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# BUSINESS NIGERIA MAGAZINE

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## $300 MILLION FOR AFRICA'S DEVELOPMENT

A HELP TO CREATE MORE ECONOMIC OPPORTUNITIES IN AFRICA

# EDITORIAL

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BUSINESS NIGERIA MAGAZINE

## EDITOR'S NOTE

Welcome to another edition of Business Nigeria Magazine, we promise you an exciting read. Stay glued to this edition.

Africa stands on the brink of a transformative era, with new opportunities arising to accelerate its economic development. A recent commitment of $300 million aimed at driving growth across key sectors—including infrastructure, agriculture, energy, and digital innovation—marks a pivotal moment for the continent. This injection of capital has the potential to uplift economies, create jobs, and improve the quality of life for millions.

In this issue, we delve into the significance of this funding, how it will be allocated, and the long-term impact it could have on Africa's development trajectory. From empowering small businesses to scaling infrastructure projects, we explore the ripple effects of this investment and the opportunities it creates for sustainable growth.

Join us as we highlight this exciting chapter in Africa's journey toward economic prosperity and resilience.

Thank you for your time. We look forward to getting to your table in our next edition.

Warm regards,
**Ajetunmobi Olumayowa**

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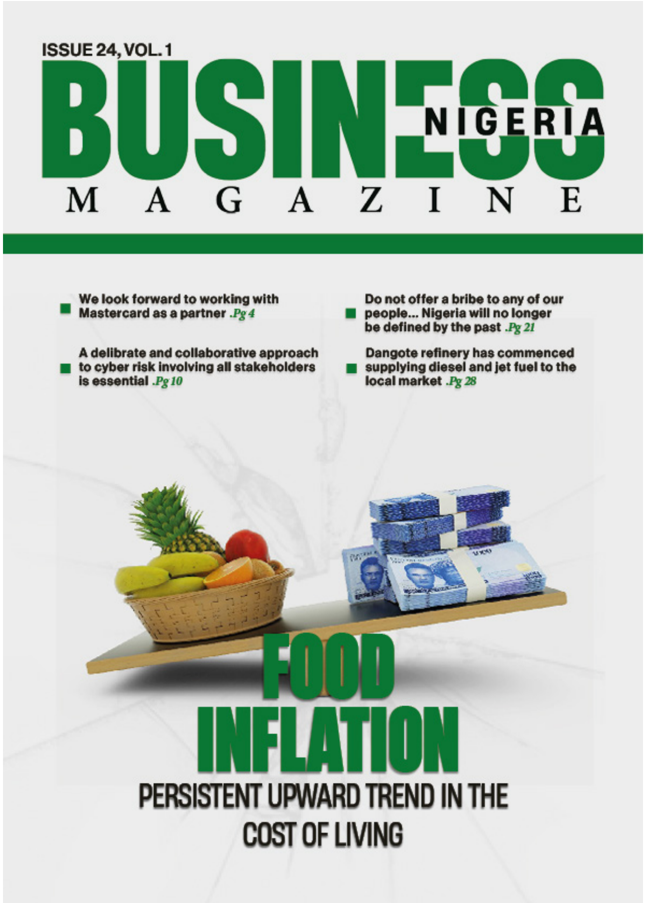



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# SEC Threatens Banks with Penalties Over Capital Raise Non-Compliance


The Securities and Exchange Commission (SEC) has issued a stern warning to banks, emphasizing the need for strict adherence to recapitalisation guidelines. In a statement released on Friday, the SEC announced that banks failing to submit complete capital raise applications will face a penalty of N1 million. This is part of the broader effort to ensure compliance with the Central Bank of Nigeria's (CBN) directive for banks to bolster their capital base.

Banks are required to follow specific norms and procedures when raising capital through rights issuance, private placements, or other approved methods. Applications, along with supporting documentation, must be submitted electronically via email. The SEC stated that these documents would be scrutinized, and any deficiencies identified would be communicated to the applicants electronically.

The statement read, "Where an application is returned for being incomplete – a penalty of N1,000,000 and a re-filing fee of N100,000 shall apply. This fee is payable by the Issuing House without recourse to the Issuer or the Issue proceeds."

This initiative aligns with the CBN's mandate for banks to secure additional capital, a critical step towards navigating economic challenges and achieving Nigeria's target of a $1 trillion economy by 2030. The SEC underscored its role in ensuring a smooth, transparent, and efficient capital raising process.

The framework outlined by the SEC includes detailed guidelines and procedures that banks must follow during the 2024–2026 recapitalisation period. It specifies that international banks need to raise their capital base to N500 billion, while national and regional banks must increase their capital to N200 billion and N5 billion, respectively.

The SEC advised all banks and stakeholders to meticulously adhere to these guidelines, emphasizing that the framework is in line with the regulatory provisions under the Investment and Securities Act of 2007. The commission also highlighted the importance of updating corporate information with the Corporate Affairs Commission to streamline the approval process and enhance regulatory oversight.

The announcement comes in the wake of the CBN's new minimum capital requirements for banks, which were set on March 28. These requirements demand a significant increase in the capital base for banks, aiming to fortify the financial stability of the sector.

# NCAA to Launch Consumer Protection Portal for Aviation Sector

In a significant step towards enhancing transparency and accountability in Nigeria's aviation sector, the Nigerian Civil Aviation Authority (NCAA) has unveiled plans to launch its consumer protection portal this August. This initiative follows mounting efforts by the NCAA to address widespread consumer grievances within the industry. The forthcoming portal is designed to empower passengers by allowing them to log complaints, track airline on-time performance, and access self-reported data on the resolution of issues. This move aims to make airline performance data publicly accessible, ensuring greater transparency.

This development aligns with earlier statements from Minister of Aviation Festus Keyamo, who announced that aviation regulators would start compelling airlines to compensate passengers for delayed or cancelled flights by January 2024. Keyamo also assured that a list of airlines responsible for delays or cancellations would be published weekly as part of the compensation scheme.

The NCAA reported a substantial success rate in enforcing airline refunds, achieving a 65 to 70 percent success rate in resolving related issues. "We have recorded a 65 to 70 percent success rate with enforcing refunds," Achimugu stated, acknowledging the ongoing challenges in the aviation industry where delays and cancellations often lead to conflicts between airlines and passengers.

Nigerian Civil Aviation Authority

"The Consumer Protection Portal of the NCAA will soon be live, enabling people to log their complaints and see the on-time performance of all airlines, the number of cases reported to them, how many have been resolved, and how many are pending," said Michael Achimugu, Director of Public Affairs and Consumer Protection at the NCAA. He elaborated that the portal would feature a self-reporting system, making it clear to the public how each airline is performing.

Achimugu further explained, "Each airline will be reporting its performance to the general public. If an airline is underperforming, it will be open and transparent for everyone to see."

The NCAA aims to launch this automated system by the end of August, integrating it with other upcoming initiatives. "It is ready; we are just finalizing a few other components that we plan to launch simultaneously," Achimugu added.

Highlighting the complexity of these issues, Achimugu noted, "Some delays are not the fault of the airlines. Even when passengers are at fault, they often blame the airlines." He recounted a recent incident where a passenger demanded a refund despite arriving at the airport just 30 minutes before departure.

The NCAA has already achieved a 65 to 70 per cent success rate in enforcing airline refunds. Achimugu commented on the challenges faced, noting, "We have recorded significant success in resolving refund-related issues."

However, he also stressed the importance of fairness, acknowledging that not all delays are attributable to airlines. "The honourable minister reminded us that some delays are beyond the airlines'.

# Travel Agents Seek Minister's Intervention in N296m Refund Dispute with Qatar Airways

The ongoing conflict between 13 travel agencies and Qatar Airways has intensified as the agents have formally appealed to the Minister of Aviation and Aerospace Development, Festus Keyamo, for intervention in securing a refund for unused Hajj tickets totalling N296 million over the past two years.

In a letter obtained by The PUNCH, the agents requested Minister Keyamo's prompt action to address their grievances. The travel agencies are seeking the refund of tickets purchased for the 2022 Hajj pilgrimage, which went unused due to the Saudi Arabian Embassy's refusal to issue visas to the intending pilgrims.


This development follows an exclusive report by The PUNCH, detailing the standoff between the travel agencies and Qatar Airways, which has allegedly refused to process the N296 million ticket refunds since 2022. The travel agencies and their clients have been embroiled in disputes, with some pilgrims even involving the police and the Economic and Financial Crimes Commission (EFCC) to demand their refunds.

Despite the involvement of the Nigeria Civil Aviation Authority (NCAA), which has been mediating in the matter, the refunds remain unpaid. NCAA spokesperson, Michael Achumugu, confirmed the airline's refusal to reimburse the agents.

In their latest letter, the agents, through their legal counsel, expressed frustration over failed attempts at an amicable resolution. They implored Minister Keyamo to leverage his position to ensure Qatar Airways fulfils its refund obligations.

The legal counsel stated, "Despite our numerous engagements, no refund has been made by Qatar Airways since 2022 while our people have continually suffered humiliation, harassment, intimidation, blackmail and prosecution by Nigerian law enforcement agencies due to complaints from their respective depositors and clients whose monies are being stashed in the coffers of Qatar Airways."

The agents highlighted that all relevant government agencies had been informed of their plight. They urged the minister to protect their economic interests, given their role as stakeholders in the Nigerian travel and tourism industry.

The letter concluded with a hopeful note, expressing confidence in Minister Keyamo's leadership and praying for his intervention to save them from further humiliation and financial distress.

# Nigerian Ports Authority Confident in Repayment of $700m Loan for Port Rehabilitation

The Nigerian Ports Authority (NPA) is poised to comfortably repay the $700 million loan it secured for the comprehensive rehabilitation of the Apapa and Tincan Island Ports in Lagos, according to Managing Director Mohammed Bello-Koko. Speaking at a press briefing on Tuesday in Lagos, Bello-Koko affirmed the authority's robust revenue generation capacity, which would ensure the smooth repayment of the UK Export Finance-funded loan.

"The NPA can conveniently service this loan, given our substantial revenue streams," Bello-Koko stated. He highlighted the favourable terms of the loan, which boasts an interest rate of less than seven percent, a 15-year repayment period, and a three-year moratorium.

He emphasized the significance of the upgrade, explaining, "Currently, the engineering designs and drafts for both ports stand at approximately 13.5 meters. The reconstruction will extend this to 16.5 meters, thereby allowing us to handle larger vessels and achieve economies of scale."

Bello-Koko also revealed ongoing negotiations for funding to revamp other ports in Nigeria's eastern region, noting that the Rivers Port, the oldest in the east, is over a century old. "We are in discussions with a Chinese construction company to fund and execute these rehabilitations," he added.

Addressing the needs of the Warri, Calabar, and Escravos ports, Bello-Koko underscored the necessity of reconstructing their breakwaters, which collapsed a decade ago. He assured that the Tincan and Apapa ports would be rehabilitated in phases to avoid disrupting port activities.

The NPA chief praised the performance of the Lekki Deep Seaport, stating that it had exceeded expectations. He also highlighted improvements in access to Lagos ports, achieved through collaboration with the Lagos State Government and security agencies to reduce checkpoints.

Bello-Koko commended the Nigeria Customs Service for their role in enhancing trade facilitation, which has notably increased the country's exports. "Our export processing system has significantly reduced bottlenecks, cutting export times from 21 days to 48 hours," he noted.

The Nigerian Export Promotion Council reported that non-oil exports attracted $4.5 billion in 2023, underscoring the impact of streamlined export processes on the nation's economy.

