

<b>NSE</b> <b>Biggest Gainer</b> Guinness N80.5 ▲ 1.26 pc <b>Biggest Loser</b> Nestle N1370 ▼ -2.14 pc <b>32,403.60</b>		<b>Alpha Morgan Capital</b> Foreign Reserve - \$42.46bn Cross Rates - GBP-\$:1.29 YUANY-N52.28 <b>Commodities</b> Cocoa US \$2,139.00    Gold \$1,230.40    Crude Oil \$77.17	<b>Bitcoin</b> ₦2,284,871.90 ▲ +0.08 pc Powered by <b>tanjalo</b>	<b>Everdon Bureau De Change</b> <table border="1"> <tr> <th></th> <th>BUY</th> <th>SELL</th> </tr> <tr> <td>\$-N</td> <td>359.00</td> <td>362.00</td> </tr> <tr> <td>£-N</td> <td>468.00</td> <td>476.00</td> </tr> <tr> <td>€-N</td> <td>407.50</td> <td>415.50</td> </tr> </table>		BUY	SELL	\$-N	359.00	362.00	£-N	468.00	476.00	€-N	407.50	415.50	<b>FMDQ Close</b> <table border="1"> <thead> <tr> <th rowspan="2">FOREIGN EXCHANGE</th> <th rowspan="2">Spot (\$/N)</th> <th colspan="3">TREASURY BILLS</th> <th colspan="2">FGN BONDS</th> </tr> <tr> <th>3M</th> <th>6M</th> <th>5Y</th> <th>10Y</th> <th>20Y</th> </tr> </thead> <tbody> <tr> <td>I&amp;E FX Window</td> <td>364.01</td> <td>▲ 0.32</td> <td>▲ 0.32</td> <td>▼ -0.04</td> <td>▲ 0.06</td> <td>▼ -0.01</td> </tr> <tr> <td>CBN Official Rate</td> <td>306.55</td> <td>13.21</td> <td>13.36</td> <td>15.10</td> <td>15.39</td> <td>15.17</td> </tr> <tr> <td>Currency Futures (\$/N)</td> <td>NGUS DEC 26 2018 364.27</td> <td>NGUS MAR 27 2019 364.72</td> <td colspan="2">NGUS SEP 18 2019 365.62</td> <td colspan="2"></td> </tr> </tbody> </table>	FOREIGN EXCHANGE	Spot (\$/N)	TREASURY BILLS			FGN BONDS		3M	6M	5Y	10Y	20Y	I&E FX Window	364.01	▲ 0.32	▲ 0.32	▼ -0.04	▲ 0.06	▼ -0.01	CBN Official Rate	306.55	13.21	13.36	15.10	15.39	15.17	Currency Futures (\$/N)	NGUS DEC 26 2018 364.27	NGUS MAR 27 2019 364.72	NGUS SEP 18 2019 365.62			
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# BUSINESS DAY

NEWS YOU CAN TRUST | \*\*THURSDAY 25 OCTOBER 2018 | VOL. 15, NO 169 | N300 | @businessdayng | www.businessdayonline.com | facebook.com/businessdayonline | @businessDayNG

## FG to spend N8.73trn in 2019, targets 3.01% economic growth

TONY AILEMEN, Abuja

The Federal Executive Council (FEC), Wednesday approved a total of N8.73 trillion budget for 2019, about N400 billion lower than the N9.2 trillion approved for 2018.

This is just as FEC also approved the 2019 to 2021 Medium

- Leaves exchange rate unchanged at N305/\$
- Raises crude oil price benchmark to \$60/b

Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP).

Minister of Budget and National Planning, Udoma Udo Udoma, briefing State House

Correspondents after the weekly Federal Executive Council (FEC) meeting presided over by President Muhammadu Buhari, said the projection would soon be submitted to the National As-

sembly for approval.

Udoma however disclosed that the Federal Government would borrow at a reduced rate

Continues on page 33

## 'Nigeria's private sector has no capacity to fund infrastructure'

ONNYNWE NWACHUKWU, Abuja

Nigeria's private sector has no capacity to fund big ticket infrastructure projects in the country, Babatunde Fashola Minister of Power, Works and Housing, said at a session on infrastructure at the Nigeria Economic Summit.

This is despite the belief by experts that government needs to create mechanisms that allow private investment inflows to close the over N3 trillion per year infrastructure gap in the country.

Fashola was speaking on 'Accelerating Infrastructure Investments' during one of the break-out sessions at the 24th session of the Nigeria Economic Summit ((NES#24) held in Abuja.

"There is this argument or belief that the kind of infrastructure we want to build will be funded by the private sector. I think what we need to do is just to put the numbers of the needed infrastructure funding side by side with what the private sector is able to put in and the terms and conditions upon which they will do so," the minister stated.

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L-R Kingsley Ezenwa, communications manager, Dana Air; Udoma Udo Udoma, minister of budget and national planning; Vice President Yemi Osinbajo, and Olu Tikolo, at the Dana Air stand, during the 24th Nigerian Economic Summit in Abuja.



### Inside



Aliko Dangote named 6th Most Charitable Person in the world P. 2

## MTN, CBN near truce on \$8.1bn refund

... Finance minister says regulatory action against telco was "damaging"

LOLADE AKINMURELE

MTN Nigeria and the Central Bank of Nigeria (CBN) are close to reaching an amicable settlement over the refund of US\$8.1 billion in illegally

repatriated dividends.

Sources close to both the CBN and MTN have told BusinessDay that results of a meeting held October 9 between both parties were positive, despite the fact that the outcome of the meeting was not made public. The CBN is

said to have received new documents in relation to the case and is looking at resolving it with all parties amicably.

Another source close to the CBN, however, told BusinessDay that even though the apex bank is looking at resolving the issue

amicably, the decision by MTN to go to court was a 'mistake.' He said the issue cannot be resolved unless MTN withdraws the case from the court.

"The CBN has very wide powers that you must be careful to challenge legally," the source

told BusinessDay. An October 30 hearing date has already been fixed for the case but sources say it will not be surprising if MTN withdraws the case on that date, when it comes up for hearing, to make room for the ongoing

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## NEWS

## Ex-Afren executives found guilty in \$300m oil business deal

DIPO OLADEHINDE

A London jury at Southwark Crown Court on Wednesday found two former executives of collapsed oil and gas firm, Afren plc, guilty of fraud and money laundering, after a three-year investigation by the United Kingdom Serious Fraud Office.

Ex-Chief Executive Officer, Osman Shahenshah and former head of operations, Shahid Ullah, were found guilty of fraud and money laundering offences from which they personally received more than \$17million and laundered \$45million by deceiving the Afren Board into agreeing a \$300million business deal.

The prosecuting team led by John McGuinness of the UK's Serious Fraud Office (SFO) alleged that between 2012 and 2014, the two ex-Afren Energy's managers abused their positions to secretly divert some of the millions of dollars the company paid to two Nigerian partners for their personal gain, which led to the collapse of Afren Energy.

Prosecutors said following a shareholder revolt, which objected to their £6.6million and £3.8million salary packages, the two men entered a pair of side deals with Afren partners, pocketing more than \$17 million after the transaction was completed.

The two former bosses of Afren recommended a transaction to the Afren Board, who then approved payments of hundreds of millions of dollars without knowing that Shahenshah and Ullah stood to personally benefit, as the transaction was claimed to be necessary to maintain the business partnership, but the fact that Shahenshah and Ullah stood to benefit personally remained hidden.

"Greed motivated this crime. Osman Shahenshah and Shahid Ullah failed in their duties as company directors, abused their positions and lied to their board," Lisa Osofsky, Director of the UK's Serious Fraud Office said on its website.

"Instead of acting in their company's best interests, they used Afren like a personal bank account to fund an illicit deal, with no regard for the consequences."

"Fraud corrodes confidence, undermines trust and damages the reputation of the UK at home and abroad. It is our mission to bring those committing this crime

to justice."

Afren, once a publicly traded company with a market cap of \$2.6 billion, collapsed in 2015 claiming lower crude oil prices, cooperate governance abuses and huge debts. The company appointed administrators after failing to restructure an outstanding \$863 million of bonds.

The criminal investigation into the former CEO and COO of the collapsed oil and gas exploration company began in June 2015 following a self-report by the company, with the defendants charged with four offences in September last year.

The case centers around \$300 million, which was transferred from Afren Energy to Oriental Energy Resources. Oriental and Afren were jointly developing the Ebok oilfield off the coast of Nigeria and the Nigerian partner wanted to receive some of the profit share in advance of cost recovery.

According to this agreement, once Afren had recovered its investment, the partners would split the profits 50-50. However, the owner of oriental wanted some of Oriental's profit share before cost recovery was complete and in 2011 struck a deal to be paid \$100m in advance.

Although there was nothing illegal about this deal, the prosecution said, it was just "the first instalment of what was to be a much larger sum". A second advance payment of \$300m followed in 2012, paid by Afren to Oriental in two tranches.

The prosecution said Shahenshah and Ullah did not tell the board members he was also to pay additional 15 per cent of its net cash flow annually to an offshore vehicle called Ntiti for non-existent consultancy services which was 49 per cent owned by Ullah and 51 per cent owned by Shahenshah's wife.

The men then used the \$45m to purchase luxury properties in Mustique and the British Virgin Islands. A smaller portion of the \$45m laundered was split between Oriental employees and a close network of Afren staff dubbed 'The A Team'.

All efforts to get Oriental Energy side of the story proved abortive, as all emails sent by BusinessDay to the company were without response.

The two men were found not guilty on a separate charge relating to a management buyout of another of Afren's business partners. Sentencing is scheduled at Southwark Crown Court for Monday 29 October at 10.00am.



Godwin Obaseki, Edo State governor (m); his chief of staff, Taiwo Akerele (2nd r); commissioner for environment and sustainability, Omoua Alonge Oni-Okpaku (r); President of Association Bernadette Strebel World Peace (ABSWP) in Switzerland, Bernadette Strebel (2nd l), and project manager for the Association, Festus Onogholo, during a courtesy visit at the Government House in Benin City, yesterday.

## Aliko Dangote named 6th Most Charitable Person in the world

The philanthropist attitude of Aliko Dangote, President of Dangote group was recognized and highlighted by Richtopia, a digital periodical that covers business, economics, and financial news, based in the United Kingdom, on Wednesday as the richest man in Africa was named as the sixth most charitable man in the World. Dangote recently endowed his foundation to the tune of \$1.25 billion

Warren Buffett, Bill Gates and J.K Rowling occupied the first three positions while Oprah Winfrey and Elon Musk were in the fourth and fifth position respectively.

Aside Aliko Dangote, Tony Elumelu, Chairman of United Bank for Africa was 11th on the lists and these two were the only Nigerians on the lists.

Aliko Dangote started his foundation, Aliko Dangote Foundation in 1981, with a mission to enhance opportunities for social change through strategic investments that improve health and wellbeing, promote quality education, and broaden economic empowerment opportunities.

Aliko Dangote Foundation was however incorporated in 1994 as a charity in Lagos, Nigeria. 20 years

later, the Foundation has become the largest private Foundation in sub Saharan Africa, with the largest endowment by a single African donor. The primary focus of Aliko Dangote Foundation is health and nutrition, supported by wrap-around interventions in education, empowerment, and humanitarian relief.

Among many others, it would be recalled that the foundation gave out a whopping N2.5 billion, the same amount the Federal Government also donated for the purpose of ameliorating the sufferings of the flood victims during President Jonathan era.

The Foundation, in line with its mandate to provide relief in times of disaster, spread its philanthropic works beyond the shores of Nigeria with a donation of \$1 million to the government of the Federal Democratic Republic of Nepal. The gesture was meant to support the government's efforts in providing relief to the victims of the earthquakes that occurred in the country.

The Foundation also recently came to the aid of victims of the communal clash between Yoruba and Hausa traders and residents in Ile-Ife, Osun State with a donation of N50 million and also also donated N500

million as assistance to victims of the fire outbreak that occurred recently in five major markets in Kano.

The Foundation has also been at the forefront of alleviating the conditions of people in IDPs. The Foundation in 2011, gave the sum of N364 million to IDPs across Kaduna, Bauchi and Gombe states after the post-election violence which rendered many homeless while the sums of N100 million and N60 million were respectively donated to victims of flood disaster in Lagos and Oyo States the same year.

Dangote Foundation donated N39.34 million to those IDPs displaced by the communal clash in Benue state in 2014.

While N42.5 million was used in feeding 5000 IDP households across Borno, Yobe and Adamawa states last year, N100 million and N50 million were respectively contributed to the Appeal fund raised by Daily Trust to cater for the IDPs in the Northeast and to support the Adamawa Peace Initiative all for the IDPs. The sum of N1 billion was also recently pledged to Victim Support Fund for IDPs across the Northeast.

•Continues online at [www.businessdayonline.com](http://www.businessdayonline.com)

## PIGB, 13 other critical bills at risk as National Assembly goes on recess again

OWEDE AGBAJILEKE, Abuja

After resuming from an 11-week recess on October 9, the National Assembly announced yesterday that it is embarking on another two-week suspension of plenary that could disrupt the passage of the much-awaited Petroleum Industry Governance Bill (PIGB) and 13 other critical bills rejected by President Muhammadu Buhari.

Senate President Bukola Saraki made the announcement of the two-week suspension of plenary on Wednesday.

"Because of the expediency and demand from the Executive that we approve new loans, we did it but with the understanding that our commit-

tees will quickly go and do oversight of the MDAs, to see whether previous loans have been properly utilised.

"And also, budget implementation of 2018 and also the social intervention programme. All our committees, during this period, will carry out the necessary oversight and come back to present their reports when we resume plenary."

The suspension of plenary has raised fears that all the 15 bills rejected by President Buhari, on which much legislative work has already been invested, will no longer be passed.

Although the President had communicated his decision to withhold assent to 15 bills when the National Assembly was on its annual recess, both chambers reconsidered and passed only one of the bills - upon

resumption since October 9.

The bills which Buhari declined assent to include; the Petroleum Industry Governance Bill (PIGB), Stamp Duties (Amendment) Bill, Industrial Development (Income Tax Relief Amendment) Bill, National Research and Innovation Council (Est.) Bill, National Institute of Hospitality and Tourism (Est.) Bill and National Agricultural Seeds Council Bill.

Others are the Chattered Institute of Entrepreneurship (Est.) Bill, Electoral Act (Amendment) Bill, Advance Fee Fraud and Other Related Offences (Amendment) Bill, Subsidiary Legislation (Legislative Scrutiny) Bill, Nigerian Maritime Administration and Safety Agency (Amendment) Bill, as well as five constitution amendment bills.

However, only the Electoral Act (Amendment) Bill was passed by both chambers. While the Senate passed its version on Tuesday, the House of Representatives passed its own on Wednesday.

Senate President Bukola Saraki, had on September 10, 2018, announced the setting up of a technical committee to review 15 bills rejected by President Buhari.

The committee chaired by David Umaru (APC, Niger State) was however not given a timeframe to submit its report.

BusinessDay reliably gathered that two weeks after the committee was announced, it is yet to sit.

A member of the committee who spoke on condition of anonymity, told BusinessDay that, "We are yet

to hold the inaugural meeting since our committee was constituted. I think it is all politics. The Senate leadership wanted to be seen to have done something in response to the rejected bills, without really doing anything"

Of the bills pending, the potential non-passage of the Petroleum Industry Governance Bill (PIGB) under this current administration is seen to continue to cost the country heavily.

Presenting the 2018 Nigeria Banking Sector Report in Abuja on Monday, Group Managing Director of Afrinvest, Ike Chioke, disclosed that Nigeria has lost over \$200 billion worth of investments in the last ten years, due to non-passage of the Petroleum Industry Bills, of which the PIGB is one of them.



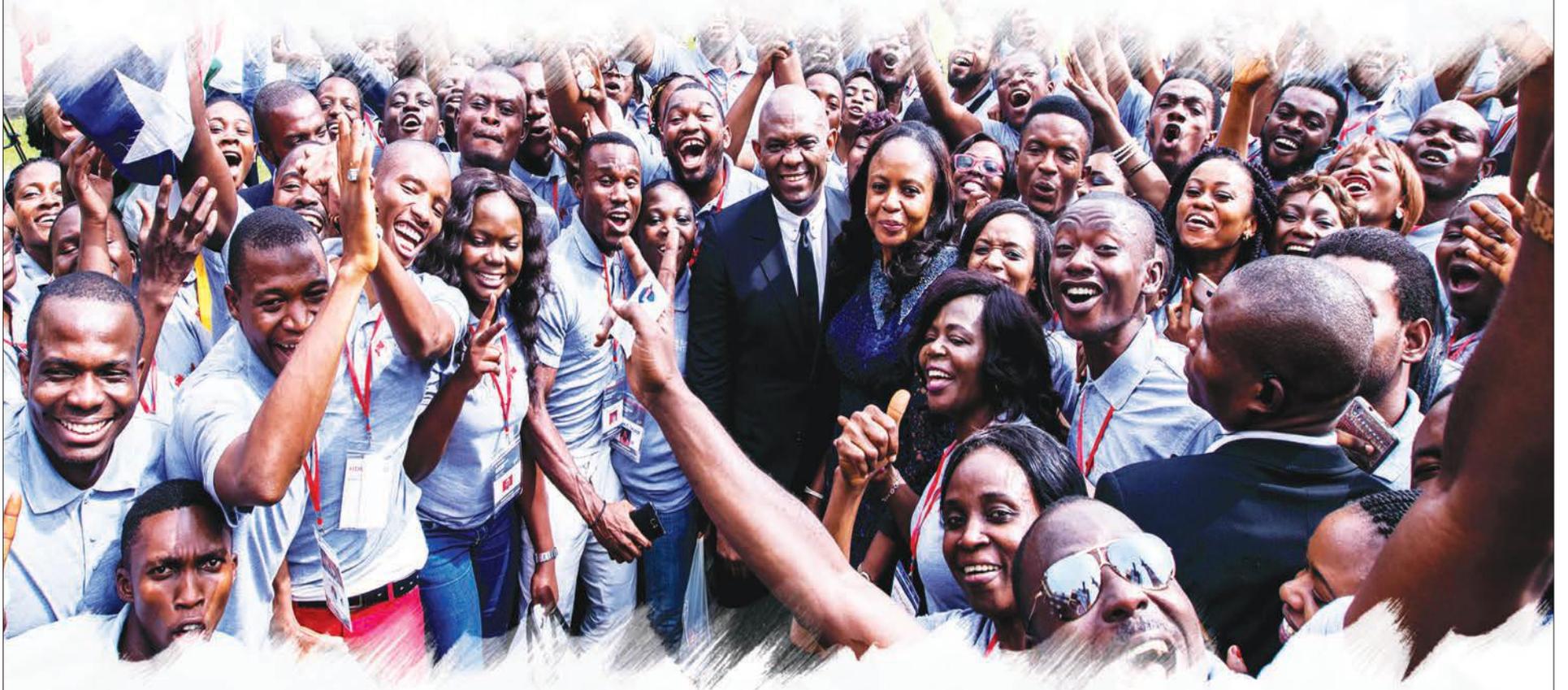
THE TONY ELUMELU FOUNDATION

# TEF ENTREPRENEURSHIP FORUM 2018

October 25, 2018 | Lagos, Nigeria

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The Largest Gathering of African Entrepreneurs



### The Founder's Dialogue

### Fireside Chat with Dr. Awele Elumelu



His Excellency  
Nana Akufo-Addo  
President of Ghana



Tony O. Elumelu, CON  
Founder, TEF



His Excellency  
Uhuru Kenyatta  
President of Kenya



Dr. Awele Elumelu  
Board of Trustee, TEF



Moderator:  
Eleni Giokos  
CNNMoney Africa Correspondent

### Witness the launch of TEFConnect - the world's largest digital platform for African entrepreneurs

This one-stop digital home for the entrepreneurship ecosystem will allow entrepreneurs to transact across countries and regions in Africa's largest digital marketplace, access free business tools and empower entrepreneurs to promote their businesses for increased visibility to potential investors and partners.

[www.tonyelumelufoundation.org/tef-forum2018](http://www.tonyelumelufoundation.org/tef-forum2018)

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417, Tigris Crescent, Off Aguiyi Ironsi Street, Maitama, Abuja.



## NOTICE TO DEBTORS OF POLARIS BANK LIMITED

The Asset Management Corporation of Nigeria (AMCON), the core investor of Polaris Bank Limited hereby demands that all non-performing debtors of Polaris Bank Limited settle their outstanding obligations with the bank. As the new owners of the Bank, AMCON is saddled with the statutory responsibility of recovering all troubled debts of Polaris Bank Limited.

The Corporation has entered into a new phase in its recovery drive and therefore shall not relent in pursuing vehemently, but within the ambit of the law, the realisation of its recovery mandate against all erring debtors of Polaris Bank Limited.

It is therefore in the interest of this class of debtors to urgently take steps at reaching out for an amicable resolution before our next steps that would address the issues and the individuals behind the debts.

**TAKE NOTICE** therefore that AMCON shall have no option than to first publish specific and detailed list of this category of erring debtors including individuals and institutions that have failed, and or refused to reach settlement resolution of all non-performing loans within 90 days from the date of this publication.

**Signed:**  
**MANAGEMENT**



RC 189502

### REQUEST FOR EXPRESSIONS OF INTEREST TO ACQUIRE MAJORITY STAKE IN AN OIL PALM PRODUCING AND PROCESSING COMPANY IN SOUTH-WESTERN NIGERIA

Our Client, an Oil Palm Producing and Processing Company ("**the Company**") located in the South-Western region of Nigeria, intends to offer 51% stake in the Company to a Core Investor and hereby requests for Expressions of Interest ("EOI") from eligible Bidders to acquire majority equity stake in the Company.

To this end, interested Bidders are required to carefully read and respond to this request for an EOI. Please note that proposals that do not comply with the terms contained herein may not be considered.

The requirements for Pre-Qualification for the EOI are as follows:

#### 1. PRE-QUALIFICATION REQUIREMENTS FOR THE EOI

- a) A description of the Bidder's background and proposed bid vehicle including: Summarised Corporate Profile of the Bidder, Lines of Business, Ownership Structure indicating shareholders with more than 5% equity stake;
- b) Corporate Registration Documents [Certificate of Incorporation, Particulars of Directors (CO7) and Return of Allotment of Shares (CO2)];
- c) 3-5 years Financial Summary of the bidding entity;
- d) Track record of similar investments (where applicable);
- e) Key Contact Persons.

#### 2. SUBMISSION OF EXPRESSIONS OF INTEREST (EOI)

Interested Bidders are required to submit electronic copies of their EOI by email to the dedicated email address: - [projecteverest@gtigroup.com](mailto:projecteverest@gtigroup.com).

The EOI must be executed by the authorised representative(s) of the interested investor. The subject matter of the email should read: - "**EXPRESSION OF INTEREST IN THE CORE INVESTOR SALE EXERCISE**".

Kindly note that all EOIs must be received through the dedicated email address on or before 6.00pm on Thursday, November 8, 2018.

*Request for clarifications should be sent electronically not later than 48 hours before the submission deadline.*

#### CONTACT PERSONS

Kenneth Ero: +234-805-7001-925  
Kemi Adetona: +243-815-1711-272

**Please note that only shortlisted bidders will be contacted.**



## THE ANNUAL UBA FOUNDATION NATIONAL ESSAY COMPETITION

UBA Foundation, the CSR arm of the United Bank for Africa (UBA) Plc, announces the commencement of the 2018 edition of the National Essay Competition for senior secondary school students in Nigeria. The Competition provides a competitive platform to develop the intellectual and writing abilities of senior secondary school students in Nigeria. Winners get educational grants to study in any African University of their choice.

### ESSAY TOPIC:

**“WHAT IS THE BIGGEST ENVIRONMENTAL ISSUE YOU THINK YOUR GENERATION WILL FACE? HOW CAN IT BE AVOIDED AND HOW CAN IT BE SOLVED?”**

### ESSAY PROCEDURES AND RULES

Applicants must attach photocopies of their original birth certificates or photocopies of international passport data page

Applicants must be senior secondary school students living in Nigeria

Applicants should send in handwritten essay entries of not more than 750 words on the competition topic

Applicants must submit their complete contact information (school name and address, residential address, phone number and email address)

The educational grant is only applicable to students who intend to study in an African University

The decision of the judges is final

LATE ENTRIES will not be accepted

### PRIZES



**1ST PRIZE: N2,000,000** or it's local currency equivalent towards university tuition/fees

**2ND PRIZE: N1,500,000** or it's local currency equivalent towards university tuition/fees

**3RD PRIZE: N1,000,000** or it's local currency equivalent towards university tuition/fees

### GENERAL INFORMATION

#### JUDGES

The Panel of Judges are made up of professors from reputable Nigerian Universities

#### ENTRIES SHOULD BE SENT TO:

Any UBA branch office closest to you OR to UBA Foundation  
UBA House, 57 Marina, Lagos, Nigeria on or before:

**November 2nd, 2018**

Please note that the terms and conditions guiding the competition shall apply to winners. UBA Foundation will not be responsible for any liabilities and losses resulting from participation.

## NEWS

## FCTA releases N50m counterpart fund as World Bank earmarks \$6,075,258.2 for CSDP, Fadama III

JAMES KWEN, Abuja

Federal Capital Territory Administration (FCTA) has concluded plans to release the first tranche of N50 million counterpart fund for the execution of World Bank and Fadama III projects envisaged in 2018 for the Federal Capital Territory (FCT).

FCTA in 2017 released N113 million backlogs of counterpart funds for the commencement of the World Bank Fadama III project in the FCT in which over 3,500 farmers were registered.

Muhammad Bello, FCT minister, stated this in Abuja while declaring open the World Bank Country Portfolio Performance Review Meeting (CPPR) for the bank's assisted projects in the Northern region. Bello, who was represented by his chief of staff, Muhammed Mai-Borno, pledged the commitment of the FCT administration to making funds available towards the realisation of the goals of the World Bank assisted projects in the territory.

According to the minister, "This was in keeping with the agenda of the Federal government, under President

Muhammadu Buhari, to diversify the economy through restoring the priority place of agriculture and empowering rural farmers. The initiative was hinged on ramping up production and developing value chains in the four selected staple crops of rice, sorghum, cassava and tomatoes."

Babagana Adams, desk officer, FCTA Community Social Development Projects (CSDP) in a performance report presented at the meeting, said the World Bank had earmarked \$6,075,258.2 towards the execution of various CSDP and Fadama III projects under the 2018 project cycle.

## VACANCY

Our Client, a leading Pension Fund Administrator (PFA) fully committed to excellent service delivery requires the services of a qualified candidate to fill the vacant position of Executive Director to oversee the Operations, Information Technology and Business Development functions of the business:

### EXECUTIVE DIRECTOR (Ref: ED/001)

#### REQUIREMENT

- First degree in numerate or semi-numerate disciplines, a post graduate degree will be an added advantage
- Minimum of 18 years post qualification experience of which at least 13 years must have been in the financial industry, including 7 years at senior managerial level.
- Capable of stimulating quality performance and sustainable growth for the Company.
- Must have a good understanding of the Nigerian financial markets.
- Strong relationship management and communication skills.
- Excellent relevant background in controls, processes and procedures.

#### REMUNERATION & BENEFIT

The position offers a competitive remuneration and benefit package commensurate with what is obtainable in the industry.

#### MODE OF APPLICATION

Kindly send Application with Curriculum Vitae to: [pfavac.consult@gmail.com](mailto:pfavac.consult@gmail.com) with the above reference number in the subject field.

The application process closes one (1) week from the date of this publication. Only shortlisted candidates will be contacted.

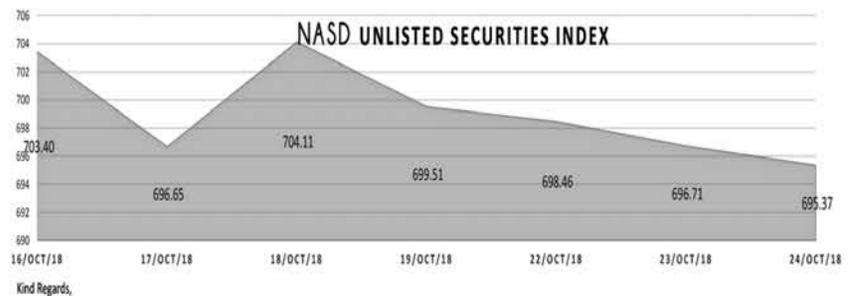


#### NASD OTC DAILY MARKET SUMMARY

Wednesday, 24 Oct, 2018

The OTC Unlisted Security Index (USI) and Market Capitalisation closed the trading day on Wednesday, 24 October, 2018 with a negative movement from Tuesday, 23 October, 2018. The NASD USI and Market capitalisation closed at 695.37 Points and N483.30 billion respectively.

Number of equities traded increased 34 times from 341,262 units to 11.87 million units valued at N157.79 million in Six (6) deals. Negotiations focused on Three (3) out of the Thirty-eight (38) securities admitted to trade on the NASD OTC market.



Statistics	24-Oct-18	23-Oct-18	Change	% Change
UNLISTED SECURITIES INDEX	695.37	696.71	(1.34)	(0.19)
MARKET CAPITALISATION (N' bn)	483.30	484.23	(0.93)	(0.19)
TOTAL VOLUME TRADED	11,872,311	341,262	11,531,049	3,378.94
TOTAL VALUE TRADED (N)	157,792,270.75	33,803,020.00	123,989,251	366.80
NUMBER OF DEALS	6	13	(7)	(53.85)
NUMBER OF TRADED STOCKS	3	3	-	-
NUMBER OF UNTRADED STOCKS	32	32	-	-

SECURITY	CLOSE PRICE (N)	PREV. CLOSE PRICE (N)	CHANGE	%CHANGE
FRIESLAND CAMPINA WAMCO NIGERIA PLC	150.15	150.03	0.12	0.08%

SECURITY	CLOSE PRICE (N)	PREV. CLOSE PRICE (N)	CHANGE	%CHANGE
CENTRAL SECURITIES CLEARING SYSTEM PLC	13.04	13.25	0.21	-1.58%

TRADED SECURITIES BY VOLUME & VALUE	TRADES	VOLUME	VALUE (N)
AFRILAND PROPERTIES PLC	1	5,000	11,250.00
CENTRAL SECURITIES CLEARING SYSTEM PLC	2	11,845,111	154,447,720.75
FRIESLAND CAMPINA WAMCO NIGERIA PLC	3	22,200	3,333,300.00

SECURITY	CLOSING PRICE (N)	VOLUME BIDDED	LAST BID (N)	VOLUME OFFERED	LAST OFFER (N)
ACORN PETROLEUM PLC	0.17	200,000	0.19	-	-
AFRILAND PROPERTIES PLC	2.25	660	3.20	50,000	3.10
AG MORTGAGE BANK PLC	0.60	-	-	-	-
AIR LIQUIDE PLC	6.00	-	-	-	6.00
ARM LIFE PLC	0.50	6,376	0.50	-	-
BGL PLC	3.00	-	-	-	-
CR SERVICES (CREDIT BUREAU) CLASS A PLC	1.00	-	-	-	-
CR SERVICES (CREDIT BUREAU) CLASS B PLC	1.00	-	-	-	-
CAPPA AND D ALBERTO PLC	34.00	-	-	80,000	33.49
COSTAIN (WEST AFRICA) PLC	0.50	-	-	-	-
CR SERVICES (CREDIT BUREAU) PLC	1.90	-	-	-	-
CENTRAL SECURITIES CLEARING SYSTEM PLC	13.04	-	-	-	-
DUFIL PRIMA FOOD PLC	9.00	10,000,000	9.00	-	-
ENSURE INSURANCE PLC	1.10	-	-	-	-
FAMAD NIGERIA PLC	1.25	-	-	-	-
FAN MILK PLC	20.00	-	-	-	-
FREE RANGE FARMS PLC	1.00	-	-	-	-
FRIESLAND CAMPINA WAMCO NIGERIA PLC	150.15	1,000	155.00	5,990	159.00
FOOD CONCEPTS PLC	0.66	-	-	-	-
FUMMAN AGRICULTURAL PRODUCT IND. PLC	1.58	-	-	-	-
GEO-FLUIDS PLC	0.53	-	-	-	-
GOLDEN CAPITAL PLC	1.00	-	-	-	-
INDUSTRIAL AND GENERAL INSURANCE PLC	0.07	-	-	15,000	0.30
INTERNATIONAL PACKAGING IND.OF NIG PLC	0.50	-	-	-	-
LIGHTHOUSE FINANCIAL SERVICES PLC	0.50	-	-	-	-
MASS TELECOM INNOVATION PLC	0.53	-	-	-	-
MIXTA REAL ESTATE PLC	2.20	-	-	100	2.30
NASD PLC	2.59	6,375	2.34	-	-
NIGER DELTA EXPLORATION & PRODUCTION PLC	187.00	26,500	145.00	38,956	150.00
NIPCO PLC	60.00	-	-	11,845	80.00
NIGERIA MORTGAGE REFINANCE COMPANY PLC	4.55	-	-	-	-
RIGGS VENTURES WEST AFRICA PLC	0.95	-	-	-	-
RESOURCERY PLC	0.50	-	-	2,200,000	0.45
SPRING MORTGAGE PLC	1.20	-	-	-	-
SWAP TECHNOLOGIES & TELECOMMS PLC	0.88	-	-	-	-
TRUSTBOND MORTGAGE BANK PLC	0.79	-	-	-	-
UBN PROPERTY COMPANY PLC	1.50	-	-	9,988,100	1.62
VITAL PRODUCTS PLC	2.59	-	-	-	-

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# Ecobank Transnational Incorporated

## Ecobank Group Reports Performance for Third Quarter 2018

### Ecobank Group reports performance for the nine months ended 30 September 2018

- Profit before tax up 39% to \$314.5 million (up 39% to NGN 96.3 billion)
- Profit for the period up 30% to \$247.2 million (up 31% to NGN 75.7 billion)
- Gross earnings up 1% to \$1,869.8 million (up 1% to NGN 572.7 billion)
- Operating profit before impairment losses up 2% to \$531.2 million (up 3% to NGN 162.7 billion)
- Total assets up 4% to \$21.9 billion (up 5% to NGN 6,700.9 billion)
- Loans and advances to customers down 7% to \$8.6 billion (down 6% to NGN 2,647.3 billion)
- Deposits from customers up 10% to \$15.5 billion (up 10% to NGN 4,754.7 billion)
- Total equity down 1% to \$2.0 billion (flat NGN 619.6 billion)

Financial Highlights	Period ended 30 September 2018		Period ended 30 September 2017		% Change	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN
<b>Income Statement:</b>						
Gross Earnings	1,869,766	572,657,907	1,846,210	564,724,891	1%	1%
Revenue	1,366,952	418,659,806	1,352,524	413,714,550	1%	1%
Operating profit before impairment losses	531,181	162,686,132	518,631	158,640,579	2%	3%
Profit before tax	314,495	96,321,169	226,908	69,407,375	39%	39%
Profit for the period	247,223	75,717,606	189,467	57,954,797	30%	31%
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents / kobo per share):						
Basic (cents and kobo)	0.80	246.0	0.66	201.0	22%	22%
Diluted (cents and kobo)	0.80	245.0	0.65	198.0	23%	24%
<b>Financial Highlights</b>	<b>As at 30 September 2018</b>	<b>As at 30 September 2017</b>			<b>% Change</b>	
Statement of Financial Position:						
Total assets	21,873,301	6,700,885,761	20,958,572	6,408,083,390	4%	5%
Loans and advances to customers	8,641,501	2,647,323,831	9,257,902	2,830,603,537	-7%	-6%
Deposits from customers	15,520,521	4,754,711,608	14,126,294	4,319,114,391	10%	10%
Total equity	2,022,662	619,642,504	2,034,191	621,953,899	-1%	0%

Ade Ayeyemi, Group CEO said, "Profit before tax for the nine months ended September 2018 increased by 39% or 48% on a constant currency basis to \$314 million. Our return on tangible equity was 19.9% compared with 15.6% in the previous year. "The initiatives we took in phase-one of our 5-year strategic plan are starting to show results in our financial and business performance. The risk profile of our credit portfolio is improving; we are increasingly becoming leaner and more cost efficient; and thanks to our digitisation strategy, broadening our products and services to include the unbanked. Thus, we are seeing encouraging growth in trade loans, remittances, cards and e-banking, and foreign exchange and fixed income sales in some of our regions. Loan growth, however, has been tepid, despite the fact that we are seeing strong deposit generation in all of our businesses and regions, largely because we are seeing limited credit opportunities that meet our risk appetite. "That said, we remain excited about the prospects for our diversified pan-African banking business model and in our operating regions. Economic activity is forecast to grow in Africa and we believe the firm is rightly placed to benefit from this growth. At the same time we are also keenly planning for any contingencies that will arise from any one of the global geo-political uncertainties." The financial statements were approved for issue by the board of directors on 23 October 2018.

