

## International Breweries collaborate FRSC to champion safety on nigerian roads

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L-R: Chairman Editorial Board, Daily Independent, Opeyemi Soyombo; Executive Director (Operations), Nigeria Deposit Insurance Corporation (NDIC), Mustapha M. Ibrahim; Managing Director/Editor-in-Chief, Daily Independent, Olanufemi Steve; MD/CEO NDIC, Bello Hassan; Executive Director (Corporate Services), Emily Osuji; Managing Editor Daily Independent, Kingsley Ighomwenghian; and Abuja Bureau Chief, Samuel Ogidan during formal presentation of Nomination Letter for the Daily Independent Regulatory Agency of the Year 2024 Award to Management of NDIC in Abuja.

### Cardoso Urges Greater Backward Integration in Telecom Sector

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, has renewed calls for deeper backward integration in the telecommunications sector, emphasising the need to localise key supply chains while expanding financial services to benefit ordinary Nigerians.

Speaking in Abuja on Wednesday, February 12, 2025, during a courtesy visit to CBN headquarters by Airtel Africa's management team, led by Group Chief Executive Officer Mr. Sunil Taldar, Cardoso emphasised the need to reduce the sector's reliance on foreign exchange.

He noted that the CBN has spent the past 16 months stabilising the foreign exchange market, strengthening the Naira's competitiveness, and boosting investor confidence in the Nigerian economy. With these gains, he said, telecom firms must now embrace backward integration by producing essential components such as SIM cards, cables, and towers locally. This shift, he argued, would not only ease dollar demand but also create jobs and strengthen the economy.

Beyond industry reforms, Cardoso highlighted the CBN's broader vision of deepening financial inclusion and enhancing digital payment solutions for everyday Nigerians. He announced plans for a high-level summit where the Apex Bank will collaborate with key industry stakeholders to develop strategies that promote accessible, efficient, and innovative financial services.

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"The CBN is committed to ensuring that financial services reach more Nigerians, especially in rural and underserved communities. Through collaboration with relevant agencies and industry players, we aim to build a more inclusive and digitally-driven financial ecosystem," Cardoso said.

He also reassured Airtel and other stakeholders that the CBN would take the necessary steps to create an enabling environment for financial service providers, fostering competition, innovation, and expanded access for Nigerians.

In response, Airtel Africa's Group CEO, Mr. Sunil Taldar, commended the CBN's reforms and voiced support for backward integration, emphasising that reducing reliance on the dollar was in the mid to long-term interest of telecom operators. He was accompanied by CEO, Airtel Nigeria, Mr. Dinesh Balingh; Group CFO, Mr. Jaideep Paul; and Director of Corporate Communications & CSR, Mr. Femi Adeniran.

Taldar reiterated Airtel's commitment to deepening financial inclusion in Nigeria through technology-driven solutions and pledged continued collaboration with regulators to drive digitisation and economic growth.

### Heirs Insurance Group announces low-cost Motor Insurance plans

Heirs Insurance Group, Nigeria's fastest-growing insurance group, has announced the launch of its low-cost insurance product—Flexi Comprehensive Motor Insurance, which provides comprehensive motor insurance benefits for a fraction of the cost.

Reaffirming its commitment to making insurance accessible to Nigerians, Heirs Insurance Group has also expanded the accessibility of its third-party insurance, making it available on the company's USSD

code—\*1100# and its mobile app, Simple Life app. This will empower car owners to seamlessly align with the nationwide enforcement of motor insurance.

The Flexi Comprehensive Motor Insurance Plan blends affordability with robust benefits to protect customers from the steep costs associated with road accidents. The plan covers repair expenses in a motor accident for the third party and the policyholder's vehicle, as well as medical bills, in the event of injuries.

Speaking on the new Flexi motor insurance plan, Ifesinachi Okpagu, Chief Marketing Officer, Heirs Insurance Group, said, "We have prioritised accessibility and affordability of our products to empower people to make the right choice. The Flexi Comprehensive Motor insurance offers much more for less, and the third-party motor insurance gives you the basics. No matter the decision, we want to empower people with the choices that fit their immediate needs."

Stakeholders laud Adeniyi for suspension of 4% FOB on imports, other achievements

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Strong Q4 sets Fidelity Bank for outstanding earnings leap at full year

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Let DISCOs die for Nigerians to have light

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Polaris Bank, partners present essentials to Gbaja Girls Secondary Schools, Lagos

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## Polaris Bank, partners present essentials to Gbaja Girls Secondary Schools, Lagos

**P**olaris Bank and one of its strategic CSR partners, Evolve Trust Charity recently stormed Gbaja Girls (Junior and Senior) High School, Surulere, Lagos in continuation of its presentation of school essentials programme to selected public school students in the country.

The partnership which birthed in 2021 and primarily focused on empowering the girl-child and their male counterparts has reached over 15,000 students across 35 public schools in nine states including Lagos, Kano, Kogi, Imo and FCT, Abuja. Amongst other things, the initiative includes empowering young learners with brain training techniques and emotional intelligence education alongside making and distributing user-sized school essentials (bags, uniforms, sandals, books, and pens). The initiative also captures training of teachers in the respective schools, all sponsored by the Bank.

