growth at risk - IEA

Rising oil prices may hurt demand in some of the world's fastest-growing nations unless producers take steps to

boost supplies, according to the International Energy Agency.

"I would not be surprised if we revise our numbers," Fatih Birol, the

executive director of the Paris-based adviser, said, referring to the IEA's forecast for demand growth this year of 1.4 MMbpd. High energy prices are hurting consumers today, and could hurt the economies of exporting countries tomorrow, he said.

Brent crude, benchmark for half the world's oil, has gained more than 20 percent since mid-August due to concern over supply losses from Venezuela and Iran. Saudi Arabia, the world's largest exporter of crude, is comfortable with Brent above \$80/bbl as the global market adjusts to the loss of Iranian supply from US sanctions. Brent traded near \$86/bbl, the highest in almost four years.

"We are rather worried that the expensive energy is back, which may be hurting the global economy at a vulnerable time,"

Birol said. "The oil exporting countries must, in my view, take these developments into consideration and it is high time for those countries to put more oil in the markets and comfort the markets."

India is among emerging market economies struggling with a combination of a weakening currency and rising oil prices. The nation, which enjoyed a 12th straight month of demand growth in August, could see its trade deficit worsen because of the high crude, according to Birol. The nation moved to cut retail fuel prices.

"With these prices, I would expect that the demand growth in India, other parts of Asia and in the Americas will be negatively affected," Birol said, adding that there may be slowdown in demand growth.

## OPEC Flakes

## OPEC compliance 110 percent in September

OPEC's 15 countries boosted crude oil output in September to 33.07 million b/d, a 180,000 b/d rise from August as the producer group seeks to instill confidence in its ability to keep the market well-supplied.

That is the most OPEC has pumped since July 2017, if the Republic of Congo, which joined the organization in June, is not included.

OPEC and its 10 non-OPEC partners, led by Russia, have surpassed their stated aim of raising production by a combined 1 million b/d from May levels. OPEC's September output was 850,000 b/d above where it was in May, not including Congo while Russia on Tuesday reported a record high in its September output of 11.356 million b/d, up 390,000 b/d from May.

Libya tied with Saudi Arabia for the biggest monthly gain, with its output rising to 1.05 million b/d, as militancy around its oil facilities quieted. Angola also showed a significant gain, with production rising 50,000 b/d in September



to 1.51 million b/d, due to the ramp up of the Kaombo offshore field.

The UAE (3.01 million b/d) and Kuwait (2.82 million b/d) pumped their most since December 2016, the survey found.

OPEC's second largest producer Iraq saw a 30,000 b/d month-on-month fall to 4.65 million b/d, as its crude exports saw a slight dip, according to the survey.

In all, the 12 OPEC members with quotas brought compliance down to 110 percent, from 115 percent in August, as the bloc intends to end over-compliance with cuts that have been in force since January 2017 under its plan to boost production by 1 million b/d. Libya and Nigeria were exempted from the cuts, while Congo was never given a quota.

## US accuses OPEC of withholding 1.42 million b/d of spare capacity

The US State Department accused OPEC of withholding 1.42 million b/d of spare capacity from the world market.

Citing an OPEC spare capacity estimate from the US Energy Information Administration, State said that Trump administration officials are working with OPEC to produce the spare capacity they are "not deploying." State said that US was "doing its part" to meet rising global demand.

"The United States continues to engage with OPEC countries and we encourage them to utilize their spare capacity to ensure world oil supply meets the demand," the State spokesperson said in a statement.

The spokesperson said that while OPEC and non-OPEC producers, including Russia, "continue to withhold production," the US is ramping up output, citing an EIA estimate that domestic production will increase by nearly



1 million b/d within a year.

"The United States is doing its part to add to the oil supply," the spokesperson said.

The statement comes as President Donald Trump has pressed Saudi Arabia to boost oil output in order to stabilize prices and continues to criticize OPEC nations for driving up prices.

OPEC, Russia and nine other countries pledged in June to reduce over-compliance with production cuts that have been in force since January 2017, which they say will result in a 1 million b/d output rise from May levels.