### Condensed Unaudited Consolidated Income Statement for the Nine Month Period Ended 30 September

	9 Month Period ended 30 September 2018		9 Month Period ended 30 September 2017		% Change	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN
<b>Gross Earnings</b>	<b>1,869,766</b>	<b>572,657,907</b>	<b>1,846,210</b>	<b>564,724,891</b>	<b>1%</b>	<b>1%</b>
Interest Income	1,156,100	354,081,637	1,155,297	353,386,097	0%	0.2%
Interest Expense	(453,396)	(138,862,726)	(448,127)	(137,074,581)	1%	1%
<b>Net Interest Income</b>	<b>702,704</b>	<b>215,218,911</b>	<b>707,170</b>	<b>216,311,517</b>	<b>-1%</b>	<b>-1%</b>
Fee and commission income	377,630	115,657,684	337,681	103,290,990	12%	12%
Fee and commission expense	(48,528)	(14,862,792)	(44,699)	(13,672,679)	9%	-9%
Net trading income	277,627	85,029,515	330,539	101,106,371	-16%	-16%
Other operating income	57,519	17,616,488	21,833	6,678,351	163%	164%
<b>Non-interest revenue</b>	<b>664,248</b>	<b>203,440,895</b>	<b>645,354</b>	<b>197,403,033</b>	<b>3%</b>	<b>3%</b>
<b>Operating income</b>	<b>1,366,952</b>	<b>418,659,806</b>	<b>1,352,524</b>	<b>413,714,550</b>	<b>1%</b>	<b>1%</b>
Staff expenses	(373,573)	(114,415,137)	(380,205)	(116,298,373)	-2%	-2%
Depreciation and amortisation	(74,439)	(22,798,619)	(70,224)	(21,480,351)	6%	6%
Other operating expenses	(387,759)	(118,759,918)	(383,464)	(117,295,247)	1%	1%
<b>Operating expenses</b>	<b>(835,771)</b>	<b>(255,973,674)</b>	<b>(833,893)</b>	<b>(255,073,971)</b>	<b>0%</b>	<b>0%</b>
<b>Operating profit before impairment losses and taxation</b>	<b>531,181</b>	<b>162,686,132</b>	<b>518,631</b>	<b>158,640,579</b>	<b>2%</b>	<b>3%</b>
Impairment losses on : - loans and advances - other financial assets	(202,444) (14,469)	(62,003,030) (4,431,457)	(236,587) (55,356)	(72,368,020) (16,932,478)	-14% -74%	-14% -74%
<b>Impairment losses on financial assets</b>	<b>(216,913)</b>	<b>(66,434,487)</b>	<b>(291,943)</b>	<b>(89,300,498)</b>	<b>-26%</b>	<b>-26%</b>
<b>Operating profit after impairment losses</b>	<b>314,268</b>	<b>96,251,645</b>	<b>226,688</b>	<b>69,340,081</b>	<b>39%</b>	<b>39%</b>
Share of profit of associates	227	69,524	220	67,294	3%	3%
<b>Profit before tax</b>	<b>314,495</b>	<b>96,321,169</b>	<b>226,908</b>	<b>69,407,375</b>	<b>39%</b>	<b>39%</b>
Taxation	(67,935)	(20,806,622)	(38,081)	(11,648,343)	78%	79%
<b>Profit for the period from continuing operations</b>	<b>246,560</b>	<b>75,514,547</b>	<b>188,827</b>	<b>57,759,032</b>	<b>31%</b>	<b>31%</b>
Profit for the period from discontinued operations	663	203,059	640	195,765	4%	4%
<b>Profit for the period</b>	<b>247,223</b>	<b>75,717,606</b>	<b>189,467</b>	<b>57,954,797</b>	<b>30%</b>	<b>31%</b>
Attributable to:						
<b>Owners of the parent</b>	<b>197,373</b>	<b>60,449,922</b>	<b>162,099</b>	<b>49,583,382</b>	<b>22%</b>	<b>22%</b>
- Continuing operations	197,015	60,340,270	161,753	49,477,669	22%	22%
- Discontinued operations	358	109,652	346	105,713	4%	4%
<b>Non-controlling interests</b>	<b>49,850</b>	<b>15,267,684</b>	<b>27,368</b>	<b>8,371,415</b>	<b>82%</b>	<b>82%</b>
- Continuing operations	49,545	15,174,277	27,074	8,281,363	83%	83%
- Discontinued operations	305	93,407	294	90,052	4%	4%
<b>Profit for the period</b>	<b>247,223</b>	<b>75,717,606</b>	<b>189,467</b>	<b>57,954,797</b>	<b>30%</b>	<b>31%</b>
Earnings per share from continuing operations attributable to owners of the parent during the period (expressed in United States cents / kobo per share):						
Basic (cents and kobo)	0.80	246.00	0.66	201.00	22%	22%
Diluted (cents and kobo)	0.80	245.00	0.65	198.00	23%	24%

### Unaudited Consolidated Statement of Comprehensive Income

	9 Months ended 30 September 2018		9 Months ended 30 September 2017		% Change	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN
<b>Profit for the period</b>	<b>247,223</b>	<b>75,717,606</b>	<b>189,467</b>	<b>57,954,798</b>	<b>30%</b>	<b>31%</b>
<b>Other comprehensive income:</b>						
<b>Items that will be subsequently reclassified to profit or loss:</b>						
Exchange diff. on translation of foreign ops.	(149,778)	(45,872,953)	6,808	2,082,598	-2,300%	-2,303%
Fair value (loss) in investm. securities (FVOCI)	68,742	21,053,761	-	-	n/a	n/a
Fair value gain on AFS financial asset	-	-	102,141	31,243,343	n/a	n/a
Remeasurements of defined benefit obligations	-	-	981	299,949	n/a	n/a
Taxation relating to components of other comprehensive income that will be subsequently reclassified to profit or loss	214	65,644	(5,700)	(1,743,670)	104%	104%
<b>Items that will not be reclassified to profit or loss:</b>						
Property and equipment - net revaluation gain	-	-	736	225,130	n/a	n/a
Other comprehensive (loss) / profit for the period, net of taxation	(80,822)	(24,753,548)	104,966	32,107,350	-177%	-177%
<b>Total comprehensive profit for the period</b>	<b>166,401</b>	<b>50,964,058</b>	<b>294,433</b>	<b>90,062,148</b>	<b>-43%</b>	<b>-43%</b>
Total comprehensive income attributable to:						
<b>Owners of the parent</b>	<b>146,359</b>	<b>44,825,694</b>	<b>252,218</b>	<b>77,149,235</b>	<b>-42%</b>	<b>-42%</b>
- Continuing operations	146,001	44,716,042	251,872	77,043,522	-42%	-42%
- Discontinued operations	358	109,652	346	105,713	4%	4%
<b>Non-controlling interests</b>	<b>20,042</b>	<b>6,138,364</b>	<b>42,215</b>	<b>12,912,913</b>	<b>-53%</b>	<b>-52%</b>
- Continuing operations	19,737	6,044,957	41,921	12,822,861	-53%	-53%
- Discontinued operations	305	93,407	294	90,052	4%	4%
<b>Total comprehensive profit for the period</b>	<b>166,401</b>	<b>50,964,058</b>	<b>294,433</b>	<b>90,062,148</b>	<b>-43%</b>	<b>-43%</b>

### Condensed Unaudited Consolidated Statement of Financial Position

	As at 30 September 2018		As at 31 December 2017		% Change		As at 30 September 2017	
	US\$'000	NGN'000	US\$'000	NGN'000	US\$	NGN	US\$'000	NGN'000
Cash and balances with central banks	3,148,133	964,430,545	2,661,745	814,493,970	18%	18%	2,317,468	708,565,841
Trading financial assets	138,084	42,302,033	36,557	11,186,442	278%	278%	24,288	7,426,056
Derivative financial instruments	37,638	11,530,401	39,267	12,015,702	-4%	-4%	10,000	3,057,500
Loans & advances to banks	1,405,354	430,530,198	1,685,806	515,856,636	-17%	-17%	1,535,550	469,494,413
Loans & advances to customers	8,641,501	2,647,323,831	9,357,864	2,863,506,384	-8%	-8%	9,257,902	2,830,603,537
Treasury bills and other eligible bills	1,669,100	511,328,785	1,718,977	526,006,962	-3%	-3%	1,327,502	405,883,737
Investment securities	4,316,964	1,322,501,921	4,405,240	1,348,003,440	-2%	-2%	3,764,194	1,150,902,316
Pledged assets	314,335	96,296,527	298,561	91,359,666	5%	5%	544,763	166,561,287
Other assets	797,111	244,194,955	760,724	232,781,544	5%	5%	754,323	230,634,257
Investment in associates	9,473	2,902,054	9,964	3,048,984	-5%	-5%	9,672	2,957,214
Intangible assets	290,826	89,094,545	283,664	86,801,184	3%	3%	284,051	86,848,593
Property, plant and equipment	896,889	274,761,945	924,163	282,793,878	-3%	-3%	907,148	277,360,501
Investment properties	20,583	6,305,602	43,514	13,315,284	-53%	-53%	33,425	10,219,694
Deferred income tax assets	107,583	32,958,052	121,715	37,244,790	-12%	-12%	112,402	4,366,912
<b>Total Assets</b>	<b>21,793,574</b>	<b>6,676,461,394</b>	<b>22,347,761</b>	<b>6,838,414,866</b>	<b>-2.5%</b>	<b>-2.4%</b>	<b>20,882,688</b>	<b>6,384,881,858</b>
Assets held for sale	79,727	24,424,367	83,843	25,655,958	-5%	-5%	75,884	23,201,532
<b>Total Assets</b>	<b>21,873,301</b>	<b>6,700,885,761</b>	<b>22,431,604</b>	<b>6,864,070,824</b>	<b>-2%</b>	<b>-2%</b>	<b>20,958,572</b>	<b>6,408,083,390</b>
Deposits from banks	1,050,452	321,805,970	1,772,414	542,358,684	-41%	-41%	1,517,329	463,923,342
Deposits from customers	15,520,521	4,754,711,608	15,203,271	4,652,209,926	2%	2%	14,126,294	4,319,114,391
Derivative financial instruments	30,850	9,450,898	32,497	9,944,082	-5%	-5%	11,969	3,659,522
Borrowed funds	1,908,687	584,726,262	1,728,756	528,999,336	10%	11%	1,647,867	503,835,335
Other liabilities	1,038,451	318,129,523	1,210,908	370,537,848	-14%	-14%	1,321,029	403,904,617
Provisions	47,124	14,436,378	52,450	16,049,700	-10%	-10%	54,667	16,714,435
Current tax liabilities	50,592	15,498,859	58,107	17,780,742	-13%	-13%	45,864	14,022,918
Deferred income tax liabilities	58,662	17,971,104	64,269	19,666,314	-9%	-9%	60,542	18,510,717
Retirement benefit obligations	37,606	11,520,598	24,064	7,363,584	56%	56%	34,137	10,437,388
<b>Total Liabilities</b>	<b>19,742,945</b>	<b>6,048,251,200</b>	<b>20,146,736</b>	<b>6,164,901,216</b>	<b>-2%</b>	<b>-2%</b>	<b>18,819,698</b>	<b>5,754,122,665</b>
Liabilities held for sale	107,694	32,992,057	112,785	34,512,210	-4.5%	-4.4%	104,683	32,006,826
<b>Total Liabilities</b>	<b>19,850,639</b>	<b>6,081,243,257</b>	<b>20,259,521</b>	<b>6,199,413,426</b>	<b>-2%</b>	<b>-2%</b>	<b>18,924,381</b>	<b>5,786,129,491</b>
<b>Equity</b>								
<b>Capital and reserves attributable to the equity holders of the parent entity</b>								
Share capital and premium	2,113,957	353,511,708						



# BANKING AND FINANCIAL INSTITUTIONS AWARDS

- FRIDAY, 16 NOVEMBER, 2018
- LAGOS



## Categories and Nominees

- |   |   |  |  |
|---|---|--|--|
| <p><b>1. Financial Holding Company of the Year</b></p> <ul style="list-style-type: none"> <li>• FBN Holdings</li> <li>• FCMB Holdings</li> <li>• Stanbic IBTC Holdings</li> </ul> <p><b>2. Bank of the Year 2018</b></p> <ul style="list-style-type: none"> <li>• Guaranty Trust Bank</li> <li>• Stanbic IBTC Bank</li> <li>• Zenith Bank</li> </ul> <p><b>3. Bank CEO of the Year</b></p> <ul style="list-style-type: none"> <li>• Stanbic IBTC Bank</li> <li>• Access Bank</li> <li>• First Bank of Nigeria</li> </ul> <p><b>4. Merchant Bank of the Year</b></p> <ul style="list-style-type: none"> <li>• Coronation Merchant Bank</li> <li>• FBNQuest Merchant Bank</li> <li>• FSDH Merchant Bank</li> </ul> <p><b>5. Mortgage Bank of the Year</b></p> <ul style="list-style-type: none"> <li>• Omoluabi Mortgage Bank</li> <li>• Infinity Mortgage Bank</li> </ul> <p><b>6. Microfinance Bank of the Year</b></p> <ul style="list-style-type: none"> <li>• NPF Microfinance Bank</li> <li>• LAPO Microfinance Bank</li> </ul> <p><b>7. Stockbroker of the Year</b></p> <ul style="list-style-type: none"> <li>• CSL Stockbrokers</li> <li>• Meristem Stockbrokers</li> <li>• Stanbic IBTC Stockbrokers</li> </ul> | <p><b>8. Best Managed Funds of the Year</b></p> <p><b>a. Equity Fund of the Year</b></p> <ul style="list-style-type: none"> <li>• FBN Nigeria Smart Beta Equity Fund</li> <li>• Meristem Equity Market Fund</li> </ul> <p><b>b. Money Market Fund of the Year</b></p> <ul style="list-style-type: none"> <li>• Abacus Money Market Fund</li> <li>• Meristem Money Market Fund</li> </ul> <p><b>c. Bond Fund of the Year</b></p> <ul style="list-style-type: none"> <li>• FBN Nigeria Eurobond USD Fund (retail)</li> <li>• Nigeria International Debt Fund</li> </ul> <p><b>d. Fixed Income Fund of the Year</b></p> <ul style="list-style-type: none"> <li>• Lead Fixed Income Fund</li> <li>• Lotus Capital Fixed Income Fund</li> <li>• SFS Fixed Income Fund</li> </ul> <p><b>e. Mixed Fund of the Year</b></p> <ul style="list-style-type: none"> <li>• AllCO Balanced Fund</li> <li>• United Capital Balanced Fund</li> </ul> <p><b>f. Real Estate Investment Trust of the Year</b></p> <ul style="list-style-type: none"> <li>• Skye Shelter Fund</li> <li>• UPDC Real Estate Investment Trust (REIT)</li> </ul> | <p><b>9. Asset Manager of the Year</b></p> <ul style="list-style-type: none"> <li>• FBNQuest Asset Management</li> <li>• Stanbic IBTC Asset Management</li> <li>• SFS Capital</li> </ul> <p><b>10. Best Bank in SME Financing</b></p> <ul style="list-style-type: none"> <li>• First City Monument Bank</li> <li>• Guaranty Trust Bank</li> </ul> <p><b>11. Best Bank in Agriculture Lending and Support</b></p> <ul style="list-style-type: none"> <li>• First Bank</li> <li>• United Bank for Africa</li> <li>• Zenith Bank</li> </ul> <p><b>12. Best Bank in Retail Banking</b></p> <ul style="list-style-type: none"> <li>• Diamond Bank</li> <li>• Fidelity Bank</li> <li>• Sterling Bank</li> </ul> <p><b>13. Best Bank in Corporate Banking</b></p> <ul style="list-style-type: none"> <li>• Access Bank</li> <li>• Stanbic IBTC</li> <li>• Sterling Bank</li> </ul> <p><b>14. Insurance Company of the Year</b></p> <ul style="list-style-type: none"> <li>• Custodian and Allied Insurance</li> <li>• FBN Insurance</li> <li>• Leadway Assurance Company</li> </ul> | <p><b>15. Pension (PFA) of the Year</b></p> <ul style="list-style-type: none"> <li>• AllCO Pensions</li> <li>• Crusader Sterling Pensions</li> <li>• Stanbic IBTC Pensions</li> </ul> <p><b>16. Pension Fund Custodian of the Year</b></p> <ul style="list-style-type: none"> <li>• First Pension Custodians</li> <li>• Zenith Pension Custodians</li> </ul> <p><b>17. Most Customer Friendly Bank of the Year</b></p> <ul style="list-style-type: none"> <li>• Stanbic IBTC</li> <li>• Access Bank</li> <li>• Union Bank</li> </ul> <p><b>18. Most Innovative Financial Product of the Year</b></p> <ul style="list-style-type: none"> <li>• I-Invest by Sterling Bank</li> <li>• Leo, the Intelligent Chatbot by UBA</li> <li>• SMEZONE by Diamond Bank</li> </ul> <p><b>19. Non-Interest Banking Services Provider of the Year</b></p> <ul style="list-style-type: none"> <li>• Sterling Bank</li> <li>• Jaiz Bank</li> </ul> <p><b>20. Deal Advisor of the Year</b></p> <ul style="list-style-type: none"> <li>• Zenith Capital</li> <li>• United Capital</li> <li>• Rand Merchant Bank</li> </ul> |
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# COMMENT

**comment is free**Send 800word comments to [comment@businessdayonline.com](mailto:comment@businessdayonline.com)**AKINTOLA OWOLABI**

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## Corruption and the environment of accounting and auditing in Africa

no single accepted definition of corruption, it has many forms with serious implications on “the economy, development, politics, society, institutions and welfare of citizens in the nations” wherever it exists.

The severity and persistence of bureaucratic corruption has continued to engage the attention of governments at national, international, and inter-governmental levels. Various developmental agencies and institutions such as the World Bank and the International Monetary Fund, and non-governmental organisations (NGOs) like Transparency International (TI), have expressed concern on the subject of corruption by initiating and funding research focusing on the extent, causes, consequences and cures of corruption.

Scholars have also discussed the subject of corruption with a view to identifying its forms, impact and cures. However, looking at it from accounting and auditing perspectives may form the basis for proffering adequate solutions. The general assumption is that there is an inverse connection between accounting practice and the level of corruption. However, the reverse may be the case going by the number of financial scandals at the national and international levels which alludes to the fact that corruption also plagues the accounting profession. The financial scandals bother on corporate governance challenges and the quality of financial reporting and auditing - all products of a country's standard of accounting and auditing practice. Examples of corporate scandals in the developed world were found in organizations such as Enron, WorldCom, Adelphia Communication and others in

There is no doubt that the presence of strong institutions in Africa will enhance the quality of the accounting and auditing environment which will go a long way in reducing corruption, and promoting the attainment of economic prosperity in Africa

the US and the UK. Accounting was found to be at the forefront of the perpetuation of corruption in these organizations. There is also the case of Nigeria, a developing country, which is being affected by fraudulent auditing and questionable corporate governance such as the cases reported for corporate organizations like Unilever PLC, Unipetrol PLC and Cadbury PLC.

The comparison of the measures of accounting and auditing of different African countries using the World Bank's reports on the Observance of Standards and Codes (ROSC) and that of Transparency International (TI) Corruption Perception Index (CPI) for 13 African countries show that there is a positive link between accounting practice and corruption. The countries whose accounting and auditing environment were compared with their level of corruption are Botswana, Egypt, Ethiopia, Ghana, Kenya, Malawi, Mauritius, Morocco, Nigeria, South Africa, Tanzania, Tunisia and Uganda.

In terms of the level of corruption among these 13 countries, Botswana was found to have the lowest level of corruption with Nigeria having the highest level among the countries investigated using Transparency International's CPI Index. However, in terms of the observance of standards and codes of accounting using World Bank's ROSC, Tunisia is ranked high with a score of 64% as against the score of 18% for Mauritius which is the lowest among the 13 countries. This shows that there is a high level of compliance to accounting standards in Tunisia as compared to Mauritius and the rest of the other countries investigated.

In addition, a study on the linkage between the World Bank ROSC and Transparency International CPI's ranking for the thirteen (13) countries within 2001-2007 revealed that there is a positive relationship between the quality of the accounting and auditing environment and the level of corruption discovered among the countries. It was also observed that the World's poorest nations are the most corrupt since corruption seems to thrive in poor environments.

The World Bank ROSC discovered several deficiencies in the standard of accounting and auditing practice in most of the African countries they investigated. The same is also true for Transparency International's CPI whose result shows that there is a high level of corruption in Africa when compared to their counterparts in developed countries. Thus, the correlation of the parameters of the two reports (ROSC and CPI) show that there is a positive relationship even though the relationship is weak. The expectation is that accounting and auditing should help reduce corruption

through the promotion of transparency. However, the reverse is the case in most developed and developing countries.

Therefore, the attainment of a quality accounting and auditing environment will go a long way in curtailing corruption. While it is by no means an easy task to ensure compliance to the dictates of ethical accounting and auditing, however, determination and consistency in the quest to curtail corruption will go a long way.

Imperatively, the quality of accounting and auditing environment is a stimulus that could reduce the impact of corruption. Institutions need to be strengthened to attain this. The enactment and enforcement of rule, code observance, good ethical behaviour, and desire to act in the pursuit of the common good are some of the requirements that are needed to eradicate corruption.

There is no doubt that the presence of strong institutions in Africa will enhance the quality of the accounting and auditing environment which will go a long way in reducing corruption, and promoting the attainment of economic prosperity in Africa.

• *This article was originally published by Dr Akintola Owolabi in the International Journal of Critical Accounting (2011, Volume 3, Issue 2/3, pp.220-234), and has been adapted and updated for you by the Christopher Kolade Centre for Research in Leadership and Ethics (CKCRLE) at Lagos Business School. CKCRLE's vision is creating and sharing knowledge that improves the way managers lead and live in Africa and the World. You can contact CKCRLE at [crle@lbs.edu.ng](mailto:crle@lbs.edu.ng).*

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### CLEM UGORJI

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## Maternal and infant mortality in West Africa – beyond the numbers

women and 16 babies. In Nigeria, the statistics are even higher, at 814 women and 34.1 newborns, respectively (UNICEF 2018 Report). In 2016, Nigeria accounted for 9 percent of newborn deaths globally, behind only India and Pakistan, according to UNICEF. The statistics for maternal mortality are worse; in 2015, 19 percent of women who died during child birth in the world were in Nigeria, with the country being regarded as one of the most dangerous countries in the world for childbirth (Joint Maternal Mortality Report by WHO, UNICEF, UNFPA, World Bank Group, and the United Nations Population Division).

About 80 percent of the major causes of newborn deaths - complications related to preterm birth and low-birth-weight, infections such as sepsis or pneumonia and asphyxia (lack of oxygen at birth) - are preventable. The same goes for maternal deaths, which are mostly caused by sepsis, obstetric haemorrhage or bleeding, unsafe abortion, obstructed labour and pre-eclampsia complications. In the presence of skilled medical personnel and with access to healthcare facilities during pregnancy and at the time of birth, these numbers will reduce

significantly. Unfortunately, in most parts of West Africa, these essentials are available to a small percentage.

In remote areas of the region, where majority of the births that make up these statistics occur, there are limited healthcare facilities and skilled birth attendants. Pregnant women in those areas complain about the cost of treatment, the distance of the health facility and attendant transportation costs, as well as the unavailability of medical personnel and equipment during visits. Only slightly above one-third of births in the country are attended by doctors, nurses, or midwives; the rest takes place at home or in traditional birthing centres, where complications cannot be managed, leaving the statistics on newborn deaths uncaptured, in most cases.

These newborns and women are not just statistics. There is value in every human life, but more so children. They add beauty to our world - their innocence, their hopes and dreams. They form the very foundation on which we build our society. They provide the fresh canvas on which we can repaint the future of our nation. In these neonatal mortality statistics, we could have lost the scientist who would invent a cure for cancer, the president we yearn for, and more; individuals with boundless potentials

before their lives are cut short. Undoubtedly, maternal and newborn deaths affect all of us and we cannot begin to quantify their impact.

This unacceptable situation is one of the many societal challenges that governments alone cannot effectively address. It is therefore encouraging that stakeholders at global and local levels, including many private sector players, are standing up to be counted in the fight against maternal and newborn deaths. At Coca-Cola, we are fostering partnerships with some governments across the West Africa region to improve the status quo. The Safe Birth Initiative (SBI), our new community wellbeing programme to support efforts by national governments to reduce the alarming numbers of women and newborns who die from birth-related complications every day, is one more investment through which we are determined to make a difference in our communities and help make the SDGs a reality.

This initiative is being piloted in Nigeria and Ivory Coast. In Nigeria, it is implemented as a strategic golden triangle partnership involving Coca-Cola, the government (the Federal Ministry of Health and the office of the senior special assistant to the President on Sus-

tainable Development Goals) and an NGO, Medshare International Inc. With a focus on promoting safe birth through strengthening the capacity of our hospitals, the safe birth initiative will support the government in three key areas to help doctors and nurses in target public hospitals to minimize maternal and newborn deaths: providing vital maternal and neonatal medical equipment and supplies; training biomedical technicians/engineers to improve equipment maintenance and uptime; and reactivating abandoned medical equipment in hospitals which are wasting away at the expense of the precious lives of mother and babies for whom they were procured in the first place.

Over the next two years, the safe birth initiative will focus on 10 leading referral institutions comprising university teaching hospitals, federal medical centres and general hospitals across the country. Pregnancy gives life and should not take lives. We can all help to make this a reality in our communities, so that our mothers and babies come home alive.

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The pain of childbirth has been described as equivalent to 20 bones getting fractured at a time, a level slightly greater than the 45 del (a subjective measure of pain) limit of pain a human can endure. With this unique experience comes inexplicable joy and the pain is momentarily forgotten. But not in all cases. The curtains may fall on the mother or baby or both, and the long nine-month wait ends in anguish with a psychological pain that can never be quantified, not in words or numbers.

Maternal and new-born mortality ratios, that is, the rates at which women or babies die from birth-related complications, in West Africa are among the highest in the world. UNICEF reports that the maternal and newborn mortality rates in the West and Central Africa region are 679 women per 100,000 live births and 31 babies per 1,000 births, respectively. This is in sharp contrast to the global average of 216

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AYODELE ADIO

Adio is a public affairs analyst

## What the end of globalization means for Nigeria

on the European Union, and so did Marine Lapen, the right wing French politician.

Of course, the relocation of factories in the west to countries like China, Indonesia and India have had serious impact on local economies in the West. Light manufacturing jobs in their thousands have undoubtedly been lost to china and hence, the growing resentment towards globalization. In America, as in the West, the unemployment crisis is real, making easy recruits for the 'globalization must end' campaigners. But should the Leader of the free world, on account of these hitches, step away from a global order that has made the world a lot more prosperous and stable? Think of it, in 1979, only about 31 countries were growing at 3% or more per year but by 2007, about 124 countries were now growing at that pace. In this same period, quality of life has improved, absolute poverty has fallen and the level of inequality has also declined.

By all accounts, though not without flaws, the 1944 Bretton Woods conference, that established a global system of financial and monetary management, to encourage multilateral trade and economic cooperation, has lived up to its mandate. There is however no doubt that this global system has left several thousands, if not millions behind, and hence, due for reforms. The world needs America but America also needs the rest of the world. And so Western leaders led by the Americans must find the courage and the

Africa, led by Nigeria must negotiate its own continental trading and economic system, within Africa, that will encourage more trade among member states, but more importantly, to forge a unifying front in major negotiations with Europe and Asia

vision to rejig the global system and make it work for all.

While Trump re-echoed his anti-globalism rhetoric, I couldn't help but ponder on the consequences of a de-globalized world for Africa and particularly Nigeria. The remarkable growth Africa has enjoyed in recent times have been largely tied to a global system that distributes wealth (albeit unequally) and encourages trade (even though deeply flawed). Truth be told, the greatest threat to African development will not just be the surge in technological advancement that could potentially eliminate low skill jobs in favor of machines, but the rise of nationalism in the West. When Europe shuts its borders (this is no longer a matter of 'if'), Africa will be left with a huge popula-

tion that it cannot feed or create meaningful employment for - a text book recipe for unavoidable chaos. To avert this crisis, Africa, led by Nigeria must negotiate its own continental trading and economic system, within Africa, that will encourage more trade among member states, but more importantly, to forge a unifying front in major negotiations with Europe and Asia.

As at today, Africa intra-regional trade makes up about 18% of all exports, which when compared to Asia (59%) and Europe (69%), is abysmally low. Talks are however on going among member states to raise the percentage of trade within Africa via the African free trade and continental agreement (a single continental market for goods and services, with free movement of business persons and investments). Even though major countries, like Nigeria, have hesitated to join the caravan, in a bid to protect local production, I firmly believe that such an agreement is in the long term strategic interest of African countries, because it could see intra-African trade move from about 18% to 55% by 2022, with an estimated combined GDP of 29 trillion dollars by 2050.

More importantly, there is a need to negotiate as a bloc to avoid getting beat down by larger economies with smarter bureaucrats. Instructively, Africa's combined GDP which is about 1.5 trillion dollars is less than the GDP of Germany, a single country in Europe. How then would you expect a country like Zambia, Eritrea or Djibouti

to extract a fair deal from such large economies? Currently, The United States have turned up the heat on Rwanda for raising tariffs on imported used closed from America (something the American trade department say could cost their economy 40,000 jobs), in move to protect local production and encourage industrialization. President Trump is now taking a pound of flesh by denying the Rwandans certain export privileges via the AGOA deal. What is quite intriguing here, is that east African countries like Kenya and Tanzania, have in recent past made such bold moves to restrict importation and boost local production of clothes but had to buckle under the pressure of the Americans because their economies could not survive the backlash. Imagine the African continent as a block negotiating tariff increase on used clothes and sharing the risks? Much more progress will be achieved in that regard. Africa no doubt has one of the finest demography in the world today with millions of young and working age people which must be exploited via deliberate policies, cooperation and planning. We will have to move away from a resource driven economy where prizes are determined by the international market towards value creation, aided by huge investments in human capital development and a strong trade policy.

Except we show leadership, and now, Africa might end up a carcass for the world to feed on.

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I never knew this day would come - when an American president would signal, before the whole world, standing on the platform of an institution they built, the end of globalization. "We reject the ideology of globalism and accept the doctrine of patriotism" Donald Trump said, at the recent UN General Assembly, while addressing world leaders. Sad as it may seem, this idea has been long coming. President Trump, as with other right wing populists in Europe, have, in recent times, been fiddling with protectionist ideas, and in the case of America, a retreat from global affairs. This explains why immigration has become a 'hot button' in the West, costing several politicians their political career. It goes without saying, that globalization has become the punching bag for politicians who have been unable to raise living wages or create new jobs and for those seeking to ride on the fears of people to power. "Those immigrants are the ones taking your jobs", - they yell at campaign rallies. The Brexiters blamed the problem of Britain



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## Ndi Igbo must support Peter Obi

vantageous to the Igbo. It makes possible the elevation of an Igbo to an office no Igbo has held since 1983, and increases the chances of an Igbo presidency in 2027. The Igbo cannot let this opportunity slip through their hands. A number of Igbo politicians have raised objection to Atiku's choice of Obi as his running mates. These individuals are entitled to their opinions. However, as the Igbo as a people have resolved to support Peter Obi, every Igbo must support him. Those that refuse to do so must be severely punished.

While I believe in individual freedom of thought and expression, I am also conscious that, for the public good, there is sometimes the need to rigorously subordinate the individual to the group. It is a consensus that strikes the delicate balance between individual freedom of choice, thought and expression, on the one hand, and the public good, on the other hand. It is important to note that consensus is not "speaking with one voice". Unlike speaking with one voice, consensus allows for diversity of opinions and ideas. It provides an overarching ideological/political stance. It gives a people a unified sense of purpose, thus, nudging individuals with different political persuasions - liber-

als and conservatives, conformists and nonconformists, unionists and separatists, etc - towards a common political goal. The common political goal of Ndi Igbo in the 2019 presidential election is the election of the Atiku/Obi presidential ticket.

While there are different political perspectives and persuasions among the Hausa/Fulani, they have a consensus, northern hegemony. The political conservatism of Ahmadu Bello, Tafawa Belewa and Shehu Shagari was conspicuously at variance with the quasi-liberal politics of Aminu Kano, Abubakar Rimi and Baralabe Musa. However, irrespective of their political strand and affiliations, their political lodestar remains the same: northern domination of political power in Nigeria.

The Yoruba do not speak with one voice. Some of the most ardent critics of the Obasanjo presidency were Yoruba. The Gani Fahimiwimi/Beko Ransome-Kuti political activism was not always in conformity with conventional Yoruba politics. Moshood Abiola and Olusegun Obasanjo were protégés of the northern powerbrokers and not disciples of Obafemi Awolowo. Their broad political outlook contrasted with Awolowo's narrow tribal politics, and they did not flinch in denouncing Awolowo and his

politics. However, despite their political hues and bents, they have a consensus, which is, according to SG Ikoku, "Yoruba Irredentism".

On the other hand, the Igbo, for long, had no consensus. However, with the emergency of Obi as the PDP presidential candidate, divergent Igbo political views and interests have coalesced into a consensus: support for Obi. All Igbo, including the aggrieved politicians, must support Obi. Any Igbo that, for whatever reason, undermines the Igbo preferred presidential ticket, Atiku/Obi, must be severely punished. A major problem of the Igbo is the inability to punish those, who, in the service of the adversaries or furthering of personal ambitions undermined the collective good of the Igbo. At the PDP convention at Jos in 1998, the Hausa-speaking Jim Nwobodo undercut the Igbo consensus presidential candidate, Alex Ekwueme. Ordinarily, he should have been strictly punished. Unfortunately, after the convention, he returned home, and was not penalized.

According to a high ranking Ohaneze member, during the standoff between President Olusegun Obasanjo and Senate-President Chuba Okadigbo, Ohaneze sent a delegation to Abuja to rally Igbo senators in

support of Chuba Okadigbo. The delegation was instructed to stay away from Aso Rock. They were mandated to go straight to the National Assembly, deliver the Ohaneze directive to the Igbo senators, and return immediately to Enugu. On getting to Abuja, they could not resist the magnetism of Aso Rock; they went to Aso Rock, and President Obasanjo sweet-talked them and weakened their resolve to rally Igbo senators in defense of Chuba Okadigbo. Subsequently, Obasanjo ousted Okadigbo. Lamentably, the members of this delegation that betrayed the trust reposed on them by Ohaneze, and by extension, Ndi Igbo returned home and were not punished.

It is high time the Igbo instituted stern measures for punishing errant and recalcitrant Igbo that, in pandering to selfish interests, subverted the collective good of the Igbo. For the 2019 presidential election, every Igbo must subordinate their individual interests and ambitions to the collective Igbo political goal: the emergence of Peter Obi as the vice president of Nigeria. Any Igbo that subverts this consensus on support Peter Obi must be severely punished: banished from Igbo land.

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It is most exhilarating that as the Peoples Democratic Party (PDP) primaries ended, the PDP presidential candidate, Atiku Abubakar, chose Peter Obi as his running mate. That choice has been characterized as a masterstroke by some political pundits because Peter Obi brings so much on board. He has already distinguished himself as a leader. In addition, his success in business, demonstrated administrative prowess and understanding of the economy compliments and supplements Atiku's abilities and skills. He is an outstanding vice presidential material.

Secondly, the choice of Peter Obi as the PDP vice presidential candidate is politically most ad-

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## The threat of poor labour relations at PENCOM

The news from and around some vital government agencies has been less than salutary. They speak to challenges with management, poor industrial relations and even impunity in the management of matters that require careful and considerate handling. It is disturbing.

Two agencies in the news have been the National Health Insurance Scheme and the National Pension Commission (PENCOM). Rumbblings in the NHIS allege corruption against the Executive Secretary, high handedness and impunity. The Chief Executive scoffed at his supervising Minister and now scoffs at the Board. He reportedly affirms that only the President who appointed him can discipline him.

At least on his part, the management of NHIS has now offered a response to the traducers of Prof Usman Yusuf. NHIS management claims that rather than corruption, Prof Yusuf is a victim of calumny by persons whose route to unearned income he has successfully blocked. They allege that this includes the chairman and some members of the Board and health management organisations the NHIS supervises. The NHIS is a riddle that government and the media need to unravel for the benefit of Nigerians.

The matter of PENCOM is

even more disturbing. Weeks after demonstrations by hundreds of people, including staff, against the alleged unfair suspension of the appointment of 43 employees of the pension fund administrator, there has been no formal response by the management. The workers allege that the Acting Director General Hajia Aisha Dahir-Umar suspended staff on wrongful grounds.

The Acting DG reportedly claims to have acted based on a 19 April 2017 letter from the Chairman of the House of Representatives Committee on Federal Character, Hon Ahmed Idris, directing PENCOM to suspend any employment. She alleged that the previous management of PENCOM engaged staff without obtaining the Certificate of Compliance from the Federal Character Commission (FCC). The FCC, in consequence, did not approve the appointments.

The protesters disagree. They point to the fact that PENCOM carried out aptitude tests and interviews in December 2016 and issued employment letters to successful employees only in March 2017 after receiving the Certificate of Compliance from FCC. The letter from the House of Representatives came one month later. Furthermore, they point out, no one has queried the issuing authority of the appointments. Instead, management descended on the workers and suspended their appointments. They cite the statement by the spokesperson of the

Federal Character Commission in a newspaper report of 5 September 2018 contravening the suspension of appointment. Mr Abdullahi Idris of the FCC stated, "The FCC had no reason to order the cancellation of a legitimate recruitment process; FCC frowns at organisations which, after being duly issued with Certificate of Compliance, will turn around to cancel same without genuine reason".

Allegations that the issue at PENCOM is merely a witch-hunt to undo the appointments of a predecessor are disturbing. Statistics of the appointments, as argued by the distressed young people now in limbo, point to geopolitical balance. Even the Federal Character Commission frowns at the action.