# Corporate Affairs Commission to Cancel Incorporation of Defunct Bureaux De Change

The Corporate Affairs Commission (CAC) has announced its plan to cancel the certificates of incorporation of Bureaux De Change (BDC) companies whose licenses were revoked by the Central Bank of Nigeria (CBN) earlier this year. This move follows the CBN's decision to withdraw the operational licenses of 4,173 BDC operators for failing to comply with regulatory standards.

In a notice posted on its website on Wednesday, the CAC stated that these companies must change their names and objects within three months or face the cancellation of their incorporation certificates. The notice read, "The general public is hereby informed that following the revocation of the operational licenses of 4,173 Bureau De Change companies by the Central Bank of Nigeria vide a Federal Republic of Nigeria Official Gazette (Vol. 111) No. 37 of February 27, 2024 for noncompliance with Regulatory Standards, the Corporate Affairs Commission in the exercise of its powers under section 8(1)(e) of the Companies and Allied Matters Act, 2020 advises these companies to within three months from the date of this publication, change the names and objects of such companies."

Failure to comply with this directive will result in the cancellation of their certificates of incorporation and dissolution of the companies. The CAC emphasized that it is unlawful for a company deemed dissolved to continue business operations.

The CBN revoked the licenses of the BDC operators in February due to noncompliance with several regulatory provisions. According to the acting Director of Corporate Communications, Sidi Hakama, the violations included failure to pay necessary fees, non-renewal of licenses within the stipulated period, and non-compliance with anti-money laundering and counter-terrorism financing regulations.

The CBN has since issued new regulations and guidelines for BDC operations in Nigeria, introducing different capital base requirements for various categories of operators.

This regulatory action underscores the CBN's commitment to enforcing compliance and maintaining the integrity of Nigeria's financial system.

The affected BDC operators are urged to align with the new guidelines to avoid further sanctions and ensure a transparent and robust operational framework.

This development marks a significant step in Nigeria's ongoing efforts to reform and stabilize its financial sector, promoting greater transparency and accountability among financial service providers.

# Nigerian Legal Luminary Advocates for Development Oil Model Over Contract Oil Approach

In a significant critique of Nigeria's oil governance, Senior Advocate of Nigeria Dr. Olisa Agbakoba has urged the Federal Government to shift from the current contract oil model to a development oil model. Speaking at a press briefing in Lagos on Wednesday, Agbakoba emphasized the need for active state participation and control over the nation's oil resources to foster national development.

In his policy paper, Rethinking Nigeria's Oil and Gas Governance, Agbakoba outlined the stark differences between the development oil model and the traditional contract oil approach. He criticized the current model, which grants substantial control to international oil companies (IOCs), allowing them to co-own joint ventures, manage extraction, and share profits with the government. According to Agbakoba, this arrangement leads to significant capital flight through payments to foreign contractors, the use of foreign banks, and profit repatriation to IOC home countries.

"The current model allows IOCs too much control over operations," Agbakoba stated, noting that the Nigerian National Petroleum Company Limited plays no active role in key operational decisions.

He called for a governance framework that prioritizes local refining capacity, the establishment of petrochemical industries, and the creation of downstream industries utilizing oil and gas as raw materials.

Under the development oil model, Agbakoba argued, a larger portion of oil revenue would remain within Nigeria, strategically reinvested into infrastructure, education, healthcare, economic diversification, and research and development in energy-related fields. He suggested a single, strong regulatory body to ensure transparency and efficiency, akin to the model employed in Saudi Arabia.

Agbakoba also addressed the legal standing of the Petroleum Industry Act (PIA), calling for its repeal or amendment due to conflicts with the Nigerian Constitution. He highlighted Section 64(c) of the PIA, which contradicts Section 162(1) of the Constitution. He proposed drafting new legislation aligned with the development oil approach to maximize the use of oil and gas resources for national development.


In response, George Ene-Ita, spokesperson for the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), disagreed with Agbakoba's call for repeal. "The PIA has not been in effect for even three years," Ene-Ita said, suggesting a review rather than an outright repeal.

Olaide Shonola, spokesperson for the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), also defended the PIA, describing it as the best recent development for the oil industry. "The PIA is a plus. It should not be repealed because it is useful," Shonola asserted.

This debate underscores the ongoing challenges and divergent perspectives in reforming Nigeria's vital oil sector, with significant implications for its economic future and governance structures.

# Odu'a Investment and Philanthropy Office Forge Alliance to Boost MSME Funding in South-West Nigeria

In a strategic move to bolster funding for Micro, Small, and Medium Enterprises (MSMEs) in South-West Nigeria, Odu'a Investment Company Limited and the Nigerian Office for Philanthropy and Impact Investing have inked a Memorandum of Understanding (MoU).

This landmark agreement, formalized on Monday at the Job Creation and MSME Secretariat in Abuja, aims to inject much-needed capital into critical sectors such as agriculture, renewable energy, fashion, and furniture manufacturing.

Chairperson of the Nigeria Office for Philanthropy and Impact Investing, Mrs. Thelma Ekiyor-Solanke, underscored the significance of the MoU as a pivotal step in the office's mandate to collaborate with key stakeholders. "We are pleased to work with our first batch of partners, engaging in different areas of interest. This collaboration allows each party to bring their expertise, creating a cohesive effort," Ekiyor-Solanke stated. She expressed optimism that the partnership would unlock substantial skills and capacity-building opportunities, potentially inspiring further collaborations to address unemployment and its associated social issues.

Representing Odu'a Investment, Group Managing Director/Chief Executive Officer Mr. Abdulrahman Yinusa highlighted the MoU's role in advancing "impact investing" within the region. "Economic development transcends mere statistics; it encompasses achieving social goals. This partnership aims to foster sustainable development, ensuring employment and environmental stewardship alongside financial returns," Yinusa articulated.

The significance of the MoU was also echoed by Mr. Tola Johnson, Senior Special Assistant to President Bola Tinubu on Job Creation and MSMEs, who hailed it as a crucial milestone in fulfilling the President's commitment to job creation.

Odu'a Investment, jointly owned by the six South-West states, stands poised to drive this transformative initiative, setting a benchmark for public-private partnerships in Nigeria.

# Dangote Targets $30bn Revenue by 2025 to Boost Naira, Eyes Stock Market Listing

Aliko Dangote, President of Dangote Group, has outlined plans to achieve a $30 billion revenue target by the end of 2025, aiming to significantly bolster Nigeria's foreign exchange reserves and elevate the naira's stature internationally. Speaking during a media tour of Dangote Petroleum Refinery & Petrochemicals and Dangote Fertiliser Limited, Dangote emphasized that the anticipated influx of forex through his ventures would naturally enhance the value of Nigeria's currency.

The flagship Dangote Refinery, which commenced full operations in 2024 with a focus on refining intermediate products such as polypropylene, naphtha, petrol, diesel, and jet fuel, has entered its steady-state production phase. Dangote projected production scaling to 500,000 barrels per day by August and reaching 550,000 barrels per day by year-end, with an ultimate target of 650,000 barrels per day in early 2025. Petrol production is set to commence in July, with sales expected from August onwards.

Highlighting strategic initiatives, Dangote revealed plans to list both Dangote Petroleum Refinery & Petrochemicals and Dangote Fertiliser Limited on the Nigerian Exchange Group by the first quarter of 2025. This move aims to democratize ownership and allow Nigerians to participate as shareholders in these enterprises.

The Dangote Refinery, poised to process 650,000 barrels per day at full capacity, stands as Africa's largest oil refinery and the world's largest single-train facility. Dangote Fertiliser Limited operates Africa's largest granulated urea fertiliser complex, reflecting Dangote Group's substantial presence and impact in critical sectors of the economy.

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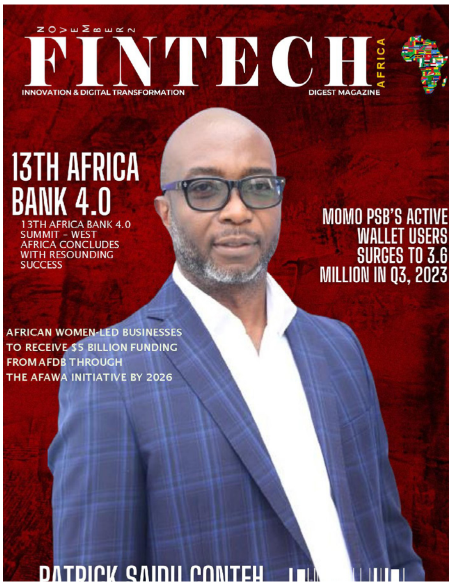




# Concerns Mount Over Nigeria's Open Border Policy on Food Imports, Experts Warn

The Federal Government's recent decision to open Nigeria's borders for a 150-day duty-free importation window on essential commodities such as maize, rice, wheat, and cowpeas has sparked concern among experts about its impact on private investments in the agricultural sector.

Announced by Agriculture and Food Security Minister Abubakar Kyari during a press conference in Abuja, the initiative is part of the newly launched Presidential Accelerated Stabilisation and Advancement Plan (PASAP), aimed at tackling immediate food security challenges in the country.

Kyari assured that imported commodities during this period would be subject to price controls, emphasizing President Bola Tinubu's commitment to ensuring food security and averting hunger among Nigerians.

However, critics, including Akinwunmi Adesina, President of the African Development Bank Group, have raised alarms over the policy's potential long-term repercussions. Adesina, a former Nigerian agriculture minister, described the move as "depressing," cautioning that it could undermine previous efforts and private investments made to bolster Nigeria's agriculture sector.

"Nigeria cannot depend on food imports to stabilize prices," Adesina asserted in a statement, emphasizing the need for increased local production to stabilize food prices, create jobs, and reduce foreign exchange spending—a move crucial for strengthening the Nigerian naira.

Addressing the theme of 'Food Security and Financial Sustainability in Africa' at a recent retreat, Adesina highlighted Africa's potential in agriculture, underscoring that the continent holds 65% of the world's uncultivated arable land. He stressed the importance of Nigeria feeding itself independently, warning against the risks of becoming overly reliant on food imports.

Supporting perspectives from Afrinvest highlighted both the potential relief the policy may offer to households and its limitations without a concurrent improvement in the domestic agricultural value chain. They noted concerns over ongoing challenges such as insecurity in key agricultural regions, which continue to hinder productivity and exacerbate food availability issues.

Kabir Ibrahim, National President of the All Farmers Association of Nigeria (AFAN), echoed these sentiments, suggesting that while the temporary duty-free importation may provide short-term relief, sustainable food security hinges on empowering local farmers through subsidies and infrastructure improvements.

In conclusion, while the PASAP initiative aims to inject N2 trillion into Nigeria's economy, prioritizing health, agriculture, and energy sectors, stakeholders emphasize the need for a comprehensive strategy that addresses systemic challenges to ensure long-term food security and economic resilience.

# Gabon Woos Dangote Amidst Monopoly Accusations in Nigeria

Amidst allegations of attempting to monopolise Nigeria's oil sector, Alhaji Aliko Dangote, President of Dangote Industries Limited, has received an invitation from President Brice Nguema of Gabon to explore investment opportunities in the country's cement and fertiliser industries. According to a statement from the Dangote Group's media office, the Gabonese President urged Dangote to consider investments specifically in urea and phosphate production.

"President Brice Oligui Nguema of Gabon has invited the President and Chief Executive Officer of Dangote Industries Limited, Aliko Dangote, to invest in cement and fertiliser production in Gabon," the statement read. "The President urged Dangote to explore potential investment opportunities in the country's cement and fertiliser sectors, specifically urea and phosphate production."

During his visit, Dangote held discussions with Nguema and other senior government officials, focusing on how Dangote Industries could aid Gabon's economic development by establishing cement and fertiliser plants. These industries are seen as crucial for enhancing the nation's infrastructure and agricultural productivity.