# Pipeline sabotage shortchanged Nigeria's higher oil prices revenue

DIPO OLADEHINDE

**A**s the prices of crude, Nigeria's biggest revenue earner hit fresh high of \$86 last week; Nigeria major oil companies are losing more output of up to 40 percent to Nembe Creek line vandalism.

The challenge of escalating pipeline vandalism has being one major issue confronting the Nigeria Petroleum industry since crude oil was discovered in Oloibiri, a small community in Ogbia local government area, Bayelsa state.

Aiteo, Eroton and Newcross, three of Nigeria's oil independents are losing as much as 40 per cent of their crude production to oil theft along the Nembe Creek Trunk Line (NCTL), which has continued to be a favorite area for oil thieves and vandals, according to sources familiar with the happenings.

Aiteo Group, one of the oil industry's well positioned oil production companies in the country, which also jointly owns the Nembe Creek Trunk Line; Eroton Exploration and Production Company Limited and Newcross Petroleum all pump their crude output through the troubled 150,000 capacity pipeline which has up to 24 illegal bunkering points.

The NCTL was the single largest project undertaken by the SPDC in the Niger Delta. It was commissioned in 2010 and cost \$1.1 billion to construct. It was constructed to replace the ageing and often vandalized Nembe Creek Pipeline, which had suffered significant losses due to incessant fire outbreaks, sabotage and theft.

Aiteo produces 90,000 barrels per day, one of the highest by an independent in Nigeria and is operating company of oil mining license (OML) 29; Eroton, operating OML 18, produces 63,000 per day, while Newcross, operator of OML 24, pumps an average of 30,000 barrels per day, Nigerian National Petroleum Corporation's (NNPC) data showed.

The Aiteo-operated pipeline has experienced long periods of shut-in this year, which



led to decline in the country's total crude exports. According to the company, "NCTL has been shut down for over 145 days and an approximate deferment of 50.386 million barrels per day for the six injectors into the trunk line since Aiteo took over the operatorship in 2015." Aiteo purchased a 45 percent stake from Shell in September 2015.

In the first half of 2018, NNPC lamented about the high rate of pipeline vandalism witnessed in the south-eastern part of the country.

The Corporation's spokesman, Ndu Ughamadu stated that more than 50 per cent of petroleum products pumped through the Aba-Enugu pipeline network was mostly stolen.

In the press statement, NNPC spokesman noted that at some point about 700 breaches were recorded on the pipeline adding that the situation had hampered efficient supply and distribution of petroleum products not only in the state, but in the entire South-East region.

"The Osisioma and Nsirimo areas (both in Abia State) as well as Ishiagwu (in Ebonyi State) were the major vandalism flash points along the

line where illegal connections for diversion of products had been observed almost on a daily basis," NNPC said.

Oil capitalism coupled with poor governance and neglect of basic human rights has created a myriad of problems in the communities in the Niger Delta. Pervasive poverty, lack of employment, fuel shortages and pursuit of entitlements from the petroleum sector drives citizens towards the vandalizing the pipelines that criss-cross their communities.

The Niger Delta, which fuels Nigeria's economy and accounts for 95 percent of Nigeria's export earnings and over 80 percent of Federal Government's revenue, remains the one of the poorest regions of the country.

Theft of oil and gas products and pipeline vandalism in Nigeria trail movements in the global oil prices, rising prices have foreshadowed increased incidents of vandalism, data compiled by BusinessDay showed.

Further analysis of NNPC monthly report for the month May showed products theft and vandalism have continued to destroy value and

put NNPC at a disadvantaged competitive position as a total of 1, 621 vandalized points have been recorded between May 2017 to May 2018 which increased compared to the total of 1, 484 vandalized points have been recorded between April 2017 to April 2018.

According to the report, the Aba-Enugu pipeline segment accounted for 78 vandalized points, representing 84.78 per cent of total vandalized points on the nation's network of products pipelines.

The report further showed NNPC gains of N180.7 million made by NNPCs upstream and gas processing subsidiaries such as the Nigerian Petroleum Development Company (NPDC), RETAIL and Nigerian Gas Processing Transportation Company Limited and Pipelines and Product Marketing Company (PPMC), were wiped off largely by its downstream subsidiary operations which recorded deficits north of N118.7 million according to figures from the organization's operations and financial report for 2018 actual.

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