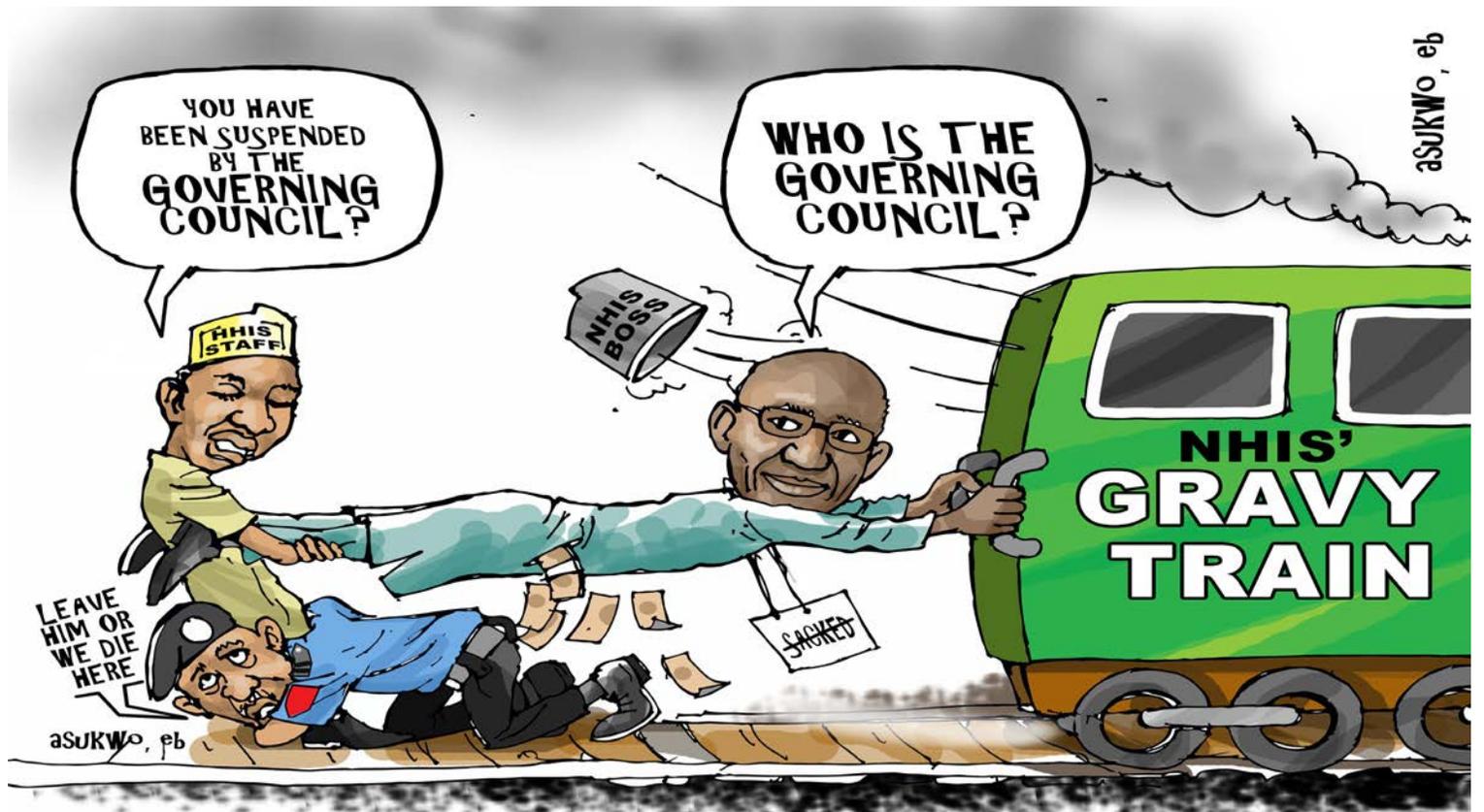
PENCOM is one of the successes of governance reforms in Nigeria. The reforms established "robust legal and institutional frameworks for the administration of pensions in Nigeria." As PENCOM asserted in a recent statement, "The reform has instituted transparent processes in the operations of the National Pension Commission (the Commission) and the Pension Fund Administrators (PFAs) in the retirement benefits payment process, enforcement of compliance with the provisions of the Pension Reform Act (PRA) 2014 as well as other operations of the industry."

All stakeholders must ensure that PENCOM continues to attract positive testimonials as a fruit of reform in Nigeria. The

onus is on the management of PENCOM to ensure transparency in all its operations, including in particular the management of its human capital. Best practice in organisation management proclaims the need to manage the human resource in such a manner as to make it a contributor and enabler of organisational mission and vision rather than a stumbling block.

PENCOM's recent notice affirming that its Management and staff do not accept or receive inducements and alerting stakeholders to the possibility of breaches is alarming. It at best points to a chink in the armour. PENCOM stated, "The members of the public, particularly pensioners and pension contributors are, therefore, reminded that no financial or other form of inducement should be given to anybody to facilitate payment of retirement benefits, issuance of Compliance Certificate or engagement as vendor or service provider. Indeed, members of the public are earnestly requested to immediately report to the Commission, anyone who makes any demand for any form of inducement in whatever form or disguise."

PENCOM should do everything possible to ensure harmonious industrial relations to remove room for the little foxes that spoil the vine. One of the routes there is to urgently tackle the challenge of matters arising with the suspended 43 staff and other labour relations matters.



## MISSION STATEMENT

To be a diversified provider of superior business, financial and management intelligence across platforms accessible to our customers anywhere in the world.

## OUR CORE VALUES

BusinessDay avidly thrives on the mainstay of our core values of being **The Fourth Estate, Credible, Independent, Entrepreneurial and Purpose-Driven.**

- **The Fourth Estate:** We take pride in being guarantors of liberal economic thought
- **Credible:** We believe in the principle of being objective, fair and fact-based
- **Independent:** Our quest for liberal economic thought means that we are independent of private and public interests.
- **Entrepreneurial:** We constantly search for new opportunities, maintaining the highest ethical standards in all we do
- **Purpose-Driven:** We are committed to assembling a team of highly talented and motivated people that share our vision, while treating them with respect and fairness.

## Unrest: NSCDC arrest fake soldier in Kaduna

Operatives of the Nigerian Security and Civil Defence Corps (NSCDC), Kaduna State command has arrested a fake soldier with Nigerian Army uniforms and police beret in Kaduna metropolis.

Orndiir Terzungwe, the command's spokesperson disclosed this in a statement in Kaduna. According to Terzungwe, the suspect who gave his name as James Abelagi Tersoo, 25, was apprehended during a stop and search operations along Jos Road in Kaduna.

The suspect who claimed to be working with a private guard (name withheld), was heading to Kakuri area of the metropolis when he was arrested.

"When searched, his bag contained one pair of Nigerian Army Camouflage, black boot, one green beret with police crest and two belts (black and white).

"The operatives who escorted the suspect to his residence located at Jos Road during investigation, also recovered another pair of army camouflage uniform, two camouflage jungle hats, one pair of army uniform, one army winter cap, one army neck muffler, two army knee guards, one army cardigan, two army crested T-shirts and a pair of private guard uniform."

Terzungwe said the commandant of the corps, Madu Bunu, had on Sunday, ordered full deployment of officers and men of the command to ensure law and order and enforcement of 24hour curfew imposed on Kaduna town and environs.

The curfew followed upsurge of violence in some parts of Kajuru, Chikun, Kaduna-North and South and Igabi local government areas.

## Killings: Group wants security beefed up on Numan-Jalingo road

Adamawa Chapter of Muslim Council has called for the deployment of adequate security personnel along Numan-Jalingo road in Taraba and Adamawa States to check the incessant killings of innocent travelers.

Abubakar Sahabo, chairman of the council who briefed newsmen, said certain youth had continued to hunt and kill people on transit.

Sahabo lamented that many travelers had lost their lives along the road, the latest incident occurring on October 15 where four travelers were killed, four injured, and five still missing.

"This is a federal road, which is supposedly under rehabilitation. Unfortunately, armed militia group have taken over the place, attacking and killing innocent travelers at will."

He called for more practical steps by government to secure the road for free and safe movement by travelers.

The group also demanded an investigation into the killings and the arrest of perpetrators, adding that there was need for urgent mopping of illegal firearms from individuals and groups in the area as well as the disbanding of local vigilante groups terrorising people in the name of providing security.

Meanwhile, the Adamawa police command through its spokesman, Othman Abubakar, has confirmed the latest incident along the Numan-Jalingo road where four people were killed and four others injured.



Governor of Edo State, Godwin Obaseki (2nd r), supported by rep. of Governor of Lagos State, Idiat Oluranti Adebule, Deputy Governor (r), and wife of Governor of Lagos State, Bolanle Ambode (2nd l), to present the Inspirational Woman of the Year award to Toyin Sokefun-Bello, aka TY Bello, during the opening ceremony of the 18th National Women's Conference of the Committee of Wives of Lagos State Officials (COWLSO), with the theme, "Strengthening Our Collective Impact", held in Lagos.

# Ambode, Obaseki want women to add value to humanity

JOSHUA BASSEY

Lagos State governor, Akinwunmi Ambode and Godwin Obaseki of Edo State, have charged women to continue to engage in tasks that will help add more value to humanity.

Both governors spoke at the opening of the 18th edition of the national women's conference at the Eko Hotel & Suites in Victoria Island, Lagos. The annual event is organised by the Committee of Wives of Lagos State Officials (COWLSO).

Ambode who was represented by Idiat Adebule, his deputy, said although women have been working to complement their spouses, such cooperation and collaboration, nonetheless, needed to be scaled up to have positive impact on the larger society.

He said: "COWLSO has worked ceaselessly to complement the efforts of their spouses on government. We are proud of your achievements particularly in the area of giving hope and succour to the less privileged through donations both in cash and in kind.

"The knowledge and good spiritedness exhibited in the last three editions of the conference are values that I cherish always. The theme for this year's conference: 'Strengthening our collective impact', is very apt and a call

for unity of purpose and action."

Expressing the optimism that this year's conference would be impactful as usual, Ambode said going by the quality of speakers assembled by the organisers of the event, it was evident that the programme had been designed to add value to women and the society.

On his part, Obaseki, who declared the conference open, said the event over the years had helped in connecting the family with government, as wives of government officials had always rallied support for their husbands in the smooth running of government.

"This is a powerful network. It is powerful because it serves as opportunity for government to reach its people in another perspective of what is going on across the state."

Obaseki commended COWLSO for its intervention in the health sector through donations of health equipment to hospitals as well as making significant contributions for the health being of the less privileged in the society, adding that the committee served as inspiration to many states, as such ideas had been replicated in many states.

Bolanle Ambode, wife of Lagos State governor and chairman of COWLSO, described women as pillars of growth and development of their countries and have in many ways played different roles to facilitate the progress of their countries economically, politically,

and socially.

On activities of COWLSO in the last three years, Bolanle said the association had executed many health-related projects, which had recorded impressive impact on the health of babies, children, youths, women and the aged ones, including the upgrade of the Ear, Nose and Throat (ENT) Department of the Lagos Island General Hospital, Odan while also sponsoring goiter operation for some women two years ago and donating Portable Otoread OAEs equipment to four general hospitals - Badagry, Ifako-Ijaiye, Ikorodu and Gbagada General Hospital last year.

She said last year, the committee also donated an Intensive Care Unit (ICU) to the Lagos Island Maternity, while this year, it has donated portable Otoread OAEs equipment to Shomolu and Alimosho General Hospitals, as well as two Transport Incubator Ambulance, to Gbagada General Hospital and Lagos Island Maternity Hospital.

"These facilities aptly described as 'womb on wheels' are to be deployed to convey preterm babies, also known as 'premature babies' to government facilities equipped with neo-natal ICU, to save their lives. The 'Transport Incubator' is fully equipped with life-support gadgets and other conveniences, making it a womb-like environment for the baby, to enhance its chances of survival while being evacuated to the ICU," she said.

# Monarchs task Buhari on Lagos-Seme Expressway

JOSHUA BASSEY with agency report

Traditional rulers in Badagry communities have appealed to President Muhammadu Buhari to give a directive on reconstruction of Lagos-Seme Expressway to facilitate movement of people.

They made the plea at the official handover of the new Economic Community of West African States (ECOWAS) Border Post by President Buhari, at Seme-Krake and Neope-Akanu in Badagry on Tuesday.

Akran of Badagry, Aholu Menu Toyi 1, said that the road had become an embarrassment to the entire Badagry communities.

"We are appealing to our amiable President to as a matter of urgency start reconstruction of the road. As a father of all traditional rulers in Badagry, I have written a request to President

Buhari on the repair of the road and I'm hopeful that he will read it.

"We are happy about the commissioning and hand-over ceremony of the ECOWAS building post. This will facilitate easy movement of people and trade expansion in ECOWAS countries," the monarch said.

Also speaking, the Aholu of Kweme Kingdom, Badagry, Sejiro Olalekan, said the presence of the president was well appreciated by the communities.

Olalekan said that it would have been more appreciated if the President had come through the road to see what Badagry indigenes were passing through on the Lagos-Seme Expressway.

"You cannot build this kind of gigantic building here and our roads will not be in order.

"Seme is the most lucrative border we have but the road leading to Badagry and Seme is bad. We spent more than four to five hours

coming from Lagos to Badagry, which is supposed to be 45 minutes.

"We are pleading that our President should look into major roads leading to the gigantic building. This road is our major concern now," he said.

The Ajagun of Imeke Kingdom, Abraham Olatunji, urged the president to treat the road reconstruction as a matter of urgency.

"The country is generating a lot of revenue here so we should be compensated with the road. We the host communities are not benefiting without the road," he said.

The Oniworo of Iworo, Oba Olajide Kosoko, said that having spent a lot of money to build the building, government should also start the reconstruction of the expressway.

"The President should help us to fix the road. We are happy to see our number one citizen here today," Kosoko said.

# BUSINESS TRAVEL

## UBA, IATA partner to train travel agencies, airlines on NewGen ISS

Stories by IFEOMA OKEKE

**U**nited Bank of Africa plc (UBA), has organized a workshop and training program for travel agents and airlines in partnership with the International Air Transport Association (IATA) on the New Generation of IATA Settlement Systems (NewGen ISS).

The NewGen ISS which is slated to come online December 1st, 2018 is meant to be an improvement on the current Billing Settlement Plan (BSP) system that UBA has operated for IATA for 10 years.

The NewGen ISS is said to come with various advantages that will create ease for both travel agents, airlines and the bank providing a tripartite symbiotic partnership that would grow all the parties.

Bode Aregbesola, head of UBA Aviation Desk, who spoke at the event said, "As you all know UBA is the BSP Bank, that is the settlement bank for IATA and this is a very great thing the bank has achieved.

"What has happened here is that because of the partnership with IATA, UBA has now sponsored this program which is the NewGen ISS program which is a new process that is happening in the industry and will kick off December 1, 2018 and there is a need for the general public to be enlightened, there is a need for the travel agents to be aware of the processes, the mode



of payment because the landscape has changed.

"Before now, what you have is a situation where the agents make payments bi-monthly through IATA and this payment is always settled by IATA. Now, with the NewGen ISS what it means is that the airlines can actually receive their monies on a daily basis and UBA can settle payments for the airlines on a daily basis.

"For the agents to be aware of this process, there is need for enlightenment and that is why the bank has now partnered with IATA to sponsor a workshop where the airlines, travel agents are informed of all the new processes so that

going forward from December 1st they would be able to participate actively in the new process."

On the benefits of the new system, Aregbesola said, "Let me start from the travel agents, the current process that will expire on the 30th of November, you have a situation where you can sell tickets on behalf of the airlines and once you reach a particular threshold, IATA will stop you from selling tickets because you would have reached your guarantee threshold, but with the new process, what it does is that the agent will continue to sell tickets seamlessly because when you reach your threshold, once you receive cash

you can use your easy pay card or your wallet to make payment and you now begin to sell.

"What we are saying is that the new dispensation is of immense benefits because for the travel agents because they can sell ticket more than they currently can in the present dispensation and the same thing for the banks, the bank will be able to settle more for the airlines. The bank has also created some products and it is an opportunity for the bank to offer these products to the agents so everybody is happy."

Bernard Bankole, National Association Travel Agents (NANTA) President, who spoke at the event

commended UBA for their support and value added so far.

Bankole said, "The partnership with UBA has been one that has been waxing strong, the bank can improve on what it has done so far and take it to another level. So far they've been supportive and have been adding value to us."

"BSP was introduced into the market, this is 10 years after and we are having a reintroduction of BSP on another level, that why it's called New Gen ISS New Generation of IATA Settlement Systems. This will address a lot of issues affecting we, travel agents over the years. One of it is that we said, we don't want it to be one side eat all, categorise travel agents, they said it was not possible, but in this new era it is possible.

"We said put multiple payment solution, they said it was not possible but now, it is possible. With that, every travel agent will operate within their own limited capacity and they will do their business successfully, unlike before where everybody is trying to be what they are not, which has created a lot of problems for the travel agency and the industry. So this is a new step in the right direction."

The sensitization lecture at the workshop was delivered by Samson Fatokun, regional director, IATA who said the NewGen ISS is a program launched by IATA to deliver faster, safer and more cost effective and relevant financial settlement services and solutions to airlines and travel agents that rely on the IATA Settlement Systems (ISS).

### Turkish Airlines' load factor reached to 83.4% in September

**T**urkish Airlines has recently announced the passenger and cargo traffic results for September and a high load factor with 83.4 percent performance. On top of the strong base effect of September 2017, growth in the number of passengers, revenue per kilometer and load factor, is an important indicator of the continued growing interest in Turkey and Turkish Airlines.

According to September 2018 Traffic Results; the total number of passengers carried went up by one percent reaching about seven million passengers, and load factor went up to 83.4 percent.

Also, Total Load Factor improved by 2 points, while international Load Factor increased by two points to 83 percent, domestic Load Factor in-

creased by two points to 87 percent approximately. International-to-international transfer passengers (transit passengers) also went up by three percent approximately.

Furthermore in September, cargo/mail volume continued the double digit growth trend and increased by 22 percent, compared to the same period of 2017. Main contributors to the growth in cargo/mail volume are Domestic Lines with 48 percent, N. America with 32 percent increase, Africa with 23 percent increase and Far East with 20 percent increase.

Africa showed load factor growth of seven points, while Europe, Domestic Lines and Far East showed load factor growth of about two points.

According to the January-Sep-

tember 2018 Traffic Results; there was an increase in demand and total number of passengers was 10 percent and 12 percent, respectively, over the same period of last year.

Total number of passengers reached to 58 million. The total load factor improved by three points up to 82 percent. While international load factor increased by approximately three points exceeding 81 percent, domestic Load Factor went up by three points exceeding 85 percent.

Excluding international-to-international transfer passengers (transit passengers), number of international passengers went up significantly by 13 percent. Cargo/mail carried during the nine months also increased by 25 percent and reached to one million tons.

### Akure airport records growth in passengers' traffic

**T**he Akure airport manager, Cecilia Oguama, says passengers' traffic has tremendously improved with the commencement of flight by Air Peace following a partnership arrangement between the airline and the Ondo State government.

Oguama, explained that before now, the airport recorded low traffic of about 20 passengers but was excited that passengers' traffic has increased.

She said "it has increased tremendously, there was a time we were

having ten, twenty but right now we are having passengers in thousands, and four thousand, five thousand per month"

On the new terminal building which was put into use about two months ago, Oguama explained that, with the sitting capacity of 100, airports users find the terminal more comfortable now.

She said interest in the transportation of perishable goods has increased in the area and expressed the hope that the abandoned cargo airport will be included in next year's

budget to get the contractors back to site.

"We have suppliers coming to make enquiries about the cargo airport, this is a known for agriculture and most of their produce are taken by road. So they come to the airport for enquiries on the transportation of their goods", Oguama said.

With category 06 fire tender at the airport, she said the airport has been able to attend to fire incidents in the state which has attracted commendations from the Ondo State government.

### Virgin Atlantic partners Donal Skehan to transform airline dining

**V**irgin Atlantic has unveiled a partnership with award winning food writer & TV host Donal Skehan to reinvent their dining experience at 38,000ft.

Irish native, and now LA based Donal Skehan has been working with Virgin Atlantic for 12 months to develop a completely new approach to in-flight dining. This includes a range of delicious dishes inspired by global destinations and focuses on sustainable, fresh ingredients which bring restaurant standard food to the skies.

This month new "dine with Donal" dishes will debut in the airline's Upper Class cabins and airport Clubhouses, followed by Premium and Economy cabins next year.

This is Donal's first airline collaboration and the dishes take inspiration from his best-selling cookery books, and experience travelling the world. He is a regular host on BBC One's Saturday Kitchen and also presents; "Meals In Minutes" on RTE One and Good Food Channel, and hosted "Junior MasterChef" on BBC One, "Grandma's Boy" on FOX International and "Follow Donal" on Food Network UK & US, he also regularly appears on The TODAY Show on NBC.

The new menu items feature sustainably sourced fish, meat and

vegetables - building on Virgin Atlantic's industry leading sustainability work. The British airline has worked in partnership with the Sustainable Restaurant Association (SRA) to introduce the world's first framework to address the challenges of sustainable inflight catering such as: Fair Farming, Sustainable Fish & Seafood, Deforestation & Biodiversity, Animal Welfare, Transparency and Waste.

Donal Skehan said: "It's such a pleasure working with Virgin Atlantic, as I can't imagine another airline that has such a right to win in this space. Together, we're turning the industry upside down by creating stunning, delicious and healthy food at 38,000 ft."

Daniel Kerzner, VP Customer Experience at Virgin Atlantic said: "We continue to raise the bar by looking outside our industry for the latest trends and innovation. Donal is the perfect partner to help us bring game changing food to the skies, and give our customers an elevated experience they won't find anywhere else."

Earlier this year Virgin Atlantic introduced a "Mile High Tea" designed exclusively by master patisserie Eric Landlard for their clubhouses, and all cabins on board. The latest partnership builds on Virgin's aim to be the airline that doesn't serve airline food.

# COMPANIES & MARKETS

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## Afri-invest says Nigeria must target annual growth of 7% to upscale economy

HARRISON EDEH, Abuja

**A**fri-invest wants the Federal and sub-national governments to target annual Gross Domestic Production growth of 7 percent per annum to advance its economic development and lift millions of people out of poverty.

Ike Chioke, group managing director, Afri-invest West Africa Limited made the submission at its 2018 Nigeria Banking Sector Report launch which had the title: An Economic Agenda for the New Government.

Speaking on the report, Chioke said, "There is growth in revenue and profitability, but there is shrinkage in loans being advanced to different sectors of the economy. In fact, if you look at the distribution of the loans, it is more on the oil and gas sector."

He further said, "We decided to choose this topic, because even where we are in the political calendar, and as the election draws closer, it could impact negatively on critical economic reforms."

According to Ike, "This urgent reform is driven by the details explained in the economic recovery and growth plan of the Federal government, which has laid out what the government needs to do, to get back to the growth it requires"

He pointed out that while



L-R: Eze Daniel Okoise, chairman, Block Maker Association, River State; Adeyemi Fajobi, national sales and distribution director, Dangote Cement Plc; Funmi Sanni, route to the marketing director, Dangote Cement Plc; Ugbaja Joseph, group head, civil and building engineering, Standards Organisation of Nigeria (SON), and Oare Ojeikere, group chief marketing officer, Dangote Cement Plc, during the Launch of Dangote BlocMaster Cement in Port Harcourt

the economy is growing at a lesser rate of about 2 percent, the population is growing at about 3 percent, he noted is unhealthy for the economy.

He pointed out that, "For Nigeria to transform itself, we need a growth of about 7 percent or even 10 or 11 percent growth. At that point, we would witness more transformative impact on the overall economy."

While speaking through the components of the report, he said, "Our reports had highlighted seven critical areas that urgently needs reforms"

He said, "First, in the oil and Gas, we talked about having not passed the Petroleum Industry Bill, we have not been able to attract massive investment into that sector, and this is a sector that accounts for up to 0 percent of our foreign

exchange earnings."

"The Oil and Gas sector is also playing in the downstream side, where we are subsidizing the petrol running into trillions of naira, and this is a country where we are not finding it easy to invest in the refineries and yet subsidizing at our own expense."

The Petroleum subsidy for this year would run as much as N1.6 trillion at the exchange

rate of about N360 per dollar"

In the power sector also, he said there are endemic issues there waiting for serious reforms. You have the power sector that is unfunded; there is no cost-reflective tariff, there is issue with bad infrastructure, pricing inefficiencies between the GENCOS, the TRANCOS and the DISCOs.

While the World Bank is trying to intervene with funds

through the Central Bank of Nigeria and the Federal Government, there is still need to move pricing to a more efficient level wherein investors could recover their investments."

"We have also seen the problems in the transport sector. Inefficient transport tracks and railways, the ports congestions. Non tariff challenges, the Apapa congestions among others."

According to the economic expert, "Another aspect of the infrastructure deficiency is the broadband penetrations, and some of the issues we are seeing in education and healthcare.

He raised further concern noting that, "Human capital development is still an issue, and here Nigeria is behind its peers like Ghana, South Africa, Kenya, Morocco, and a lot could be done to train our human capital to be valuable, and impact on us."

In his earlier remarks at the event, Godwin Obaseki, the governor of Edo State said at the event that, "By the actions of the National Economic Management, many things are being addressed because there are several things competing for demands.

"The challenges of insecurity, the youth bulge, the investments in critical infrastructure and the heavy financial burden of the recurrent expenditure," he said.

## Lifemate marks one year anniversary for Warri showroom

**L**ifemate Nigeria Limited, a leading furniture company in Nigeria has celebrated its one year anniversary for one of the furniture showroom branches located in Warri Delta State, giving customer's fantastic price slash in all their unique Furniture products for the month of October to mark this special occasion.

Orebayo Ejiemhen, he company's public relation officer who stated this anniversary press briefing, said the unbeatable price slash was to appreciate customers for the continuous patronage.

She advised customers to make the 1 year anniversary of the Warri showroom a memorable one with innovation for excellence with value added furniture products.

According to her, as part of putting smiles in the faces of loyal customers, there will be a two days promotional discount sales in this month of October. The two-day discount promotional sales, is set to run from October 25th -27th at the furniture show-

room at Warri and customers will be given 50 percent discount on home furniture, sanitary wares, outdoor furniture products and 20 percent discount on Royal furniture products. She added that the discount sales are a way of thanking our customers for their ongoing loyalty and support of the Warri showroom branch.

As part of the celebration, Lifemate Furniture customers will be treated to free gifts furniture items, food and beverages, live entertainment, special pricing and much more.

To top this, customer who purchase furniture products worth N500,000.00 will get free gifts of throw pillows, furniture purchase worth one million and five hundred thousand naira will get free gifts of 2 units single chairs, two million furniture purchase will get a free cabinet and customer who purchased furniture products worth more than three million will get a free gift of furniture cabinet.

She also added that customers should have no problems

in terms of product selection as the showroom which has been recently stocked with brand new furniture products with unique designs that will make your home the envy of your neighborhood.

"The new products, which really represent a host of offerings, cut across all our core categories such as Royal furniture, home furniture, office furniture, kitchen cabinet, Outdoor furniture, sanitary wares, massage chair, Lighting and Accessories.

"Since the company's inception in 2006, the mission has always been to be the foremost provider of super quality products and to create higher level of living through tech - enabled innovation and offer an extensive selection of home furnishings with outstanding value. She added that as a full-line furniture manufacturing company, our goal is to provide products for every room in every home at multiple price points with the ultimate goal of providing retailers and the consumers with more value for affordable prices.

## Sollatek emphasises consumer safety, weeds out counterfeits

**I**n line with its 'Buy Original Campaign,' Sollatek Ltd, a UK-based company and the world's leading manufacturer of power protection devices, has embarked on a massive consumer sensitisation and anti-counterfeiting programme across various markets in Nigeria.

The nationwide mop-up, executed through a court order, has led to the confiscation of several substandard and counterfeit power protection products.

Speaking on the background behind the exercise, the IP & Trademarks Rights Manager, Sollatek (UK) Ltd, Thierry Polet, stated that the exercise is in line with the company's buy original global campaign which would help customers identify genuine Sollatek products.

According to him, the company owes it a duty to help protect the safety of lives and properties of its customers hence the reason for carrying out the massive raid.

"Our primary focus is the safety of life and of property. We achieve this through the protection of electrical and electronic equipment from unreliable power, which can lead - and has led to - fires and even death. Original Sollatek devices protect your appliances, and your homes from over-voltage, under-voltage, surge protection and spikes in electricity. The fake products, often available at much cheaper prices - do nothing. By the time the customer finds out - it's too late. We always encourage customers to protect their

investments, their homes and their lives with original Sollatek products only," he said.

Polet further explained that Sollatek has been established for over thirty years in the United Kingdom with a world-class pedigree for manufacturing innovative products in the power control, energy saving, temperature control and solar energy sectors, with products distributed to 190 countries around the world.

He said genuine and patented Sollatek UK power surge protectors are available at authorised retailers and dealers stores nationwide, noting that each Sollatek UK product now has an 'authentication verification process' where customers can send a code to 38353 (Toll Free) to confirm authenticity.

# COMPANIES & MARKETS

## Huawei partners Nigerian universities to foster local ICT talents

JUMOKE AKIYODE-LAWANSON

More than 10,000 students from 15 different Nigerian Universities will benefit from developing their basic Information and Communication Technology (ICT) knowledge through a competition organised by Huawei, a global leading ICT solutions provider in partnership with the tertiary institutions.

The competition is aimed to cultivate local ICT talents, promote a greater understanding of ICT, increase interest and develop a healthy ecosystem for the sustainable growth of the sector.

Students from University of Nigeria, Ahmadu Bello University, Lead City University, America University of Nigeria and Federal University Technology are expected to participate in the contest

which features learning of various subjects including cloud computing, artificial intelligence, mobile networks and big data.

The company has revealed that at the 'Nigeria ICT Talents Development Summit and Huawei ICT Competition Launch Ceremony' which will be held on October 26, 2018, at the Hilton Convention Center in Abuja, select universities will also sign a Memorandum of Understanding (MOU) with Huawei to launch Huawei Authorised Information and Network Academy (HAINA) program in these universities. HAINA is a nonprofit ICT career certification program which aims to increase employment opportunities for young people by exposing them to more ICT knowledge and skills required in the job market.

Huawei has now extended its HAINA program to more than 150 leading universities worldwide,

and this will be the first time for Huawei to bring the program to Nigeria.

Tank Li, managing director of Huawei Enterprise Nigeria, said these programs are in line with Huawei's sustainability strategy in bridging digital divide, promoting skill transfer and developing a win-win situation with local community.

"As an international ICT innovator, we are committed to working with our academic and industrial partners in Nigeria to create more opportunities for individuals, and businesses in the country. Through programs like the ICT competition and HAINA, Huawei will continuously contribute to local ICT talents cultivation and practitioners upskilling, to lay a solid foundation for a healthier sectorial growth, fulfillment of government's digitisation strategies and stronger national ICT competitiveness," Li said.

## Uber launches Safety Toolkit for riders and drivers

Uber has announced the new Safety Toolkit which, over the next few weeks, will be rolled out to the millions of riders, drivers and delivery-partners using the app across Europe, Middle East and Africa.

The toolkit will introduce new innovative features which aim to raise the bar on safety, and increase transparency, accountability and peace of mind for all users.

Since launching the app, Uber has provided millions of people with technology that allows them to get a ride at the push of a button, track every trip with GPS technology and report any issues 24/7 with a dedicated safety team. With the introduction of new safety features, the company aims to double down on safety and help make the Uber community safer.

Features that will be introduced as part of the new rider and driver safety

toolkit, include:

**Emergency button** - With the push of a button in the app, riders, drivers and delivery-partners can connect directly to private emergency services and security response when needed through a third party private security supplier

**Trusted Contacts** - riders can now easily designate five friends or family members as "trusted contacts" and, with a single tap, share their trip information which are easily customizable in their trip sharing preferences.

**Safety Centre** - A new app-housed safety information hub where users can find information on some of the key existing safety tools in the app, including our 24/7 team, information on the driver and the car, trip GPS-tracking and our rating and feedback system.

**Speed alerts** - A feature which

reminds drivers and delivery partners to maintain a safe speed within the posted speed limits. These new safety features will be phased rollout, not all riders, drivers and delivery partners will have access to the features immediately.

"With more than 15 million trips on the Uber app every day, there is nothing more important than the safety of riders, drivers and couriers. Over the last year we've been working to develop innovative products that increase transparency, accountability and peace of mind for all users. The rollout of our new Safety Toolkit features across Europe, Middle East and Africa is the next step in making sure that we're helping everyone stay safe and connected, wherever you might be," says Sachin Kansal, Uber's Global Head of Safety Product.

## BEDC electricity restates commitment to consumer needs

IDRIS UMAR MOMOH, Benin

The management of Benin Electricity Distribution Company (BEDC) has restated its commitment to meet the power need of customers under its jurisdiction, in spite of the current low power generation by the transmission companies.

Fidelis Obishai, Edo State head of the power distribution company made the pledged during a press briefing against the backdrop of the epileptic power supply in the Edo state on Friday in Benin-City.

Obishai, who said the electricity company is in partnership with three transmission companies in the state noted that it currently have access to about 360 mega watts as against 800 mega watts needed to services about 900,000 customers in four states of Edo, Delta, Ondo and Ekiti.

He listed the transmission companies to include, Transmission Company of Nigeria (TCN), Sapele road, Benin-City, Independent Power Plant (IPP) Ihovbor and transmission company located at Okada.

The BEDC electricity Plc, boss who assured consumers of the ultimate desire of the company to light up the four states with constant and regularly power, opined that the current power outage was occasioned by the faulting transformers of transmission companies.

He said, the Transmission Company of Nigeria on September 24, 2018 lost 60 MVA transformer which is feeding 33 KVA feeder at Ikpoba Dam injection substation, 33KVA feeding Evbotubu / Egor axis and transformer serving Sapele road to Koko feeders in Delta State.

He also added that there was a cable explosion of the 150 MVA transformer at Ihovbor Power plant / TCN substation on October 8, 2018 that resulted to power outage in Ikpoba hill, Ugbowo, UNIBEN, UBTH, Okada axis among others.

He noted that since the September 24 and October 8, 2018 incidents, the transmission companies are yet to put their faulty transformers in order.

Obishai, said the faulty transformers, however com-

pel the management of the company to rescheduled its power distribution with a bid to ensure that customers get power supply.

According to him, recently we had some challenges in power system flow in Benin-City. We had before now pride ourselves that we have customers who are already used to our power flow because we came up with what we called "the power predictable load shedding plans" to enable customers predict when they will have light or not.

"That was the system and we were very proud about it. But now the reverse is the case when we recently have challenges. The challenges are not from BEDC but from Transmission Company of Nigeria (TCN).

"The best option we immediately adopted was to re-arrange our power distribution. Before now we only have two transformers feeding the Sapele road axis. One of the transformers is feeding government reservation areas and Etete axis while the other transformer is feeding Guinness and Idogbo axis.

## Business Event



L-R: Omojolaibi Olayinka, senior research economist; † Soji Adeleye, chief executive officer, Alfc City Institution; Olusola Teniola, president, Association of Telecoms Companies of Nigeria (ATCON); Iwegbu Onyebuchi, lecturer, department of economies, faculty of social sciences, University of Lagos, and Segun Adeleye, president, World Stage Limited, at the WorldStage Economic Summit at the Stock Exchange, Lagos



L-R: Femi Adesina, analyst, youth segment, MTN Nigeria; Debo Agun, senior manager, mass market segment, marketing, MTN Nigeria; Emmanuel O. Adeleye, registrar, Moshood Abiola Polytechnic, Abeokuta (MAPOLY), and Precious Minimah, analyst, Go-To-Market, Youth Segment, MTN Nigeria, at the MTN Pulse Campus invasion in Abeokuta recently



L-R: Allan Olufade, zonal director (North), Leadway Assurance; Emeka Ene, MD, Xenergi Limited; Uche Orji, MD, Nigeria Sovereign Investment Authority, and Konyinsola Ajayi, managing partner, Olaniwun Ajayi LP, during the panel discussion on Financing Gas Projects at the 2018 NGA International Gas Conference and Exhibition held in Abuja



L-R: Toyin Adeniji, executive director, micro enterprise, Bank of Industry; Chairman, Bauchi State Market Association, Ibrahim; Bauchi State Governor, Mohammed Abubakar; Vice President Yemi Osinbajo, during the launch of TraderMoni, in Bauchi, recently. Pic by Bol

# RESEARCH & INSIGHT

In association with



A WEEKLY PUBLICATION OF BUSINESSDAY RESEARCH & INTELLIGENCE UNIT(BRIU) research@businessdayonline.com 08098710024

# Analysing the spending habits of Nigerian millennials

OMOBOLA ADU

**N**igerian millennials are not actively investing in financial securities as up to 63 percent of millennials don't own stocks and 71 percent do not invest in treasury bills or bonds. This is according to the data compiled by BusinessDay Research and Intelligence Unit (BRIU). The million naira question is: what are they doing with their income?

If you're thinking most of their income goes into savings then you might have to think again. BRIU conducted a survey on the income and spending habits of Nigerian millennials and it was found out that the majority of millennials barely save up to 10 percent of their income; instead most of their income goes towards covering transportation cost.

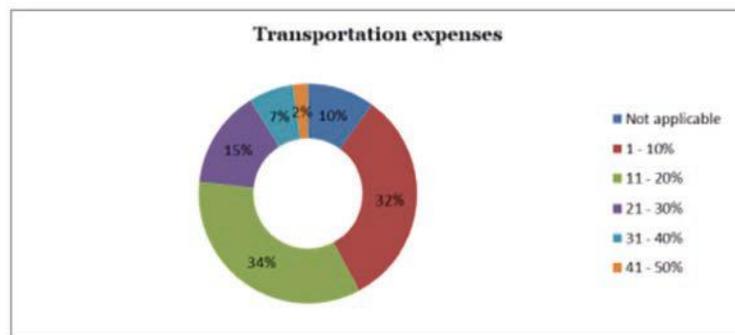
### Survey highlights

The survey focuses on millennials under the age bracket of 18 to 38 reflecting individuals born in the early 1980s to the early 2000s. An online questionnaire was sent out and the findings are based on the responses received. The survey results indicated that 62 percent of the respondents were female and the male respondents accounted for 38 percent. The age group of the respondents reveals that most of the respondents are between the age brackets of 23 and 27 years.