Speaking at the presentation on Wednesday, the

Bank's Executive Director, Corporate and Investment Banking, Mrs. Abimbola Ozomah emphasized that the Bank being a signatory to United Nations' (UN) Principles for Responsible Banking aligns its practices and strategies with the UN's Sustainable Development Goals and the Paris Climate Agreement thus igniting its sustained interests in the training of the girl-child.

According to data from the United Nations Educational, Scientific and Cultural Organisation (UNESCO), there are about 10.5 million out of school children in Nigeria with six million of them being girls.

"This event is not just about distributing educational materials but empowering girls for bigger roles because educated girls grow into informed women. At Polaris Bank, we are committed to bridging the educational gap, empowering girls and building sustainability aligning with global framework," she said.

The Executive Director further charged the students to embrace the opportuni-

ties inherent in education while stating that the Bank will stop at nothing to support them.

"Education is most powerful tool at your disposal and you have to utilize it to the maximum. Polaris Bank will not relent in supporting this laudable mission to empower girls who will drive the needed change to better our country and world. This intervention is in line with the Bank's ongoing sustainability efforts aimed at reducing out-of-school children population and



Abimbola Ozomah, ED

increasing access to quality education, especially for the girl-child and we urge you all to take full advantage," Ozoma noted.

Also speaking, Programme Manager at Evolve Charity Trust, Ejeh Godwin thanked Polaris Bank for keying into the Trust's mission of supporting the girl-child nationwide. Godwin noted that while the initiative commenced in 2020, Polaris Bank partnered in 2021 and the Bank has never for once backed out since then.

"I want to specially appreciate Polaris Bank for their tremendous support since 2021 that the partnership started. We couldn't have done this alone nor come this far without their support. We've expanded our reach and hope to even bring more schools in other states on board this year, all thanks to Polaris Bank," Ejeh said.

The Principal, Gbaja Girls Junior High School, Mrs Dabiri Nwabuoku Adetoun Iyabo in her remarks also appreciated Polaris Bank for including

the school in the intervention programme.

"I want to specially thank Polaris Bank on behalf of staff and students for finding us worthy of benefitting from this laudable programme. You can feel the energy in the hall that the students are happy and so are the staff. This has boosted our morale, and we are incredibly happy about it," the Principal enthused.

One of the beneficiaries and Assistant Senior Girl of the school, Bankole Oreofoluwa Emmanuella also thanked the Bank for symbolic gesture while promising to put the items into judicious use.

"My friends and I are happy about this gesture from Polaris Bank, and we can't thank the Bank enough. These items will further ease our learning, and we promise to not only put them to judicious use, but imbibe good maintenance culture," Bankole said.

Highlight of the event was presentation of the items to students by officials of Polaris Bank and Evolve Charity Trust.

## CBN Assures Public of Keystone Bank's Stability

**F**ollowing the court order that the shares of Keystone Bank Limited previously held by the shareholders be forfeited to the Federal Government of Nigeria, the Central Bank of Nigeria (CBN) wishes to reassure the public that Keystone Bank Limited remains safe, sound, and fully operational.

We acknowledge that this development may have triggered customer concerns; however, we wish to underscore that the stability of the banking system and the safety of depositors' funds remain our top priorities. Keystone Bank's operations are entirely secure, and there is no reason for concern.

For clarity, the Court Order merely reaffirmed the Central Bank of Nigeria's prior decision to take over the management of Keystone Bank Limited in January 2024, following a change in its leadership. Since then, the CBN has closely monitored the bank's operations to ensure they are in full compliance with regulatory standards, operational transparency, and the interests of depositors.

## Strong Q4 sets Fidelity Bank for outstanding earnings leap at full year

**F**idelity Bank Plc exceptional earnings growth in 2024 is expected to be crowned by a strong final quarter that will see the bank through to the most outstanding operating results in 2024.

The bank will be one of the few corporate organisations expected to double profit for the second year in 2024 after lifting the bottom line by 113 percent to N99.5 billion in 2023.

By the end of the third quarter operations last September, after tax profit had multiplied close to two and half times year-on-year to N224.6 billion.

The bank's interim financial report at the end of the third quarter shows that the elevated profit reading pivots on a combination of speeding revenue and relatively slowing cost.

The favourable cost-income combination stretched out margins, placing Fidelity Bank among top rankers on the ability to convert revenue into profit. The bank can be expected to show the highest profit mar-

gin in many years from the 2024 operations.

At the end of the third quarter, gross earnings had already towered above the closing level in 2023 at N772.5 billion compared to N580.6 billion. This is another much accelerated growth in earnings from 73 percent in 2023 to 98.6 percent year-on-year at the end of the third quarter.

However, the revenue growth drivers have changed from net gains on financial assets and foreign exchange gains that powered the revenue growth engines of the bank in 2023.