President Nguema expressed keen interest in the potential partnership, highlighting Gabon's dedication to fostering a favourable environment for foreign investments. He noted that collaboration with Dangote Industries would bring significant benefits, including job creation, technology transfer, and increased industrial capacity.

Dangote reiterated his company's commitment to promoting economic growth across Africa, stating that investing in Gabon's cement and fertiliser sectors aligns with Dangote Industries' broader strategic vision of supporting sustainable development across the continent. "We are excited about the opportunity to invest in Gabon," Africa's richest man said, emphasizing the goal of contributing to Gabon's economic diversification and industrialisation efforts. "By leveraging our expertise in cement and fertiliser production, we aim to support Gabon's infrastructure and agricultural sectors."

The visit marks a significant step towards strengthening economic ties between Nigeria and Gabon. As Dangote Industries continues to explore and finalise investment opportunities, both nations anticipate mutual benefits that will drive economic progress and regional integration. The potential investment by Dangote Industries in Gabon is expected to enhance the country's industrial landscape, ensuring a steady supply of essential materials for construction and agriculture. This development aligns with President Nguema's vision of transforming Gabon into a diversified and self-sustaining economy.

Further discussions and assessments are planned in the coming months to finalise the investment plans. The collaboration between Dangote Industries and the Gabonese government holds promise for a robust partnership that will significantly impact Gabon's economic landscape.

Recently, Dangote announced that the company would refrain from investing in steel to avoid being labelled as a monopolist. This decision follows comments by Farouk Ahmed, Chief Executive of the Nigerian Midstream and Downstream Petroleum Regulatory Authority, who claimed that the diesel produced by the Dangote refinery had a higher sulphur content than imported diesel, a statement Dangote described as an attempt to undermine his refinery. Ahmed also indicated that Nigeria would continue to import fuel to prevent Dangote from monopolising the market.

# AfDB And Italy to Mobilise $300m for Africa's Development

The African Development Bank (AfDB) has pledged to match the $150 million in concessional loans and grants from Italy, marking a significant step in the operationalisation of Italy's Mattei Plan for Africa.

In a statement released on its website, the AfDB outlined the collaboration, which is part of Italy's broader strategy to stimulate economic growth and curb irregular migration from Africa to Europe.

This plan was unveiled earlier in the year in response to a 50 per cent surge in migrant arrivals in Italy in 2023, as reported by Italy's Interior Ministry.

The AfDB, which has a longstanding bilateral agreement with Italy, including cofinancing arrangements and a trust fund for joint projects, announced: "Italy has committed approximately $150 million in highly concessional loans and grants. The African Development Bank Group will at least match this amount. The objective is to pursue Italian and AfDB priorities as set out by the Mattei Plan for Africa and the Italian Development Cooperation strategy, fostering economic and strategic partnerships with African nations and institutions by building common business opportunities and scaling up investment flows. Priority areas include energy, water, agriculture, health, education and training, and both physical and digital infrastructure."

Additionally, a Multi-donor Special Fund has been established to serve the Mattei Plan for Africa and the Rome Process on Migration and Development. The fund will focus on high-impact, climate-aligned investments in key strategic sectors supporting sovereign entities in Africa.

"Thanks to its multi-donor nature, the fund will attract other international partners to combine forces and leverage funding. An initial pledge of around $130 million in highly concessional loans and grants has been announced by Italy, with an additional commitment by the United Arab Emirates. The AfDB has committed to at least match the Fund's contributions on each project with its resources," the AfDB stated.

Italian Prime Minister Giorgia Meloni and AfDB President Dr Akinwumi Adesina discussed the initiative on the sidelines of the G7 Heads of State and Government Summit in Puglia.

Dr Adesina praised the initiative, saying: "I applaud Prime Minister Meloni for her launch of the Mattei plan and for selecting the AfDB as its strategic partner. Our partnership will deliver impactful development across African countries, expand access to energy, tackle climate change, support food security, boost health services, and expand skills and jobs for the youth. This will help create more economic opportunities in Africa and help stem drivers of migration."

Prime Minister Meloni added, "Italy's 'Piano Mattei' will foster economic and strategic partnerships with African nations and institutions, with the AfDB as our main strategic financial partner. Our collaboration will support the development of initiatives with Africa's public and private sectors, offering additional opportunities for Italian businesses."

# CBN Governor Flags Risks Posed by Non-Bank Financial Transactions

The Governor of the Central Bank of Nigeria, Yemi Cardoso, has expressed concerns over the escalating volume of financial transactions conducted by non-bank financial institutions (NBFIs) and other financial entities, highlighting the potential risks these activities pose to the stability of the West African financial system.

Addressing the 10th meeting of the College of Supervisors for Non-Bank Financial Institutions (CSNBFI) in Abuja on Monday, Cardoso acknowledged the critical role of NBFIs in fostering financial growth and inclusion within the West African Monetary Zone (WAMZ). He noted that these institutions provide essential financial services to underserved populations, including small and medium-sized enterprises (SMEs).


"NBFIs play a pivotal role in offering financial services that commercial banks do not, especially to sectors that are traditionally underserved," Cardoso stated.

However, he warned that the increasing transaction volumes handled by these entities could pose significant risks to the overall financial stability of the region. "We reiterate the importance of monitoring trends, risks, and innovations within NBFIs and OFIs, as their growing transaction volumes present major stability risks," he added.

Cardoso commended the CSNBFI for advancing regulatory frameworks, particularly the recent adoption of the Model Act for Non-Bank Financial Institutions and Non-Bank Financial Holding Companies across the WAMZ. Approved in March 2024, this legislative milestone aims to harmonise supervisory practices and enhance the resilience of the financial sector.

The governor also addressed the impact of fintech innovations, such as the rise of fintech loans, cryptocurrencies, and stablecoins, on financial stability. He urged supervisors to strengthen their cybersecurity frameworks and adopt risk-based supervisory approaches to mitigate associated risks.

"Fintech loans and digital platforms are reshaping financial intermediation. While these innovations offer significant opportunities for financial inclusion and efficiency, they also pose substantial risks to financial stability if not properly regulated," Cardoso remarked.

He highlighted that in many jurisdictions, fintech firms are either regulated as fintech payment service firms or have obtained banking licenses, subjecting them to prudential requirements. "These entities often offer applications, software, and other technologies to streamline mobile and online banking, sometimes even acting as new types of financial intermediaries," he noted.

Cardoso's sentiments were echoed by Yaw Sapong, Chairman of the College, who underscored the importance of NBFIs in promoting financial inclusion and economic growth. Sapong highlighted the college's achievements, including harmonised regulatory frameworks and the automation of supervisory processes.

"We must continue to work together to build a resilient and inclusive financial sector that supports sustainable economic growth in our region," Sapong urged.

Dr Olorunsola Olowofeso, Director General of WAMI, also emphasised the need for enhanced resilience in the financial sector, pointing to emerging risks such as climate-related threats, cyber threats, and challenges posed by digitisation. "We must continue to monitor policy actions and spillovers to ensure the financial system is resilient," he stated.

Both Cardoso and Olowofeso stressed the commitment to implementing the WAMZ integration agenda, ensuring that the region's financial system remains robust and capable of supporting sustainable economic growth.

# FirstBank's CEO Expresses Commitment to Advancing Power and Infrastructure Projects in Lagos

The Managing Director and Chief Executive Officer of FirstBank, Olusegun Alebiosu, has signalled the bank's readiness to collaborate with the Lagos State government on key infrastructure projects. Alebiosu made this announcement during a courtesy visit to Governor Babajide Sanwo-Olu on Tuesday.

In his address, Alebiosu highlighted the critical importance of power infrastructure for Lagos, a state often seen as a beacon of progress. "Power infrastructure is crucial, especially because Lagos State is a place where people admire and emulate. We look forward to the framework that the Lagos State Government will set up, in addition to the many private investors, who will create massive power projects to reduce the cost of production," Alebiosu stated.


He also underscored FirstBank's commitment to supporting various special projects initiated by the Lagos State Government. "There are many special projects the Lagos State Government is doing, and FirstBank will continue to support the Lagos State Government to develop these projects. We can also achieve more employment opportunities, and tax revenue generation, amongst others. We look forward to Lagos State benefitting from these projects, and the entire Nigeria."

Governor Sanwo-Olu, in his response, assured that his administration would maintain and strengthen mutually beneficial relationships with financial institutions, especially FirstBank. "We have a special space for FirstBank because we have identified relationships that have been mutually beneficial. Over the years, the Lagos State government's banking relationship with FirstBank has created so much value and extreme economic movement. We will continue to nurture the relationship by giving the bank its rightful place as well as ensuring that FirstBank truly receives a decent amount of our business," the governor affirmed.

This visit follows the recent confirmation of Olusegun Alebiosu as the substantive Managing Director and Chief Executive Officer of FirstBank in late June. This strategic alignment between FirstBank and Lagos State underscores the potential for significant advancements in infrastructure development, promising a future of enhanced economic growth and development for the region.

# CBN Issues Stern Warning Against Rejection of Old Dollar Bills


The Central Bank of Nigeria (CBN) has issued a stern warning to financial institutions against the continued rejection of old series and lower denominations of the United States dollar. The apex bank has threatened to sanction any lenders found guilty of this practice.

In a circular dated June 27 and signed by Solaja Olayemi, the acting director of the currency operations department, the CBN directed Deposit Money Banks (DMBs), Bureau De Change operators, and the general public to cease the rejection of these currencies. The circular, recently published on the CBN's website, emphasized that this directive follows the outcome of consumer market intelligence, which revealed ongoing non-compliance by banks and other authorized forex dealers.

The circular reminded all parties that the CBN's previous directive from April 9, 2021, which explicitly prohibited selective acceptance of dollar deposits, remains in force and must be adhered to. "For the avoidance of doubt and further guidance on the circular, the content is hereby reissued as follows for strict compliance: All DMBs/authorized forex dealers should henceforth accept both old series and lower denominations of United States Dollars that are legal tender for deposit from their customers. The CBN will not hesitate to sanction any DMB or authorized forex dealers who refuse to accept old series/lower denominations of US Dollar bills from their customers," the circular stated.

Furthermore, the CBN cautioned authorized forex dealers against defacing or stamping US dollar banknotes, as such notes often fail authentication tests during processing and sorting.

This warning reiterates a previous circular issued on April 9, 2021, by the then director of the currency operations department, Ahmed Umar. The CBN's ongoing vigilance in this matter underscores its commitment to maintaining the integrity and acceptance of all legal tender, regardless of denomination or series.

# NOVA Bank Commences Operations as National Commercial Bank

NOVA Bank has officially commenced operations as a National Commercial Bank, as the bank opened its first commercial banking branch in the Victoria Island area of Lagos.
The bank, formerly known as NOVA Merchant Bank, had received the Central Bank of Nigeria's approval of its final licence.
In a statement on Wednesday, the Chairman and founder of NOVA Bank, Phillips Oduoza, emphasised the bank's unwavering commitment to customer focus and delivering exceptional service.
He also introduced the innovative 'PHYGITAL' model, which, according to him, is a trademark of NOVA.
"We are pleased to continue our tradition of excellence established as a merchant bank and further extend the banking experience to the retail end of the market. As we expand our services, we remain dedicated to delivering an unparalleled banking experience that seamlessly integrates the physical and digital realms.
"Our trademarked PHYGITAL experience combines a select number of strategically located physical branches with high-tech, seamless digital banking capabilities, ensuring that our customers receive the best of both worlds. This approach allows us to provide personalised, in-person service where it is most needed, while also offering the convenience and efficiency of cutting-edge digital solutions," he explained.
The Managing Director/Chief Executive Officer of the bank, Wale Oyedeji, added, "For over half a decade, NOVA has been instrumental to the success of leading corporates and high-net-worth individuals, delivering tailored solutions to meet the unique needs of their businesses. As we evolve to serve a broader customer base, we remain committed to delivering innovative services, building on our legacy as a leading merchant bank.
"Through disruptive, seamless digital products and services, we are poised to deepen financial inclusion, provide convenient and secure banking solutions, and elevate the SME market as a key economic driver."
NOVA Bank, which was established in 2018, is set to open additional branches in Lagos, Abuja, Port Harcourt and Kano.
The bank's Group Head of Retail and Digital Banking, Mrs Esther Adino, highlighted the innovative financial solutions the lender offers.
She asserted, "At NOVA Bank, we provide a comprehensive suite of banking services tailored to meet the diverse needs of individuals, SMEs, and large corporations."