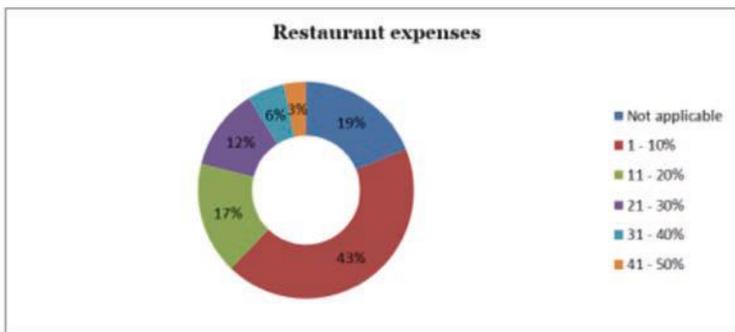
In terms of the monthly income range, the survey findings revealed that at the lower band, 44 percent of millennials earn below N50,000 per month, while at the upper band, just 13 percent earn above N200,000 per month. Examining how much of their income is saved, 38 percent of millennials indicated they save 1 to 10 percent of their income and as much as 14 percent suggested that they don't save at all. This finding implies that on the average, Nigerian millennials barely save up to 10 percent of their income.

### The Breakdown of the monthly spending habits of millennials

The respondents were asked to estimate how much of their income they spend on the following items



BRIU Survey



BRIU Survey

per month: transportation, going to restaurants, data bundle (internet), foodstuff, shopping/online shopping, education/professional certificates and going to the mall (leisure).

**Transportation:** When asked about the proportion of income spent on transportation, 34 percent of the respondents indicated that they spend between 11 and 20 percent of their income on transportation during the month, 32 percent of the respondents spend up to 10 percent of their income and 15 percent of millennials spend between 21 to 30 percent. On the other hand, 10 percent of the respondents indicated that they do not spend on transportation during the month. This implies that 66 percent of the millennials spend between 1 and 20 percent of their incomes on transportation every month.

**Restaurants:** The survey indicated that most of the respondents spend barely 10 percent of their income going to restaurants per month. About 43 percent of millennials indicated that they spend 1 to 10 percent of their income on restaurants and even 19 percent of millennials noted that they do not spend on restaurants. Although, 12 percent of the

respondents assert that they spend up to 21 to 30 percent of their income on restaurants per month. Similarly, 60 percent of the millennials spend between 1 and 20 percent of their income in restaurants.

**Data bundle (internet):** Examining expenses on data bundle, an astonishing 60 percent of millennials indicated that they spend less than 10 percent on data bundle per month. The highest proportion of income spent on data bundle by millennials in Nigeria ranges from 11 to 20 percent according to the survey findings.

**Foodstuff:** Spending on foodstuff does not seem to be priority for majority of millennials. The survey reveals that 28 percent do not spend on foodstuff and another 28 percent indicate that they spend between 1 to 10 percent on foodstuff per month. This implies that majority of millennials (about 56 percent) spend less than 10 percent of their income on foodstuff per month. However, 21 percent and 13 percent of millennials spend up to 20 percent and 30 percent of their income on foodstuff, respectively.

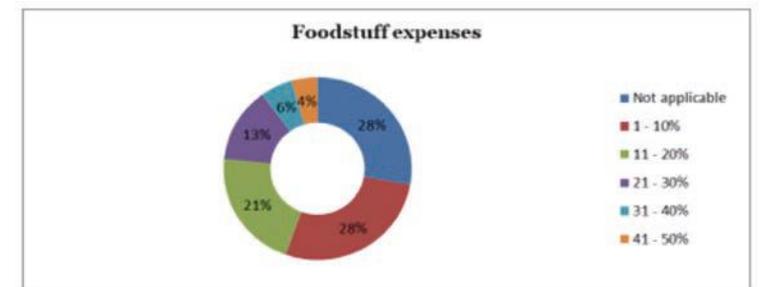
**Shopping/online shopping:** Monthly expenses on shopping

reveal that most of the respondents spend close to 10 percent of their income on shopping. The survey indicates that about 43 percent of millennials spend 1 to 10 percent of their income on shopping and 37 percent do not spend any part of their income on shopping monthly. Although, 13 percent of millennials acknowledged that they spend between 11 to 20 percent of their income on shopping.

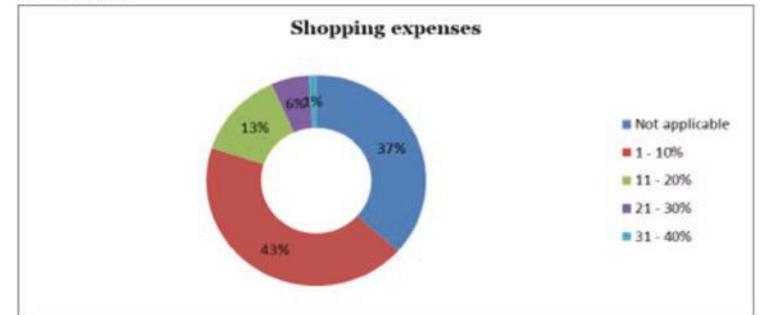
**Going to the mall:** 49 percent of millennials indicated that they spend close to 20 percent of their income going to the mall on a monthly basis. The findings further reveal that 36 percent spend less than 10 percent, while 13 percent spend between 11 to 20 percent of their income on going to the mall. On the

level. To corroborate this assertion, we compared two categories of millennials based on their income and saving pattern. In the first category, we examined the number of millennials that earn between N50,000 to N200,000 and also save below 10 percent of their income. The second category comprised of those millennials earning below N50,000 and also saving below 10 percent of their income. We found out that the number of millennials in the second category was by far larger than the first by 70 percent. This provides evidence that the higher the income, the higher the propensity to save.

Monthly expenses on transportation dominate other expenses of millennials in Nigeria. This finding is not



BRIU Survey



BRIU Survey

other hand, 51 percent of millennials revealed that they do not spend on going to the mall.

### Survey insights

Comparing the monthly income of millennials and the proportion they save, the data provides evidence that majority of the millennials that earn below N50,000 per month are those who save below 10 percent of their income. This suggests that the low savings behaviour of Nigerian millennials can be related to their income

surprising as bad road network and traffic have prompted most public transport drivers to raise transport cost. Considering those with private cars, the cost of re-fuelling their cars tends to increase as they consume more fuel in traffic daily. Spending on foodstuff is also seen to not be of priority to millennials. This could suggest that most Nigerian millennials are still living with their parents; hence spending on foodstuff does not take up majority of their monthly expenses.

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# CEO INTERVIEW

Interview with Private Sector Leaders

## 'When you have a diversified portfolio as an oil company, you can mitigate risks'

**ABDULRAZAQ ISA** is chairman/chief executive officer, Waltersmith Petroman Oil Limited, an exploration and production company. In an exclusive interview with **FRANK UZUEGBUNAM**, editor, BusinessDay (West Africa Energy Intelligence), Isa talks about his new modular refinery pet project and the vision to transform Waltersmith into an integrated energy company. Excerpts:

**With the ground breaking ceremony of your 5,000 barrels per day modular refinery, does that signify a transition for Waltersmith into an integrated energy company?**

We are in the business of exploration and production (E&P). Essentially, exploration is looking for oil and gas; production is producing the oil and gas. These are basically feedstock for the energy industry. The oil and gas are usually in their crude or primary form. For a Nigerian company, the natural way to go is to see how you can add value to this whole process.

We have been producing oil for the past 50 years as a nation and nobody seems to be thinking of the value addition angle. It is really a missed opportunity. This should form part of the benefits you get from producing crude oil. The derivatives of crude oil are so many that they can impact other sectors of the economy.

We see a big opportunity for a country that has a population of close to 200 million people, today. Our objective is producing and refining crude oil for the benefit of this huge population. We have a bulging population, we have crude oil and the only missing links is inability to harness and process this crude oil. This is a huge investment opportunity. This in itself is an advantage. Remember, when you look at the Nigerian market, it does not comprise Nigeria alone - we are looking at all of these activities benefitting the entire West African sub-region.

So, when you measure the opportunities that are available to us, we are looking at Nigeria and the entire West African sub-region. Whatever we do with the oil and gas we produce and add value to it through refining and petrochemical products, we know there is a huge market awaiting us. As a company, the opportunity is the motivation for us by the virtue of the market we see.

When you have a diversified portfolio as an oil company, you are able to mitigate risks. For example, if oil price goes down, with your diversified portfolio of refining and petrochemical activities, you will cushion the effect in the downward pressure on oil price. If it goes up, well it is good for you. But we have had situations in the country where a downturn in oil price negatively impacts everything in the economy. This is part of our reason to build an integrated oil and gas company.

Down the line, we plan to build a power plant that will be serviced by the gas we produce. Once you can make power available, you can also engage industries. It is just the sheer size of the opportunity that is

making us to position our company properly in the market.

**Critiques of modular refineries point its limitations. How optimistic are you given that you might be restricted to two or three products instead of the entire derivatives from crude oil?**

Our modular refinery is going to make available diesel and kerosene which is currently being imported into the country. No matter what people say about the inefficiency of modular refinery, we are utilising what is available in this country and adding value to it to provide diesel, kerosene and HFO which some industries utilise. Nigeria needs products, refined products. Despite the existence of 4 large scale refineries, we depend almost 100 percent on imported products.

There is no other modular refinery that is operating successfully in Nigeria, today apart from NDPR.

That modular refinery does not make money? I do not hear that. I do not see it. I have gone to a global financial institution like African Finance Corporation (AFC) and convinced them to give us money to fund our project.

With our modular refinery project, Nigeria is going to have a private sector-owned refinery by an oil producing company that is providing its own feedstock and operating it as efficiently as it has operated its upstream business. Apart from NDPR no other company in Nigeria is currently doing that. For us, our motivation is to add value to the crude oil we produce and this is a critical motivation for us and we are going to do this in a very efficient way. Our aspiration, which is why we have gone modular, is to add and progressively grow capacity.

We have started with 5,000 barrels a day and we are going to add more modules that will take it to about 25,000 to 30,000 barrels a day. Our strategy is to take crude oil that we produce, that is close to us, put the plants very close to the source of the crude oil, refine it and distribute it within our area of operation. So, the critical issues that people refer to, we would have eliminated some of them.

Refining margins are big issues, transportation cost is a big issue and we have eliminated this through the location of our plants to a large extent. This is because the plant itself is located right where the crude oil is produced, which improves our project economics. Our market is just about 30 kilometres away from where we are.

We know that as a standalone modular refinery, the margins are very thin. We are not oblivious of the criticism of modular refinery. If you are not in our own situation

and you set up a modular refinery somewhere, you will have these challenges you are talking about.

Once we get this going, we will then improve on it by increasing the modules to about 30,000 barrels a day and when we are able to do that, then the whole economics will begin to actually be more positive. We see this as a starting point despite the inefficiency that people claim exists in it. We have started and are positioning ourselves to be one of the pioneers of privately owned refineries in Nigeria. Despite the skepticism, I believe we have a business case. We are helping to solve some of Nigeria's energy needs.

**Are you going to be solely dependent on your OPL 2004 asset for the feedstock for your refinery?**

Not at all. We are looking at other third party crude oil producers not too far from us. Our location is close to about 300 million barrels of oil in reserves sitting 30 km radius of where we are. This is our estimate. For most of this oil, the current strategy is to produce them, put them in pipelines for export. In the process, a number of things happen, you lose over 90 days due to the vandalisation of oil pipelines, so you are not able to produce and export that oil due to the vandalisation of oil pipelines. Secondly, you have a fixed transportation cost. The cost of transporting it from that area to Bonny terminal for export is \$5 per barrel. On top of that you are going to have 10 to 15 percent loss of oil due to crude oil theft.

When we run the numbers, we see an opportunity to build refining capacity of about 30,000 barrels a day. When we do 30,000 barrels a day we can access feedstock from all these oil assets around us and we will be a clear option for the producers instead of taking the oil to Bonny for export. We are going to target other sources of crude oil and third party producers who are close to us; we take the crude from them, refine it and put the products in the domestic market. Of course we will have to negotiate the price.

**Some experts say low refining capacity means really low refining margins. At 5,000bpd, what is your strategy to maintain profitability?**

You see, that is why we started with the location of our modular refinery. Let us look at the cost structure for producing and exporting oil from where we are. Just the cost of producing the oil, putting it in the line and exporting it is almost \$8 per barrel. This is the transportation cost alone. This cost has been growing. We probably started at about \$5 per barrel. So, if I produce crude and it is sold at \$50 per barrel, you have to



first remove \$8. So by putting that refinery right in the field, where we produce the oil from or take oil from nearby fields, we have eliminated that \$8 cost. This is a huge margin for us, before we even do the refining.

It means that our refinery will buy crude unlike its competition, that is, the refineries that are out there buying at market price. Thus, we will negotiate with a number of crude oil producers around us. We can say to them, if you are spending \$8 per barrel to export your crude, we can buy it at less \$8 or \$5. You are still keeping \$3 in your pocket. So I am a viable option to you by the virtue of my location.

Our model is not premised on buying crude at the market price, because if we do that where we are, we will have significant pressure on our margins. We are a strategic refinery that is meeting two objectives: first is ensuring that crude producers get value for their crude production, they get real value. Second, through the refining itself, we make products available in the market.

We take advantage of our location to solve a problem for crude producers to improve our own refining margins. Ours is going to

be a problem solving and value adding refinery for the country. This will save Nigeria a lot of money too. The money that would have just gone away if you paid \$8 per barrel to move your crude and somebody is putting infrastructure in place to say instead of paying \$8 per barrel, you pay \$4 per barrel. We then go ahead, take the crude, refine it and put it in the market. This reduces the pressure on foreign exchange also. Our model is strategic and will benefit all the parties involved.

Our refinery is going to operate efficiently, with targeted uptime of over 300 days per annum, because it is privately owned. We will save all the oil producers in our area of operations the problems of constant shut-in due to pipeline vandalism, crude oil theft is eliminated, because we are taking the oil where we are.

This is why we believe we can continue to expand our module, notwithstanding the low volume and margins we are starting out with. We are confident that we will break even. One reason we started this is due to constant pipeline vandalism and crude oil theft. The overall goal initially was to support our upstream business. This is what informed our investment decision. As we continued to refine the strategy, it became clear to us that there is a business opportunity here. We will grow our refining capacity and profitability as we solve operational problems

associated with our E&P business and for other E&P companies around us. That is the whole idea.

**Oil is heading back to \$100 per barrel. Let us look at it from two scenarios; one as an E&P company and secondly as someone going into refining. Which scenario favours you more?**

It is just that we are operating an inefficient system, so to speak because of the subsidy issues in the market. Otherwise, product prices are a reflection of crude oil prices in an ideal market. Diesel that is deregulated today tracks the price of crude oil. It is only in PMS that you are not paying more because government continues to subsidise it. So, at this stage, we do not have any concerns as such about oil price going up or down significantly. Diesel and kerosene is what we are mostly going to be putting out there. Their prices are in line with the market price.

We see Nigeria as an opportunity despite all the issues that are around and we are not going to shy away from investing in Nigeria. We have the critical ingredients required, which is oil and gas. We have been producing oil in the last 10 years as a company and we do not want to fall into the same narrative of producing and exporting oil.

Do not get me wrong, people make

money producing crude oil and exporting but we do not want to be part of that narrative. We want to be part of the change process in the industry.

When we went into the marginal fields business, people told us it was a waste of time; that it was not an easy thing to do. We have become one of the most successful marginal field's operators in Nigeria today. We want to leverage on that. We have been producing and exporting oil for 10 years, then what? Once you begin to add value, set up a refinery, a power or petrochemical plant, then you are talking about creating jobs and impact on the economy. An entrepreneur is a risk taker.

**What level of investment are you looking at in the next 10 years?**

In the next 10 years we plan to increase our oil production to 100,000 barrels per day. Now, the size of the investment that will enable you achieve this entails a number of things. You have to get the reserves, you have to buy the oil, buy the concession - we are looking at anywhere around \$500 million dollars or more. This will give you the level of reserve you need for that size of production. Given this range, in the next 10 years we are talking of investment to the tune of \$2 billion to cover upstream, refining and petrochemicals and power.

The next question, how are you going to fund this? It is not easy to find funds but you can find money when you have good quality project. I believe so. Getting funds for our modular refinery was tough because we had to approach international development finance institutions and were subjected to rigorous financial evaluations. Once this is up and running, it opens doors for similar projects. People are already talking to us about wanting to do one deal or the other.

You must invest money in the development of the project. This is risk capital; it does not give you anything. This enables you to de-risk the project and make it attractive to investors, both local and international. For us, it is a mark of faith in our country and a way of giving back by adding value. For a power plant, for instance, you need development capital of between \$7 - 10 million that you spend and all you have are just papers. This is because at the end of the day all you would have are reports from various consultants, feasibility, market and environmental studies etc. Mind you, you are engaging international consultants that you have to pay. This is the documentation you require to approach international development finance institutions.

**What informed your decision to go in power generation?**

Most of our investment decisions today; modular refining and power are based on our forecast that in the next year and a half, the Nigerian economy will change. For us, timing is of the essence.



Our power plant is strategic too. Again, you see the benefit of an integrated oil and gas company here - we have the feedstock and we are putting the power plant next to the feedstock. So, we take the feedstock and put it in the power plant. Our numbers look good.

However, there are issues out there that needs to be solved. Government has no option than to solve these problem. It might take one year, two years or ten years. Our population is growing at 3 percent annually and you do not have enough electricity, to provide jobs and create employment opportunities. If you do nothing, you have a big problem on your hands. So, those issues impeding the generation and distribution of power must be resolved and indeed they can be resolved.

We will develop a bankable project and will not wait for the Nigerian government. Now, as an entrepreneur, you do not wait for all the problems to be solved before you can act. If you do, you lose the opportunity. You must prepare ahead of the opportunity. The opportunities are big drivers for us; a big growing population, the second biggest economy on the continent. As a country, we are struggling to meet up to 10,000 MW of electricity and we are going to need about 50,000 MW.

It takes an average of two to three years to put 1 MW of gas power plant into the system. We are taking on this challenge as entrepreneurs. We have the gas. A diversified portfolio of assets is good for us. We are just looking for the right opportunity to put it in the market. We are prepar-

### ABDULRAZAQ ISA

Chairman/Chief executive officer, Waltersmith Petroman Oil Limited

**of us are over-emphasising the place of PIB in the sector?**

Well, PIB is very important for the energy industry, especially for international investors. It should provide clear fiscal terms and certainty, especially in the deep offshore space, that is where I see the real impact of the PIB. This is where the International Oil Companies (IOCs) and the government will have to arrive at a consensus of what is fair for taxes and other things. These are some of the things constraining investment in that space. For us, onshore players, we think there are opportunities especially if you are a Nigerian company.

The existing fiscal terms that we have for onshore assets are decent for us to be able generate revenue and invest. If you are just focusing on oil production and export, I think there is still opportunity for us to invest and make decent revenue based on the existing fiscal terms. Yes, it can be improved upon.

However, all of us in this space are comfortable to just produce oil and export. That gives you dollar revenues and some are satisfied with that. I come with a different mind-set, maybe because I am not traditionally part of the industry. Some of my colleagues in the industry think I am crazy to be doing what I am doing. But I am passionate about this.

I want to make money and believe me there is money to be made in Nigeria and if we invest in the right sectors, we still have opportunity to make money. We are not going to stop. We will continue to look for new assets to buy and acquire. If we see a good asset today, we go for it, especially now that we are building a refinery; we need assets that will serve as feedstock for our refinery.

The PIB will improve it for us for sure. However, an absence of it does not constrain us from acquiring onshore assets. I always go back to the main reason for wanting to do what we are doing. It was to keep our upstream business running efficiently without losing about 15 percent to crude oil theft.

**You keep making investment decisions despite non-passage of Petroleum Industry Bill (PIB). Does it mean some**

**Profile:**

Abdulrazaq Isa is an entrepreneur and former banker with extensive local and international experience in both private and public sectors. For over 15 years, Abdulrazaq was a banker with African International Bank Nigeria Ltd, Chartered Bank Nigeria Plc. (now Stanbic IBTC) and co-founded Safetrust Savings and Loans Limited (now a subsidiary of Sterling Bank Plc.).

In the course of his professional career, he was involved in the structuring and financing of several multi-million dollar transactions in the upstream and oil service segments of the oil and gas industry. He also has diverse industry experience as Chairman/CEO of Waltersmith & Associate Ltd, an investment company with international and local strategic interests in Oil and Gas, Telecommunication, Manufacturing and Finance.

He is a member of several professional bodies including the Society of Petroleum Engineers (SPE), Energy Institute (EI) and the Institute of Directors (IOD).

Abdulrazaq is involved in philanthropic activities aimed at supporting the improvement of Science education in Nigeria.



# MASTERING THE ECONOMIES OF NIGERIA'S 36 STATES

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	NSE All Share Index	Market capitalisation	NSE Premium Index	The NSE-Main Board	NSE ASeM Index	NSE 30 Index	NSE Banking Index	NSE Insurance Index	NSE Consumer Goods Index	NSE Oil/Gas Index	NSE Lotus II	NSE Ind. Goods Index	NSE Pension Index
Year Open	38,243.19	N13.609 trillion	2,564.13	1,713.69	1,087.32	1,746.68	475.44	139.37	976.10	330.69	2,560.39	1,975.59	1,379.74
Week open (12 – 10–18)	32,456.98	N11.849 trillion	2,328.43	1,450.66	787.68	1,461.89	411.93	121.89	750.49	288.37	2,248.85	1,528.38	1,226.69
Week close (19– 10–18)	32,841.69	N11.990 trillion	2,403.05	1,442.39	792.33	1,474.26	416.20	124.29	745.76	285.87	2,264.56	1,520.01	1,219.48
Percentage change (WoW)	1.19 ↓		3.20 ↓	-0.57 ↓	0.59 ↑	0.85 ↓	1.04 ↓	1.97 ↑	-0.63 ↓	-0.87 ↑	0.70 ↓	-0.55 ↓	-0.59 ↓
Percentage change (YTD)	14.12 ↓		-6.28 ↓	-15.83 ↓	-27.13 ↓	15.60 ↓	-12.46 ↓	-10.82 ↓	-23.60 ↓	-13.55 ↓	-11.55 ↓	-23.06 ↓	-11.62 ↓

## Nigerian stock investors book N1.5trn loss year-to-date

... Foreign inflows into stocks down by 56% in 9 months

IHEANYI NWACHUKWU

**N**igerian stock buyers are carrying a huge loss of approximately N1.5trillion as evidenced in the value of listed equities as at Monday October 22, 2018.

This record loss which represents year-to-date negative return of about 14 percent comes on the heels over 56percent decline in the level of foreign portfolio inflows into the stock market.

Also, FBNQuest Capital Research in their October 18 note to investors acknowledged the build-up to elections can bring the flight of the offshore investor.

“In our search for macro slippage in the run-up to Nigerian elections, we devote the third of our daily notes to foreign/offshore trading patterns on the NSE before the polls on March 2015. (We cannot locate the series to cover the elections of April 2007 and April 2011.)

“The data show steady gross offshore inflows from October 2014 through to April 2015, along with net outflows of varying sizes for each month other than the last. This does not represent a rush for the door marked exit, rather a steady trickle out of the NSE,” FBNQuest research stated.

The record N1.5trillion loss seen this year in the stock market



has created bargain opportunities in value counters. Bargain investors had last week moved into Custom Street in search of these stocks which helped push stocks value high by N141billion in the trading week to Friday October 19.

Though the much expected third-quarter (Q3) earnings season has take-off lately, investors are seemingly not too excited about most of the scorecards of some of the largely capitalised companies –a development which might not help to halt movement along the loss path.

“Our outlook for equities in the short to medium term remains conservative, amidst brewing political concerns, and the absence of a one-off positive trigger. However, stable macroeconomic fundamentals remain supportive of recovery in the long term,” said Cordros Capital research analysts in their note for the week ended October 19, 2018.

Foreign inflows into the stock market declined from N91.75billion as at January 31 to N40.54billion as at September 30. Most of these investors pulled back and are carefully watching

developments in the political space. The value of listed stocks also declined from January high of N13.609trillion to N12.110trillion as at Monday.

“As events in the political space remain on the foreground, we expect the spate of nine months 2018 earnings to guide sentiments this week”, according to Lagos-based United Capital Research in their recent weekly investment views.

Total transactions at the nation’s bourse continue to reduce

The total transactions at the nation’s bourse reduced

by 2.79percent from N133.84 billion recorded in August 2018 to N130.20 billion (about \$425.6 million) in September 2018. The cumulative transactions from January to September increased by 21.23percent from N1.655 trillion recorded in 2017 to N2.007 trillion in 2018.

Foreign investors outperformed domestic investors by 29.54percent in September 2018. Total foreign transactions increased by 18.82percent from N70.97 billion in August to N84.33 billion in September 2018.

Analysis of transactions for the period ended September 30, 2018 shows foreign outflows increased by 27.60percent from N34.31 billion to N43.78 billion whilst foreign inflows increased by 10.58percent from N36.66 billion to N40.54 billion over the same period. There was a significant decrease of 27.03percent in total domestic transactions from N62.87 billion in August 2018 to N45.87billion in September 2018.

The institutional composition of the domestic market increased by 52.65percent from N16.98 billion in August to N25.92 billion in September 2018 whilst the retail composition reduced by 33.59percent from N30.03 billion to N19.94 billion within the same period. This indicates a higher participation by the institutional investors’ over their retail counterparts in September 2018.

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# Investor

Helping you to build wealth & make wise decisions

## United Capital investment views

### Domestic equities stay bullish, NSEASI up 1.2% week-on-week

While the local bourse opened the trading week to October 19 on a bearish footing, the NSEASI maintained the upbeat sentiment from the preceding week. The NSEASI closed in green territory on 3 of 5 trading days, inching higher by 1.2percent week-on-week (w/w) to finish at 32,841.7 points.

Market capitalisation accreted by N140.5billion to N11.9trillion while year-to-date (YTD) return improved to -14.6percent. Activity level improved as average volume and value traded were up 50.7percent w/w and 54percent w/w to 276.1million units and N3.1billion respectively.

Performance across sector indices was mixed with a bearish tilt. Three of the six sector indices we track closed in red territory, including; the Oil & Gas (-0.9percent), Consumer Goods (-0.6percent) and Industrial Goods (-0.5percent) indices, as price depreciation in SEPLAT (-2.4percent), FO (-0.5percent), NESTLE (-2.1percent), PZ (-1.6percent) and WAPCO (-8.7percent) outpaced the gains recorded in OANDO (+2.9percent), DANGCEM (+5percent) and NB (+0.6percent).

On the other hand, the Insurance (+2percent) and Banking (+1percent) indices closed the week unscathed as gains in MANSARD (+10percent), CONTINSURE (+6.7percent), ZENITH (+3.2percent), GUARANTY (+0.8percent) and UBA (+0.6percent) buoyed the indices. Put differently, performance across sectors reflects investors reaction to a series of corporate earnings submitted during the week.

Notably, WAPCO reported yet another negative PAT (N10.4billion loss) for the 9 Month period despite a revenue growth of 4.8percent to N234.3billion amid pressure from finance charges. ZENITH (PBT: up 9.5percent y/y to 167.3billion), GUARANTY (PBT: up 9.5percent y/y to N164.2billion) and UBA (PBT: up 1.0percent y/y to N79.1billion) all submitted massive Pre-Tax Profit numbers for the 9month period despite divergent Gross Earnings performances.

Investors' sentiment remained lukewarm as market breadth closed the week at 0.5x (previously 0.9x); 19 stocks advanced while 38 stocks declined w/w. As events in the political space remain on the foreground, we expect the spate of 9M-18 earnings to guide sentiments this week.

**Money Market: Tacit CBN tightening moves spurs bearish outing**

At the short end, markets opened the week sparsely liquid, reflecting funding for the wholesale FX auction by the CBN. Accordingly, system liquidity indicators (Open Buy Back/Overnight rates) opened the week around 40-45percent, while remaining above 20percent until Thursday, when system liquidity was bolstered by bond coupon payments (N33billion), as well as net OMO repayments (N72billion) - as the CBN took out just N275.3bn, relative to N347.1billion maturities. Overall, money market rates averaged 23.6percent (compared to 11.7percent in the preceding week).

In the primary market, the apex bank conducted its bi-monthly NTB auction, wherein it successfully re-financed N147.6billion. Demand was moderate with an average bid-to-cover ratio of 1.4x compared

to 3.3x in the previous auction with the 365-day bill mostly demanded (bid-to-cover ratio of 1.5x).

The auction was carried out at the following stop rates: 91-day (10.96percent versus 10.9percent at the last auction), 182-day (12.69percent vs. 12.1percent at the last auction) and 364-day (13.449percent vs. 13.33percent at the last auction). Distinctly, the CBN hiked OMO stop rates by 25bps on the 105-day and 182-day bills and 50bps on its 329-day bill, during the week.

Subsequently, yields on benchmark Nigerian Treasury Bill (NTB) papers rose 28bps on average to close at 13.8percent: 91-day (up 25bps to 12.9percent), 182-day (up 60bps to 13.6percent) and 364-day (up 48bps to 15.7percent). In the week ahead, maturities worth N284.1bn is expected to hit the system. With the CBN likely to maintain the spate of its OMO interventions, we expect the tempo of this event to guide trading sentiments through the week.

**Bond Market: Bond yields reprice amid OMO hike**

In the bond market, trading sentiments were guided by the softer than expected uptick in

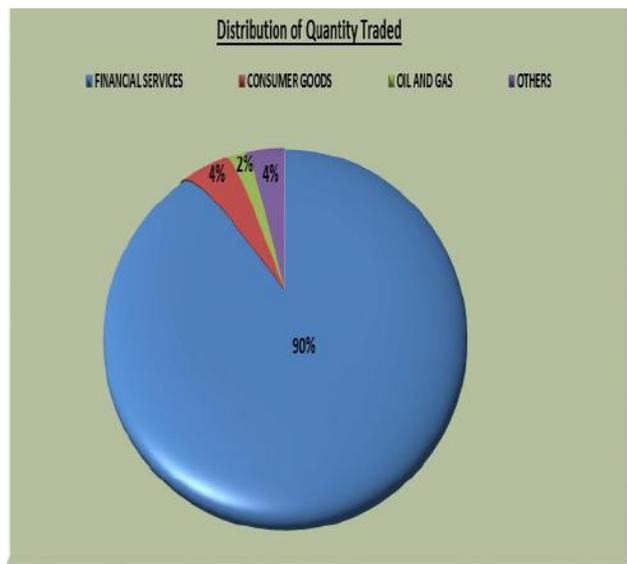
rate traded flat at N360.5/\$1, while rates at the Interbank and Investors' & Exporters' FX window depreciated marginally by 2bps and 6bps to finish at N306.5/\$1 and N364.3/\$1 respectively. Looking ahead, we expect the sustained weekly FX intervention by the CBN to continue to support the local unit as demand pressures persist.

**Global equities mixed on positive Q3-18 earnings and rising geopolitical concerns**

Major equity indices were mixed in the prior week. In the US markets, the onset of the Q3-18 earnings season doused the earlier volatility from rising yields. Big names like Goldman, Morgan Stanley and Netflix published their 9M-18 earnings scorecard.

Elsewhere, the minutes of Fed's Sept-18 meeting signaled a continuation of the Fed's hawkish stance while the US Department of Labor reported that the number of job openings reached an all-time high of 7.1mn in Aug-18. Consequently, the S&P 500, DJIA and NASDAQ rose 1percent, 0.8percent and 0.6percent w/w respectively.

In Europe, ongoing conversations on the nature of



inflation (which stoked some bullishness), expectations of a hike in OMO rates, as well as some cautiousness from market players in anticipation of the forthcoming bond auction. Overall, FGN bond yields edged higher marginally by 12bps on average to close at 15.1percent, driven by increases in the FGN2021 (+44bps) and FGN 2022 (+30bps) issues.

Also, average yield for FGN Eurobond remained at 7.2percent while average yield in corporate Eurobonds edged higher marginally to 8.9percent from 8.8percent. Looking ahead, further upticks in yields remain in view amid renewed bond supply, inflationary pressures, weaker GDP growth, rising US treasury yields and political tensions in the local market.

**Foreign Exchange: Reserves deplete further amid mounting pressures on the naira**

In the Foreign exchange market, the narrative remained the same as naira weakened against the US dollar during the week amid sustained capital outflow. The CBN sustained its weekly FX intervention in the wholesale and retail FX market, affirming its commitment to support the naira amid growing demand for FX.

Accordingly, FX reserves fell 1percent w/w to \$42.8billion, as at Wednesday. Relatedly, Brent price traded marginally below the \$80/b mark during the week. Overall, parallel market

a BREXIT deal and the Italian budget stood in the limelight. The Italian budget was signed off by the country's parliament earlier in the week despite the deficit target of 2.4percent of GDP, which violates E.U.'s fiscal rules. Thus, the Pan-European STOXX (+0.8percent), UK's FTSE (+0.9percent) and Germany's DAX (+0.4percent) rose w/w while Italy's MIB (-0.7percent) index declined w/w.

In Emerging markets, China's slower GDP growth for Q3-18 dominated the headlines. The country's GDP expanded 6.5percent in Q3-18, lower than 6.7percent recorded in Q2-18 and the weakest since 2009 as the impact of the ongoing trade war between the US and China continued to take its toll.

Consequently, China's SCHOMP index declined -2.2percent w/w as the governor of the People's Bank of China moved to ease concerns on the state of the economy by pledging to boost lending to the private sector while highlighting that stock valuations do not reflect economic fundamentals.

Elsewhere, the political climate in Brazil remained tense ahead of the election re-run. Thus, Brazil's IBOV index closed +1.4percent w/w while other emerging market indices trended southwards w/w; Russia's RTSI (-1percent), India's SENSEX (-1.2percent) and South Africa's JALSH (-2.8percent).

## Investor's Square

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E-mail: iheanyi.nwachukwu@businessdayonline.com

### FMDQ, FSD Africa, CBI execute maiden investors capacity building, training session on Green Bond

Further to the launch of the Nigerian Green Bond Market Development Programme into the Nigerian debt capital markets in June 2018, the parties - FMDQ OTC Securities Exchange, Financial Sector Deepening Africa (FSD Africa) and Climate Bonds Initiative (CBI) - have executed the maiden Investors Capacity Building and Training Session in line with the provisions and objectives of the Programme.

The Session which held on Monday, October 22, 2018 at the FMDQ Offices, Exchange Place, provided a platform to build the required technical capabilities within the investor community to drive green bond investment decisions.

The session, which commenced with a review and activity update of the recently launched Programme had in attendance, the Minister of State for Environment, Ibrahim Usman Jibril, ably represented by Peter Tarfa, Director of Climate Change at the Ministry; Chairman, Steering Committee of the FMDQ Debt Capital Markets Development Project 2025, Bolaji Balogun, amongst others. Whilst welcoming the guests to the Session, the Minister noted that the tenets of sustainable finance and indeed, green bonds issuances have come to stay, and that Nigeria should leverage the opportunities provided by this formidable partnership which is geared to build a pool of green bond demonstration issues that will be used to finance key infrastructure

and environmental friendly projects.

Further discussions led by Victor Nkiiri, Capital Markets Specialist at FSD Africa, and Olumide Lala, Programme Manager, Africa Markets at CBI delved into the state of the global green bonds market and the investment opportunities open to investors. Challenges to green bonds investment including the requisite documentation and the technical capability required to grow and nurture green investments were also discussed.

In appreciating the market participants and varied green finance stakeholder groups gathered for this maiden Investors' Roundtable, Tumi Sekoni, Associate Executive Director at FMDQ, expressed her delight in the formidable partnership between FMDQ, FSD Africa and CBI; noting that investors are a critical part of our markets and in no small measure, play a defining role in green investments.

According to Sekoni, the importance of stakeholder engagement across the sustainable and green finance value chain cannot be over-emphasised, even as the Nigerian financial market sets to tap the development opportunities availed in this space.

According to Evans Osano, Director Financial Markets at FSD Africa, "We are delighted to be part of this partnership which will enable investors - the driving force of green growth - to be better equipped to evaluate green

investments and thus building the green economy of Nigeria. We hope that other African markets will soon learn from Nigeria's example and follow suit to enable attractive green investments that will drive sustainable green growth."

Justine Leigh-Bell, Director, Market Development at CBI went on to comment that "This roundtable is another step towards a robust Nigerian green finance market. The early involvement of investors is a vital component of the broad stakeholder support required to develop initial green issuances. The event demonstrated the momentum is there amongst all major players for successful market development"

Formed via a Cooperation Agreement between FMDQ, FSD Africa and CBI, the Nigerian Green Programme is an offshoot of this partnership, spanning a 3-year period. The objectives of the Programme include, amongst others, to: Facilitate the establishment and development of a Green Bond market in Nigeria; support the development of guidelines and listing requirements for Green Bonds in Nigeria; develop a pool of Nigeria-based licensed verifiers to support issuers; develop a pipeline of green investments and facilitate engagement with extant and potential investors; and support broader debt capital markets reforms that have an impact on the non-government bond market in Nigeria.

### SEC sees vibrant commodities exchange aiding economic development

The Securities and Exchange Commission (SEC) has said that a more organised Commodities Exchange Market in the country would enhance efficiency and lead to economic growth and development.

The acting Director General of the SEC Mary Uduk stated this when she received members of the Commodities Trading Ecosystem Implementation Committee in her office in Abuja, weekend.

Uduk said the Commodities market is an integral part of the economy whose potentials have not yet be fully harnessed for the country to enjoy the benefits therein.

She further stated that there is a lot of benefits in promoting commodity exchanges and the ecosystem in general as they provide a transparent pricing mechanism, promote attractiveness of agribusiness, foster financial inclusion and improve quality of agricultural output and profitability as well as government revenue. It also enhances the wellbeing of the farming communities and help reduce rural - urban drift.

The Commodities Trading Ecosystem Implementation Committee has NEXIM, NIRSAL, CBN, NCX, FSS2020, CIS, FMDQ and AFEX as members that have been mandated to implement

recommendations of the report of the Technical Committee on Commodities Trading Ecosystem.

Daisy Ekinah who led the team, gave an update of the Committee's activities to the SEC team. Ekinah commended the SEC on its efforts towards ensuring a vibrant Commodities Ecosystem in Nigeria.

The Committee developed a roadmap for educating and enlightening all stakeholders to enable them understand the responsibility of each stakeholder and is planning an International Stakeholders conference chaired by NIRSAL with people from all over the world scheduled to attend.

## Vetiva Research

# GTBank: Another decent quarter sees earnings track estimates

## ... 'We maintain our Buy rating on GUARANTY'

**G**uaranty Trust Bank released its nine months 2018 results, posting another set of impressive numbers. Although third-quarter (Q3) 2018 standalone performance was relatively weaker quarter-on-quarter (q/q), bottom line for the nine months (9M) period still came in impressive, up 13percent year-on-year (y/y) and 2percent better than our estimate.

While top line came in mildly below our estimate -N337 billion versus Vetiva's N340 billion estimate - lower than expected expenses and provisions kept bottom line in check. We note that the bank's risk appetite remained low within the quarter as loan book moderated another 2percent - taking year-to-date (ytd) loan growth to -12percent. Amidst this, Interest Income moderated 7percent q/q despite a relatively stronger yield environment within the period. Hence, the income line for the 9M



period came in 4percent lower y/y at N238 billion, missing our N245 billion estimate.

Furthermore, with Customer deposits up 9percent ytd, Interest Expense rose 14percent y/y to N67 billion, coming in flat q/q and much in line with our estimate. With this, Net Interest Income was down 10percent y/y and 4percent behind our

estimate. More positively however, asset quality remained strong within the quarter with loan loss expense coming in at a modest N1.7 billion versus Vetiva estimate of N5.9 billion - following a net N295 million write back within the quarter. Consequently, Operating Income was up 11percent y/y to N266 billion - marginally lower than

our N268 billion estimate. However, with Operating Expense coming just in line with our estimate amidst a lower than expected effective tax rate, PAT rose 13percent y/y to N142 billion - 2percent better than our N140 billion estimate.

Target Price revised to N51.53 (Previous: N51.58)

We are quite impressed with the persistence of

GUARANTY's earnings. The bank continues to set the benchmark within the banking sector with industry leading profitability. We note that at the current earnings run rate, GUARANTY is on-track to set another record year of profitability. Whilst we cut our Interest Income forecast lower to N317 billion (Previous: N326 billion) as we

expect the bank to stay cautious, we raise our Non-Interest estimate marginally higher to reflect the outperformance from 9M'18. Similarly, we revise our loan loss provision downward (albeit still faster than 9M run-rate) to reflect improving asset quality. We however maintain our Operating Expense estimate and retain our tax assumption for the full year. Overall, we estimate a PAT of N184 billion for FY'18 - translating to y/y growth of 8percent.

Despite being the highest priced banking name in the Nigerian banking sector, we believe that the bank remains significantly undervalued - particularly when compared to regional peers. Following our model update, we revise our target price on GUARANTY to N51.53. With our expected Return on Assets (ROA) and Return on Equity (ROE) of 5.4percent and 30.3percent respectively for FY'18 and a market pricing of N36.80, we maintain our BUY rating on GUARANTY.

## Access Bank: Q3 scorecard to trigger 'buy' decisions

IHEANYI NWACHUKWU

**D**espite concerns that the commencement of election cycle poses risk to returns from Nigerian equities, one of the nation's tier-1 lenders Access Bank Plc remains in the basket of analysts' stock-picks.

### Impressive Q3 scorecard

Access Bank Plc has released its scorecards for the nine months ended September 30, 2018 which shows top-line earnings of N375.2 billion, up 3percent from N365.1 billion

recorded during the corresponding period in 2017.

Though the bank's Profit Before Tax (PBT) at N70.26 billion in Q3'18 against N72.91 billion in Q3'17 represents 3.6percent, its Profit After Tax (PAT) increased by 12percent to N62.9 billion from N56.4 billion of which subsidiary contribution increased to 32percent, from 15percent from the corresponding period.

The asset base of Access Bank remained strong and robust with growth of 11percent Year to Date (YtD) in total assets to N4.55 trillion in September 2018 from N4.10 trillion in December 2017.

Loans and Advances totaled N2.08 trillion as at September 2018 (December 2017: N2.06 trillion).

### Stock price offers value for bargain hunters

Access Bank Plc stock which yields negative return of 23.4percent has underperformed the NSE All Share Index (ASI) at minus 14 percent but it offers buy opportunities for long term value hunters in line with analysts rating.

Access Bank stock price had reached 52-week high of N11.35 and a 52-week low of N7.50. The bank stock was priced N8 as at Monday October 22,

2018 and it is far below target price (TP) of N13.32 set by equity research analysts at Vetiva Capital in their August 30 note to investors.

### Still on third-quarter performance

Customer deposits increased by 10percent to N2.48 trillion in September 2018, up from N2.25 trillion recorded in December 2017. Capital Adequacy of 20.3percent and liquidity ratios of 44.2percent remained consistently above the regulatory minimum requirement.

Further analysis of the results showed Non-performing loans stood at 4.7percent

as at September 2018 compared to 4.8percent in December 2017. Cost of risk decreased to 0.5percent in 9 months to September 2018 from 0.9percent in 2017 on the back of prudent risk management practices during the period.

### Management speaks

"Our capital and liquidity position remained adequately above regulatory levels, as we continued to implement a disciplined capital plan, ensuring sufficient levels of profit retention to support our growth. We remain committed to

our cost containment plan, as we strive to balance operational efficiency with earnings growth in a constrained environment," said Herbert Wigwe, Group Managing Director/CEO said,

"The Bank will remain resilient in the achievement of its strategic imperatives; maximizing our strong market position and solid capital base, while leveraging digital innovation to improve service touch points as we sharpen our retail play with emphasis on cheaper funding sources," Wigwe said.

# RETAIL & CONSUMER BUSINESS

## 'We are taking online shopping to the grassroots' - Ojo

Olumuyiwa Ojo is the chief executive officer of Synergimart Digital Marketing Limited. In this Interview, Ojo spoke extensively with Chinwe Agbeze on the e-commerce industry and plans to take online shopping to the grassroots.

### Talk to us about Synergimart Digital Marketing Limited

Synergimart is a new information technology driven and global marketing company. Synergimart has four core services to offer to Nigerians and the world at large.

The first is Synergitrust. Synergitrust is our flagship product which is a global marketing company where buyers meet sellers in a social, friendly environment.

The second is E-procurement which will be released next year, and the third is E-distribution. Channel marketing which is the fourth service is more of physically based products. In all these businesses, information technology is going to be the driving force.

Our flagship product, Synergitrust, is the first social marketing network. We have seen a lot of social media networks such as Facebook and the rest. But, the world is yet to really experience the first ever social marketing network that is going to be an environment where everything there is all about buying, selling and making money. Buyers, sellers and agents all make money.

On Synergimart platform, it is a win-win situation for everybody because the company focussed on solving problems and putting smiles on people's faces.

### How does this work?

In our everyday life, do a lot of referrals and don't earn money for doing so. People ask us where we purchase goods and services, we tell them without being rewarded. So, at Synergimart, we decided to monetise referrals by developing a solution that is peculiar to our environment.

We built a system whereby if someone refers four people to our company, the person gets paid. The person is not only paid from the four people he/she referred but from as many that will come through them. To be a paid member, the person has to be signed up by an agent and pay a token of N4,000 for life. Once the person pays, he/she becomes a member and will have access to our financial empowerment programme and amazing our synergy services.

### Tell us more.

We have the Synergitrust business club where all the members form a community of buyers on the platform. To become a member, the person has to pay a fee after which he/she enjoys all the privileges of being a member as it is common in clubs like Ikoyi Club and Lagos Country Club.

However, Synergitrust business club is an online club which is a replica of all these clubs on the internet whereby all we do is to bring in our own members to be



Olumuyiwa Ojo

part of the club and once you are a member of the club, you stand to earn referral income on the site. The major target of Synergitrust is to take online shopping to the grassroots. This is the major focus of Synergitrust.

So far, we noticed that in all the businesses we have seen are focused more on the elite. Looking at the global population, we discovered that majority of the people in the world are totally cutoff. Synergitrust have come to target and capture the market that has been neglected over the years by the industry leaders who focused more on the elite.

We discovered that lack

of education and money were the major reasons why industry leaders are avoiding the grassroots. We looked into the problem and came up with solutions so as to meet the needs of those at the grassroots.

At Synergimart, we are recruiting and empowering agents. There are experienced business centres but Synergimart is charging business centres to E-business centres. Those at the grassroots can walk in and enjoy the amazing services.

We also have the merchants who are those who have products or services to sell. With as low as N6,000 or as high

as N120,000 for a year depending on the size of their products and what they want to do, merchants can get a space on our platform.

For now, all merchants have a free trial period of three months. So, if any merchant comes on board now, the merchant will enjoy free three months without paying anything.

### How do you handle issues where a customer places an order but receives an entirely different or inferior product?

Once a buyer places order, the money does not get to the merchant until the customer confirms that he/she has received the product and is satisfied with the profit. If the customer is dissatisfied, the merchant bears the cost of delivery and not the buyer.

If buyer receives the product and fails to confirm after 7 days, the money will go to the merchant because we are protecting the interests of both the merchant and the buyer. The buyer can decide if he/she wants the product delivered or he/she wants to opt for pickup.

It will take a maximum of 7 days to have a product delivered to any location in Nigeria. Although our delivery partner, FedEx, said it will take between two or three days to have goods delivered depending on the location.

### Are you checking for quality in that process?

All merchants and agents sign an agreement. If a merchant violates it, he/she is shown the door. At Synergimart, there is no second chance if a merchant violates any of our laws. If we get consistent report that a merchant is supplies inferior products, we will blacklist that merchant.

### How do you intend to manage security issues since transactions are done online?

We have built a lot of security in our system. We hardly use cards to buy anything on our platform. A member makes purchases using his/her inbuilt wallet but in cases where the money is not enough to make a purchase, money can be moved from the account into the wallet.

We don't collect or request for anyone's account details. If a buyer must pay, he/she pays to Interswitch. We have integrated nicely with Interswitch and our system is secured.

We know identity theft is common. Knowing a member's password and username on our platform is not enough for the system to open.

### Where do you see Synergimart in twenty years?

We are not going to have structures only in Nigeria but in all the countries across the globe.

## Living under poverty line

How Nigerians are struggling to survive

If you want to contact the writer of this story call: +234(0) 803 889 1567, +234(0) 8155184838 chinwe.agbeze@businessdayonline.com

## Food vendor needs help to revive business

**Name:** Faith Emma Ijioma  
**State of Origin:** Delta  
**Age:** 23

**Dependents:** Two siblings  
**Occupation:** I deal in cooked foodstuffs. My mother was in the food business before she died in 2015. Business has been lucrative until recently when my kindness rendered me bankrupt.

### How did that happen?

When our rent at Rando where we lived expired and I couldn't afford to renew the rent, my landlord told us to leave. With the help of a Naval Officer, my siblings and I got a small neglected room in the Navy quarters.

One day, my sister needed to make her hair and we were directed to a young pregnant woman who did the hair so nicely. I was touched when I heard she lived on the streets

and I offered to shelter her until she put to bed. She told me she left her sister's house because the husband.

She delivered safely through a caesarean operation and I had to pay the bills from my pocket and with little assistance from my loyal customers. Few days after delivery, she ran mad. I caught her trying to strangle her baby and when I stopped her, she tore her clothes and ran out of the house naked.

I got her elder sister's number from her phone and called but the elder sister accused me of trying to use her for ritual. She said I would be held responsible if anything happened to her sister. She sent me their house address in the village and asked me to take her younger sister there which I did.

I paid for a bus which



took just the two of us to the village because passengers refused boarding the same bus with us. I was with her in the village until August 2018, when she got better because her family wouldn't let me

leave. During that period, the little money I had on me was exhausted. I barely have money for my business.

**School fees:** I have two younger siblings. My younger brother is 14-years-old

and in JSS2 while my younger sister who 12-years-old is in JSS1. I have been paying their school fees for three years now but they have been at home since this term because I could not afford to

pay their school fees.

**House rent:** They have not asked us to pay yet. The Naval Officer said we can stay in the abandoned room for now.

How have you coped so far? My siblings and I have been doing well until my kindness rendered me bankrupt. With the proceeds from the business, I catered for myself and my siblings.

### A plea for help

My father died in 2009 and in 2015, I lost my mother. Since then, I have been taking care of my siblings without any assistance from relatives. It has not been easy but it has never been this tough.

This business is all we have but it is dying because I have exhausted my capital. I need help to grow my food business and be able to cater for my siblings.

# BD Legal Business

Business Law ■ Industry Report ■ Practice ■ Intelligence ■ Partnerships

## NBA-SBL Chairman, others inaugurated into AfCFTA committee for impact and readiness assessment

TONY AILEMEN, Abuja

The Chairman of the Nigerian Bar Association Section of Business Law (NBA-SBL), Seni Adio, SAN alongside other critical stakeholders, were on Monday October 22, 2018 inaugurated into the Presidential Committee for Impact and Readiness Assessment of the Africa Continental Free Trade Area (AfCFTA), by President Muhammadu Buhari.

The committee is charged with the responsibility of addressing risks associated with signing the agreement. Its terms of reference include, the assessment of the potential costs and impact of the AfCFTA for Nigeria in relation to the benefits, identify the short, medium and long-term measures to prepare Nigerian businesses for the take-off of the AfCFTA trading bloc and a back-up plan that covers selected scenarios; and, review the trade remedy options to safeguard the Nigerian economy from predatory and other unfair trade practices.

The scope of its impact assessment would include, inter alia, the potential impact on government revenue (for weighted and non-trade weighted revenue), coherence between fiscal policy, structural and monetary policies. The assessment would also include impact on Nigerian businesses, domestically and regionally, for both trade in goods and trade in services.

The committees inaugurated by the President include the Steering committee and the Support Technical Committee work group. There was a seven months period of preparation to the event culminating into the committee's inauguration.

The President while inaugurating the committee on Monday, at the Council Chambers of the Presidential Villa, Abuja, charged members to address issues raised by the nationwide sensitisation committee

set up to advice government on Nigeria's membership of the AfCFTA.

He noted that Nigeria's vision for intra-Africa trade is for the free movement of 'made-in-Africa' goods, stating that such "goods and services must have significant African content in terms of raw materials and value addition to the production and service processes."

"Therefore, the African Continental Free Trade Area Agreement must be packaged and implemented to achieve this vision. This is the only way the majority of Africans will positively benefit from it."

It would be recalled that the recent annual business law conference of the NBA-SBL provided a platform for stakeholder consultation on the endorsement of the African Continental Free Trade Agreement (AfCFTA). The conference had touched on the potential of accelerated economic growth of Africa in the light of the march towards continental free trade and the role that the legal profession can play in this.

The conference resolved that bar associations and large law firms in Africa with the support of their governments, must position the legal profession to maximize the benefits of free trade by seizing the initiative to reorganize the profession and guide the inevitable disruption to the profession that will be enabled by the AfCFTA, artificial intelligence and local competition by global law firms.

It was also agreed that the Section on Business Law should deepen the understanding of trade law within Nigeria by establishing a specialist Trade Law Committee within its organisation and facilitate training seminars on international trade law and negotiations for public and private sector lawyers.

President Buhari also identified many years of import dependency as the bane of the country's present predicament.

"For too long, our domestic productive capabilities were neglected



in favour of imports. Nigeria was using its hard-earned oil revenues to create jobs offshore instead of developing the manufacturing potential of our very vibrant, young and dynamic population.

"Many of our challenges today, whether relating to security, unemployment or corruption are rooted in the fact that we have not been able to domesticate the production of our most basic requirements. The recent recession, which was as a result of our over dependence on external factors, is a clear case of why Nigerians must now aspire to self-sufficiency

The country is now prepared to breakaway from signing agreement, that will not provide maximum benefits for its citizens, added that "You are to address issues raised and address any arising from the



nationwide sensitization programs on the AfCFTA.

BusinessDay recalls that the government had inaugurated a nationwide stakeholder sensitization team to engage them on the implications

of signing the AfCFTA

The team's work was to also help government understand the true impact of the agreement on Nigeria

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## Lagos Judges, magistrates inducted as scouts

Seventeen judges and nine magistrates of the Lagos State Judiciary were yesterday, inducted as members of the Lagos State Scout Council.

The investiture ceremony was held at the High Court foyer, Igbosere, as part of activities marking the 2018/2019 new legal year.

Speaking at the induction ceremony, Lagos State Chief Judge, Justice Opeyemi Oke admonished the new scout members to see themselves as agents of positive change.

Justice Oke told them, to in addition, see their membership of the scout council as service to humanity in another capacity.

She said their induction is an-

other way of helping to build the society, especially the young ones.

She also promised to set up a committee, which will ensure that despite their busy schedule as judges and magistrates, they find time to contribute to the education of young people through a value system based on the Scouts laws.

Lagos Scout Council Commissioner, Chief Jonathan Tawose in his short address described the investiture as epoch making one, adding that scout movement is a voluntary non-political educational movement for young people, which is also open to all without distinction of gender, origin, race or creed.

"Scouting offers young people



the opportunity to develop their full emotional, intellectual, physical, social and spiritual potentials as individuals, as responsible global citizens and as members of their local, national and international

communities.

"It is important to emphasize that the role adult leaders play consists of assisting young people in achieving the objectives of scouting. while the boy or girls is 'learning to know,'

'learning to be' and 'learning to do', the adult leader should confine himself/herself to merely facilitating and educating as credited to the founder - Lord Robert Baden Powell who said: "here then lies the most important aim of scout training", he stated.

The judges and magistrates, who were inducted include Justice Babajide Candide-Johnson, Justice Morenike Obadina, Justice Josephine Oyefeso, Justice Oluwatoyin Taiwo, Justice Sybil Nwaka, Justice Ayisat Opesanwo, Justice Olaide Olayinka, Justice Abidemi Okikiolu-Ighie and Justice Olabisi Akinlade.

Others are Justice Ibronke Harrison, Justice Oyindamola Ogala, Justice Ganiyu Safari, Justice Olamide Akinkugbe, Justice Obafemi Adamson and Justice Abisola Soladoye.

## RIGHTSWATCH

LegalBusiness

## SERAP gets leave to seek relief compelling Fashola to account for power spending

The Federal High Court in Ikoyi, Lagos on Tuesday granted leave to Socio-Economic Rights and Accountability Project (SERAP) to seek its reliefs to compel the Minister of Power, Works and Housing Babatunde Fashola, SAN to account for the spending.

Hon. Justice C.J. Aneke granted SERAP leave as prayed to seek judicial review and order of mandamus to compel Fashola over the "failure to account for the spending on the privatisation of the electricity sector and the exact amount of post-privatisation spending on generation companies (GENCOS), distribution companies (DISCOS) and Transmission Company of Nigeria to date, and to explain if such spending came from budgetary allocations or other sources."

Justice Aneke granted the order for leave following the



hearing of an argument in court on ex parte motion by SERAP counsel Bamisope Adeyanju. The Court also ruled that Fashola be put on notice and adjourned the matter to Tuesday 20th November 2018 for mention.

It would be recalled that SERAP had in June sued Fashola in suit number FHC/L/CS/972/18

at the Federal High Court seeking "an order for leave to apply for judicial review and an order of mandamus directing and/or compelling Fashola to provide specific details on the privatization of the electricity sector, the names of all the companies and individuals involved; and to publish widely including on a dedicated website any such information."

The suit followed SERAP's Freedom of Information request dated 7 May 2018 to Fashola giving him 14 days to provide "information on the status of implementation of the 25-year national energy development plan, and whether the Code of Ethics of the privatization process which bars staff of the Bureau of Public Enterprises (BPE) and members of the National Council on Privatization (NCP) from buying shares in companies being privatized were deliberately flouted."

## CSNAC Petitions disciplinary committee over alleged gross misconduct of Uzodinma's lawyer

The Civil Society Network Against Corruption (CSNAC), which is a coalition of over 150 anti-corruption organisations and individuals, has urged the Legal Practitioners Disciplinary Committee (LPDC) to institute investigation and disciplinary action against counsel to Senator Hope Uzodinma in a suit no FCT/HC/M/8767/18.

In a petition forwarded to the chairman of the Disciplinary Committee and signed by CSNAC's chairman, Olanrewaju Suraju, the Network alleged that Uzodinma's lawyer, known as Dike exhibited flagrant display of improper and unfit conduct, unbecoming of a legal practitioner.

The petition read: "We write to humbly urge you to use your good office to carry out an investigation of one Mr. Dike Esq., the Applicant's Counsel in SENATOR HOPE UZODINMA & 2 ORS AND HON. ABDULWAHAB MOHAMMED ESQ. & 2 ORS SUIT NO. FCT/HC/M/8767/18"

"The said counsel who represents Senator Hope Uzodinma and 2 ors in the aforesaid matter which bothers on Certiorari assigned to Justice Y.

Halilu's court on the 17th September, 2018, following which an application for leave vide motion ex parte was moved and granted, then the substantive matter adjourned to the 24th September, 2018 for hearing.

"In a flagrant display of improper and unfit conduct, unbecoming of a legal practitioner, the said Mr. Dike Esq. allegedly went to town with the ill-fated news that the procedural interim order earlier granted by the Honourable Justice Halilu was procured using monetary inducement and further bragging boastfully that the Honourable Justice Halilu was his boy."

CSNAC noted further that the court's attention was drawn to the said misconduct by the learned counsel for the respondent, Mr. Oluwatosin Esq. and the court's Legal Assistant; Mr. Affiku Kuje also confirmed that the said Mr. Dike Esq. called him and wanted to give him money for the Honourable Judge, an attempt which was resisted by the said Mr. Kuje.

"The Honourable Judge reacting to the said development wrote to the Chief Judge of the FCT High Court in

a letter date the 25th September, 2018 stating that he was most unsettled by the said development and as such will not be able to handle the matter, thus requesting that same be reassigned to another judge. Kindly find attached to this petition, a copy of the letter to the Chief judge.

"The judge also stated that the said Mr. Dike Esq. had admitted to the attempt to give money to the judge's legal assistant and pleaded for the court's forgiveness.

However, we believe as a civil society organization that lawyers like Mr. Dike Esq. need to be appropriately disciplined and reprimanded for his reprehensible conduct in order to protect the sanctity and integrity of the legal profession and the judiciary and to also serve as a deterrent to lawyers of his ilk.

"The above request is necessary in line with the glamour for legal profession to stamp out corruption of all forms from the legal profession and most importantly the judiciary, which is the much-hyped last resort of the common man," the petition said

## TAXLAW

## New transfer pricing regulations, guidelines and circular

OSEROGHO &amp; ASSOCIATES

The Federal Inland Revenue Service ("FIRS") with the approval of the Federal Minister of Finance, have published the gazetted version of the Income Tax (Transfer Pricing) Regulations 2018 ("TP Regulations 2018").

Also published by FIRS are the Guidelines on Transfer Pricing Regulations and a Public Notice on amongst other things, the set date for the enforcement of the TP Regulations 2018 Administrative Penalties for non-compliance with the TP Regulations 2018.

The TP Regulations 2018 has therefore now replaced the Income Tax (Transfer Pricing) Regulations 2012. One of the key objectives of the TP



Regulations 2018 is to provide a legal framework for the implementation of Transfer Pricing Regulations. This key objective is expected to ultimately reduce tax evasion; and tax evasion commonly occurs through the under-pricing or the over-pricing of transactions between related or connected parties who infringe the arm's length principle when undertaking

their transactions

Other key objectives of the TP Regulations 2018 include the reduction of double taxation and the provision of a level playing field for both national and multi-national enterprises.

The commencement date for the TP Regulations 2018 is retrospectively 12th March 2018; though FIRS has by a October 2018 Public Notice extended the compliance commencement start date for the administrative penalties for non-compliance with the TP Regulations 2018 to now be 31st December 2018.

## Arm's Length Principle

The TP Regulations 2018 treats a company's Head or parent office as

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## GREY MATTER

## Taxation of Offshore Assets: Highlights of the Presidential Executive Order No. 8 of 2018



BANWO &amp; IGHODALO

Apparently, the Executive Order No. 8 of 2018 was on Monday, October 8, 2018, signed by President Muhammadu Buhari in furtherance of the current administration's resolve to increase tax revenues and stem the tide of tax evasion and money laundering by Nigerian citizens in and outside the country. The Executive Order essentially creates a window for owners of taxable offshore assets, who have defaulted in their tax payment in the past, to regularize their positions.

Tagged Presidential Executive Order on the Voluntary Offshore Assets Regularization Scheme ("VOARS" or "EO8" or "the Order"), the Order directed the Office of the Attorney General of the Federation and Minister of Justice ("OAGF") to set up in Switzerland a Voluntary Offshore Assets Regularization Scheme ("the Scheme"). The purpose of the Scheme is to encourage and provide opportunity for all categories of eligible taxpayers who hold offshore assets and incomes to, within a period of twelve (12) months beginning from October 8, 2018, voluntarily declare those assets; pay taxes on them; and obtain compliance certificate under the Order shielding them from the legal consequences of tax evasion in respect of the declared offshore assets.

According to the EO8, offshore assets include liquid assets (bank balances), stocks and bonds held in portfolios, insurance policies, shares in listed or unlisted offshore companies, property assets and all manners of assets held directly or indirectly through corporate entities, trust structures and non-Nigerian resident companies and intermediaries.

This piece reviews the provisions of the EO8 and the implications of the Order on affected owners of offshore assets.

## WHAT THE ORDER IS SET TO ACHIEVE

For the duration of the Scheme, eligible taxpayers will be encouraged and given opportunity to:

voluntarily elect to access the Voluntary Offshore Assets Regularization Facility in Switzerland ("the Facility") and obtain an Eligibility Certificate to declare offshore assets through the Scheme. However, payment of a two percent (2%) facility access fee and submission to compliance procedures required by Swiss authorities are preconditions to doing this. It should be noted that the Facility is the qualified intermediary of the Federal Government of Nigeria ("FGN") rendering sovereign advisory services for the Scheme;

regularize their offshore assets held anywhere in the world by paying the taxes due on them, or voluntarily elect to regularize their tax status for all the relevant years by paying a one-time levy of thirty-five percent (35%) of the value of their offshore assets to the FGN in lieu of all outstanding taxes, penalties and interest; ensure full tax compliance

on their residual offshore assets after accessing the Scheme by paying taxes on income earned thereon to the FGN, and avoid and stop tax evasion.

However, in order to use the Scheme, eligible taxpayers are required to establish a Swiss nexus for their offshore assets held anywhere in the world or arrange for their management either in Switzerland or through the Swiss financial system and institutions.

## VALID DECLARATION UNDER THE SCHEME

For an offshore assets declaration to be valid under the Scheme, the disclosure made by the concerned eligible taxpayers must:

be made voluntarily, full, honest, complete and verifiable in all material respects;

be made through the Facility (the qualified intermediary);

be made in accordance with compliance procedures required by Swiss authorities through the processes established by the Facility or in any other form or manner as may be prescribed by the Regulations governing the Scheme;

consent to payment to the FGN of the 35% one-time levy on the offshore assets declared under the Scheme; and

consent to assessment of future taxes payable on income earned on residual offshore assets by the relevant Tax Authority.

## ELIGIBLE TAXPAYERS

According to the Order, all persons, entities and their intermediaries holding offshore assets and are in default of their tax liabilities in any way whatsoever are eligible to participate in the Scheme. Particularly owners of offshore assets who:

are yet to declare them to the relevant authorities or have not been making full declaration of their taxable income/assets;

have been underpaying or under-remitting the taxes due;

though registered with relevant tax authorities, have additional disclosures to make or need to amend prior disclosures or have not been filing returns as appropriate;

are under a process of tax audit or investigation with the relevant Tax Authority but are prepared to settle the tax dispute out of court;

have applied for and received FGN Special Clearance to access the Scheme;

are not already under investigation by law enforcement agencies in Nigeria or any other country and have not been charged with any crimes including theft of public funds or obtaining offshore assets through corrupt practices; and have been determined to be innocent after investigations or legal proceedings.

## CONSEQUENCES OF NON-COMPLIANCE

As stated in the Order, any defaulting

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# GREY MATTER

## Taxation of Offshore Assets: Highlights...

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eligible taxpayer who fails to take advantage of the Scheme shall, after the expiry of the 12-month grace period, face the legal consequences of tax evasion, including: investigation, charges and enforcement procedures concerning offshore assets held by them anywhere in the world, as well as prosecution for tax offences under relevant extant laws; loss of right to plea bargain;

liability to pay in full the principal sum due together with one-hundred-percent (100%) of all interest and penalties arising therefrom; liability to undergo comprehensive tax audit; withdrawal of any reliefs previously granted to the defaulting taxpayer; and the possible appropriation of any sum paid in relation to the Scheme as part-payment of any further outstanding tax in respect of undisclosed information.

### WHAT DO PARTICIPANTS STAND TO GAIN UNDER THE SCHEME?

The VOARS offers various reliefs to eligible taxpayers who take advantage of the Scheme while it subsists. As provided in the Order, the benefits to be derived by eligible persons and entities who truthfully and voluntarily make appropriate declarations, pay the required taxes/one-time levy and comply with all the regulations governing the Scheme, include the following: permanent waiver of criminal prosecution for tax offences in relation to offshore assets, waiver of penalties and interest on the declared and regularized offshore assets; immunity from tax audit of the declared and regularized offshore assets; receipt of Offshore Assets Regularization Compliance Certificate from the FGN on the declared and regularized offshore assets; and

freedom to use or invest their duly regularized residual offshore assets in any manner in Nigeria or overseas, and thereafter be subject only to payment to the FGN of annual tax on income earned on the residual offshore assets.

However, it should be noted that the stated reliefs/benefits are not guaranteed in all situations. Specifically, eligible taxpayers who participate under the Scheme are only qualified to receive the waivers and benefits, where such will not prejudicially affect or invalidate any court order or judgement already obtained, in respect of any default in payment of tax for which interest and/or penalty have already accrued.

### REMARKS

The key objectives of the EO8 remain largely the same with that of the EO4 which was effected between July 2017 and March 2018 on the Voluntary Assets and Income Declaration Scheme ("VAIDS"). As was the case with VAIDS, the FGN, in addition to curbing corruption and illicit financial flows, intends to boost its revenues by expanding the country's tax base and encouraging compliance among taxpayers through VOARS. Notably, every taxable person/entity in Nigeria is under statutory obligation to voluntarily declare income earned and assets acquired from all sources, including offshore assets, file appropriate tax returns annually and pay the tax due to the relevant Tax Authority.

The FGN has indicated its resolve

to make use of the information it has obtained on all Nigeria-related offshore incomes and assets through automatic exchange of information ("AEI") with other countries to prosecute tax offenders who fail to regularize their tax status in respect of offshore assets under the Scheme. It would be recalled that Nigeria is a signatory to the Treaty on AEI (an initiative of The Global Forum on Transparency and Exchange of Information for Tax Purposes) which, as at December 2017, had been signed by over 95 countries for the purpose of global exchange of information on illicit financial flows and tax evasion.

Similar instruments to VOARS have been used by many countries of the world. Since the 2016 revelations from the Panama Papers, many countries have shown renewed interest in, and beamed searchlight on, the activities of their citizens which have the effect of tax evasion through investments hidden in offshore tax havens. They are increasingly relying on global platforms/initiatives, such as the AEI, to curb the incidence and seek recovery and repatriation of evaded taxes. As reported by the Organisation for Economic Cooperation and Development (OECD), Australia recovered about 326 million EUR in 2013 due to exchange of information. Sweden recovered 130 million EUR due to AEI requests and 200 million EUR due to voluntary disclosures between 2010 and 2014. France recovered about 1.85 billion EUR as at September 2014 under its voluntary disclosure program while the total amount received by countries in unplanned additional revenue as a result of voluntary disclosure programmes and other similar initiatives (in the lead-up to the first exchanges done pursuant to the AEI Treaty) stood at circa 80 billion EUR as at March 2017.

We note that the EO8 is silent on the status of offshore incomes and assets whose owners have participated and obtained amnesty previously under the VAIDS. It is however presumed that amnesty granted in respect of offshore incomes and assets already declared and regularized under VAIDS, should have equal effect as a compliance certificate granted under VOARS for the same set of offshore assets. It is suggested that the Regulations should clearly exempt owners of such assets from the ambit of VOARS or expressly state that clearance certificate issued under VAIDS suffices for the purposes of VOARS to avoid cases where persons cleared under VAIDS become subjects of tax audits and prosecution for failing to comply with VOARS. At any rate, owners of offshore assets are advised to seek professional advice on their tax compliance status and in appropriate cases, take necessary steps to comply with the Scheme.

*The Grey Matter Concept is an initiative of the law firm, Banwo & Ighodalo*

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## BD Legal Business

## NBA-SBL Chairman, others inaugurated into AfCFTA...

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and Nigerians, based the existing domestic and regional policies as it relates to trade.

Results of the consultations, show that the stakeholders raised key issues including need to check abuse of rules of origin, Smuggling arising from difficulties in border controls, un-quantified impacts of legacy preferential trade agreements.

He listed the issues to include, abuse of rule of origin, low capacity to conduct international trade," amongst others

Other issues raised include Low capacity and capabilities of local business to conduct international trade, cost of finance, insufficient energy; and

Transport logistics infrastructure, to mention a few.

The President however, said these issues are being addressed by the ERGP, even as he said government is "determined to break away from the past practice of committing Nigeria to treaties without a definite implementation plan to actualize the expected benefits while mitigating the risks"

"We cannot go back to the days of signing agreements without understanding and planning for the consequences of such actions. And our country being the worse-off.

"Your task as members of the AfCFTA Impact and Readiness Assessment Committee is to address the issues raised during the nationwide stakeholder consultations on the AfCFTA.

"You are expected to develop short, medium and long-term measures that will address any challenges arising therefrom.

The Steering committee, headed by Minister of Industry, Trade and Investment, Okechukwu Enelama and Chief of Staff to the President, Abba Kyari as co-chairman, is expected to submit its reports in 12 weeks, designing a clear roadmap for Nigeria as it relates to the AfCFTA

The Agreement Establishing the African Continental Free Trade Area (AfCFTA) was signed in Kigali, Rwanda, at the 10th Extraordinary Summit of the African Union (AU), on 21st March 2018, while 49 Signatories and 7 Ratifications, have been witnessed so far.

Since then, African Union (AU), in partnership with the United Nations Economic Commission for Africa (UN-ECA), had engaged in serious drive to sensitize stakeholders on AfCFTA.

Minister of Industries, Trade and Investment, Okechukwu Enelama who is co-Chairing the Presidential Steering Committee, said African Union Commission (AUC), United Nations Economic Commission for Africa (UN-ECA) and the Rockefeller Foundation, in collaboration with private and public sector stakeholders in Nigeria are organising the "Africa Trade Forum" (ATF), as a major stakeholder engagement and sensitisation FORUM, for Lagos on the 2nd and 3rd November, 2018, as part of move to gather the twenty-two ratifications required for the AfCFTA to come into force.

The Forum will focus on how the implementation of the AfCFTA can be positioned to provide a platform for addressing Africa's development challenges to industrialise, grow African economies, create jobs and reduce, if not eradicate poverty completely.

Thirteen (13) of the fifteen (15) Members state of the Economic

Community of West African States, ECOWAS, currently being chaired by Nigeria, are Signatories to the AfCFTA.

"The ECOWAS Commission (that is the Executive Secretariat) is moving ahead with ECOWAS Members to prepare the AfCFTA Market Access Offer for Trade in Goods; and, a Market Access Offer for Trade in Services.

Because ECOWAS is a Customs Union (CU), these offers shall be deemed binding on all ECOWAS Members, including Nigeria, as the ECOWAS Market Access Offer shall be submitted to the AfCFTA process at the 13th Meeting of the Negotiating Forum in Addis in November.

AfCFTA Stakeholder Sensitization and Consultations were undertaken from March to October 2018. In the exercise, approximately, no fewer than 34 groups and associations were sensitised and consulted, while approximately 3,017 natural persons were engaged in the various sessions and meetings.

The engagement produced 6 Communiques, which were adopted and signed in 5 geopolitical zones, while the South West Geopolitical Zone summary was issued in Lagos.

During the engagement, 12 private sector groups submitted inputs, conveying their group positions on the AfCFTA in response to the nation-wide call for inputs on all media platforms.

The sensitisation witnessed the emergence of diverse opinions with many stakeholders supporting the AfCFTA.

Some pointed to the market opportunities for growth for Nigerian exporters of goods and services; scope for industrialization through economies of scale in a single market; the mechanism for resolving trade disputes; cooperative mechanisms for regulating and promoting intra-African trade; and, the AfCFTA as a platform for Nigeria's continued leadership in Africa as Africa remains the centerpiece of Nigeria's foreign policy.

Stakeholders who support the AfCFTA were specific in pointing to policy sectors where complementary action is required by the Federal Government, as Nigeria prepares for the AfCFTA.

They identified specific areas requiring intervention and complementing action include, predictable cost effective power supply; cost of energy as accounting for the major cost of doing business in Nigeria.