# Zedcrest Acquires RMB Nigeria Stockbrokers to Bolster Market Presence

Financial solutions firm Zedcrest has announced its complete acquisition of RMB Nigeria Stockbrokers, a move aligned with its strategy to expand service offerings and strengthen market presence. The acquisition brings RMB Nigeria Stockbrokers' extensive experience and


robust reputation in stockbroking to complement Zedcrest's diverse portfolio of financial products and services.

"We are thrilled to welcome RMB Nigeria Stockbrokers Limited into the Zedcrest family," said Adedayo Amzat, Chief Executive Officer of Zedcrest Group. "This acquisition underscores our commitment to growth and excellence in the financial sector. RMB Nigeria Stockbrokers' expertise in stockbroking, when combined with our comprehensive financial solutions, will enable us to deliver even greater value to our clients."

Layi Olaleru, CEO of RMB Nigeria Stockbrokers, expressed optimism about the merger, stating, "We are excited about the opportunities this acquisition presents and look forward to a promising future. We assure our clients that this transition will be seamless and that their interests remain our top priority."

RMB Nigeria Stockbrokers, a member of Rand Merchant Bank, the Corporate and Investment Banking arm of the FirstRand Group headquartered in South Africa, is expected to significantly enhance Zedcrest's market capabilities

## ADVERTS

# Nigeria Deposit Insurance Corporation Urges Law Enforcement Agencies to Strengthen Their Collaboration to Curb Banking Fraud

The Nigeria Deposit Insurance Corporation has called on law enforcement agencies to strengthen their collaboration to curb banking fraud in the country.

The Managing Director/Chief Executive of NDIC, Bello Hassan, said this on Thursday at the annual capacity-building workshop for law-enforcement agents in Lagos.

Hassan, represented by the NDIC Director of Communication & Public Affairs, Bashir Nuhu, said, "We are not unaware of the challenges of investigating and prosecuting financial malpractices and bank fraud cases but wish to urge you not to relent on your efforts and be rest assured of our unflinching support at all times.

"The banking system is rapidly evolving with innovations, it is clear that a new phase of the financial technology-driven economy is currently reshaping the global financial services space. With this development, the criminally minded users of the banking system, including the notorious 'cyber criminals', are busy perfecting their misplaced skills. This is why workshops like this are necessary to enable law enforcement officers to understand the dynamic operating environment. The law enforcement officers must acquaint themselves with basic knowledge of the types of fraud prevalent in our banks."

He added that the measures put in place by regulatory/supervisory agencies to curb the activities of fraudsters in the system were starting to yield results.

"The authorities are becoming more proactive with policies and examinations/investigations to ensure that the banks/financial institutions strengthen their risk management practices to prevent loss of funds and maintain depositors' confidence in the banking system.

"The advancements in information technology that open new possibilities and vistas in banking operations have equally exposed the banking subsector to emerging threats. This situation increases the burden on the regulators and supervisors to enhance their operational capacities. It has also heightened the need for more collaboration between agencies involved in the fight against banking malpractice."

In his welcome address, the Head of the NDIC Legal Department, Henry Fomah, called for improved collaboration to fight financial crimes, especially as it relates to insider fraud.

"It is worthy of note that the corporation, as part of its bank liquidation activities, has been in the vanguard of the investigation and prosecution of those found culpable in a bank failure. The corporation is, therefore, committed to building the capacity of law enforcement agencies. The corporation collaborates with others in the fight against financial malpractices to ensure that the desired results are achieved timely and effectively.

# Urgent Call for Collaboration in Combating Bank Fraud in Nigeria

The fight against insider abuses and financial malpractices within Nigeria's banking sector requires a collective effort, according to recent declarations at a high-level workshop.

"This fight is not one that any corporation can undertake alone, making this year's theme, 'Effective Collaboration as a Strategy in the Fight Against Insider Abuses and Financial Malpractices in Banks and Other Financial Institutions in Nigeria' particularly pertinent," asserted a key speaker.

Representing the Executive Chairman of the Economic and Financial Crimes Commission (EFCC), Olanipekun Olukoyede, the Commander of the EFCC Lagos Zonal Command, Michael Wetkas, highlighted the escalating issue of insider fraud. He recounted a 2022 incident where bank employees colluded to unlawfully raise withdrawal limits on specific accounts, enabling external perpetrators to infiltrate the banking system and embezzle millions of naira.

Wetkas pointed out the vulnerabilities in the fintech sector, which, he said, are often exploited due to inadequate regulatory oversight. He emphasized that while reactive measures are necessary, preventive strategies are crucial. The workshop, he noted, serves as a crucial platform for sharing best practices and strategies, reinforcing a collective commitment to transparency, accountability, and resilience in the financial sector.

Data from the Financial Institutions Training Centre's first-quarter 2024 fraud and forgeries report indicated that commercial banks terminated 35 employees for fraudulent activities between January and March. This statistic underscores the need for stronger internal controls and continuous vigilance within financial institutions.

Assistant Inspector General of Police Romokere Ibani, overseeing the FCID Annex in Alagbon, Ikoyi, Lagos, urged workshop participants to enhance their collaboration to safeguard the stability of the banking sector. "We must be more sceptical and circumspect about our financial dealings with banks," he stated, calling for unified efforts to protect Nigeria's banking system and alleviate the sector's vulnerabilities.

The Nigeria Deposit Insurance Corporation (NDIC) recently hosted this workshop for judicial workers in Lagos, stressing the importance of inter-agency cooperation in tackling insider abuses and financial malpractices effectively.

# SEC Mandates Enhanced Risk Management Standards for Capital Market Operators

The Securities and Exchange Commission (SEC) has mandated that all capital market operators adopt an enterprise risk management framework aligned with internationally recognised standards. This directive, disclosed in a statement on the SEC website, underscores a significant move to enhance risk management within Nigeria's capital markets. The SEC specified that these standards include those established by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), the International Organisation for Standardisation (ISO 31000), and the Financial Action Task Force (FATF) Recommendations. The initiative aims to fortify risk management practices, mitigate systemic risks, and safeguard the interests of all stakeholders involved.

"All capital market operators are hereby directed to implement an enterprise risk management framework that conforms to international standards such as COSO, ISO 31000, FATF Recommendations, and any other internationally recognised risk management standards," the SEC stated. "The adoption of comprehensive risk management practices is imperative for minimising systemic impacts and protecting stakeholder interests."

The new framework requires capital market operators to consider their operational structure, business activities, client demographics, products, services, and delivery mechanisms. It mandates the establishment of a comprehensive risk governance structure, including a risk management committee with clearly defined roles and responsibilities. To ensure accountability and oversight, operators must define their risk appetite and tolerance statements and consistently report to senior management and the board of directors.

Moreover, the SEC emphasised the need for organisations to implement risk-awareness programmes to cultivate a robust culture of risk management throughout their operations. This directive forms part of the SEC's broader strategy to strengthen risk-based supervision, encompassing anti-money laundering and counter-terrorism financing measures within the capital market.

The commission has set a deadline for all capital market operators to submit a Board-approved risk management policy in PDF format by September 30, 2024, via email at rbs@sec.gov.ng to obtain a 'No Objection'. Additionally, operators must submit an annual risk profile by January 31 each year, assessing emerging threats and the measures implemented to mitigate them for the SEC's review.

"This directive is aimed at enhancing the implementation of risk-based supervision, including anti-money laundering and counter-terrorism financing measures in the capital market," the SEC noted. "Every capital market operator is required to submit their annual risk profile no later than January 31. Emerging threats and mitigation measures must be assessed and reported to the Commission for review," the statement concluded.

# Nigerian Investment Promotion Council Generates N9.2bn in Four Years

The Nigerian Investment Promotion Council (NIPC) has amassed N9.2bn in revenue from charges on the issuance of Pioneer Status Incentives (PSI) to eligible companies and renewal fees over the past four years. This translates to an average annual income of N1bn, according to an analysis of the council's internally generated revenue from 2020 to 2023.

The PSI fees have emerged as a significant revenue stream for the NIPC, which is responsible for granting tax holidays to qualifying companies. This development coincides with ongoing discussions to review and reduce the tax waivers currently extended to companies operating in Nigeria, waivers that are estimated to cost the government N6tn annually.

Tax incentives have been a contentious issue, with substantial revenue losses attributed to these waivers each year. While economic experts recognise the role of tax waivers in fostering economic growth, they have raised concerns about the transparency and objectivity of the Federal Government in granting these incentives.

The Pioneer Status Incentive, a measure offered by the Federal Government, exempts companies from paying income tax for a specified period, either fully or partially. Under the Industrial Development Income Tax Act, this tax relief lasts for three years and is seen as a strategy to stimulate industrial investment. Eligible products or companies are those not previously established in the country.

In its 2024 first-quarter report, the NIPC disclosed that it had granted fresh tax holidays to 12 companies, bringing the total number of beneficiaries to 104. These newly incentivised companies include Fouani Nigeria Limited, Neway Power Technology Company Limited, Starich Recycle Technologies Company Limited, Gerawa Rice Mills Limited, Shafa Energy Limited, Mafa Rice Mills Limited, A. A Rano Nigeria Limited (haulage), A.A Rano Nigeria Limited (Natural gas supplier), Basma Agric Processing Limited, Flex Films Africa PVT Limited, Addmie Nutrition Limited, and Dufil Prima Foods Plc. Collectively, these companies have invested N125.74bn in their operations and production.

Furthermore, the NIPC has approved in principle an additional nine companies, pending the fulfilment of certain conditions. In the first quarter of this year, the council received 18 new PSI applications and granted extensions to two out of eight firms that applied for a continuation of their tax holidays.

The council's financial records show that it earned N3.1bn in 2020, which decreased to N1.92bn in 2021, before rising to N2.1bn in 2022 and N2.11bn in 2023.

Mr Taiwo Oyedele, Chairman of the Presidential Tax Reform Committee, has indicated that the government will continue to lament the waivers granted to companies until new tax reforms are enacted. However, he assured that the new laws would respect existing tax holidays. "The rules we have drafted will honour the exemptions granted at the time our laws are enacted. If it's for three years, the companies will enjoy the full term of the tax holiday. We aim to attract investments and reversing granted incentives would contradict this objective," he said.

# Legal Disputes Remove Five Oil Blocks from Nigerian Licensing Round

The NUPRC has confirmed that oil blocks PPL3008, PPL3009, PML51, PPL267, and PPL268 have been withdrawn from the current licensing round due to litigation issues.

This development comes after the commission initially listed these blocks among 12 others at the Miami International Roadshow for the 2024 licensing round, organised in collaboration with the Petroleum Technology Association of Nigeria and Zetse Advisory & Consulting.

Despite the removal of these blocks, the NUPRC plans to increase the number of assets on offer due to newly acquired data. "Due to newly acquired data from the Multiclients, the assets on offer in the ongoing licensing round will be increased," stated the commission. However, the reasons behind the legal disputes and the identities of the litigants remain undisclosed.