Others include reducing the cost of money (interest rates) and expanding trade finance/micro-credits and finance for MSMEs, fostering an Enabling Environment for Business that eliminates, multiple taxation by government and highway tolls, internal checkpoints; and, reduces the level of insecurity, as well as investing in trade Infrastructure (seaports, inland dry ports, road and railway networks);

They also called for the re-opening historic Trade Corridors in the North East, South-South and South West for trade and investment facilitation, mainstreaming informal unrecorded trade into the formal economy and developing a programme for Micro- Small and Medium Enterprises, addressing the long-standing problem of transshipment and dumping, piracy, smuggling and other injurious trade practices by non-African trading partners, operating through Nigeria's neighbours in complicity with individual Nigerians, empowering women in international trade; and

establishing a coordinating, implementation and monitoring body for Trade Policy, that would cover the AfCFTA, the Commonwealth and the WTO.

"While the stakeholder engagement was constructive, going forward, strategic trade stakeholder engagement shall not be one-off. The stakeholder engagements, as undertaken for the AfCFTA, shall be sustained as regular work. Thank you to all who supported the stakeholder engagement. Reward for work is more work.

The Minister revealed that the terms of Reference for the Presidential Committee on AfCFTA Impact Assessment and Readiness include the assessment of the potential costs and impact of the AfCFTA for Nigeria in relation to the benefits, identify the short, medium and long-term measures to prepare Nigerian businesses for the take-off of the AfCFTA trading bloc and a back-up plan that covers selected scenarios; and, review the trade remedy options to safeguard the Nigerian economy from predatory and other unfair trade practices

More specifically, the scope of impact assessment would include, inter alia, the potential impact on government revenue (for weighted and non-trade weighted revenue), coherence between fiscal policy, structural and monetary policies. The assessment would also include impact on Nigerian businesses, domestically and regionally, for both trade in goods and trade in services.

The assessment team is expected to review smuggling trends, including the potential escalation of smuggling and abuse of the rules of origin and address specific questions such as how AfCFTA provisions interact with legacy bilateral/multilateral trade agreements.

Also to be considered is the national security implications of AfCFTA especially with the movement of persons.

In assessing Nigeria's readiness for AfCFTA, the Committee is required to evaluate specific measures to prepare Nigerian businesses for export trade, taking into consideration, ongoing programs and reforms.

The measures include critical trade enhancing projects, policies, laws, regulatory reforms and compliance actions to be implemented over the next 5- 10 years. The measures would include non-tariff and other non-technical barriers and transitional arrangements that if not addressed, will impede export of Nigerian Goods and Services and erode the expected benefits from AfCFTA.

The Presidential Committee will also explore actions to improve and enforce the provisions of ECOWAS and other trade treaties with a view to assessing practical and policy-relevant aspects of implementing the AfCFTA, and recommend a framework to mainstream trade into national development plans and programmes to assure coordinated and sustained implementation.

The Committee is made up of Steering Committee Members and a Technical Work Group. The Steering Committee Members will provide steer and approve the work of Committee. The Steering Committee Members include core members to provide general oversight and support members to be consulted on specific areas such as infrastructure, economic sectors, fiscal and monetary policies, and trade rules enforcement.

## 2018 CI Arb conference expected to host international arbitrators across Africa



Adedoyin Rhodes, Vivour

The Chartered Institute of Arbitrators (CI Arb) is an international organisation established in 1915, over a hundred years ago. The CI Arb is a charitable body whose main object is the promotion and facilitation of dispute resolution by arbitration and other alternative means of dispute resolution, other than resolution by the courts. The Institute's membership is multi-disciplinary, composed of over 15,000 members located across 133 countries of the world.

Ahead of its 2018 Annual Conference and Gala Nite, which opens today in Abuja, the Chairman of the institute, Adedoyin Rhodes-Vivour has said that the conference which is slated to hold at the Transcorp Hilton Abuja, would seek to address challenges and factors militating against the use of ADR as a tool for economic development in Africa.

She said, "The conference gives us the opportunity to ask ourselves questions, to learn from the experience of other climes and to assess our capability and capacity in the field of international dispute resolution. We have delegates and speakers from different regions of the world and the event is expected to be a great learning and networking experience."

Disclosing this year's theme: "Arbitration and ADR in Africa: Challenges, Gains and Lessons for the Future," Rhodes-Vivour stated that the focus was on contemporary frontline issues in Arbitration and ADR in Africa and is expected to throw up issues bordering Arbitration and ADR across Africa, Arbitral institutions, amongst other things.

"The topics have been carefully chosen to give insight into the challenges facing the development of arbitration in Africa, the gains we have achieved and the way forward for arbitration in Africa," she said.

Rhodes-Vivour added that diversity was key to longevity and legitimacy of international arbitration. Diversity connotes the inclusion of all including on generational, geographical and gender basis. Highlighting some practical issues to be discussed, she said,

"What proactive steps are being taken to ensure that diversity concerns are receiving attention? When called upon to appoint arbitrators are Nigerian parties willing to ap-

point qualified and experienced Nigerian/African arbitrators? Are we building up our arbitral institutions? Is there enough cooperation between African Arbitral institutions? What further actions do we need to take to ensure we have a qualified and experienced crop of African Arbitrators and alternative dispute resolvers and good representation in the international arbitration arena? Are we effectively utilizing mediation in settling disputes?"

Speaking further on the role of arbitral institutions, the CI Arb Chair said,

"Arbitral institutions are private organizations which play a pivotal role in the development of arbitration law and practice. The primary function of an arbitral institution is to promote arbitration as the primary tool for the resolution of disputes.

According to her, they were neutral bodies, created to facilitate and support the arbitration process, through the provision of flexible arbitration services to disputing parties. Such services include the provision of arbitration rules which parties can incorporate into their contracts, registrar services, administering/supervising the process and lending support to arbitral tribunals, appointment or recommendation of arbitrators and generally providing procedural and logistical frameworks for the resolution of disputes.

"Arbitral Institutions also provide training to ensure a crop of suitably qualified arbitrators as well as putting in place rules of ethics which arbitrators are obliged to comply with," Rhodes-Vivour added.

The Nigeria Branch is composed of 1,173 members from different parts of Nigeria. The Secretariat is located in Lagos and we have Chapters in Abuja and Port - Harcourt. The Chairperson revealed that the purpose of the Chapters is to promote and represent the Institute, its services, arbitration and ADR in its locality and provide localized networking and socializing opportunities for members within the Chapter's geographical area.

The 2017 Conference was held in Lagos; the 2016 conference was held in Port - Harcourt, Rivers State, and this year Abuja, the Centre of Unity - would play host to members of the CI Arb and its guests from across the country.

## Justice Dipeolu sworn in as new Ogun chief judge after retirement of Justice Olopade ...pledges robust administration of criminal justice

RAZAQ AYINLA, Abeokuta

New Chief Judge of Ogun State, Justice Mosunmola Arinola Dipeolu has pledged to continue from where the retired Chief Judge, Justice Olatokunbo Olopade stopped, saying robust administration of criminal justice, speedy hearing and adjudication on cases, among other judicial functions will be the vocal points of her administration on the bench.

Justice Dipeolu, who was sworn in at Ogun State Executive Council Chamber in Abeokuta on Monday, declared that there must be concerted judicial efforts to deploy sound administration of criminal justice to ensure that cases are speedily heard and adjudicated upon in order to decongest prisons located across the State.

While soliciting for the continued support of government and the judicial body in the State, after the taking of usual oath of office, secrecy and allegiance, she pledged that, "I will not disappoint the State, our forebears, my colleagues. I will not drop the ball and I will always keep the flag flying."

Speaking after the swearing in, Governor Ibikunle Amosun of Ogun State described Justice Dipeolu's new office, as a great one in the legal profession and the State with much expectation and therefore, she should perform her duty as Chief Judge of the State without fear or favour.

The governor said, This swearing-in comes with a lot of huge responsibilities and more is demanded of you, knowing the status of Ogun State in the comity of States in Nigeria."

The Governor however enjoined Justice Dipeolu to provide the right leadership to complement the other two arms of government, assuring of judicial independence from his successor, who would key into what the present administration has done.

### Short Profile of New Ogun State Chief Judge

Justice Mosunmola Dipeolu was first appointed as the acting Chief Judge of the State on Tuesday 28th August, 2018 after the retirement of



Justice Mosunmola Dipeolu, new Chief Judge of Ogun State being congratulated by Governor Ibikunle Amosun



Justice Mosunmola Dipeolu, new Chief Judge of Ogun State sits by Razaq Ayinla



Cross section of members of the bench in Ogun state with Justice Kolawole Mabekoje sitting in the front row at the swearing in of the new Chief Judge.

Justice Olatokunbo Olopade.

The new Chief Judge holds a Bachelor of Law Degree (LL.B) from the University of Buckingham, Eng-

land, attended the Nigerian Law School, Lagos and was called to the Nigerian Bar in July 1981.

She started her career as a Pupil State Counsel at the Lagos State Ministry of Justice in August 1981.

In January 1985, she was appointed to the Bench as a Magistrate in the Lagos State Judiciary and rose to the position of a Senior Magistrate in 1991.

Justice Dipeolu left the Lagos State Judiciary in December 1991 and was engaged in private practice until November, 1995 when she was appointed as a Chief Magistrate 1 in the Ogun State Judiciary where she rose through the ranks to become a High Court Judge in May, 1999.

The Head of Ogun State's Bench has attended several national and international seminars and workshops.

## New transfer pricing regulations, guidelines and circular...

Continued from page 26

a separate and connected entity to its subsidiary Permanent Establishment office or entity ("PE"), with regard to any commercial transaction undertaken between the parent/head office and its subsidiary office, being treated as controlled transactions that must comply with the TP Regulations 2018.

Persons are also deemed connected where one of them has the ability to control or influence another or other connected persons in making financial, commercial or operational decisions.

The Arm's Length Tax Principle simply requires that the conditions of a controlled transaction, between connected persons, whether resident or non-resident, must not differ from the conditions that would have applied where the connected persons are separate, independent and neutral parties, undertaking comparable transactions under comparable circumstances.

Where connected persons fail to adhere to the Arm's Length Principle in their transactions, FIRS is permitted to make necessary tax adjustments to ensure that the appropriate taxable profits from the connected transactions are collected,

### Transfer Pricing Methods

In determining whether a transaction or a series of transactions are consistent with the arm's length principle, one of the following Transfer Pricing methods will be applied:- the Comparable Uncontrolled Price ("UP") Method; the Resale Price Method; the Costs Plus Method; the transactional Net Margin Method; the Transactional Profit Split Method; or any other method which FIRS may prescribe.

The preferred TP method to be adopted will depend on various factors including the strength or weakness of such a TP method considered; the appropriateness of such a method; the availability of reliable TP data or information and

the degree of comparability between the controlled transaction and uncontrolled transactions.

### Advance Pricing Agreements

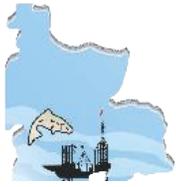
A connected person can, as an efficient tax strategic plan, approach FIRS to execute a Advance Pricing Agreement ("APA") which Agreement will provide some set criteria and certainty for determining the connected person's future transfer pricing compliance obligations. The duration of a first APA must not however exceed three (3) years.

All APAs must adhere to the provisions of the TP Regulations 2018.

### Mandatory TP Declaration

All connected persons are now required to, within six (6) months of the end of their accounting year, declare any relationship that they might have with any other person or persons, whether or not the connected persons are resident or non-resident.

To be continued next week



# GARDEN CITY BUSINESS DIGEST

## Ikwerre council revenue summit sets new path on fiscal viability

...Investors, council, reach understanding to boost revenue  
 ... Building permit to be intensified as taxes to be harmonised

IGNATIUS CHUKWU & FAVOUR ICHEMATI

**I**kwerre local council area of Rivers State which controls the largest chunk of the Ikwerre ethnic nationality, the largest ethnicity in the oil-rich state, has concluded a revenue summit that has high hopes of launching the area to high fiscal viability.

This is many resolutions were reached in a meeting with investors in the council area that may facilitate faster revenue collection and compliance in the vast area that covers many sensitive economic installations. The new move is spearheaded by the new council chairman, Samuel Nwanosike, who revealed that many ills plaguing the council were uncovered when he took over since June 28, 2018.

Some of the sterling resolutions at the revenue summit include the setting up of a revenue court to take issues of revenue to the front burner. Top on the agenda would be issue of building permit by the council expected to generate huge revenue. There is the fear however that syndicates have been issuing fake building approvals to investors.

Speaking after the summit, Nwanosike, a staunch believer in the vision and supporter of the Nyesom Wike administration in Rivers State, said the law allowed every local gov-



Samuel Nwanosike, Ikwerre LGA chairman

ernment council to generate revenue so as to cushion the financial burden of the council alongside the federal allocation that comes in. He said: "We decided to follow the part of honour by constituting a com-

mittee, which organised a two-day revenue summit. There, Ikwerre LGA and investors reached a formidable agreement. We, in accordance to the law, established a revenue committee.

"We are also working towards putting an end to the issue of double taxes. The Rivers State House of Assembly has shown us the way forward on that. A monitoring committee has been constituted. The committee will go from door to door and insist that every building in Ikwerre LGA, from May 29, 2015 till date, moving forward; we want to see the appropriate building approval as done by law in the council. Government is a continuum and whether it is done by previous local government or now, it is still Ikwerre Local Government that has done it. We are aware from the intelligence we have gathered that a lot of criminals have gone to construct fake stamps and sit in the comfort of their bedrooms to issue building approvals to unsuspecting developers."

Saying there is only one place where building approvals are done; that being the office of the Director of Works in Ikwerre LGA. "Every other thing done outside there is illegal. We are mandating this committee to go ahead, investigate, and fish out these culprits. We have also agreed with the judicial arm of government at the local government level to set up a revenue court where these defaulters would be brought to book because we do not have the right to take the laws into our hands."

## PH still bubbles as UN, AU, continue in girl-child elevation strategies

INNOCENT ETENG & FAVOUR ICHEMATI

**F**or some international organizations, the International Day of the Girl Child ought to be celebrated everyday, though it is only for October 11 every year, a global day dedicated to celebrate the girl child, highlight the challenges she faces in society and drum support for her empowerment and education.

To celebrate her this year, under the theme; "Empower Girls: Before, During and After Conflict", the youth division of the African Union - African Youth Union Commission (AYUC) - gathered delegates from the United Nations (UN), government, human right groups, security agencies, media organizations, professionals and others to enlightened school girls on how to overcome their everyday gender-based challenges.

"In our own way, we are trying to push out enlightenment to ensure that parents and everyone in society takes care of the girl child," says Ataisi Ntene, coordinator of AYUC in Rivers State.

Girl child activists and professionals took turns educating participating school girls on how to bury old traditions that say girls are inferior to men. Even more, Atte Olorunjoba Timothy, who represented the UN at the event, told the school girls to square up as scientific research has shown that the girl child could be smarter than the boy child.



Port Harcourt by Boat  
 With  
 IGNATIUS CHUKWU

**Y**ou have been struggling all your life but limited success or none at all continues to hold you down. You do all the fasting (if you are the believing church person) or all the strategies that experts recommended but you are still held down. Now, your spiritual mentor discerns that it could be ancestral curses or things from your family lineage holding you down. They call you out to pour prayers and break the yoke, but, you are still down. Now, the solution has been revealed by the Holy Spirit, for those that believe. This took place to a certain woman of God in a certain apartment in London.

It's always good to take time

## The revelation in a London apartment:

...Is what your ancestors did to others holding both families down?

out in solitude to meditate and seek communion with God/Holy Spirit. This is what Lara Joseph; area pastor at the Redemption Model Parish in Elenwo, PH, did two months ago. She took off for London on vacation. She is the fire-fire type and rest is important for her age and type of work. While in her daughter's apartment in a part of London, she rested and later decided to take days off in solitude to inquire and insist on getting answers to something that had bothered her for years: Why do true born again believers still suffer from lack of breakthroughs despite the efforts of their intercessors? She kept asking in prayers. Later, she was led to realising that often, it is from ancestral curse. That, she already knew. But, is the blood of Jesus not enough to wipe off all old things? She kept banging at the door of heaven for direct answers. Now, the revelation came on how to escape from this curse; 2 Samuel, 21:1 down. The children of Israel had a covenant with God not to attack the Gibeonites. Later, Saul led his army to attack



Lara Joseph

them. The Gibeonites thereafter mourned for long, wondering what they did wrong, and if covenants through Jehovah's name were no longer reliable.

Soon, famine broke out in Israel, and it went on for three years. David was now on the throne and he inquired of the Lord through Samuel. Answers came, it always comes. It was traced to the killing of

the Gibeonites. David pleaded for how to atone but the men of Gibeon said nothing, except seven men from the house of the man who ordered the massacre, that they may be hanged and tortured till death at their public square. This would heal their grieving hearts and only then would the famished land of Israel be healed, too. This was done, and relief came. See?

Your victim's grief will surely bring you grief.

So, the Holy Spirit revealed to Mummy Lara that atonement is important in certain offences, even to born again believers, even if Christ had paid with His Blood. His blood has only made salvation available but you must draw it down in the case of grievous evil done to people. Since that evil sentenced that family and their descendants to pain and suffering, the descendants of the evil-doer will also suffer same fate, even if both descendants know or do not know each other or know their sufferings.

Solution? It was revealed to Mummy Lara that atonement would require the descendants of the offender to pray out the descendants of the victim out of suffering, first. They alone hold the power to retribute and to rescue the victim's descendants. How? You stand out and stand in the gap and begin to pour out your heart of prayers, asking that God bless and restore breakthrough to the descendants of those your ancestors ruined. Pray that

they may know salvation and receive Christ. Pray that their lives should change right away by your say-so. Pray, pray, and pray; from your heart and believe it. The old order required seven men to be sacrificed to atone. Now, Jesus has done that, but you must draw from your account by connecting to salvation and sending it to the descendants of those your ancestors harmed or crushed without just cause. That is what the Holy Spirit revealed. The sins of the father must be visited on the sons up to fourth generation. You must address this particular spiritual clause; you alone, not your pastor, not any intercessor. When you restore them through prayers, you too will be restored. Simple!

Soon, they would get breakthroughs because you have atoned. Soon, too, you begin to experience breakthroughs because the Holy Spirit who alone knows both families and their situations must show you that something has changed on the other side by changing your own situation. That is the evidence you need. When you begin to get breakthroughs, know that they too have been rescued.

# INVESTING IN RIVERS STATE

## How 'Commonwealth University' will set the pace for affordable but quality education in Niger Delta – bishop

Rivers State is about to witness another form of educational boom. This may be because private schools from nursery to university level in Nigeria are seen as gold which only the rich can afford. The hope of the poor youths hungry for university education especially in the Niger Delta oil is huge. The General Overseer (GO), Moses Kattey, the archbishop of the Commonwealth Covenant Church Inc in Alode, Nchia – Eleme, Rivers State, said that the hope of the poor praying for higher education opportunity is achievable through his pet project, 'Commonwealth University', billed to take off from September 2019. In this interview with our correspondent, GODWIN EGBA in Port – Harcourt, the bishop who holds a doctorate degree in Physics unveils plans and preparation for effective take-off of the university. He also expresses personal opinion on why a true church should not entice its members with financial empowerment for the sake of retaining their membership. The bishop says he out to bring quality university education to the poor. Excerpts:

### A realistic dream

**C**ommonwealth Covenant University is a sure dream that has come to stay. It is a God's intended project for indigent eligible Niger Delta Youths who are hungry for academic pursuit. This is the mission of the university billed to take off by September 2019.

We are at an advanced partnership discussion with some overseas and Nigeria universities such as the Cyprus University near Israel and the University of Ibadan, Oyo State, Nigeria, now waiting for their response. We are also negotiating with banks, individuals, and other organizations; all

Poverty is of the mind and I don't believe poor Nigerian youths are poor in mind but they can be poor economically and that's why we are saying that poverty should not be a barrier to indigent Nigerians



Bishop Moses Kattey

geared towards our take-off next year.

### Unique among other private universities in Nigeria

The uniqueness of the university is that, it would set a pace in bridging poverty gap between poor eligible Niger Delta youths and the rich in the region. The Commonwealth University is built with a passion to offer affordable and qualitative education opportunities to the poor.

### Curriculum and the NUC

The Commonwealth University is not built on mediocrity. Members of the governing board are products of sound

academic qualifications, moral and spiritual integrity. We cannot go an inch without the NUC registration and so we are discussing with the authorities. We are starting with pre-degree, degree and remedial programmes in different disciplines.

### Managing costs in relation to charging low fees

We are not unaware of the trend of charging exorbitant school fees to remain on course. However, charging exorbitant fees is not a guarantee to qualitative education, it's not a guarantee that the rich men's children in such schools can do better

academically. Poverty is of the mind and I don't believe poor Nigerian youths are poor in mind but they can be poor economically and that's why we are saying that poverty should not be a barrier to indigent Nigerians who are the resilient, with desirous and persevering spirit for education.

The lord is our strength and that's why we are discussing with banks, individuals and other organizations for financial partnership that would guarantee us run the school for at least three good years without burden of school fees. We are also going into some

sustainable businesses to be run by the University to generate revenue to take care of overhead cost. "God will make a way where there seems to be no way", is a wisdom to us who believe. We are not profit-oriented but we should get there.

### Belief in education for the poor especially and how the church can help

When we started, we were giving scholarships to people in our church, we trained some in some skills, but where are they now? So far none is in the church. We were doing it to retain our membership but it didn't work.

I don't advocate the use of welfare to keep members or people in the church but the power of God. The kingdom message is about power as contained in 1st Corinthians 4:20 - "For the kingdom of God is not a matter of talk but of power". Our members with us are by power of God. Some people come to the church for financial help and once they are helped they find their comfort zones.

### Where the priority should be

First, I should be able to pay our ministers who are working for God to enable His gospel draw people to Him. It's the power of God that keeps His people in the church. I stress here that attaching welfare to gospel or evangelism is wrong but faith in word and power of God according to 1st Corinthians 2:5 - "So that your faith might not rest on human wisdom, but on God's power".

Many churches do a lot of welfare to their members but those that remain are mostly old members. Others go away because they have got what they were looking for based on their mind-set, not on true salvation.

### NAFEST: Traditional wrestling, dance drama, tales by moonlight, others, take centre stage as in PH

**A**s activities for the ongoing National Festival of Arts and Culture, tagged NAFEST Rivers 2018 advance in Port Harcourt, the Rivers State capital, the Festival Media/Publicity Committee has released the schedules for events of Wednesday, October 24, 2018 and Thursday, October 25, 2018 respectively.

Chairman of the Festival Media/Publicity Committee, and Rivers State Commissioner for Information, Emma Okah, in a press release said the events would begin with NAFEST Cultural Roundtable on Entrepreneurship at the Obi-Wali International Conference Center, Port Harcourt by 9am.

'Ayo' Competition will take the centre stage at Rex Jim-Lawson Cultural Center, Port Harcourt at 2 p.m. while spectators would be thrilled with Traditional Wrestling Competition by 4pm at the Sharks Stadium, Port Harcourt.

Barrister Okah said spectators would also be entertained with Dance Drama at 6 p.m. at Obi Wali International Conference Center, Port Harcourt with the last performance of the day, Tales by Moonlight scheduled for 7 p.m. at the same venue.

Okah also announced programme schedules for Thursday, October 25, 2018. He said events would kick off with Children's Essay Writing/Crafts Competition by 10 a.m. at Dr. Obi Wali International Conference Center, Port Harcourt.

Lovers of Traditional Cuisines would get a full dose of entertainment as the competition holds at Rex Jim-Lawson, Port Harcourt by 2 p.m.

While wishing all participants a fun-filled competition, Barrister Okah also enjoined the good people of Rivers State to avail themselves of the rare opportunity provided by the fiesta by turning out in their numbers in all events.

He further enjoined them to oblige the august visitors the usual traditional hospitality of Rivers people.

## Trouble in Kogi SDP over federal constituency ticket

...Awoniyi's daughter says 'my candidacy a foregone issue'

VICTORIA NNAKAIKE, Lokoja

The Social Democratic Party (SDP) in Kogi State is in great crisis over who picks the National Assembly ticket, as daughter of former Arewa Consultative Forum (ACF) leader, Sunday Awoniyi, claimed that her name has never been substituted for another person. Adebisi Awoniyi, who won the primary of the party for the federal constituency seat, said she had completed and submitted the necessary forms that confirmed her as the candidate of the party for the forthcoming election.

Some members of the

party in the state had claimed that Awoniyi's name had been removed and replaced with that of Oluwafemi Iselaiye. But in her reactions, Awoniyi stated that the claims of Iselaiye's supporters were unfounded, describing them as mere propaganda and a figment of their imagination.

"In line with the timetable of the Independent National Electoral Commission (INEC) and having satisfied party requirements, I have duly filled and submitted my forms CF001 and E.C.4B as required to be given to party candidates.

"The forms were properly filled and sworn to at the High Court Registry Abuja after which they were sub-



Sunday Awoniyi

mitted to the Party Secretariat on 17th October 2018 as instructed for onward submission to INEC on 18th October 2018 along with those of other successful candidates of SDP," she said.

According to her, "We want to state here that this is nothing but a figment of the imagination of the promoters of such propaganda with the aim of intimidating me, to mislead, deceive and confuse the good people of Yagba constituency who have kept vigil and faith with us.

"We believe the seasoned executives of our great party will not field two candidates for one elective office and will not issue forms to two individuals for the same elective position."

Awoniyi also said that Adamu Abdullahi, who is a former state chairman of SDP, quoted in an interview is currently on an indefinite suspension from the party since 4th October 2018.

"He is still laying claims to the office he no longer occupies. One wonders in what capacity or on what authority Abdullahi (Angulu) is talking when he made the false and misleading statement in respect to the SDP candidate nominated to INEC," she said.

Awoniyi however, called on all her supporters to remain steadfast and continue to sustain their belief in her, saying that anything ill-gotten can never endure as often expressed by her late father.

## 2019: We will defeat APC – Kwara PDP

SIKIRAT SHEHU, Ilorin

The People's Democratic Party (PDP) in Kwara State has said it would win the 2019 election in the state with ease.

The party said this is possible because the PDP under the leadership of the Senate President, Abubakar Bukola Saraki has over the years established a strong bond with the people of the state and it's assured of their continued support and loyalty.

The PDP reacted to a purported order by President Muhammadu Buhari asking stakeholders of the All Progressives Congress who visited him on Monday in Abuja, to defeat the PDP and dislodge the Senate President, Bukola Saraki in next year's general election.

The party in a statement by its state publicity secretary, Tunde Ashaolu told President Buhari the APC to prepare to accept the imminent defeat that await the party in the 2019 governorship election.

It described the directive given the APC by President Buhari to take over the mantle of leadership in the state as dream and exercise in futility.

The party noted that President Buhari should be more worried about the killings going on in different parts of the country and other pressing issues confronting the nation rather than get fixated on the tall dream of APC taking over power in Kwara State.

The statement reads: "As a responsible and compassionate party, we enjoin the APC-led government to urgently address the insecurity in the country rather dissipating its energy to cause unrest in a peaceful state like Kwara. The senseless killings in Kaduna, Plateau, Benue, Borno and in other parts of the country are unacceptable and must stop immediately.

"The marching orders by the president to the APC stakeholders to take over Kwara is a reflection of the party's desperation to take control of Kwara at all cost and put the state in captiv-

ity of the "Lagos and Abuja cabal".

"Also, we hope that the much publicised photo session the aggrieved Kwara APC governorship aspirants had with the President yesterday (Monday) at the Aso Villa will help in stopping the unrest and mayhem unleashed on the peace-loving people of Kwara State by these desperate politicians since the party primaries held.

"As a party, we are confident that with the support of the good people of Kwara State and on the basis of a free, fair and credible election, PDP will emerge victorious in the governorship election and other elections in the state.

"We note that the only thing the APC is holding on to is to use the Federal Government might at its disposal to rig the election, like it did in Ekiti and Osun governorship elections.

"We are also aware of plans by the APC to import thugs to disrupt and manipulate the electoral process in Kwara. This was the same method the party employed during the supplementary governorship election in Osun State last month.

"However, we will never allow any form of rigging in Kwara State, and the good people of Kwara will stand to defend their votes.

"We also reiterate that the PDP under the leadership of the Senate President, Abubakar Bukola Saraki has over the years established a strong bond with the people of Kwara and is assured of their continued support and loyalty."

## C'River APC crisis deepens as Usani's group accuses Owan-Enoh, others of anti-party activities

MIKE ABANG, Calabar

The All Progressives Congress (APC) in Cross River State has accused the Senator representing Central Senatorial district of the state, John Owan-Enoh of engaging in anti-party activities, asking the national leadership of the party to take punitive action against him.

Francis Ekpenyong, state secretary of APC, made the allegation while addressing journalists in Calabar. He called on the Senator to give reasons why he was fraternising with the Mathew Achigbe-led EXCO or face disciplinary action.

"We the state executive committee/stakeholders of APC in Cross River State also demand that Sen. John

Owan-Enoh should within seven days from the date of this statement, explain in writing why he persistently organise anti-party activities in the state by recognising Achigbe-led exco," he said.

"The purported Matthew Achigbe Exco has no authority, neither do they have powers to pronounce, enforce any decision of the party in Cross River State by virtue of the Abuja High Court order of 8th of August, 16th of August, and 20th of September 2018.

Ekpenyong also alleged that there were plans by the Mathew Achigbe leadership to suspend the Minister of Niger Delta Affairs, and warned that any such action would be declared null and void "as we have a court order in our favour."

"John Etim-led exco is

aware that the National Vice Chairman South-South, Huilliard Etta's scheme to sponsor the suspension of Usani Uguru Usani. Such action will be illegal, non-existent and void before it is pronounced," he said.

Apart from Owan-Enoh, the Minister's group suspended the chairman of the mainstream faction, Mathew Achigbe and the secretary, Victor Eboog for opening a parallel office, claiming that the John Etim-led faction was the authentic party.

While appealing for the cooperation of members of the public while the issues are being sorted out, Ekpenyong said he has filed a case against the Achigbe faction and was optimistic that every issue would be resolved in his favour.

## ADP senatorial candidate felicitates with Benin monarch on 2nd coronation anniversary

IDRIS UMAR MOMOH, Benin

Ese Owie, Edo South Senatorial District candidate on the platform of Action Democratic Party (ADP) in the forthcoming general election, has described the Benin monarch as an intellectual sublime diplomat whose adeptness was consistently demonstrated during his service as Nigeria's Ambassador in the Scandinavia, Africa and Europe.

Owie, who made the remark in his congratulatory message to mark the second coronation anniversary of the Benin monarch, noted

that the monarch's years of service were distinguished by exceeding accomplishments and a blemish-free Foreign Service career.

"I, Dr. Ese Owie, the Action Democratic Party's Candidate for Edo South Senatorial District, congratulate His Royal Majesty, Omo N' Oba N' Edo Uku Akpolokpolo Oba Ewuare II, Ogidigan, Oba of Benin Kingdom on the 2nd Anniversary on the Throne of His Forebears.

"His Royal Majesty is an exceptional fecund and an intellectual sublime diplomat whose adeptness was consistently demonstrated during his extraordinary years of

service as Nigeria's Ambassador in the Scandinavian, Africa and Europe. His years of service were distinguished by exceeding accomplishments and a blemish-free Foreign Service Career."

He said the traditional ruler has demonstrated an abiding faith in unity and greatness of the Great Benin Kingdom and the Empire's role in the shaping of contemporary global affairs.

He also added that the monarch's engagement with Royal Fathers across the country over the last two years epitomises the finest genre of traditional statesmanship.



Saraki

## NEWS

## Reps probe N60bn looted Nigeria Airways fund, call for revisit of Justice Obiora commission report

KEHINDE AKINTOLA, Abuja

Nigeria's House of Representatives on Wednesday unveiled plans to set up an ad-hoc committee that will investigate the N60 billion allegedly looted by some political officer holders and civil servants in Nigeria Airways Limited.

The resolution was passed sequel to the adoption of a motion on 'Urgent need to investigate Justice Obiora Nwazota Commission of Enquiry into the activities of the defunct Nigeria Airways Limited, sponsored by James Faleke (APC-Lagos).

In his lead debate, Faleke, who doubles as chairman, House Committee on Customs and Excise, stressed the need to ensure the release of the White Paper and implement the recommendations of Jus-

tice Nwazota Commission of Enquiry, which was conducted in 2012.

He observed that the resolve of Federal Government to commence the payment of N22.6 billion outstanding entitlements of ex-workers of Nigeria Airways Limited being first tranche instalment payment should be scrutinised.

"The House notes that the federal government under President Muhammadu Buhari has commenced payment and offsetting 50 percent of the outstanding entitlements of ex-workers of Nigeria Airways Limited in total sum of N22.6 billion only being the first tranche instalment payment, while the other part payment of the balance of 50 percent is expected to be paid in 2019 due to paucity of funds.

"The House further notes that long before the advent of this administra-

tion, precisely in 2002, the Obasanjo-led Federal Government had established the Justice Obiora Nwazota Judicial Commission to probe into the operations of the company.

"The House is aware that the commission turned in a report, which revealed the mind-boggling corruption and looting to the tune of N60 billion. "The White paper was approved by the Federal Government and further directed the Federal Ministry of Finance and the Police to recover the stone funds and prosecute the indicted culprits.

"The House I worried that till date, nothing has been heard of the report and those indicted in the report are believed to be largely visible in the public arena, while the ex-workers continue to languish in abject poverty having been denied their rights to their entitlements, with many of them

reportedly dead without receiving their entitlements.

"The House is dumbfounded that despite the release of the White Paper and the approval given to the Paper as well as the directives to the Federal Ministry of Finance and the Police by the Federal Government on an entity of this magnitude, which affects the entire nation, the previous governments have refused to prosecute the culprits indicted in the report.

"The House is further concerned that those who have been identified to have looted this humongous sum of N60 billion in 2002, a sum whose value will no doubt be in the region of about N200 billion in present day might have been using the said fund to fight, destabilise the government and in some cases, may have bought their way out of prosecution and possible conviction," he alleged.

## CBN reels out gains of protecting economy through 41 items implementation

HOPE MOSES-ASHIKE

Central Bank of Nigeria (CBN) on Wednesday outlined the gains of protecting the domestic economy through the implementation of the restriction of access to foreign exchange on 41 items.

Godwin Emefiele, governor of the CBN who said this at the ongoing seminar for finance correspondents and business editors in Lokoja, Kogi State, also urged for more policies that would protect the domestic economy.

Represented by Moses Tule, director, monetary policy department of CBN, he said the implementation of the 41 items policy had lifted the Nigerian economy out of recession, which it plunged into in 2016.

He gave an instance of the real Gross Domestic Product (GDP), which grew by 1.40 percent in the third quarter of 2017, up from 0.72 percent in the second and first quarter of 2017, respectively. Also, there has been improved reserve accretion to the country's reserve.

According to Emefiele, the policy was aimed at stimulating the domestic

economy in order to enhance domestic production and protect local industries from undue foreign competition and take-over.

Citing the success recorded in the area of import reduction, particularly in rice, in addition to other policy actions of the bank, he admonished Nigerians to support the policy on 41 items in order to further reduce pressure on the naira.

He also advised that Nigerians should see the policy as an opportunity to change the structure of the economy, resuscitate local manufacturing, and expand job creation for Nigerian citizens.

He said the theme of the Seminar: "Monetary Policy Implementation amidst Global Economic Protectionism" is relevant, considering the implications of protectionism and the challenges it poses to the effective implementation of monetary policy.

Defining protectionism, he said it is the restriction of trade between nations, utilising means such as tariffs on imported goods, restrictive quotas, and a variety of other inhibitive government regulations, designed to discourage imports and prevent the foreign dominance of local markets.

## NACCIMA mobilises stakeholders towards successful agric quality excellence awards

TELIAT SULE, AMAMCHUKWU OKAFOR & UJU IKEDIONU

The Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), working in collaboration with Vertical Inspirations Organisation and the Federal Ministry of Agriculture and Rural Development (FMARD), has kicked off the mobilisation of all stakeholders, sponsors and the general public towards having a befitting 1st Agricultural Quality Excellence Awards in Kano State on November 20.

Addressing all the stakeholders at the NACCIMA Lagos office Tuesday, national president, NACCIMA, Alaba Lawson, called the attention of the general public to the contributions of agriculture to the nation's economy before the discovery of oil in commercial quantities, saying that all hands must be on deck now to revamp the sector.

She further stated that the successes recorded in recent times particularly in rice revolution showed that Nigeria was back on the right path.

"The successes recorded in the agricultural sector such as the rice revolution among others are evidence that we are on the right path. We are aware that government has already put in place several strategies and incentives to incentivise agribusiness, such as the Anchor Borrowers Scheme, tax rebate, tax holidays and con-

cession and so many others.

"All these incentives are meant to encourage production, processing, marketing, export and other segments of agribusiness in Nigeria. As a major stakeholder in Nigeria's agricultural sector, we are of the opinion that the Agricultural Quality Excellence Awards has the potential to encourage farmers and others in the agric value chain," Lawson said.

At the press briefing were the project coordinator and the technical adviser to the minister of agriculture and rural development on quality control and standardisation, Heather Ronke Akanni; Governor of Kano State, Abdulahi Umar Ganduje, who was represented by Uba Tanko Mijinyawa; a former ambassador and the director-general of NACCIMA, Ayoola Olukanmi; Isaiah Odigie, executive director, Vertical Inspirations; Akeredolu Olayinka who represented Audu Ogbe, the minister of agriculture and rural development; Segun Atho, national deputy president of Rice Farmers Association of Nigeria; Lolo Kadafa from the Bank of Industry; Tokunbo Habeeb from the Raw Materials Research and Development Council; Sameera Abubakar, managing director, Guarantee Impex Global Services Limited, and Muhammad Adamu Muhammad, president and chairman board of directors Guarantee Impex Global Services Limited.