The commission's chief, Gbenga Komolafe, has also announced the addition of 17 deep offshore blocks to the 2024 licensing round. This move is part of the NUPRC's strategy to leverage Nigeria's vast oil and gas reserves and boost production by encouraging further investment in the upstream sector.

In light of these changes, the schedule for the 2024 Licensing Round has been amended. The deadline for registration and submission of pre-qualification documents has been extended to July 5, 2024. Additionally, the data access and bid submission period will now open on July 8, 2024, while the closing date remains November 29, 2024.

In a recent pre-bid conference in Lagos, it was announced that President Bola Tinubu had reduced the signature bonus for successful bidders from approximately $200 million to $10 million. This decision was influenced by a comparative analysis with other countries, such as Brazil, which highlighted the need to make Nigeria's licensing terms more competitive.

The NUPRC continues to refine its approach to attract investment and ensure a transparent and efficient licensing process, despite the legal challenges affecting some of the blocks initially on offer.

# Nigerian Aviation Authority Warns Airlines Over False Departure Times


The Nigeria Civil Aviation Authority (NCAA) has expressed strong disapproval of the increasing instances of false departure time scheduling by local airlines. The regulatory body has issued a stern warning to airlines to cease these infractions or face severe penalties.

On Tuesday, the Acting Director General of the NCAA, Capt. Chris Najomo, addressed the issue from the authority's corporate headquarters in Abuja, reiterating the NCAA's commitment to a zero-tolerance approach towards regulatory breaches. Capt. Najomo emphasized the NCAA's firm stance, stating that all passenger refunds must be processed without unnecessary delays, mandating completion within 14 working days regardless of the ticket purchase method. This move is part of a broader effort to ensure consumer protection and enhance service quality.

Michael Achimugu, the NCAA's Director of Public Affairs and Consumer Protection, conveyed Najomo's message in a media interview. Najomo underscored the importance of facilitating business operations for airlines, highlighting improvements in the licensing process, such as a shorter and less cumbersome timeline for obtaining Air Operator Certificates (AOC). He stressed the necessity for airlines to reciprocate these efforts by delivering world-class services to passengers.

Achimugu pointed out that recent reports indicate some airlines are advertising deceptive departure times, which is a direct violation of NCAA regulations. "No airline shall display deceitful passenger departure time at its counter, advert material, or on its website," he quoted, adding that the Director General has instructed rigorous monitoring and promised stringent regulatory actions against offenders.

Highlighting the NCAA's commitment to safety, discipline, and economic regulation, Achimugu referenced the recent suspension of 10 Private Non-Commercial Flight (PNCF) holders who failed to comply with recertification advisories issued in April 2024. He affirmed that while the NCAA supports the profitability of airlines due to their vital role in the economy, it is equally crucial to ensure passengers are treated fairly.

Further illustrating the NCAA's dedication to excellence, Achimugu noted the authority's impressive performance in the Presidential Enabling Business Council (PEBEC) ranking, achieving a score of 98.5 per cent. This milestone follows the commendable 71.04 per cent score attained during the year's ICAO Security Audit. "The numbers are improving, and we will continue to do what we can to make the industry safer, and more secure for passengers and stakeholders," Achimugu concluded.

# Tax Appeal Tribunal Orders NLNG to Settle $27.5m in Final Tax Dispute

The Tax Appeal Tribunal has ruled that Nigeria Liquefied Natural Gas Limited (NLNG) must pay the Federal Inland Revenue Service (FIRS) $27.5 million as a full and final settlement of the revised Companies Income Tax (CIT) for the 2016 assessment year. This decision was announced as part of the tribunal's judgment, chaired by Mrs. Alice Iriogbe, and was delivered in Abuja.


The judgment stems from a settlement agreement between the parties involved in the appeal. NLNG had initially contested a $141.75 million additional tax assessment issued by FIRS for the year under review. The company filed an appeal marked TAT/ABJ/APP/331/2022, seeking to restrain FIRS from collecting the disputed amount.

As reported by the News Agency of Nigeria, the tribunal noted that the parties continued their settlement discussions throughout the trial. According to the certified true copy of the judgment, dated Thursday and released on Tuesday, the tribunal stated, "On 10th July 2024, parties filed a term of settlement in the tribunal."

The terms of the settlement required NLNG to remit $27.5 million to FIRS by 12th July 2024. The tribunal confirmed that NLNG had paid the agreed amount on 8th July 2024, leading to the adoption of the settlement terms as the final judgment.

In an earlier ruling, the tribunal dismissed an interlocutory motion by NLNG seeking to disqualify the tribunal from further proceedings.

NLNG had argued that the presence of two panel members, who were former FIRS employees, posed a risk of bias. However, the tribunal found no merit in the motion, citing statutory provisions that upheld the panel's integrity.

The tribunal's decision marks the end of a protracted legal battle, providing a precedent for future tax disputes in Nigeria's corporate sector.

# NNPC Launches Probe into Fuel Sales Malpractice at Retail Stations

The Nigerian National Petroleum Company Limited (NNPC) has initiated an investigation into a reported incident where an attendant at one of its retail stations allegedly coerced customers into purchasing lubricants or engine oil before they could buy Premium Motor Spirit (PMS), commonly known as petrol. This development comes after a video clip circulated on social media, showing the attendant claiming the directive was from the NNPC Retail management.

In a statement released on Sunday by NNPC's spokesperson, Olufemi Soneye, the national oil company addressed the allegations: "The attention of NNPC Retail Limited has been drawn to a recent video clip making rounds on social media (X to be precise) concerning a fuel pump attendant in one of NNPC filling stations. In the said video, customers were coerced to purchase lubricants or engine oil as a prerequisite for purchasing or dispensing Premium Motor Spirit. Still, in the video, the attendant alleged that this was a directive from NNPC Retail management."

NNPC Retail strongly refuted these claims, asserting that such practices do not align with the company's customer service policies. The statement continued, "NNPC Retail wishes to state unequivocally that the allegation is entirely false and does not represent the company's customer service charter. At all NNPC Retail filling stations, customers are not obligated to purchase lubricants, engine oil, or other products as a precursor to buying petrol."

Huub Stokman, Managing Director of NNPC Retail Ltd, also weighed in on the matter, emphasizing the company's commitment to transparency and customer satisfaction: "We are dedicated to providing clear, transparent, and quality service to all our customers, guaranteeing that their needs are met without any recourse to unnecessary and unscrupulous conditions."

The NNPC has urged the public to disregard the misinformation and to report any such incidents to the relevant authorities. The company assured that appropriate disciplinary actions would be taken against those found culpable in this incident.


NNPC retail stations are a preferred choice for motorists due to their competitive pricing, with petrol sold at N617 per litre compared to the N660 to N710 per litre charged by other major and independent marketers in regions such as Abuja, Niger, and Nasarawa.

This investigation highlights NNPC's ongoing efforts to maintain integrity and trust in its operations while ensuring fair and transparent service to its customers.

# Proposed Green Tax on Plastics in Nigeria Could Hike Prices, Warns Climate Innovation Centre

The Nigeria Climate Innovation Centre (NCIC), part of the World Bank's Community Innovation Centres and a member of the Climate Bus Innovation Network, has issued a stark warning about the proposed 10 per cent green tax on single-use plastics in Nigeria. The NCIC cautioned that this tax could lead to increased prices for consumers and households, affecting both production and consumption patterns.

In a detailed statement, the centre highlighted green taxation as a governmental policy tool designed to foster sustainable behaviour by levying taxes and fees on environmentally damaging activities. However, the NCIC suggested that adopting circular economy principles would be a more effective strategy. Such an approach could bolster economic resilience, reduce reliance on finite resources, and encourage sustainable consumption and production patterns across the nation.

The NCIC's new report, titled "Positioning Plastic Waste Recycling as an Inclusive Catalyst for Unlocking a Sustainable Circular Economy in Nigeria," promotes a shift towards a circular economy as a superior alternative to the government's proposed green tax model for single-use plastics. The report delves into the potential benefits of a circular economy for managing plastic waste in Nigeria, underscoring the limitations of green taxation while advocating for a more comprehensive and transformative solution.

Adamu Garba, the NCIC's Chief Operating Officer, who unveiled the report in Lagos, emphasised the urgency of addressing plastic waste, describing it as a critical environmental issue exacerbated by rapid population growth and urbanisation. Garba pointed out that plastic waste poses significant threats to public health, ecosystems, and the general well-being of Nigerians.

"The traditional approach of green taxes, which relies on financial disincentives to mitigate environmentally harmful practices, is gaining traction. However, the NCIC argues that while green taxes offer a regulatory mechanism, they also have significant limitations," Garba explained. "We propose a circular economy model that prioritises resource efficiency, reuse, and recycling."

Garba highlighted three key pillars of this approach: designing products for recyclability, establishing efficient collection and recycling infrastructure, and driving markets for recycled materials. This model, he asserted, addresses environmental concerns related to plastic pollution while unlocking economic opportunities through job creation in the waste management sector.

The NCIC estimates that for every 5,000 tonnes of plastic waste, 1,500 jobs could be generated, spanning activities from waste picking to aggregation, sorting, and processing. Additionally, the Nigerian plastic recycling market is projected to reach 2.47 million tonnes by 2030, underscoring the substantial economic potential of a circular economy.

Garba concluded by stressing the holistic nature of the NCIC's proposed model, which includes designing products with recyclability in mind and building robust collection and recycling infrastructure. By implementing these measures, Nigeria can foster a more sustainable and resource-efficient future, addressing the dual challenges of plastic pollution and economic development.

# Oil Firms Sourcing Diesel from Illegal Refineries, Tantita Security Alleges

Tantita Security Services Nigeria Limited has alleged that several oil companies are purchasing refined Automotive Gas Oil (AGO), commonly known as diesel, from illegal refineries within host communities in the Niger Delta region. These assertions were made during the Nigeria Oil and Gas Energy Week Conference in Abuja, and notably, no representatives from the oil firms present at the event contested the claims.

Tantita, a Warri-based security firm specialising in oil and gas sector security, currently provides services to the Nigerian National Petroleum Company Limited (NNPCL). Speaking at a session titled "Exploring Nigerian Content Solutions to Meet Energy Demand," the firm's Executive Director of Operations and Technical, Captain Warredi Enisuoh, stated that illegal refineries produce substantial quantities of diesel, with many downstream operators among their clientele.

Enisuoh elaborated, "Why is there no scarcity of diesel while there is a scarcity of PMS (Premium Motor Spirit, commonly known as petrol)? The story is simple, most of the diesel you buy is produced by the communities. About 90 per cent of the diesel in fuel stations is produced by these local communities. It will also interest you to know that even the oil companies patronise these local communities."

He further suggested that the clampdown on illegal refineries by Tantita and other security agencies has contributed to the recent increase in diesel prices. "The reason why the price of diesel is high today is because of the efforts of private security companies like Tantita Security Services. We have been able to significantly reduce the operations of these illegal refineries, thereby affecting supply and pushing prices up," he explained.

Enisuoh called for a greater focus on local communities to provide Nigerian content solutions to meet energy demand, particularly in infrastructure. He maintained that without the intervention of security agencies, the illegal production of diesel would continue unabated.

The discussion took a dramatic turn when it was revealed that, on April 10, 2024, NNPCL announced the apprehension of a tugboat transporting suspected illegally refined diesel by Tantita operatives. The tugboat, Aya Oba Olori II, was intercepted while being escorted by a marine police boat in Rivers State. Five individuals on board were detained and are currently under interrogation.

Meanwhile, on the sidelines of the NOG conference, the Chief Executive of the Nigerian Upstream Petroleum Regulatory Commission, Gbenga Komolafe, led Nigeria's delegation in a meeting with the African Petroleum Regulators Forum. Komolafe underscored the forum's commitment to collaboratively harnessing Africa's substantial oil and gas reserves, estimated at 125 billion barrels of crude oil and 620 trillion cubic feet of natural gas.

He noted, "Today marks a significant milestone in our collective journey towards fostering a more collaborative, innovative, and sustainable petroleum industry in Africa. The establishment of AFRIPERF signifies our commitment to overcoming common challenges and seizing opportunities to achieve our national aspirations in developing and utilising our hydrocarbon resources."

Komolafe also highlighted Africa's potential in green and blue hydrogen, solar, wind, biomass, and critical minerals for clean energy technologies, emphasising the continent's young and dynamic population as a significant economic asset.

# NCDMB Enforces Stringent Criteria for Oil Service Companies to Bolster Local Content

The Nigerian Content Development and Monitoring Board (NCDMB) has announced that it will not approve oil service companies that lack the proven capacity to execute projects. This statement underscores the critical nature of the Presidential Directive on Local Content Compliance Requirements, which aims to enhance competitiveness and mitigate risks associated with unqualified contractors.

Speaking at the Nigerian Oil and Gas Energy Conference in Abuja on Wednesday, NCDMB Executive Secretary Felix Ogbe emphasized the importance of excluding intermediary entities lacking the essential capacity to perform from the Nigerian Content Plan. He stressed that only contractors meeting the legal definition of Nigerian companies and demonstrating the ability to execute projects within Nigeria would be approved.

NIGERIAN CONTENT DEVELOPMENT & MONITORING BOARD

"Entities acting solely as intermediaries, with no demonstrable capacity to execute projects or activities, shall not be approved," Ogbe asserted. He assured stakeholders that the board would continue leveraging its existing processes to assess and verify company capacities through in-country capacity audits conducted in collaboration with relevant stakeholders.

Ogbe also highlighted that operators in the oil and gas industry would be permitted to source capacities outside Nigeria only after identifying in-country capacity gaps. "The pre-qualification and technical evaluation phases of tender opportunities will be used to eliminate entities identified as incapable of performing," he stated. International participation will only be considered when the necessary Nigerian content level is unavailable or inefficient locally.

Reaffirming the board's commitment, Ogbe said the NCDMB would ensure that services provided generate value within Nigeria. The board is dedicated to evaluating current policies and guidelines to foster the development of indigenous capabilities and prevent the misuse or misinterpretation of these policies.

In a similar vein, the Director of Projects Certification and Authorisation Certificate at the NCDMB, Abayomi Bamidele, explained that the board had facilitated oil and gas development through its policies, collaborations, and investments. He noted that the number of Nigerian service companies registered on the Nigerian Oil and Gas Industry Content Joint Qualification System had grown from about 1,000 in 2011 to 13,000, with the number of operating companies increasing to 120.

Bamidele urged service companies to accept only jobs they have the technical capacity to execute and to avoid the practice of bidding for every job in the industry, thereby ensuring quality and reliability in project execution.

# USAID and Nigeria's Power Ministry Sign MOU to Enhance Electricity Sector Reforms

In a significant move to advance Nigeria's electricity sector, the United States Agency for International Development (USAID) and the Federal Ministry of Power have signed a memorandum of understanding (MOU). The agreement, finalized on Wednesday, underscores Nigeria's commitment to electricity sector reforms, market transparency, liquidity, and expanding access to affordable power.

The MOU was signed by USAID/Nigeria Mission Director Melissa Jones and the Permanent Secretary of the Federal Ministry of Power, Mahmuda Mamman. This partnership aims to support the implementation of a N115.2 billion US government grant-funded technical assistance programme designed to bolster power sector development and reforms in Nigeria. This development was announced in a statement issued by the Ministry of Power in Abuja.


With over 85 million Nigerians lacking access to grid power and many suffering from unreliable electricity supply, the agreement comes at a crucial time. Nigerian families and businesses frequently rely on costly, emission-intensive petrol and diesel generators to meet their power needs, highlighting the pressing need for sustainable solutions.

Melissa Jones emphasized the US government's dedication to enhancing electrification in Nigeria, stating, "Today's goal is to strengthen collaboration between USAID and the Federal Government of Nigeria and to provide a framework for our partnerships with other key actors, including state and local governments, electricity generation and distribution sectors, and the off-grid sector. It is laudable and timely."

Richard Nelson, the US government's Power Africa Coordinator, attended the signing ceremony during his first official visit to Nigeria. He remarked, "Nigeria is at the core of Power Africa's strategy. I look forward to elevating our partnership to advance Nigeria's progress towards our shared goal of ensuring access to reliable, sustainable, affordable power for all."

The Minister of Power, Adebayo Adelabu, expressed his gratitude for USAID's ongoing support, highlighting the transformative potential of this collaboration. "This partnership with USAID is a significant milestone in the journey towards achieving a sustainable and reliable electricity supply for all Nigerians. Together, we will tackle the longstanding challenges in the power sector, ensuring transparency, enhancing market liquidity, and accelerating our transition to clean energy solutions," he stated.

The statement also highlighted USAID's efforts through the Power Africa Initiative, a US government-led partnership that leverages resources from both public and private sectors to double access to electricity in sub-Saharan Africa. Through this initiative, over 33 million Nigerians have gained access to electricity, and approximately $4.5 billion has been mobilized for on-grid and off-grid power projects. Additionally, over 200 private companies in the off-grid sector have received assistance.

The initiative aims to strengthen policy frameworks, enhance regulatory capacities, and encourage private sector participation, driving Nigeria towards its clean energy and net-zero carbon emissions targets. The Ministry of Power is committed to ensuring these interventions deliver tangible benefits to all Nigerians, fostering economic growth and sustainable development.

This MOU marks a pivotal step in addressing Nigeria's power sector challenges and aligns with broader efforts to improve the country's industrial growth, economic competitiveness, and overall development.

# LEKOIL Nigeria Urges Government to Seek Regulators' Inputs on Executive Orders

Gloria Iroegbunam, General Manager of Legal and Company Secretary at LEKOIL Nigeria Limited, has emphasized the necessity for the Federal Government to engage regulators in the oil sector before issuing executive orders. In her paper titled 'Practical Efficacy of Executive Orders in the Nigerian Petroleum Industry', Iroegbunam argued that the collaboration of all stakeholders would significantly enhance the effectiveness of such orders.

"The petroleum industry stands as the backbone of the Nigerian economy, drawing substantial offshore and domestic investments. However, a significant challenge lies in the regulatory bureaucracy, which often hampers smooth operations and investment flows," she stated. The overlapping responsibilities among various regulatory agencies further complicate matters, creating an intricate web of administrative hurdles.

She commended the Nigerian government's efforts to streamline these processes through executive orders but highlighted the need for a thorough examination of their practical efficacy.

The complexities in the Nigerian petroleum industry are largely attributed to the convoluted regulatory framework. Iroegbunam noted that executive orders could have far-reaching positive implications if there is a concerted effort to align the interests and actions of all actors in the sector.

"A fundamental aspect of implementing executive orders lies in their legal standing. Executive orders are directives from the president that aim to manage operations within the Federal Government. However, their scope is inherently limited when they attempt to override or alter statutory regulations. In Nigeria, many regulatory processes within the petroleum industry are backed by laws enacted by the National Assembly," she explained.

To prevent legal disputes, such as those seen in 2019 when a Federal High Court ruling negated the impact of executive orders lacking legislative backing, Iroegbunam stressed the importance of eliminating legal boundaries and regulatory constraints. For executive orders to achieve their intended purpose, particularly in the petroleum industry, there must be candid collaboration between the government and regulatory bodies. Iroegbunam added, "These agencies are the custodians of the administrative processes that executive orders seek to streamline. Their involvement ensures that the orders are not only feasible but also practically enforceable. Moreover, engaging regulators in the drafting and implementation phases can pre-empt potential conflicts with existing statutory mandates, thereby enhancing the orders' effectiveness."

By fostering close cooperation between the government and regulatory agencies, executive orders can be crafted in a manner that not only aligns with legal frameworks but also addresses the operational realities of the petroleum sector. This approach is crucial to achieving the dual goals of regulatory efficiency and economic growth in Nigeria's pivotal petroleum industry.

# Southern Students Shun Education Loans, Citing Doubts over Viability

The Managing Director of the Nigerian Education Loan Fund (NELFUND), Dr. Akintunde Sawyerr, has revealed that students from higher institutions in Nigeria's southern regions are hesitant to apply for educational loans due to doubts about the scheme's viability. Dr. Sawyerr disclosed this during a briefing at the Presidential Villa in Abuja, following the launch of the loan disbursement by President Bola Tinubu.

Dr. Sawyerr noted a stark contrast in loan applications between the northern and southern regions of the country. He attributed the higher application rates from the North to better coordination by tertiary institutions in that region. "In the southern part of the country, there's growing awareness and interest, but also a lot of scepticism. The most sceptical parts of the country are in the South; they question everything: Is it true? Is it real? Is it a scam?" he explained.

In response to the doubts, Sawyerr emphasized the authenticity and reliability of the loan fund. "What you witnessed today with us actually starting this disbursement programme is to say that 'this is not NO FUND. This is NELFUND,'" he stated, reinforcing the government's commitment to the programme.

Dr. Sawyerr assured that as more loans are disbursed, the scepticism, particularly prevalent in the South, would diminish. He remarked, "Institutions in the North of the country have been very proactive at supporting and helping their students and providing their data to us. But that is to be expected because they seem very well organised in terms of networking in the northern part of the country."

Despite the current imbalance, NELFUND is taking steps to increase awareness in the southern regions to encourage more students to take advantage of the scheme. Dr. Sawyerr revealed that university students have shown the highest demand for loans, followed by students from polytechnics and colleges of education. "We're trying to ensure that people know this is not a trick, it's not a game. Mr. President has backed this with cash and we're going to disburse that cash," he added.

One notable exclusion from the scheme is students from private institutions. Sawyerr explained that private universities charge higher fees, and including them in the scheme would undermine the initiative's goals. "If the government funded private university students, it would be unable to meet the expectations of the initiative," he said.

Sawyerr expressed confidence that the loan scheme would have a profound positive impact on many lives across Nigeria. "The effect of providing this opportunity for the most needy Nigerians, most capable Nigerians in many ways, and the people who probably will look after us, or whose decisions will impact on us in our old age cannot be underestimated. These are the most important people in the country that we're trying to affect," he asserted.

Echoing this sentiment, the National President of the National Association of Nigerian Students, Lucky Imonife, affirmed that the loans were accessible to all students, regardless of their background. "Nigerian students are happy that the dream has come true. It was once a dream, it has become an act and today is the presidential launch and disbursement. Whatever background you belong to, you can access the loan. Once you apply, you will get it, irrespective of your status, your age and your class," said Imonife.

In April 2024, President Tinubu signed into law the Student Loans (Access to Higher Education) (Repeal and Re-enactment) Bill, 2024. The new law replaces the repealed Student Loan Act of 2023, addressing issues related to governance, management, eligibility criteria, application methods, repayment provisions, and loan recovery.

The Nigerian Education Loan Fund aims to provide sustainable higher education opportunities and skill development for Nigerian students and youths. However, for the scheme to succeed, efforts must continue to dispel scepticism and ensure equal access across all regions. As the programme gains traction, it is hoped that the initial doubts, particularly in the South, will be replaced with confidence and widespread participation.

# Call for 10% Benefits to Host Communities in Nigeria's Mining Sector

Stakeholders in Nigeria's solid minerals sector have urged the payment of 10 per cent benefits to host communities as a means to foster peaceful coexistence between miners and local residents. Additionally, they proposed a shift from the current 25-year renewable mining lease to a 10-year term to increase accountability and responsiveness from operators.