L-R: Bismarck Rewane, non-executive director of Guinness Nigeria plc; Rotimi Amaechi, minister of transportation, and Babatunde Savage, chairman, Guinness, at the Pre-68th annual general meeting of Guinness' cocktail in Abuja. NAN

## Airtel Africa raises \$1.25bn from SoftBank, five other global investors

CYNTHIA IKWUETOGHU

Airtel Africa, a subsidiary of Bharti Airtel, says six global investors including Warburg Pincus, Temasek, Singtel, SoftBank Group International are to invest \$1.25 billion through primary equity issuance in the company at a post-money value of \$4.4 billion.

The proceeds from the sale of equity will be used to cut down the company's debt from \$5 billion and grow its business ahead of an intended initial public offering (IPO), the company said in a statement.

Bhartia Airtel last month chose UBS, JP Morgan, and Citi to coordinate the London IPO of its Af-

rica business.

According to Raghunath Mandava, managing director/CEO, Africa at Bharti Airtel, "This primary equity issuance clearly underlines the confidence of leading global investors in Airtel Africa's successful business strategy and its potential to sustain growth and profitability.

"The transaction will help us further deleverage our balance sheet and boost our capacity to upgrade networks, expand coverage in different markets and achieve rapid growth of Airtel Money across our operations."

In addition, a press release from Singtel on Wednesday noted that Singtel currently held a 39.5 percent effective stake

in Airtel. Also, the company agreed to invest \$250 million of the \$1.25 billion investment secured from the global investors.

The company noted further that only a quarter (25%) of Africa's population had access to formal banking services. Mobile money has filled the gap and has become the engine for financial inclusion for both individuals and small businesses.

"Our investment into Airtel Africa reflects our confidence in the long-term growth potential of Africa with its young and growing population. For many of Airtel Africa's customers, the mobile phone is the key enabler for digital and financial inclusion," Arthur Lang, CEO, Singtel's International

Group, said.

"As Airtel continues to execute on its transformation strategy to become a leader in data and mobile money in Africa, we believe it is in a strong position to benefit from increasing smartphone penetration and mobile money adoption."

According to Singtel, the Airtel African mobile subscribers are expected to increase from 420 million at the end of 2016 to more than half a billion by 2020.

BusinessDay analysis of the financial result of Bharti Airtel in first quarter ended June 2018 showed that India and South Asia generated about 75 percent of the company's revenue while Africa generated 25 percent from a total 201 billion Rupees.

## FG to spend N8.73trn in 2019, targets 3.01%...

Continued from page 1

to fund the 2019 budget.

The MTEF / FSP is designed to translate the strategic development objectives of the Economic Recovery and Growth Plan (ERGP) into a realistic and implementable budget framework for the medium term.

Key highlights of the 2019 budget include oil price benchmark of \$60, oil production of 2.3m barrels per day, exchange rate of N305 to 1USD, Gross Domestic Product (GDP) growth rate of 3.01 percent and a budget size of N8.73 trillion, about N400 billion less than the N9.1 trillion of 2018.

Minister of Finance, Zainab Ahmed, disclosed that FEC also granted approval for a loan of \$1.5m from the African Development Fund to finance a feasibility study for the multinational Lagos to Abidjan corridor highway project.

The multinational project will be a dual carriageway highway with six lanes, that will involve five countries, including Nigeria, Benin Republic, Republic of Cote D'Ivoire, Ghana and Togo.

The minister said the decision was taken at the 42nd meeting of the Authorities of Heads of States and Governments of the Economic

Community of West African States (ECOWAS) in 2013.

"The African Development Bank in 2016, as a follow up, approved the total sum of \$13.5m for the whole project to finance both the study in form of a loan, as well as a grant."

She disclosed that the entire fund had been distributed among the participating countries and that the component for Nigeria is \$1.5m.

"The FEC has approved that we accept this facility, so that the project study can be commissioned towards the planning and the execution of the highway project itself."

Minister of Power, Works and Housing, Babatunde Fashola, disclosed that the ministry presented a memorandum for the award of contract for the rehabilitation of Lagos -Badagry - Seme road project.

The road project which is a total of 46 kilometers, excludes the parts from Eric Moore to Okokomaiko section in Lagos.

"Council approved 46 kilometres from Agbara to Seme border, out of which 24 kilometres will be six lanes, while 22 kilometers will retain the current four lanes to be reconstructed and rehabilitated.

"FEC approved the project at the cost of N63.023 billion"

Fashola explained that the road is part of the Lagos to Abidjan corridor, while the Nigeria side of it is from Eric Moore to Badagry to Seme border. "Ghana has done theirs, Cote D' Ivore has done theirs, Togo and Benin have something in place. Some of them have to move because of coastal erosion by the Atlantic Ocean, and how to reintegrate all of that is part of the study that is being funded by the ADB to ensure simple and efficient border controls."

The ministry also got approval for the construction of the road linking Gwarzo to Karaie, a 20- kilometre highway project in Kano State, at the cost of N1.029b, as well as approval to terminate and re-award the contract for the 10 megawatts Katsina wind energy project.

The project, with a total of 37 turbines, has 15 already completed, while 22 are in different stages of completion. The 15 completed are already generating about four megawatts of electricity and are being used by the Power Distribution Company.

He explained that the main contractors were not giving government the kind of cooperation needed from them. "We found out that the local contractor that they hired is the one actually doing the job.

"We have decided to terminate the contract and use the balance

to pay the local contractor who has done 15, to install the remaining 22.

"Council approved that at N121.073m out of the existing contract. So it is not a new contract. It is so that the contractor can complete the work in the next five months."

Council also approved the African trans Sahara high way project from Algiers to Lagos.

The Nigerian section is the Lagos to Katsina border side, traversing Ibadan, Oyo, Ogbomoshosho, Ilorin, Katsina, Abuja, Kano and other major towns and cities.

"If you look at what the President has done in the last few days, a committee on the African Free Trade Agreement Protocols, these are the critical infrastructures that link us. So, from South to North, from Lagos through the West Coast, are the interconnections on how we relate with other African countries."

Water Resources Minister, Sulei-

man Adamu, also announced that Council approved the revised estimated total cost for the construction of the Zobe Regional Water Supply Scheme in Katsina State, phases 1 (a) and 2, as part of efforts to complete infrastructure inherited by the Federal Government.

The project was first awarded in 1992 but was abandoned, with a new contractor taking over in 2009, but who were never paid.

Adamu stated that the Buhari administration inherited the project at 75% completion in 2015.

"Council approved the augmentation of N12.15 billion to bring the project to a total of N22.1 billion with an additional completion period of 18 months."

He disclosed that the Federal Government recently signed a N10 billion agreement with the Katsina government for the completion of the phase 1(b) of the project.

## MTN, CBN near truce on \$8.1bn refund...

Continued from page 1

discussions to reach an amicable solution.

There are signs that Federal Government authorities are ready to soft pedal.

Zainab Ahmed, Nigeria's acting Finance Minister, is the latest public official to admit that a regulatory clash with the country's biggest non-oil foreign direct investor, MTN Nigeria, was "damaging" and is being quickly "sorted out."

A week before Ahmed's assertion, made at the 24th Nigerian Economic Summit Tuesday, Godwin Emefiele, the Central Bank governor, told reporters in London that the situation had taken a "global dimension" that it didn't need to and assured investors that an amicable solution was being worked out with MTN.

A senior investment banker however says it would take more than spoken assurances to fix the damage done to the country's image in the eyes of investors.

"It may require the government to pass a bill that exempts Certificate of Capital Importation (CCIs) issued in the past from coming under scrutiny and publish clear guidelines for how future CCIs would be issued, so that everyone knows and can ensure they are compliant," the investment banker said on condition of anonymity, as he is not authorised to talk to the press.

Investor confidence was dealt a huge blow when Nigerian regulators in late August insinuated that the local units of the biggest foreign-owned banks in the country were culpable of illegally repatriating some \$8.1 billion for their client, MTN, using unapproved certificates of capital importation.

While MTN was ordered by the CBN to refund the money, the four banks accused of aiding the deal on behalf of the telecommunication company were slapped with fines.

The local unit of London-based Standard Chartered and American lender, Citi Group, were implicated alongside Standard Bank's Stanbic IBTC and local lender Diamond Bank, for the alleged illegal transaction which happened between 2007 and 2015 and were fined a combined N5.8 billion (\$US 16 million)

Standard Chartered, Citi bank and Stanbic IBTC alone account for as much as 81 percent of foreign capital brought into the country on average over the past decade, which implies that they are some of the most trusted hands when foreign investors want to bring money into Nigeria.

The banks were fined by the CBN despite publicly stating they had not flouted any capital importation rules, as years of business in Nigeria seemed to have counted for noth-

ing in obtaining a genuine CCI. The matter sent shock waves across the foreign investor community.

"If these banks claim to have followed due process in obtaining CCIs for MTN, yet their claims were rebuffed, then foreign investors who move money with the banks have every reason to fret," a local fund manager told Business Day.

The claim spooked investors who began to question the validity of the CCIs they had largely obtained from three of the affected banks, and the spectre of who would be next after MTN to be accused of peddling illegal CCIs saw them pull the plugs on planned capital importation to the country.

Left with more questions than answers over the matter, investors used an Africa-focused Moody's conference in London this month, to ask questions. Sources who attended the conference said the bulk of discussions were about the Nigerian regulatory clash with MTN. "Nigeria took the shine off other African countries," the source said.

Nigerian Finance Minister, Ahmed, said the situation presented a challenge to redeem the country's image.

"We have been engaging investors to explain what is happening with MTN and can assure investors that no company is next, because we can't afford to allow these incidences happen," Ahmed said.

She added that Emefiele has assured her that the matter would be resolved as soon as possible and expressed regret over how the situation turned out.

"We need a regulatory philosophy that understands growth," advised Doyin Salami, a former member of the Monetary Policy Committee (MPC).

"Our regulators should not be first about raising revenue because it makes little sense if it comes at the expense of jobs and even long term revenue itself," Salami said during a panel discussion at the 24th NES in Abuja.

As an indication of the damage done to the country by the MTN action, sources in the private equity investment community told BusinessDay that they have been receiving calls from their investors abroad to find out if they should be worried by the CCIs upon which they brought money into the country and also to note that all investments are being put on hold until there is some level of clarity around the CCI issue.

Some private equity firms have also embarked on a review of all the CCIs in their possession to ensure they are fully compliant with CBN regulations while they are also putting on hold any new fund raising activity until they get some clarity around the issue.



L-R: Emeka Emuwa, CEO, Union Bank; Nike Akande, former minister of industry; Adekunle Sonola, head, commercial banking, Union Bank, and Lola Cardoso, chief digital and innovation officer, Union Bank, at the opening ceremony of the edu360 fair organised by Union Bank, yesterday.

## 'Nigeria's private sector has no capacity to...

Continued from page 1

He cited two projects that President Buhari's administration has essentially negotiated construction in partnership with the private sector. These are the Apapa, Mile 2, Oworoshoki Expressway in Lagos State, to be undertaken by Dangote Construction, a subsidiary of the Dangote Group, which will cost N72 billion. He said there was also the Bonny bridge which would be partly funded by government and the NLNG, with each of the financiers providing N60 billion each.

"How many in Nigeria's private sector have N60 billion to put in infrastructure because these are the big ticket items that we are talking about.

"So let's be honest with ourselves, instead of just having these talk sessions without really crunching the numbers and putting the money on the table."

He recalled having supervised the first two road concession arrangements in Nigeria during the Buhari administration, which did not make any headway due to strong opposition.

"So this is the climate in which we have to operate and it seems

to me that the smartest thing is for government to focus its energies and resources on infrastructure.

"Government must lead that way," he stated, noting that "it is quick. Those of you who have negotiated PPPs know how many years it takes to reach financial close. The question is can we wait?"

He cited the case of Saudi Arabia, which over the last decade has invested \$420 billion of oil proceeds on their infrastructure.

"Can we point to a similar amount in the country?" He queried.

He also accused the banks of not being ready to fund infrastructure.

He said a similar conversation was held at last year's economic summit but that not much has come into infrastructure, except Dangote and NLNG which have so far shown interest.

"Where are the real entrepreneurs, how many of them can stand without government support?"

He argued that investors prefer maximum low risk returns on their investments, hence their preference for portfolio investments and others that offer such returns.

Fashola said that rail, ports, road

networks are not low risk and do not offer quick returns. This is why investors tend to ask for 'all manner of guarantees' when called to invest in infrastructure.

He however admitted that Nigeria has a huge liquidity gap in infrastructure funding.

"We want a private sector led economy because they are the largest creators of wealth and employment, but it is still government responsibility to provide the social infrastructure."

Fashola expressed joy that the private sector has taken over distribution and generation of power. He said the government has put in place payment assurance guarantees to ensure that the power produced is paid for. He expressed the view that the country's power sector privatisation "was conceived in a hurry, implemented in politics and now present huge challenges which government is battling to tackle."

He also mentioned that government has put in place a policy to open up distribution of meters and that are as a result, now 180 applications for meter access provision.

Rotimi Amechi, minister of Transport, who also spoke, supported Fashola's position that it is essentially government that can handle Nigeria's huge infrastructure needs.

# INTERVIEW

## 'We are empowering Africans to solve societal problems using science and technology'

According to Brand Finance, a UK Brand Consultancy firm, six out of the top ten most valuable companies in the world today is technology based. It is evident that STEM (Science, Technology, Engineering, and Mathematics) education is non-negotiable for any economy that desires growth. Taking the lead in propagating interest in STEM Education in Africa is Interswitch SPAK, an initiative of the Interswitch group, a Pan-African digital solutions company. The initiative is focused on empowering young Africans to solve societal problems and own the future via the application of science and technology.

A Switch-A-Future Project, Interswitch SPAK includes: Qualifying Examinations, the Masterclass, an Innovation Challenge, and a TV Quiz competition, where various levels of University scholarships worth N12.5 million, among other prizes, are at stake.

Mitchell Elegbe, the founder and group managing director of Interswitch Group, is confident that every social challenge can be best tackled with the application of technology education. In this interview with KELECHI EWUZIE, he speaks about his passion for driving the project, its different facets and the future. Excerpts:

### Why is Interswitch Group initiating the Interswitch SPAK Project?

In fulfilling our social responsibility as an organisation, our CSR focus is on education, innovation, and leadership. The Interswitch SPAK initiative bridges all three at once. When we looked at education, we decided to focus on STEM subjects because of the impact of technology in the world, today.

As Africans, we are continually faced by countless societal challenges in the power, education, health and transport sectors, to name a few. Research has shown that technology can be employed in tackling these issues and technology is a direct offshoot of STEM knowledge; hence, our focus on STEM education. In addition to that, STEM allows a person to think in a very structured manner. Even if these students end up not becoming engineers or scientists, that structured manner of thinking will help them in any field of endeavor. A foundation in STEM which helps a person think in a very structured manner is something every student should have.

To achieve the set objectives of the project, the Interswitch SPAK project has been structured quite differently from other academic competitions. We included the Masterclass for knowledge sharing; the TV Quiz Show which will begin soon will also feature an Innovation Challenge. All these are to ensure we produce well-rounded future innovators.

### You mentioned the Masterclass, can you expatiate on that? What do you hope to achieve with the Masterclass?

The Masterclass is a key part of the Interswitch SPAK project. There, we shared with the students ideas and skills that traditionally are not taught in the classroom. The Masterclass also gives the students an opportunity to meet real-life models who prove that success is possible in this part of the world, regardless of existing challenges. It focused on knowledge sharing, as well as motivating the students on character building and assuming leadership responsibilities in all their spheres of contact.

As trailblazers in their various schools, who have excelled in the core science subjects - Physics, Chemistry, Biology and Mathematics - it is important that these students are armed with 'softer' skills. Skills like social innovation, leadership, entrepreneurship are all very relevant in today's world. Like we say "High IQ is necessary, but it is not sufficient". Salient issues like social innovation, emotional intelligence and entrepreneurship were the subject matters brought to fore at this year's Masterclass.

### The TV Quiz Show is starting soon. How will that pan out?

The TV Quiz show will debut on October 27



Mitchell Elegbe

on DSTV Africa Magic Channel 154, TVC Lagos, STV Jos, NTA Kano, EBS Edo, NTA Port-Harcourt, DBS Asaba and OSRC Akure. It will feature the Innovation Challenge and Quiz Competition. I look forward to an interesting time, having interacted with the students during the Masterclass.

During the TV Quiz show the students will be tested for speed, perseverance, accuracy and knowledge, which is what 'SPAK' stands for. Beyond the quiz competition, these components are important character traits for the student to develop in life- be it in school, at work, in business, and even at home. The future African problem-solver must be diligent, resolute, and confident; and these are some of the qualities you would see in these students as they compete for the grand prizes.

### An Innovation Challenge is something new for a show such as this. What should Nigerians / Africans expect from the Innovation Challenge?

The Innovation Challenge is part of the TV Quiz show. The students will be grouped and presented with basic societal challenges. Here, they will collaborate on these projects and collectively come up with solutions. The sectors to be addressed are transportation, education, and healthcare. As a matter of

fact, as a nation, if we can address the issues in these key sectors, the country will be the better for it. So, we are presenting these challenges to the students and they are expected to use the knowledge and application of STEM to proffer solutions to them. We anticipate very interesting sessions and I look forward to hearing the bright ideas that these young ones will put forward.

Another exciting part of the Innovation Challenge is to see Interswitch employees

**Our goal is to make Interswitch SPAK a Pan-African initiative, we want to make this possible around Africa and it is our hope to extend the initiative to East Africa soon**

### The national qualifying examination was certainly a huge one, involving tens of thousands of students. How were you able to get the students who participated and what are the plans to sustain it?

Working with our partners Just Media and NECO, and leveraging their experience in this sector, we were able to achieve a successful national qualifying examination. The process began with a nationwide search for these brilliant students. 81 finalists from different parts of the country emerged from over 11,000 students who participated in the national examination. Those 81 finalists went through the Masterclass and will go through the TV Quiz show where they will compete for the prizes at stake. In terms of sustainability, that is not a challenge. This project was carefully thought through. At some point, there will be a minimum of five of these students in universities because every science course takes at least five years in the University. We already made provisions for all such contingencies.

### Like many teenagers, a good number of these brilliant students are a bit unsure about the specific career paths to pursue. Do you think that their participation in this competition will help shape their choices?

Clearly, this is a good way to start and I see these youngsters taking this platform as a springboard for greater things in future. Sometimes, all you need to do is ignite something. The passion is there but certain experiences trigger the right spark in the right direction. What Interswitch has done is to ignite that spark and help guide them towards succeeding. As these students, already have many of the skills they need to succeed in any career path they choose.

### What is the future of Interswitch SPAK?

Our goal is to make Interswitch SPAK a Pan-African initiative. We want to make this possible around Africa and it is our hope to extend the initiative to East Africa soon. With the right partnership and support, taking this initiative around Africa and equipping many students with the right tools they required succeeding, and tackling Africa's many challenges, is at the heart of our commitment. But as the saying goes, every giant step starts with one stride.

# How NHF funds, competent developers drive new housing delivery programme

Of the numerous reasons frequently given for Nigeria's housing demand-supply gap, finance and skilled/competent labour feature prominently. Their availability make timely and quality housing delivery a lot easier which is why it is hoped that the new national affordable housing delivery programme being promoted by the country's apex mortgage bank and the labour unions may not go the way of others before it, writes CHUKA UROKO, Property Editor.

Nigerians have, in the past, seen many housing delivery programmes initiated by governments at state and federal levels and their agencies that ended at conception level. Some ended mid-way into construction and, in some cases, at near-completion level, leaving behind a pile of wasted efforts and resources.

In this instance, the Shagari Low Cost Housing initiative readily comes to mind. Similarly, Nigeria has had social housing projects which failed, in part, because they were executed without recognising the concerns and economic realities of the Nigerian worker and other potential buyers.

However, the recent launch of the National Affordable Housing Delivery Programme for Nigerian workers in six locations across the country by the Federal Mortgage Bank of Nigeria (FMBN) in partnership with leading labour unions in the country is making a difference.

There are many reasons to believe that this affordable social housing project will succeed and not go the way of abandoned national projects. Finance is a major drawback in housing delivery but the availability of funds for the new programme guarantees that the delivery is sure.

FMBN is leveraging its pool of funds from the National Housing Fund (NHF) to finance the construction work and delivery of the project. Selection and mobilization of competent developers is also another guarantee and the apex mortgage bank has already mobilized reputable indigenous developers with the capacity to deliver to start construction work on the project.

Another basis for hope in this programme is the strategic involvement of state governments as critical stakeholders in its implementation. The selection of the pilot sites was done based on the responsiveness of state governors to the conditions of the FMBN for siting the project. This helped in the speedy acquisition of expansive pieces of land for the housing estates.

It is expected that the support from state governors whose workers will benefit directly from the scheme will indeed help to ensure timely project completion and de-



Ahmed Dangiwa

livery to deserving workers.

The active involvement of the labour unions in the design of the program is a major plus for the project and equally gives hope that it will succeed. The participation of leaders of NLC, TUC and NECA in the development of the framework for delivering the project made it possible for them to make constructive inputs into the housing designs, selling prices and conditions for delivering the project. This has given them a strong sense of ownership of the project which is considered a critical factor for its success.

The housing programme, which is designed in collaboration with the Nigeria Labour Congress (NLC), Trade Union Congress (TUC) and the Nigeria Employers' Consultative Association (NECA) is a good addition to the efforts of FMBN as a strategic policy tool of the federal government to increase access to affordable housing by low- and medium-income earners in the country.

Under the pilot phase of the project, about 1,400 housing units comprising one-bedroom, two-

bedroom, and three-bedroom units are planned for construction and delivery at 14 sites nationwide. 200 housing units are to be built in each of the six geopolitical zones with 100 units in two selected states while Abuja and Lagos are to be treated as special sites.

A defining feature of the programme is the fixing of the selling prices of the housing units within a range that workers can afford

**Stakeholder involvement and contributions to the project design make the programme a fit-for-purpose tool that will deliver houses that workers can afford**

with their salaries. The prices are to range from N3.1 million to N8 million which marks a departure from the worrying trend of building houses that are far beyond the financial capacity of low- and medium-income earners.

The rapid and simultaneous commencement of construction activities at various sites in five states including Nasarawa, Kogi, Abia, Enugu, and Akwa Ibom inspires hope for the speedy delivery of the projects within the 6-months timeframe as planned.

In Nasarawa State, for example, the state governor, Tanko Al Makura, provided 5 hectares of land for the project and at the groundbreaking event recently, the governor promised to commit an additional 10 hectares for the project. In Kogi State, the governor, Yahayah Bello, provided 37 hectares of land for the project on the outskirts of Lokoja. In addition to the land, most of the governors have also indicated strong willingness to provide access roads, electricity, and other associated amenities.

"The launch of the National Housing Delivery Programme is a momentous development because it marks the first time that FMBN and the labour unions have worked closely with experts and industry stakeholders to develop a realistic and acceptable framework for delivering affordable housing to Nigerian workers", noted Ahmed Dangiwa, FMBN's CEO, at the groundbreaking event in Nasarawa.

Dangiwa reasoned that the collaborative spirit which this programme has fostered gave room for labour leaders, who understand the realities and financial challenges that Nigerian workers face, to make constructive inputs to the housing designs, pricing range and other relevant conditions for delivering this project.

The stakeholder involvement and contributions to the project design make the programme a fit-for-purpose tool that will deliver houses that workers can afford as part of the overall national efforts at redressing the huge housing deficit that experts now estimate to be over 22million housing units.

Dangiwa assured of a plan already in place to ensure that once the houses are built and delivered, the FMBN will provide mortgage

loans through selected Primary Mortgage Banks (PMBs) to Nigerian workers that contribute to the NHF to enable them to purchase the houses and repay over a maximum period of 30 years.

Eligible workers whose loan requirements fall below N5 million will not be expected to make any equity contribution to access the facility while those requiring N5 million - N15 million will have to provide only 10 percent equity contribution instead of the old requirement regime of 20 percent and 30 percent.

The housing delivery programme is especially significant because of its conceptual focus on delivering cost-effective, safe, decent, quality and affordable housing. The direct commissioning of the bill of quantities by the FMBN to suppress the profit motive and the strategic engagement of state governors for the provision of land at near-zero cost has helped greatly to substantially reduce the cost of the building and keep the selling prices within the reach of Nigerian workers. This combination of quality and affordability makes the program a fit-for-purpose model for social housing in Nigeria.

The programme demonstrates yet another important and impactful initiative that the FMBN is driving to add zest to Nigeria's quest for social housing. This is which it has become necessary for the government and stakeholders continue to support the bank's initiatives such as this and upscale it to reach even greater numbers.

"If the bank has shown that it can achieve this much with a capital base that is just about N5 billion, government needs to continue its professed support and quickly progress its commitment to the re-capitalization of the bank to the tune of N500 billion in the next five years as planned.

With such additional funding, it is hoped that FMBN will have more financial leverage to fund and upscale its projects and indeed rise up to the occasion and ignite a social housing revolution in the country. The current level of housing deficit demands immediate action by government and all stakeholders. Recapitalizing FMBN is a good way to start since it now represents the hope of the common man for decent, quality and affordable shelter.

## Deutsche Bank chief appeals for...

Continued from page A1

most pessimistic analyst expectation. Deutsche blamed “lower volatility and reduced client volumes” for the poor performance.

Mr Sewing told analysts that he expected the bank to regain market share in core businesses, but acknowledged: “On this topic, we have quite frankly the most work to do.”

At €6.2bn, group revenue was 1.4 per cent below analyst expectations. A negative surprise was the performance of Deutsche’s global transaction bank, which plays a core role in Mr Sewing’s strategy to increase the bank’s more stable and less capital intensive businesses. Third-quarter transaction banking revenue was 5 per cent lower than a year earlier.

“This is obviously a disappointing performance compared to our previous expectations,” chief financial officer James von Moltke told analysts, as the business volume by new GTB clients was weaker than anticipated. Last week, Deutsche Bank named Stefan Hoops, a close confidant of Mr Sewing, as the new head of the unit with the task to “reinvigorate the GTB franchise”, according to Mr von Moltke.

The lender said that September marked the end of the restructuring in CIB, with lay-offs in the front-office and balance sheet reductions completed. Since the second quarter, Deutsche has axed 2,300 jobs, with another 1,700 to be shed in the fourth quarter to bring total staff to below 93,000. By 2019, the lender wants to bring total headcount to below 90,000.

Mr von Moltke told analysts that total restructuring costs would be roughly a quarter below the €800m initially expected by the bank’s management.

Despite the weak top line, Deutsche Bank’s profitability in the third quarter surprised on the upside. While profit before tax was down 46 per cent year-on-year at €506m, it was still significantly above the €328m expected by analysts.

Mr Sewing called the result “another milestone on our way to becoming a sustainably profitable bank” and said it was on track to be profitable in 2018 after three years of net losses in a row.

The bank’s common equity tier one ratio — a key measure of balance sheet strength — rose 0.3 percentage points to 14 per cent and is well above its target of 13 per cent. However, its leverage ratio was 4 per cent — below its 4.5 per cent medium-term target — which analysts at Citi said represented a capital shortfall of about €6.4bn.

Deutsche’s return on tangible shareholder equity in the quarter stood at 1.6 per cent, less than half the 4 per cent the lender is targeting for 2019.



## Barclays profit jump powered by strength in trading unit

Upbeat investment bank performance a boost for chief executive Jes Staley

DAVID CROW

Barclays launched a staunch defence of its Wall Street ambitions following a strong performance on its trading desks, in a rebuke to calls to shrink the investment bank from activist Edward Bramson.

Jes Staley, Barclays chief executive, has defined his tenure with a strategy that involves allocating more capital to the group’s investment bank at a time when many European rivals are pulling back.

The bank published third-quarter earnings on Wednesday that provided some vindication for Mr Staley’s plan, with revenues from equities and fixed-income trading up by almost a fifth.

“There has been a comment that European investment banks can’t compete with the US, and I would just point out that four quarters in a row we have gained market share,” said Mr Staley.

He added: “The reality of what’s

happening with our markets franchise really belies the proposition we can’t compete.”

The bullish comments from Mr Staley set the stage for a tense battle with Mr Bramson, who became one of Barclays’ largest shareholders this year after amassing a stake of 5.2 per cent through his vehicle Sherborne Investors.

In meetings with investors, Mr Bramson has argued that Barclays should abandon its ambition to compete with large US investment banks like Goldman Sachs and JPMorgan and instead shrink or sell its trading operations.

This would free up capital that could be handed back to shareholders, according to Mr Bramson, who has made his name in the UK by agitating for changes in strategy at financial groups including F&C Asset Management and Electra, the private equity firm.

Mr Staley’s focus on investment banking also comes at a time of

soul-searching among European politicians, who fear that US hegemony in the industry could hurt the continent’s prospects.

Equity trading revenues at Barclays rose by 35 per cent during the third quarter to £471m, while income in the closely watched fixed-income trading unit was up 9.7 per cent at £688m.

The strong performance of Barclays’ trading desks compared favourably with larger investment banks like Goldman and Morgan Stanley, although its overall trading revenues are still dwarfed by US rivals.

Mr Staley attributed the growth to his decision to hire more senior investment bankers while also increasing spending on electronic trading systems.

However, analysts pointed out that Barclays’ investment bank was still markedly less profitable than its credit cards and consumer businesses.

## Merkel fights for future as German voters’ mood turns ugly

Chancellor’s party faces regional election losses that could sap her authority

GUY CHAZAN

As Christian Democrats gathered for beer and speeches in the village of Langgöns last week, an oompah band broke into “Every Day Brings New Hope”, a popular local folk song. But for Germany’s largest political party, hope is in vanishingly short supply.

Polls ahead of Sunday’s regional election in Hesse show the CDU heading for one of its worst ever results in the state. If they are right, Hesse will throw German politics into disarray — and spell the beginning of the end for Chancellor Angela Merkel.

Unemployment is low in Langgöns, a village of 11,000 in Hesse’s agricultural heartland, and the economy booming. But the mood among locals is ugly. “A lot of voters say they support me as a candidate but they really don’t want

to vote CDU this time,” said Marius Reusch, who is running for mayor. “When you ask why, they say: ‘Merkel.’”

After 13 years in office, Europe’s most powerful woman faces a week that could determine her fate. A bad result in Hesse, where her CDU has held power since 1999, could irretrievably dent her authority and cast doubt on her future as CDU leader just six weeks before she has to stand for re-election.

In Langgöns Volker Bouffier, the CDU’s local party chief and the state’s premier, urged activists to do all they could to get out the vote. “It’s about nothing more and nothing less than saving the world!” he said, with just a touch of pre-election hyperbole.

Home to Frankfurt, Germany’s finance capital, Hesse has been ruled for 19 years by the CDU, the last five in an unusual coalition with the Greens. But when it comes to the next five

years, all bets are off: the CDU is at just 26 per cent, down 12 percentage points since the last election in 2013.

Mr Bouffier blamed his party’s slump on Ms Merkel’s “grand coalition” in Berlin, which has been embroiled in arguments practically since it took office in March. There was the blistering row last June between the CDU and the CSU, its Bavarian sister party, over asylum policy, followed by the dispute over Hans-Georg Maaßen, who was sacked as head of domestic intelligence.

“When a government gives the impression that it is just constantly fighting, then people lose confidence in it, and the potential of protest parties just keeps growing,” he told the Financial Times. “People’s perception of the grand coalition is really very bad right now and they make no distinction between Hesse and Berlin.”

## The initiative for equal rights premieres ‘We Don’t Live Here Anymore’ feature film

The Initiative for Equal Rights (TIERS) recently premiered ‘We Don’t Live Here Anymore’, a feature film directed by Tope Oshin, at the IMAX Cinemas, Lekki, Lagos.

Written by Noni Salma, ‘We Don’t Live Here Anymore’ is about two teenagers, Tolu Bajulaiye (Francis Sule) and Chidi Egwuonwu (TemiDayo Akinboro) in a fictional prominence high school who found themselves embroiled in a scandal that completely alters their future. With a scandal so close to home,

Nike (Funlola Aofiyebi-Raimi), a powerful matriarch desperately pulls all strings to reset the narrative — leading to a battle of class and wit.

While speaking at the premiere, the executive producer, Olumide Makanjuola said, “The question for me is how can we make parents think and understand better for their children. When they do, then they can create a good atmosphere for their children to live, thrive and be happy. This is the reality around us that we have to really think about,” he said.

‘We Don’t Live Here Anymore’ produced by Tope Oshin, Executive Produced by Olumide Makanjuola and The Initiative for Equal Rights (TIERS). It stars Funlola Aofiyebi Raimi, Katherine Obiang, Osas Ighodaro Ajibade, Francis Sule, Temidayo Akinboro and Omotunde ‘Lolo’ Adebowale-David.

The screening was witnessed by celebrities and movie industry players such as Ashionye Raccab, Uti Nwachukwu, Denrele Edun, Latasha Ngwube, Timi Dakolo, Shade Ladipo, among others.

## Capital key risks an Italy dilemma for the ECB

A recalculation of the capital key comes at a fraught time for the Italian bond market

KATE ALLEN AND CLAIRE JONES

An obscure statistical calculation that has shaped the European Central Bank’s €2.5tn quantitative easing programme could have repercussions for the Italian bond market.

The central bank plans to stop buying government bonds from the end of December, but next year will continue to reinvest billions of euros worth of maturing debt it currently holds back into the eurozone’s sovereign bond markets. In the first nine months of 2019, €117bn of sovereign bonds are set to mature and be reinvested.

As with the QE programme, the purchases will be conducted according to the size of each eurozone country’s economy and population, using a calculation known as the capital key. However, next month the ECB updates that calculation for the first time in five years, leaving the central bank with a difficult decision at a time when relations between Rome and Brussels are fraught.

Given the eurozone economy has changed shape over the last half decade, analysts expect the recalculation would leave the ECB buying less debt from periphery countries next year than it would under the current capital key. Some of these nations, such as Spain, have seen a significant rally in their bonds in recent years so a marginal reduction in ECB reinvestments is unlikely to prove notable.

For Italy, however, the situation is more contentious. The country’s coalition government has already sought to accuse the central bank of using its bond purchases as a political tool.

Frederik Ducrozet, a global strategist at Pictet Wealth Management, said that while the potential sums involved were “peanuts”, there was a risk “that it fuels further anti-euro rhetoric from the Italian government, since Italy will be one of those countries penalised with the updated capital key”.

Mr Ducrozet noted that the ECB’s purchases of Italian debt are already set to be lower than that of other countries next year because the ECB holds longer Italian maturities, on average, than in core countries such as Germany, “hence [there will be] a lower amount of redemptions in 2019”.

The ECB will reveal the new calculations for the capital key at its last meeting of 2018 on December 13, when it will also say whether it intends to adopt the new key — or stick with the old — for the reinvestments.

The capital key methodology originated as a way of balancing the competing priorities of differing eurozone member countries.

When the ECB launched QE in early 2015, it was forced to design the programme in a way that took into account concerns among northern European member states that large-scale purchases of government bonds would leave their taxpayers on the hook for losses from countries they deemed profligate.

The solution was found in the capital key, which is used to determine the proportion of capital each of the national central banks must contribute to the ECB, and the portion of the ECB’s profits they would receive in return.

Thus the QE programme is linked not to the size of each country’s bond market, but to the size of its contribution to the monetary union’s economy and population. Yet this has created a headache for the region’s central bankers by pumping more into super-safe German debt than, say, Italian debt.

## How Amplify Digital sets new narrative in evolving digital marketing landscape

FRANK ELEANYA

Marketing is one of the industries that technology has and continues to upturn; old methods of selling to consumers are giving way to technology-driven strategies. From face to face marketing to email campaigns, digital advertisements, basic social media management and blog publishing, strategies are turning towards digital marketing 4.0 – incorporating a hybrid strategy. For businesses in the space it is innovate with the trend or burst.

Amplify Digital; a B2B digital marketing company founded in 2014 is one of those that are choosing to innovate. Alexander Edem, founder and chief executive officer of the company tells BusinessDay in an interview that proper innovation should begin with a new definition of digital marketing for Amplify Digital and the clients it serves.

One of the biggest threats to digital marketers is the barrier to entry. It is very low. With a good laptop and internet connection and a barely passable knowledge of social media, anyone can become a digital marketer in Nigeria. It is also the story

of almost every tech startup.

“I tell people that marketing is one of the fastest growing industry verticals,” he said. “This is because the rate of technology that is being brought into the market is huge. So today’s marketing is significantly different from marketing of five years ago. The deciding factor today is the technology. Technology has revolutionized how we communicate with ourselves, with brands, and a whole lot more. Having this at the back of our minds, digital marketing for us is the ability to be able to take full advantage of all the digital platforms available today to be able to effectively market a client’s products and services.”

Amplify Digital is not channel specific, meaning it can serve its clients across multiple channels. It is a strategy that keeps it flexible and ready to adapt new strategies in a changing landscape. Clients’ needs are evolving alongside their customers. Like the customer, today’s digital marketer’s clients have different needs. One social media tool alone no longer save the day neither will one customer relations management (CRM) tool be the only solution to a client’s challenge. Thus, today’s digital marketers have to consider the full stack



and how they can make them work together.

To decide what channel to be on, Edem says it is important to pay attention to the defining strategy which ultimately determines the level of results derived. Process also plays a significant role.

“If you look critically at social media today in Nigeria, you will see that there are different stages of social media management,” Edem tells BusinessDay. “There is the awareness stage where C-Suite just begins to get aware that it is there and there is a lot of conversations going on they should be a part of.