These propositions were brought forward on Wednesday during a public hearing on the "Nigeria Mineral Development Company Limited (Establishment) Bill 2023," organised by the House of Representatives Committee on Solid Minerals.

Tobias Lengs, representing the Renevlyn Development Initiative, highlighted the severe health risks and environmental degradation caused by mining activities, lamenting the lack of adequate care for miners in host communities. Lengs recommended an upward review of the net extraction value revenue allocated to Community Development Associations, suggesting it be periodically reassessed.

"The 25-year mining lease is excessively long and allows operators to act with impunity, costing the nation significantly," Lengs stated. "A 10-year lease would compel greater accountability and responsiveness."

He also advocated for a flexible community development agreement that allows host communities to allocate funds based on their changing needs rather than being tied to specific line items.

Representatives from the Environmental Defenders Network and the Nigerian Geological Survey Agency criticised the bill for centralising too much power with the minister, calling for the inclusion of other relevant ministries, such as the Ministry of Environment, in the decision-making process.

Ms. Lumun Feese of the Nigerian Economic Summit Group noted that despite new laws aimed at improving the sector, the mining industry's contribution to Nigeria's economy remains below one per cent of GDP as of 2015. The government's 2016 industry roadmap targets a three per cent GDP contribution by 2025, but progress has been slow.

"The sector's impact on the economy is still suboptimal," Feese said. "However, the committee's efforts to address the decline are commendable, and deliberate government actions are needed to promote good governance in the mining sector."

In his opening address, committee chairman Jonathan Gbefwi stressed the importance of government involvement in the mining industry to ensure proper regulation and fair benefits for host communities. "A robust regulatory framework and government participation in the sector are essential for Nigeria's economic growth," Gbefwi concluded.

# Toyota to Launch Three Electric Vehicles in Nigeria by 2026

Toyota Nigeria Limited (TNL) has unveiled its plans to introduce three hybrid electric vehicles in Nigeria within the next three years as part of its commitment to supporting the government's green deal initiative. Managing Director of TNL, Mr. Kunle Ade-Ojo, announced this at the inaugural Toyota Motor Show organised by TNL.

Speaking at the event, Ade-Ojo disclosed that TNL would launch the Toyota Cross hybrid by the end of this year, followed by the RAV4 hybrid next year. The Land Cruiser Prado hybrid is expected to arrive by late 2025 or early 2026. This strategic move aligns with the Federal Government's push for environmentally friendly transportation solutions.

"We are almost concluding arrangements with different partners to use our network of workshops for vehicle conversion to CNG-powered," Ade-Ojo added, indicating TNL's support for the government's campaign for the use of Compressed Natural Gas (CNG) powered vehicles.

Reflecting on the market dynamics, Ade-Ojo noted that around 10,000 new vehicles were sold in Nigeria last year, with Toyota accounting for approximately 1,500 units. For the current year, about 15,000 new vehicles are projected to be sold, with Toyota aiming to double its performance from the previous year.

The exclusive motor show, held from June 27-29 in Lekki, featured a variety of activities including vehicle displays, the launch of two new Toyota models (Belta and Rumion), special after-sale packages, test drives, and engaging interactions. The event was designed to mirror international auto fairs, providing a sophisticated and immersive experience for attendees.

During the event, corporate customers and top government officials had the opportunity to engage with TNL executives and explore the new vehicle offerings. The show also offered free diagnostic services and test drives, allowing customers to experience the vehicles in a relaxed and comfortable setting.

Ade-Ojo expressed his satisfaction with the turnout and the positive feedback received from participants, emphasizing the importance of direct interaction with customers to address their needs and preferences effectively.

# Nigerian Consumer Protection Agency Raids Steel Manufacturers Over Alleged Substandard Products

The Federal Competition and Consumer Protection Commission (FCCPC) has conducted a series of raids on three steel manufacturing companies in Ogun State, investigating allegations of producing substandard iron rods and engaging in anti-competitive practices.

The companies under scrutiny are African Foundries Limited in Ogijo, Monarch Steel Mill Limited in Sagamu, and Kam Steel Integrated Company, also in Sagamu. Dr Adamu Abdullahi, the Acting Executive Vice Chairman of the FCCPC, addressed journalists recently, stating that the commission's actions were prompted by intelligence reports suggesting potential misconduct.

"Essentially, we received intelligence and surveillance reports that these companies are allegedly involved in anti-competitive behaviour. That is the reason we decided to visit these three companies," Abdullahi explained.

Further elaborating on the nature of the alleged malpractices, Abdullahi revealed that some manufacturers were producing 10mm iron rods but labelling and selling them as 12mm. "We are here to take samples of their products and review their records to determine if they are engaging in false, misleading, and deceptive practices," he stated.

Abdullahi highlighted the severe implications of such practices, noting that they significantly contribute to building collapses in Nigeria. "We are concerned about the safety of Nigerians, which is the essence of consumer protection. We need to ensure the safety of our population," he stressed.

The FCCPC chief affirmed that the commission's visit aimed to scrutinise the companies' processes to identify any instances of cutting corners. "If they are, we will enforce the full extent of the law. That is why we are here," he declared.

Commenting on the cooperation received during the investigation, Abdullahi mentioned that all three companies were cooperative, with their lawyers involved in the process. "Their lawyers were involved, and our laws permit that," he noted.

However, Abdullahi emphasised that the FCCPC was still in the information-gathering phase and had not yet determined the liability of any of the companies. "We are still collecting information. We will return to our office and allow forensic experts to analyse the gathered materials. Their analysis will guide our findings," he concluded.

## Sundry Markets Limited Among Africa's Fastest-Growing Companies

Sundry Markets Limited, an indigenous retail chain in Nigeria, has earned a place among Africa's top 50 fastest-growing companies in 2024, according to a Financial Times report.
In a statement , Sundry Markets Limited, the owner of the Marketsquare supermarket chain, highlighted its remarkable growth despite the economic challenges plaguing many African economies. This recognition underscores the company's resilience and strategic growth amid the broader post-pandemic recovery struggles and economic difficulties across the continent.
The FT-Statista ranking, now in its third edition, celebrates companies that have demonstrated significant growth despite the adverse economic conditions. Nigeria, Africa's third-largest economy, has been grappling with inflation and currency devaluation since 2023. Nevertheless, it boasts the second-highest number of companies on the FT's list, with Sundry Markets being a notable player.
Expressing his elation, Chief Executive Officer of Sundry Markets, Ebele Enunwa, remarked, "It is a pleasure to be listed amongst the top companies across Africa for 2024. Being included on this list validates our progress and the direction we are headed. Since our modest inception in 2015, we have gained recognition across the continent. Sundry Markets has directly and indirectly employed 5,000 people in Nigeria."
This achievement not only highlights Sundry Markets Limited's robust business model but also shines a light on the potential and dynamism of Nigerian enterprises in the face of economic adversity.

# ADVERT

# Nigerian Customs Vehicles to Be Converted to Compressed Natural Gas in Major Government Initiative

The Federal Government has entrusted Cedric Masters Group, an automotive company, with the task of converting 200 operational vehicles of the Nigerian Customs Service to run on Compressed Natural Gas (CNG) within a span of 90 days.

Our correspondent, visiting the conversion plant located in Lekki, Lagos, noted the presence of numerous customs vehicles awaiting modification. This development aligns with the broader vision of the Director General of the National Automotive Design and Development Council (NADDC), Oluwemimo Osanipin, who is vigorously advocating for the transformation of Nigeria's automotive industry from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) manufacturing. The transition signifies a shift from merely assembling imported parts to full-scale manufacturing and assembly within the country, marking a significant step in the sector's evolution. During a recent four-day working visit to 12 automotive assembly plants in Lagos, Osanipin urged local vehicle assemblers to embrace the CKD approach.

Anselm Ilekuba, CEO of Cedric Masters, highlighted the government's commitment to this industrial evolution and the CNG initiative. "CNG is the new normal, and we must thank Mr President for his foresight. This development is beneficial for Nigeria, and we are fortunate to be among the pioneers seizing this opportunity," Ilekuba said.

He noted the company's strategic investment in expanding the CNG distribution network, which includes acquiring land for a CNG piping project in collaboration with Chevron, aimed at reducing energy costs for electricity generation.

Ilekuba detailed the firm's readiness to meet the government's ambitious 90-day deadline for vehicle conversion. "We are fully prepared and have already begun transferring expertise in CNG technology to our local workforce, with training sessions conducted by professionals from Texas," he added.

Osanipin, satisfied with the progress at Cedric Masters and other plants, emphasised the economic and employment benefits of transitioning to CKD. He acknowledged the challenges ahead but praised the automotive industry's willingness to adapt and innovate.

"The move from SKD to CKD will significantly increase local content and generate more employment, positively impacting the economy. Our assemblers are committed to this new direction, despite the inherent challenges," Osanipin stated.

He further noted the importance of developing the necessary infrastructure and training to support this industrial shift. "Many of our assemblers are already converting vehicles from petrol to CNG, and this rapid progress is promising for the future," he said.

The NADDC's efforts, supported by government policies and industry stakeholders, aim to bolster Nigeria's automotive sector, making it a hub for vehicle manufacturing and sustainable energy solutions.

# FAAN Chief Decries Insufficient Funding for Airport Rehabilitation

The Managing Director of the Federal Airports Authority of Nigeria (FAAN), Olubunmi Kuku, has raised concerns over the inadequacy of the N23.1 billion allocated for the rehabilitation and repair of airport facilities nationwide. Speaking on Channels TV's The Morning Brief on Tuesday, Kuku underscored the urgent need for substantial capital investment in the aviation sector, highlighting that the current budget barely scratches the surface of the required infrastructure upgrades. Kuku noted that airports, terminal areas, land sides, and air sides all demand significant improvements. She emphasized the critical nature of the aviation sector and the substantial funding it necessitates. "When you refer to N23.1 billion or N23 billion, it may not actually scratch the surface if you look at where we are in terms of infrastructure development and upgrades," she stated. She pointed out that FAAN manages 22 airports across the country, with only three being profitable. The remaining 19 are subsidized by FAAN, and this support is set to extend to new airports currently under development. "We are cross-subsidising the other 19 airports today and in most instances, we will substitute or cross-subsidise for some of the airports that are coming on board as well," Kuku explained. Further complicating matters, FAAN allocates 50 percent of its revenue to federal coffers, which poses a significant challenge. Kuku revealed that the authority is in discussions with various branches of government to seek financial relief. Addressing the influence of GDP growth and economic activities on passenger traffic, Kuku stressed the importance of focusing on key sectors like trade, manufacturing, and tourism to drive airport traffic. She argued that rather than constructing new airports, attention should be given to the activities that can boost traffic to existing airports. Kuku also highlighted FAAN's collaboration with international organizations, such as the International Air Transport Association and the Federal Ministry of Aviation, to expand both domestic and international routes. Initiatives are underway to transform Nigeria and certain airports into transit hubs, aiming to build a network where airports can effectively serve as feeder points. She concluded by noting that almost 4 million passengers travel internationally from Nigeria, underscoring the importance of efficient infrastructure use for the sustainability of these facilities. This financial shortfall and strategic focus come at a critical time for Nigeria's aviation sector, as it seeks to enhance its infrastructure and service delivery amidst growing demands and challenges.

# Identity Theft Crisis: A Growing Threat in the Digital Age

As technology continues to evolve, the threat of identity theft has become a significant concern for both individuals and businesses, leading to substantial financial losses. Identity theft involves the unauthorised use of someone's personal information, such as their name, national identification number, or debit card number, to obtain benefits. This crime can be perpetrated through various methods, including phishing scams, hacking, and physical theft of personal data.
One recent incident involved an individual impersonating Chief Bola Tinubu on Facebook, who was subsequently apprehended by the police. This case underscores the pervasive nature of identity theft and its impact on public figures and ordinary citizens alike.
In Nigeria, the issue of identity theft and fraud has reached alarming levels. In April 2024, Flutterwave, a prominent fintech company, experienced a security breach resulting in the unauthorised transfer of N11 billion ($7 million) to multiple accounts. Insiders suggested that the amount could be as high as N20 billion ($13.5 million). The breach was detected due to unusual account activities, with funds being moved across several financial institutions to avoid detection.


The breach at Flutterwave is not an isolated incident. In March 2023, hackers reportedly stole N2.9 billion ($6.3 million) from the company. This involved unauthorised transfers across 28 commercial banks in Nigeria. Flutterwave initially denied the breach but later confirmed the anomaly and collaborated with law enforcement to investigate and recover the funds. Additional breaches involving cryptocurrency transactions amounting to N450 million have also been reported.
Habeeb Olaosebikan, a tax practitioner, narrated his ordeal with identity theft, highlighting how fraudsters exploit the financial literacy gaps and needs of their victims. Olaosebikan recounted an incident where he was nearly deceived by a social media account impersonating a celebrity. This example illustrates the sophisticated methods fraudsters use to gain the trust and financial information of their targets.
Nigeria's financial institutions have faced significant losses due to fraud. According to the Nigeria Inter-Bank Settlement System (NIBSS), fraudsters caused a loss of N17.67 billion in 2023. Although the fraud count dropped by six percent to 95,620 cases, the actual financial loss increased by 23 percent compared to 2022. The mobile channel remains the preferred means for fraud, with an increase of five percent over the previous year.
The 2024 Digital Identity Fraud in Africa Report by Smile ID revealed that Nigeria's National ID was one of the most-attacked documents by fraudsters, ranking ninth in Africa. The report showed that identity fraud in West Africa is largely dominated by Nigeria and Ghana.
To combat identity theft, the Speaker of the House of Representatives, Tajudeen Abbas, announced plans for legislation to regulate artificial intelligence and curb identity theft. Abbas stressed the need for a regulatory framework to manage emerging technologies and prevent their misuse.
Under the Cybercrime Act 2015, identity theft is a criminal offense in Nigeria, punishable by imprisonment or hefty fines. Financial and legal experts advise individuals to take preventive measures, such as safely storing personal documents, shredding old documents, and being cautious of links from unknown sources.
Olusegun Adeniran, a financial lawyer, and Abdulmumeen Ridwan, a financial expert, emphasized the importance of robust verification processes and sophisticated security methods to combat identity theft. These measures include multi-factor authentication, biometric identification, and educating the public on how to protect their personal data.
As technology advances, so do the tactics of scammers. It is crucial for institutions and individuals to stay vigilant and adopt more sophisticated security measures to protect against identity theft and fraud.

# Agribusiness Stakeholders Call for Livestock Ministry to Tackle Food Insecurity

Agribusiness stakeholders, including the Lagos Chamber of Commerce and Industry (LCCI) and the Commercial Dairy Ranchers Association of Nigeria (CODARAN), have called for the newly established Ministry of Livestock Development to address the pressing issue of food insecurity.

This move follows President Bola Tinubu's approval of the ministry's creation on July 9, 2024, during the inauguration of the Presidential Committee on Livestock Reforms at the State House in Abuja.

Kola Aderibigbe, Chairman of the Agro-allied group at LCCI, described the ministry's creation as a positive step, highlighting its potential to enhance the dairy farm industry and create new opportunities. However, he stressed the need for a clear strategy on how the ministry plans to tackle food insecurity. Aderibigbe noted that farmers continue to face security challenges that prevent them from fully utilizing their farmlands, expressing hope that the new ministry would enable farmers to return to their fields and boost food production.

Aderibigbe also raised concerns about the increased costs and potential confusion for integrated farmers who might need to deal with both the Livestock Development Ministry and the Ministry of Agriculture. He emphasized the importance of specific solutions to the farmer-herder clashes that have hindered agricultural productivity, expressing disappointment over the lack of progress on the ranching option in the open-grazing debate. He urged the new government initiative to avoid politicization and prevent the conversion of private land for grazing.

Alhaji Muhammadu Abubakar, President of CODARAN and CEO of L&Z Integrated Farms, supported the creation of the ministry, highlighting the limitations of addressing dairy farming needs within a department of the Ministry of Agriculture. He emphasized the vision of reducing Nigeria's dependency on dairy imports, which amounted to $1.5 billion annually in 2023, according to the National Biotechnology Development Agency.

Abubakar assured that poultry farmers' interests were considered in the deliberations that led to the establishment of the Livestock Development Ministry.

Earlier, the Poultry Association of Nigeria reported that over 30 percent of poultry farms in Nigeria had shut down in the past six months due to high operational costs, contributing to the sharp rise in egg prices.

# Nigerian Outsourcing Sector Faces Challenges Amid Economic Volatility

The President of the Association of Outsourcing Professionals of Nigeria, Mope Abudu, has highlighted the significant headwinds affecting the outsourcing sector, including infrastructure deficiencies, lack of policy and standards for outsourcing services, and declining educational standards of the labour force. Abudu made these remarks at the 11th Edition Outsourcing Expo, themed 'Navigating Economic Volatility: Strategies for Sustainable Outsourcing in Nigeria,' held recently in Lagos.

"The business and economic environment in Nigeria continues to be one of volatility and uncertainty. Yet as solution providers, outsourcing service providers must be agile and innovative in their value proposition to stay relevant and sustainable," Abudu said.

She emphasised that the expo aimed to address critical issues and to leverage the core strength of outsourcing: providing solutions. According to Abudu, outsourcing offers a unique opportunity to harness the skills, capacity, and excellence of third-party providers who can deliver value and competence at competitive prices.

"As professionals, we can positively improve the productivity, output, and outcomes of our clients through our continuous improvement and support," she added.

Abudu stressed the importance of realistic and achievable strategies, underscoring the need for detailed plans to foster structured engagements with buyers and the government. She highlighted the outsourcing industry's role in contributing to Nigeria's economic empowerment, noting its significant impact on job creation and its role as a catalyst for digitalisation to enhance global competitiveness.

"We must also fashion out sustainable business models that allow diversification of our outsourcing offerings to attract clientele beyond the usual sectors and even to other geographies," Abudu concluded.

# Nigeria Loses $1.84bn in Petroleum Products Amid Rampant Oil Theft, NEITI Reveals

The Executive Secretary of the Nigeria Extractive Industries Transparency Initiative (NEITI), Dr. Ogbonnaya Orji, has revealed that Nigeria lost $1.84 billion worth of petroleum products from its refineries over a nine-year period due to oil theft.

Speaking on Monday at the opening ceremony of the 2024 NEITI board retreat in Lagos, Orji detailed the staggering losses, stating that 4.2 billion litres of petroleum products were siphoned from the refineries between 2009 and 2018. This equates to a daily loss of 140,000 barrels.

"Figures contained in our 2009 to 2020 audits have put Nigeria's losses to crude oil theft over a 12-year period at 619.7 million barrels, valued at $46.16 billion or N16.25 trillion. Similarly, between 2009 and 2018, the country also lost 4.2 billion litres of petroleum products from refineries, valued at $1.84 billion," Orji disclosed, expressing his bafflement at the increasing rate of oil theft.

He noted that the severity of these losses prompted the previous administration to establish a special panel to investigate and address the issue. NEITI has since produced a report with recommendations to curb oil theft, urging the current administration to implement these suggestions.

Orji emphasized the importance of the five-day retreat as a platform to explore solutions to the challenges of oil theft, illegal mining, and pipeline vandalism, all of which contribute to revenue losses and hinder investment opportunities.

On the topic of energy transition, Orji expressed concern about the global shift from fossil fuels to renewable energy, which threatens Nigeria's oil-dependent economy. "Our country, Nigeria, is heavily dependent on oil revenues for survival. It is within the ambit of this board to support our government and citizens with timely policy decisions and strategies to deal with this unavoidable unfolding development in the extractive sector," he stated.

Orji warned that Nigeria faces significant economic threats from the declining global demand for crude oil, which necessitates a shift towards renewable energy. He highlighted the need for substantial financial investment to generate renewable energy and close the country's current energy supply gap.

Lagos State Governor Babajide Sanwo-Olu, represented by the Commissioner for Energy, Biodun Ogunleye, underscored the urgency of reviewing laws that grant the Federal Government control over oil and mineral resources. "The need for review of these laws has become very urgent if the Federal Government's policy on Ease of Doing Business is to succeed, especially at the sub-national levels. The review is also important to promote investments in the extractive industry and diversify our nation's economy," Sanwo-Olu stated.

He called for greater engagement between the Federal Government, private sector, and sub-national governments to develop Nigeria's natural resources, emphasizing the importance of solid minerals development, environmental sustainability, and poverty reduction initiatives.

The NEITI retreat continues to serve as a critical forum for addressing the pressing challenges facing Nigeria's extractive industries and exploring avenues for sustainable economic growth.

# Nigerian Fuel Crisis: Marketers Reveal Soaring Costs Landing cost of petrol in Nigeria surges to N1,117/litre, MEMAN discloses

The landing cost of Premium Motor Spirit (PMS), commonly referred to as petrol, reached an alarming N1,117 per litre as of Tuesday, July 16, 2024, according to an announcement by the Major Energies Marketers Association of Nigeria (MEMAN) on Wednesday.
In a webinar with journalists, MEMAN also disclosed the landing costs for diesel and aviation fuel, pegged at N1,157/litre and N1,127/litre, respectively.
Currently, petrol stations operated by the Nigerian National Petroleum Company Limited (NNPC) and major marketers retail PMS at prices ranging

from N617 to N660 per litre, while independent marketers sell at N700 per litre or more.
Despite NNPC's role as the sole importer of petrol into Nigeria, the company has repeatedly denied subsidising PMS costs and has refused to reveal the landing cost of the product.
This disclosure by MEMAN marks one of the first instances where marketers have shed light on the previously concealed landing costs of PMS. Clement Isong, MEMAN's Executive Secretary, stated that the figures were sourced from independent energy price benchmark providers and pledged regular updates to keep the public informed.
Independent oil marketers have recently accused private depot owners of increasing the ex-depot price of petrol from N630 to N720 per litre. Energy sector expert Prof Wumi Iledare pointed out that the significant discrepancy between diesel and petrol prices in Nigeria suggests underlying issues. "The gap between the cost of diesel and petrol in Nigeria is significant. It is not this pronounced globally. This indicates a problem," Iledare said. He speculated that some entity is absorbing the cost difference, whether termed as under-recovery or subsidy, as the current petrol price does not reflect true market costs.
Echoing this sentiment, Adeola Adenikinju, a Professor of Economics at the University of Ibadan and President of the Nigerian Economics Society, remarked that the government is subsidising the current PMS price by purchasing at higher rates and selling at lower ones.
The International Monetary Fund (IMF) recently cautioned Nigeria against implicit fuel and electricity subsidies, warning that such subsidies could consume three per cent of the nation's Gross Domestic Product in 2024, up from one per cent the previous year.
President Bola Tinubu announced the removal of fuel subsidies during his inauguration on May 29, 2023. Nevertheless, the IMF noted that due to inadequate compensatory measures and corruption concerns, implicit subsidies were reintroduced by the end of 2023 to help Nigerians cope with inflation and currency depreciation. Despite this, the NNPC and the Federal Government continue to deny any current subsidy on PMS.

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