It goes on to another stage where you are including strategic thinking into the mix to see how you can get the most value for your business from what is going on. Then you have the transformation stage where you are thinking of how to use the insights derived to transform your productive development.”

Apart from barrier to entry, Edem considers C-Suite adoption of digital marketing as a big elephant in the room. However, it is becoming better than what it used to be five to ten years ago evidently. Most Nigerian bank executives are increasing

their social media presence having seen the potential of influencing the bottom line through engaging directly with them on the various platforms.

“But we are not where we need to be,” Edem notes.

C-Suite involvement is at most perfunctory, done out of convenience and with little interest. This eventually influences their budgetary decisions to digital marketing. Budget allocation to digital marketing unit has increasingly been on the downward trend.

“We feel that the boss should not be playing catch

up, they should be able to see where the trends are going and know that it is not a flash in the pan,” Edem says. “It was the narrative that most of the C-Suite executives had when digital technology was starting out. Many believed that this was going to fade. It is here to stay. The key thing is to be able to see what areas digital technology can add value to the business. When we started out, it was with social media management. Banks were saying why do you want to manage our social media platforms, what happens there?”

Taking that into consideration, Amplify prides itself as an organization that is performance driven and delivering on its promise.

“The major challenge for a lot of the brands that we work with is finding the agency that delivers what they promise. There has been that persistent narrative from the brands. It is a refreshing thing when you meet an agency that does what it says it would do in terms of driving performance and results. I tell people that our key selling people is that we are obsessed with results. Once we take you as our client we want to understand your business almost better than you so we can very effectively help you market your product,” Edem says.

## Dropque emerges best start-up at Seedstars, proceeds to represent Nigeria

CALEB OJEWALE

Dropque, a start-up using a combination of one way unassisted video interviews and a powerful AI assessment assistant to get companies the best candidate, has been selected as the best technology startup in Nigeria for its innovative sustainable solution.

The start-up emerged winner at the Lagos edition of Seedstars World, which organisers describe as the global seed-stage start-up competition for emerging markets and fast-growing start-up scenes. The event had 11 selected start-ups invited to present their companies in front of the local jury panel.

Dropque which emerged winner, will as part of the prize, participate at the

Seedstars Summit, taking place in Switzerland in April 2019. It is a weeklong training program, which includes the opportunity to meet the other 65 winners from other fast growing economies, as well as investors and mentors from around the world. The final day of the Summit is dedicated to pitching in front of an audience of more than 1000 attendees, with the possibility of winning up to

one million dollars in equity investment.

Apart from Dropque, other finalists in the top three include MyMedicines, which came second with its curated medication-ordering platform. It leverages 837 pharmacies and blockchain technology to crowd source medicines. In third position was Natterbase, which is increasing the speed and quality of software development.



The other startups invited to pitch were Aspire Power Solutions, Biyabot, Beat-Drone, Bridgebooks, Chekkit Technologies, Insight Africa, NextCounsel and Termii.

The 11 startups pitched in front of a jury which included Obong Idiong, CEO, Africa Prudential Plc; Chike Asiodu, managing director, Text Nigeria; Ahmed Umar, COO, Wrennovation Hub; Henry Okoede, senior manager, Innovation at MTN; and Mimshach Obioha, director, Innovation and Entrepreneurship at Ventures Platform.

The Seedstars Lagos event also featured as speaker, Vivian Nwakah of Medsaf, who won the last edition of Seedstars World Lagos and represented the country at Switzerland. The event was organized with support from Cisco Systems, The Swiss Embassy and Happy Coffee Nigeria.

## Dell EMC unveils cyber recovery service, ransomware protection

Dell EMC has announced the release of its cyber recovery software and recovery services, which it says, are designed to help provide a last line of data protection defence against ransomware, and destructive cyber attacks.

The new software includes innovative automation, workflow and security analytics tools to ensure gold copies of critical data are isolated yet available so business processes can be resumed as quickly as possible in the event of a destructive cyber attack.

Cyber attacks have become a common occurrence, the worst of which often result in extended downtime that can bring business operations to a standstill for days and even weeks – costing millions of dollars. While many large

organisations have strong cyber security and anti-malware detection capabilities in place, the impact of not being able to recover business processes and data in the event of a successful ransomware or destructive cyber attack can be devastating.

“Malicious insiders and sophisticated cyber attackers, especially those that employ ransomware, are known to deliberately target data protection and backup infrastructure,” said Beth Phalen, president, Data Protection, Dell EMC. “We take a layered approach to data protection within the portfolio and with our Dell EMC Cyber Recovery software and Services, helping ensure true data isolation and a last line of data protection defence for business-critical data from a variety of cyber threats.”

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## NEWS

## FG targets 200,000 small businesses with improved power in energising economies initiative

ISAAC ANYAOGU

Over 200,000 small businesses will enjoy 24 hours power delivery in the Federal Government's Energising Economies Initiative (EEI) implemented by the Rural Electrification Agency (REA), starting with the completion of one of the pilot projects, the Sura Shopping Market Complex, BusinessDay learns.

The complex, which has 1,047 shops, has been metered and energised for 70 days since the project kicked-off, leading to the decommissioning of over 700 generators and a 15 percent increase in occupancy rate, the government agency said in a release.

While conducting journalists round the 1.5mw capacity Independent Power Project facility in Lagos Tuesday, Omotunde Has-

san, head of operations at Solad Power Holdings who built the project, said the project include a 1mw back-up so that even if the Island IPP goes off, the complex would still be powered.

"The intention is to build our power plant here, but there is no gas supply in this area so we built a transmission line from the Island IPP, which has 12mw," Hassan said.

"We just have a bulk power purchase agreement with them, we take bulk power from them, break it and supply to customers here, Sura has a willing buyer and willing seller agreement with us," Hassan said.

The EEI aims to support the rapid deployment of off-grid electricity solutions to MS-MEs within economic clusters (such as markets, shopping complexes and agricultural/industrial clusters) through private sector developers.

## Senate suspends plenary for oversight on 2018 budget

OWEDE AGBAJILEKE, Abuja

Senate has suspended plenary for two weeks to allow its committees carry out oversight function on implementation of the N9.120 trillion 2018 budget.

The period will also give the committees time to oversee Ministries, Departments and Agencies (MDAs) on the implementation of the \$2.78 billion Eurobonds recently approved by the National Assembly. To this end, the Senate will resume plenary on November 6.

Senate president, Bukola Saraki, made the announcement at the end of plenary on Wednesday.

Explaining, Saraki said: "Because of the expediency and demand from the Executive that we approve those

funds, we did it but with the understanding that our committees will quickly go and do oversight of the MDAs to see that those loans have been properly utilised.

"And also budget implementation of 2018 and also the social intervention programme that we raised to allow all our committees during this period to carry out the necessary oversight so that you can report when we do resume plenary. So, the committees will still be met no during this period till Tuesday, 6th of November."

The two chambers of the National Assembly had passed the budget on May 16, raising the budget figure by N500 billion, from N8.6 to N9.1 trillion.

However, the President signed the budget into law on June 20, 2018.



L-R: Laoye Jaiyeola, CEO, NESG; Obiageli Ezekwesili, senior Economic Advisory, African Economic Development Policy Initiative (AEDPI); Karim El-Aynaoul, MD, OPC Policy Centre, and Mohamed Loulichki, senior fellow OPC Policy Centre, during the strategic dialogue of Morocco-Nigeria Relations: Enhancing Opportunities for Growth and Development held in Abuja. picture by TUNDE ADENIY

## Terminal operators bemoan closure of Ijora Bridge, say it worsens Apapa gridlock

AMAKA ANAGOR-EWUZIE

The closure of a section of the Ijora Bridge, outbound Apapa, is worsening the already chaotic traffic situation in Lagos State, says Seaport Terminal Operators Association of Nigeria (STOAN).

Vicky Haastrup, STOAN chairman, who stated this in Lagos on Tuesday, said the closure of the bridge, which links Apapa to other parts of the Lagos metropolis through the Wharf Road, was carried out by officials of the Federal Ministry of Power, Works and Housing several months ago without carrying out any visible activity on it.

"While one understands that the Ijora Bridge needs at-

tention and repair, it is wrong to shut a section of it down without any visible work being carried out. The Ijora Bridge is the only way out of Apapa now and to close it down is nothing but a recipe for chaos," Haastrup said.

Continuing, she said: "What has happened is the avoidable reinforcement of the Apapa chaos. The Apapa-Oshodi Expressway at the Tin-Can Island Port end is no longer motorable while the Ijora-Wharf end, which is where every truck and other motorists squeeze themselves through, has been under repair for more than a year."

She called on the minister of power, works and housing, Babatunde Fashola, to ensure quick repair of the

bridge within the shortest possible time.

According to Haastrup, "When there is no free flow of traffic, cargoes are held up in the port and when this happens, it impacts negatively on economic activities in the country."

"Having backlog of cargo at the port, inevitably leads to port congestion and vessel queue. This is why you see some shipping lines imposing congestion surcharge to make up for lost time."

"Port congestion will also mean that importers and agents will have to pay more to clear their cargoes from the port, the cost of which will eventually be borne by the masses."

She said the poor condition of the roads had also

led to astronomical hike in the cost of haulage. "Less than a year ago, it cost about N80,000 to transport a container from Apapa to other parts of the Lagos metropolis but today it is more than N800,000 because of the dilapidated roads in Apapa."

She added that Nigerians bear the brunt of these astronomical charges by truckers, therefore advised that the authorities should not compound this problem with the prolonged closure of the Ijora Bridge.

"Government should hasten work on the Wharf Road repair and also repair work on the closed section of the Ijora Bridge. They should also fix alternative roads in Apapa to allow free flow of traffic," added.

## Electoral Bill: Sacked political office holder to enjoy all benefits until conclusion of appeal

KEHINDE AKINTOLA, Abuja

Going by the provisions of the new Electoral Bill passed by the House of Representatives on Wednesday, any elective political office holder sacked by Election Tribunal shall remain in office and enjoy all accrued benefits until the determination of appeal and finally determined by the Supreme Court. The amendment was contained in Section 143 of the bill.

According to the explanatory memorandum of bill, the legislation seeks to amend the Electoral Act No. 6, 2010 to make provisions for restriction of the qualification for elective office to relevant provisions of the Constitution of

the Federal Republic of Nigeria 1999 (as amended).

It also provides for the use of card readers and other technological devices in elections and political party, to provide a timeline for the submission of list of candidates, criteria for substitution of candidates as well as limit of campaign expenses.

Similarly, the bill addresses issues bothering on omission of names of candidates or logo of political parties during election.

The bill also provides in Section 140 that any electoral officer who omits party names or logo, leading to postponement of election, shall be liable to an offence on conviction to a N2 million fine or two years imprisonment or

both.

The House had during the debate on the motion sponsored by Emmanuel Orker-Jev (PDP-Benue) resolved to rescind its earlier decision on clauses 1 to 26 of the bill, which was considered on Wednesday, October 17, 2018 and deferred further consideration of the remaining clauses of the bill.

The motion was adopted in pursuant to Order One, Rule 1(2) and Order Nine Rule 1(6) of the Standing Order of the House.

According to Orker-Jev, certain new matters considered by the House are pertinent to the electoral process to be captured in the bill to ensure transparent and credible 2019 elections.

## Edo revises 2018 budget upward on Paris Club, other receipts, proposes N16.2bn supplementary spending

Edo State governor, Godwin Obaseki has proposed a N16.2 billion Supplementary Budget for 2018 fiscal year, a 10.79 percent increase to the N150.093bn budget for the year.

The governor, who disclosed this after the Weekly State Executive Council (EXCO) meeting held at the Government House, in Benin City, said that the Supplementary Budget would be forwarded to the Edo State House of Assembly for passage.

The Supplementary budget will be channelled to education, agriculture, among others, which is expected to build human capi-

tal and create wealth for the state and the people.

Noting that the revision is a demonstration of the state's commitment to open governance and transparency, he said, "The revised/supplementary 2018 Budget shows a budget seize of N166.293bn from the initial size of N150.093bn. This represents a 10.79 percent increase."

According to him, "In the course of the 2018 fiscal year, Mr. President approved the disbursement of the final tranche of refunds from Paris/London club of borrowers to States and Local Governments (Edo State's share of this refund amounts to N5bn). Mr. President further approved the ap-

plication of a portion of this refund to clear the arrears of State Government's cash contribution for Universal Basic Education Commission (UBEC) Grants, resulting in a N3bn UBEC grant in favour of Edo State.

"The Central Bank of Nigeria (CBN) in the course of this fiscal year, approved the disbursement of concessional loans (under the Commercial Agriculture Credit Scheme, CAC), to qualifying states. Edo State met all qualifying criteria and thus received N5bn from the CBN under CACs. The foregoing developments were not anticipated at the time the 2018 budget proposal was approved by Executive Council in 2017."

## 2019: Pundits speculate Tinubu's next political move

INI OBONG IWOK

As the 2019 general elections draw closer, the political move of the national leader of the ruling All Progressives Congress (APC) appears to be uncertain.

Tinubu is perhaps regarded as the one of the greatest politicians and political strategies of his generation.

Since leaving office as governor of Lagos State in 2007, Tinubu has continued to maintain his influence and dominance on Lagos and Southwest politics, while also gaining more national prominent in recent years.

Perhaps, his greatest political geniuses could be leading four major opposition parties into a merger that metamorphosed into the APC, which resulted in the defeating of the then ruling People's Democratic Party (PDP) in a historic general elections in 2015, which ush-

ered in the incumbent President Muhammadu Buhari

However, the relationship between Tinubu and President Buhari nosedived after Buhari assumed office in 2015 as President.

Close associates and loyalists of Tinubu had accused President Buhari of sidelining Tinubu in appointments into his cabinet and several other positions across the country, in spite of Tinubu's contribution to Buhari's emergence as the President of the country.

Tinubu's disagreement with the Buhari's government and the leadership of APC became public knowledge when he wrote an open letter criticising the then national chairman of the party, John Odigie-Oyegun, who was then backed by Buhari, predicting doom for the party if Oyegun continued to remain in office.

However, in recent time the relationship between the two leaders appears to be

cordial, while Tinubu have also openly declared his support for Buhari's re-election bid. Tinubu also successfully installed his associate and former governor of Edo State, Adam Oshiomhole, as the national chairman of the party.

Buhari recent emergence as the consensus Presidential candidate of the APC, elected in a direct primary by party members across the state chapters in the country.

In spite of this, as the build up to the 2019 general elections gathers momentum, analysts have questioned Tinubu's support for Buhari's re-election bid, this is amid recent photography of Tinubu and Atiku Abubakar public embrace.

Political analyst, Ayo Kusamotu, notes he will not be surprised if Tinubu dumps Buhari at the last minute, stressing that there is no permanent friend in politics, but permanent interest.

"Of course, this is politics,

anything can happen. I can tell you that, when it comes to politics, there is no permanent friend and enemy, it is about your interest.

"So, if Tinubu dumps Buhari at the last minute and give his support to Atiku don't be surprised, because it is obvious that forces within the APC and close loyalists of the President were not comfortable working with Tinubu.

"Look at what happened to him, after 2015 election they sidelined him, after he supported Buhari. If I were he, I would not back his re-election bid. But it seems what we are seeing is more than this, Tinubu may be afraid of his shadows," Kusamotu says.

Analysts have further predicted that since its was now obvious that Buhari could not be trusted Tinubu may ditched him for Atiku, fearing that he may be victimised by Buhari if he wins a second term.

## \$110bn lost yearly to food related illnesses in low, middle income countries – World Bank

CONRAD OMODIAGBE

The World Bank in a new study has revealed that low- and middle-income countries across the world lose approximately \$110 billion in productivity and medical expenses yearly, as a result of illnesses resulting from unsafe food.

According to the report, the global epidemic of food-borne diseases is unequally distributed in countries within the low- and middle-income bracket in the sub-Saharan Africa region, South Asia, and South East Asia bearing the major burden. While accounting for 41 percent of global population, they also account for 53 percent of food related illnesses and 75 percent of deaths.

Further breakdown of the report shows that total productivity loss associated with food-borne illnesses in these countries is estimated at \$95.2 billion, while cost of medical attention dedicate to these illnesses is estimated at about \$15 billion. Other unquantifiable costs include loss of trade income, companies and farmlands, and also the environmental burden of food waste.

However, majority of these costs could be avoided according to the report, by adopting certain preventive

measures in food production and delivery, as proper management and safety of food could assist in achieving multiple Sustainable Development Goals relating to poverty, well-being and hunger.

Drawing the government's attention to the need for greater investment, better regulatory frameworks and measures that promote behavioural change, is The Safe Food Imperative: Accelerating Progress in Low and Middle Income Countries, which provides data to aide in policy creation and implementation.

"Food safety receives relatively little policy attention and is under resourced. Action is normally reactive to major food-borne disease outbreak or trade interruptions, rather than preventative," Juergen Voegelé, senior director of Food and Agriculture Global Practice, World Bank, says.

The study, which translates the aforementioned statistics, also schematically describes the alignment or the lack thereof between food safety risks and the capacity to manage them as countries develop economically and food systems and diets change. It also reveals that the gap is most pronounced in the middle of the pack, which are lower income countries.

L-R: Biodun Omoniyi, MD/CEO, VDT Communications, with president of ATCON, Olusola Teniola, at NTITA Award 2018, where VDT won Corporate Internet Provider of the Year Award and the MD/CEO won the ICT Personality of the Year Award.



## Why it is difficult to grow from small to big business in Nigeria

CHUKA UROKO

Though it is difficult to know exactly the number of small businesses in Nigeria, it is estimated that enterprises in this class, which operate independently with fewer than 300 employees, make up 97 percent of businesses in Nigeria.

This means that in spite of all the challenges on their way to growth, these businesses strive to exist, underscoring the entrepreneurial spirit of those behind their establishment. They dominate the country's business landscape with each, like human beings, struggling to survive and grow.

But, event though they outnumber large companies by a wide margin and

employ a lot more people; drive innovation and competition in many economic sectors, and are also the highest employer of labour when aggregated, many of these businesses find it difficult to grow to become big.

Experts explain that apart from the harsh operating environment, these businesses have many other challenges that limit their growth into large companies and corporations.

"A major challenge for these businesses, which cuts across board, is access to long-term sustainable finance. I believe the financial system is unkind to both big and small businesses. To grow from a small business to a large one is very difficult if you don't have

family and friends who can help," Paul Onwuabibe, CEO, Landmark Group, told BusinessDay.

Onwuabibe is of the view that for everybody who runs a business in Nigeria, the challenges are similar. What differs, he reasoned, is the size of the challenge and what resources and personnel the firm has to tackle them.

He added, "The biggest challenge I see in the country is people. Getting the right set of people to work with is a big challenge; you need people who are well-trained, well-educated with high moral and ethical standards. It is very difficult to get people in this class.

"If you get the right people, you do extremely well, and if you get the wrong

people, you do badly. We at Landmark have been very fortunate to have gotten the right set of people to drive our ambition and execute our dreams. Training, nurturing, rewarding and motivating them remains a fine balancing act in a very competitive marketplace."

The state of Nigeria's economy is another limiting factor for the growth of businesses in the country and this captures what the Landmark Group CEO described as scourge of an emerging economy. "This is a place where you have huge regulatory limits, very little enabling yet major unplanned expenses on basic infrastructure expected from the municipal, state or federal authorities.

## FCTA, Shippers' Council to establish \$150m dry port, truck transit terminal

JAMES KWEN, Abuja

The Federal Capital Territory Administration (FCTA) and the Nigerian Shippers Council (NSC) are to establish \$150 million worth dry port and truck transit terminal in Abuja.

This was the outcome of a working visit by the executive secretary of the Nigerian Shippers Council, Hassan Bello, and his management team to the FCT minister, Muhammad Bello.

The FCT minister, while speaking on the development, said the Abuja Master-Plan envisaged a dry port and truck transit terminals in the territory, noting that the current growth and development being experienced in the FCT was indicative that Abuja was ripe for all the necessary complements of a mega city.

The minister, who announced that a joint team would be constituted to work out the modalities for the implementation of the projects, informed the delegation that the Idu Station was Abuja's transportation hub, ensuring connectivity by road, air and rail linking Eastern, Northern and

Western lines, while revealing that there was also a spur rail line from Minna in Niger State, to Abuja, envisaged to connect to the Baru Port.

He urged the management of the Shippers Council to factor in these provisions in the project and investment plan, saying there was already a bus terminal under construction in Abuja, and FCT could leverage the network of the Council in attracting investors and partners for the project.

He stressed that FCT already had a policy governing the operations of articulated vehicles regarding when and where they could ply, and disclosed that FCTA was working to strengthen the institutional framework for the enforcement of the regulations.

He congratulated the NSC team on the passage of the Bill transforming them into the National Transport Commission and appealed to the Council to do something on illegal reconstruction of truck to carry loads above their required tonnage, resulting in so much carnage on the roads and causing severe damages on roads.

# Leadership

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## AI's potential to diagnose and treat mental illness

PARIE GARG AND SAM GLICK

**T**he United States faces a mental health epidemic. Nearly 1 in 5 American adults suffers from a form of mental illness. Suicide rates are at an all-time high and 1 in 8 Americans over 12 years old take an antidepressant every day. The economic burden of depression alone is estimated to be at least \$210 billion annually, with more than half of that cost coming from increased absenteeism and reduced productivity in the workplace.

In a crisis that has become progressively dire over the past decade, digital solutions — many with artificial intelligence at their core — offer hope for reversing the decline in mental wellness. Tech companies and universities are developing new tools with potent diagnostic and treatment capabilities that can be used to serve large populations at reasonable costs.

AI solutions are arriving at an opportune time. The nation is facing a critical shortage of psychiatrists and other mental health specialists that is exacerbating the crisis. Nearly 40% of Americans live in areas designated by the federal government as having a shortage of mental health professionals. Those fortunate enough to live in areas with sufficient access to mental health services often can't afford them because many therapists don't accept insurance.

Instead, the countless undiagnosed suffer or look to emergency rooms and primary care physicians for treatment. For this reason, mental health treatment is linked to nearly a quarter of employer health costs even though it appears to account for only 4% of them.

While some may consider the digitization of mental health services to be impersonal, the inherent anonymity of AI can be a positive in some instances. Patients, who are often embarrassed to reveal problems to a therapist they've never met before, let down their guard with AI-powered tools. The lower cost of AI treatments



versus seeing a psychiatrist or psychologist is another plus. These advantages help AI tools ferret out undiagnosed patients, speed up needed treatment and improve the odds of positive outcomes.

Like all digitization efforts in health care and other industries, these new tools pose risks, especially to patient privacy. Health care has already become a prime target of hackers as more and more information has been digitized. But hacking claims data is one thing; getting access to each patient's most intimate details presents a whole new type of risk — particularly when those details are linked to consumer data and social media logins. Providers should design their solutions to employ mitigation techniques such as storing minimal personally identifiable data, regularly deleting session transcripts following analysis and encrypting data on the server itself (not just encrypting communications data).

AI vendors also must deal with the acknowledged limitations of AI, such as a tendency for machine learning to discriminate based on race, gender or age. For instance, if an AI tool that uses speech patterns to detect mental illness is trained

using speech samples only from one demographic group, working with patients from outside that group might result in false alerts and incorrect diagnoses. Similarly, a virtual therapist trained primarily on the faces of tech company employees may be less effective at reading nonverbal cues from women, people of color or seniors — few of whom work in tech. To avoid this risk, AI vendors must recognize the tendency and develop AI tools using the same rigorous standards as research clinicians who diligently seek test groups representative of the whole community.

More broadly, AI's scale can be both a blessing and a curse. With AI, one poor programming choice carries the risk of harming millions of patients. Just as in drug development, we're going to need careful regulation to make sure that large-scale treatment protocols remain safe and effective.

But as long as appropriate safeguards are in place, there are concrete signs that AI could offer a powerful diagnostic and therapeutic tool in the battle against mental illness. Below, we examine four approaches with the greatest promise:

— **MAKING HUMANS BETTER:** At their most basic level,

AI solutions help mental health professionals do their jobs better. They collect and analyze data and suggest effective ways to treat patients much more quickly than humans can.

Ginger.io's virtual mental health services — including video and text-based therapy and coaching sessions — provide a good example. Through analyzing past assessments and real-time data collected using mobile devices, the Ginger.io app can help specialists track patients' progress, identify times of crisis and develop individualized care plans.

— **ANTICIPATING PROBLEMS:** Mental health diagnosis is also being supplemented by machine learning tools, which automatically expand their capabilities based on experience and new data. One example is Quartet Health, which screens patient medical histories and behavioral patterns to uncover undiagnosed mental health problems. For instance, Quartet can flag possible anxiety based on whether someone has been repeatedly tested for a nonexistent cardiac problem.

— **DR. BOT:** So-called "chatbot counseling" is another AI tool producing results. Chatbots are

computer programs that simulate human conversation, either through text or a voice-enabled AI interface. In mental health, these bots are being pressed into service by employers and health insurers to root out individuals who might be struggling with substance abuse, depression or anxiety and provide them with access to convenient and cost-effective care.

— **THE NEXT GENERATION:** Today's mental health AI solutions may be just the beginning. The University of Southern California's Institute for Creative Technologies has developed a virtual therapist named Ellie that hints at what's ahead. Ellie is far more than the usual chatbot — she can also detect nonverbal cues and respond accordingly. For instance, she has learned when to nod approvingly or perhaps utter a well-placed "hmmm" to encourage patients to be more forthcoming.

Ellie, an avatar rendered in 3D on a television screen, functions by using different algorithms that determine her questions, motions and gestures. The program observes 66 points on the patient's face and notes the patient's rate of speech and the length of pauses before answering questions. Ellie's actions, motions and speech mimic those of a real therapist — but not entirely, which is an advantage with patients who are fearful of therapy.

In a research project with soldiers recently returned from Afghanistan, Ellie uncovered more evidence of post-traumatic stress disorder than the postdeployment health assessment administered by the U.S. military. Ellie was even able to identify certain "tells" common to individuals suffering from PTSD. With up to 20% of returning veterans coping with PTSD and a staggering suicide rate among that population, the potential impact of a solution like Ellie is significant.

*Parie Garg and Sam Glick are partners in Oliver Wyman's Health and Life Sciences practice.*

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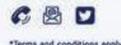
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# Opinion

## THE PUBLIC SPHERE



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# The politics of the Igbo (2)

include issues of citizenship, the structure of the federation, the constitutional basis of Nigeria, powers and roles of the federating units, resource generation, allocation and management.

As the region continued the in-house debate stirred by the nomination of former Governor Peter Obi as running mate to Alhaji Atiku Abubakar, enter Nnamdi Kanu in a cameo at the Western Wall of Jerusalem, Israel. It was an exemplification of politics as high drama and symbolism. He followed with a broadcast to the people of Biafra the next day that has now dominated discussion and conversation in the region and around it across Nigeria.

Kanu wore his imperial attributes and “decreed” that the South East and South South no longer exist but are now Biafraland, asked the people of the Benue to join Biafra, and ordered a boycott of the elections. He was expansive and confident in his assertions.

“Without a referendum, nothing will happen in Nigeria. IPOB will not participate in any election, and that position will never change. IPOB is the largest mass movement in the whole world. We will not stop until Biafra is fully restored”, Mr Kanu boasted.

The leader of the Independent Peoples of Biafra (IPOB) declared the support of Israel and the United States for his

movement. He added, “Chukwu OkikeAbiama has assured me that Biafra shall come. All collaborators will feel the full weight of

Ndigo now stand at a crossroads that Kanu has helped to signpost. The dominant tendency in Igbo land, being the elected leaders and the elite organised in several socio-political groups led by Ohanaeze, prefer to remain and engage Nigeria while pursuing restructuring. Others canvass boycott of elections and other civic engagements until there is a referendum or a review of the “fraudulent 1999 constitution”

the anger of the Biafran people. “I am coming back to Biafra land soon, and I will bring hell with me, the way it has never been seen before.”

In what amounts to a Freudian slip, Kanu renounced any links with Nigeria. Said he: “I am not a Nigerian. I already renounced Nigeria in 2015. I am a Biafran of British nationality. I cannot be tried by a court I do not recognise. I do not recognise

Nigeria. I can only come to the court with UN supervision.”

The “Biafran with British nationality” curiously wants his followers with only Nigerian identity and nationality to renounce their citizenship of the only country they know and avoid participation in citizen roles and obligations. Similarly, he expects Nigeria to conduct a referendum so that citizens can decide whether to remain here or prefer Biafra.

Like or despise him, Nnamdi Kanu has emerged as an authentic Igbo leader with a massive following that commands attention. There are many willing to go wherever he leads. He causes strong division in the land between those who believe him wholly and many who dismiss him as an uncouth and impolitic rabble-rouser out to deceive the people with fanciful notions. His followers do not care, and they number in millions among the young mostly as well as the not-so-young exasperated with Nigeria and sold on the romance of Biafra. The fact that Biafra was a failed project does not faze them in the light of the many injustices of Nigeria against the people.

Kanu draws on the angst in the land and the hopelessness of a vast army of unemployed and underemployed young people. There are few opportunities in the South East with governors lacking in the vision and capac-

ity for execution of those of the first and second republics. They vend to the people vacuity and hopelessness.

Ndigo now stand at a crossroads that Kanu has helped to signpost. The dominant tendency in Igbo land, being the elected leaders and the elite organised in several socio-political groups led by Ohanaeze, prefer to remain and engage Nigeria while pursuing restructuring. Others canvass boycott of elections and other civic engagements until there is a referendum or a review of the “fraudulent 1999 constitution”.

IPOB’s call for a boycott of elections did not work in the gubernatorial race in Anambra in 2017. The failure showed that the Igbo would do what they consider to be rational and in their best interest. They are capable of holding two conflicting ideas at once, supporting Kanu on some matters and doing the exact opposite on some others.

Conspiracy theorists already see in Kanu’s sudden appearance in the wake of the emergence of Peter Obi a plot to create confusion and undermine the possibility of block voting by the Igbo through the distraction of no referendum no voting. The real challenge is for the Igbo political class. Do they have enough credibility and deposits in the emotional bank accounts of citizens to command their loyalty and allegiance to follow

them to the ballot or will they go the other way? It is a significant test of how well they have served and how the people regard them. Are the office holders in South East Nigeria people who command the loyalty of their electorate or will we have a reprise called Warrant Chiefs? The countdown begins.

### South East at the Nigerian Economic Summit

The annual Nigerian Economic Summit kicked off on Monday, October 22. For most of this week, public and private sector players would canvass ideas, get insights and perspectives and seek collaborations as input to policy in the Nigerian budgets and national plans going forward. This 24th edition of the Nigerian Economic Summit focuses on “Poverty to Prosperity: Making Governance and Institutions Work”. It will look at how to make the Economic Recovery and Growth Plan of the Federal Government work.

Missing are the Governors of the South East. They are perennially absent. Months and years after failing to participate or lead the discourse on the emergent issues, they will raise the futile and deceitful cry of “marginalisation” to their people. It is difficult to comprehend how these “leaders” fail to lead a region that was in the forefront in many areas in the past. Is the cutlass not sharp or is it the fault of the wielder?

The re-emergence of Nnamdi Kanu has added to the fixation on and allure of South East Nigeria as the pivot of the coming elections. More importantly, Nnamdi Kanu and his moves will bring matters to a head concerning influence and leadership in the South East between the elected leaders (ndinzenaozo) and the unelected leaders, ndiEzeahurukwe. The plot unfolds daily and would, if the players manage it well, redound to the benefit of governance in the region.

The first part of this essay ended on the note that the South East would be central and contributory to the determination of Nigeria 2019 General Elections. The South East electorate is at the centre of the discourse on many of the issues in contention for the future of Nigeria. They

# Government by ambush and insubordination



**IK MUO**

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I have been around long enough to observe how our affairs have been managed in the past few decades. Each ruler (surely, we have not had leaders) has an operational philosophy, to which everybody keys in. Murtala Mohammed was government by action; or talk and do, according to one man in my village. During Obasanjo’s first coming, it was a government of figurehead, because fearing what happened to his boss, he left Shehu Yar’adua, in charge. In his second coming, it was government of do or die and democracy without democratic ethos. During General Buhari’s first tenure, it was governance by terror and retroactive decrees. For IBB, it was government by settlement and for Abacha, government by taciturnity. IBB and Abacha also ran government by secret dossiers, in which people with contrary spirits were confronted with implicating documents and then asked to do the right thing. For Abubakar, it was a government

of chop-and-clean mouth and for Umaru Yar’adua, it was neither here nor there, though he laid the foundations of political integrity. Jonathan ran a government of appeasement and without bitterness.

In this second coming of PMB, it has been government by body language, political mathematics (5% votes yielding 5% dividends), nepotism, phariseism and most important, government by ambush and insubordination. In terms of ambush, this government ambushes anybody who falls out of favour or who crosses the red-line. Thus in 2015, Atiku led the rebel governors, birthed the nPDP, campaigned for PMB and all was well. But as soon as he saw the light and redirected his steps to PDP, he became the most corrupt Nigerian, dead or alive. It even started before now because once his political signals became clearer and that was when his company was accused of tax evasion, its pilotage arrangement with the NPA was cancelled and the residence permit of some of the staff were withdrawn. Ortom, who succeeded Sam Mbakwe as a weeping governor, suffered a similar fate as his canonization was withdrawn once he parted ways with APC. Obanikoro gave stolen property to Ayo Fayose, for which the EFCC sought him with a vigour that extended to his family. Then, he saw the light, retraced his steps and now, he that received the money is a witness against his friend turned fiend, Fayose. If Fayose received stolen goods, how about the known person

from who he received the goods? (me, I no know law!). Interestingly, Obanikoro and Omisore (the Osun match-maker) have just retrieved their passports from EFCC. The ambush is not just an Abuja affair; all the satellite campuses of Abuja are also involved. Thus immediately Emir Sanusi’s talkativeness got out of hand, Kano state started investigating the emirate finances (and fearing a recurrence of what happened to his grandfather, he soft pedalled); the Olubadan faced a threat of deposition once the chieftaincy brouhaha started; Jibrin was suspended once he started singing padding, padding like a parrot and when Senator Misau accused the Inspector General of Police of some unholy practices, 1001 charges were filed against him by the government and suddenly, the police authorities suddenly remembered that he was on AWOL from the police force.

But where the present government has scored a distinction is in governance by insubordination. This is a situation in which a subordinate would look the superior in the face and tell him or her to go to hell and the government will support such a subordinate directly or via the infamous body language. And the case of Prof Usman of the National Health Insurance Scheme is the star in this matter. The NHIS governing board announced his indefinite suspension on Thursday, 18/10/18 but the fellow ignored the meddlesome board and continued going to work, accusing the board of ignorance of the

rules, as only the president could suspend him, an act which the board refers to as hiding under the cover of the presidency. On Monday (23/10/18), he upped the ante, by triumphantly marching into the NHIS, led by a battalion of policemen (The police authorities as usual declared that it was an accidental operation, as they never assigned the policemen to him). He had been suspended earlier by the Minister of Health (2017) and he defied the Ministers order, giving 5 reasons why he was above suspension by a mere minister and he was supported by the presidency. This time around, the government has intervened, with a view to finding a lasting solution, though the government spokesman has openly asked whether the board followed due

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process and admonished nobody in particular on the need to do the right thing always! The young man engaged the Minister in a battle of supremacy and won and now the board will soon kiss the dust.

The NHIS affair compares favourably with the NNPC fiasco in which Kanti Baru (GMD, NNPC), openly defied his ‘employer’, the Minister of State (MOS) for Petroleum and NNPC Chairman, Ibe Kachikwu. The MOS had cried foul that contracts worth \$25bn (circa, N9trn.) were awarded unilaterally by Baru, whom he also accused of gross insubordination, sidelining the board and torpedoing his reforms. The amount in question was more than the 2017 Nigerian budget and about 1000% of the famed Dasuki loot. The GMD fired back that he got presidential approval (at a time PMB was in medical detention and handed over to VP!) that the MOS was ignorant of the rules and that in any case, he (MOS) also recommended nine of the firms (ambuscade) and in effect, that his claims were fabricated. Then, the story got messier when the VP, Pastor Osinbajo admitted that he approved some of the contracts, denied signing any contracts though he approved some loans and finally declared that the contracts were a figment of Kachikwu’s imagination. Eventually, the big masquerade, and Minister of Petroleum, President Buhari ordered the bickering parties (MOS & GMD are at the same level) to shut up! Even the MOS started speaking in tongues, stressing that the letter was merely a normal

procedural correspondence to the president. Of course, the matter was a still-birth and there were reports that Ibe Kachikwu later presented some of these contracts for FEC (retroactive?) approval. May be, that was the terms of the ‘out of court’ settlement.

There have been other embarrassing acts of insubordination. The Inspector General of Police refused to relocate to Benue State as ordered by the President, refused to respond to the invitation by the Senate (just like his customs counterpart), telling them he owed them no apology and has been accused of disregarding the guidelines of the Police Service Commission. The PAC (Permanent Acting Chairman) of EFCC has defied his boss and AGF, Abubakar Malami, refusing to report to him as par the EFCC guidelines, just as he has continued to stay in office despite his non-confirmation by the senate. It was the same matter with the Chairman of the Presidential Special Panel on the Recovery of Public Property, Obono-Obla, who was suspended by the presidency are retorted: I am going nowhere! Similarly. Of course, Abubakar Magaji, a mere permanent secretary had the guts to address his boss and Head of Service, Mrs Oyo-Ita as that person, in the full glare of the global audience during the NASS inquest into the Maina Saga (By the way, what happened to Maina? Has all things become anew for him?).

Surprisingly, the ‘presidency’ has been involved in all these cases of insubordination. How can a government sabotage itself?