Interest earnings can be expected to take a distant lead in the strong revenue growth that Fidelity Bank is expected to unveil for 2024.

At the end of the third quarter, interest earnings advanced by over 117 percent year-on-year to roughly N706 billion, accounting for 91.4 percent of gross earnings for the period.

On the other hand, net foreign exchange gains reversed to a drop of 64 percent to less than N9 billion at the end of the third quarter

## DUE DILIGENCE

By Mike Uzor

after multiplying sixteen and half times the year before to N44 billion.

However, net gains on financial instruments, which revived in the preceding financial year, are expected to maintain the strong growth for the second year. At almost N35 billion at the end of September

2024, net gains on financial instruments grew by over 82 percent year-on-year, already beating the closing figure of N25 billion for 2023.

The impact of accelerated revenue growth is reinforced by all-round slowdown in key costs. Leading cost savings are interest

expenses, which defied the industry trend to stay moderated for the second year.

At N235 billion at the end of the third quarter, cost of funds grew by 81 percent year-on-year, against the 117 percent rise in interest earnings. The improved margin enabled a leap of over 141 percent in net interest income - the most outstanding increase for Fidelity Bank in many years.

The big gain in interest margin can be expected to be the central plank of the impressive earnings story anticipated from the bank this earnings reporting season.

Added to that is cost saving from credit loss charges, which reversed from revenue consuming surge in 2023 to a cost saving slowdown in 2024. At a little over N48 billion at the close of the third quarter, credit loss expenses moderated at an increase of roughly one-half year-on-year after multiplying more than 12 times in 2023.

The further cost saving from loan loss charges again powered net interest

income after the charges to an increase of 159.4 percent to stand in excess of N422 billion at the end of the third quarter.

The third leg of the bank's cost saving tripod is operating cost, which moderated, lowering operating cost margin from 32.2 percent in the same period in 2023 to 30.7 percent at the end of September 2024.

Accelerated revenue and moderated cost sum up Fidelity Bank's earnings story to be expected in the coming weeks. Net profit margin was up from 23.6 percent to 29 percent year-on-year at the end of the third quarter - the highest for the bank in many years.

The outcome of the favourable cost-income balance is an enlarged bottom line, which rose by 145 percent year-on-year to N244.6 billion by the end of September 2024.

Third bank's quarter operations closed with earnings per share of N7.01, an increase from N2.86 per share in the same period in 2023.



Fidelity Bank's MD, Nneka Onyeali-Ikpe



# Raenest Secures \$11M Series A Investment In QED-Led Funding Round

## *Global Multi-Currency Accounts Platform Expands Reach as it Simplifies Cross-Border Money Management for Africans*

**R**aenest, the global multi-currency accounts platform for individuals and businesses across Africa, today announced the completion of its \$11M Series A funding. The round was led by QED Investors, with participation from Norrsken22, alongside follow-on investment from Ventures Platform, PI Ventures, and Seedstars. This equity-based capital injection brings Raenest's total venture funding to \$14.3M.

With this new funding, Raenest aims to deepen its operations in Nigeria, while also strengthening its Kenyan presence. The company also plans to enter the United States and Egypt this year, broadening its impact with Africans within the continent and outside the continent, and also attract top talent to support

its growth. Currently, Raenest holds licenses in Nigeria as an approved International Money Transfer Operator [IMTO] and in Canada as a Money Services Business [MSB] and is working to secure additional licenses in key jurisdictions. The company has established strategic partnerships with leading banks in the US and UK, to ensure operational stability and reliability, and plans to use the funding to form additional collaborations with financial institutions worldwide.

Founded in 2022 by Victor Alade, Sodruddeen Mustapha, and Richard Oyome, Raenest initially operated as an Employer of Record (EOR) before evolving into a platform that redefines global banking for Africans, helping businesses and freelancers receive international

payments, convert between currencies, operate a multi-currency wallet, while managing transactions seamlessly. The platform also enables customers to open global bank accounts in their names, access physical and virtual dollar cards, and manage payments in USD, EUR, and GBP. These tools offer the flexibility and reliability needed to navigate global markets. To date, the company has amassed over 700,000 individual customers, processed over \$1 billion in payments, and serves over 300 businesses, including MoniePoint, Helium Health, Fez Delivery, and Matta.

Raenest also offers a consumer-focused product, Geegpay, which provides Africa's gig economy, particularly freelancers, creators,

remote workers, and solopreneurs, with efficient solutions for receiving payments from Upwork, Fiverr, Gusto, as well as other overseas platforms and clients while minimising fees.

Speaking on the announcement, Victor Alade, CEO of Raenest, said: "At Raenest, we are dedicated to addressing the barriers that hinder Africans from accessing seamless financial services. Our journey over the past two years has been shaped by innovation, collaboration, and a shared vision to build a sustainable, globally impactful business that bridges economic and digital divides. This funding, supported by new and existing investors who share our mission, provides the momentum to scale our solutions and expand our impact across the continent. We are excited to continue building solutions that connect Africa to the world and drive inclusive growth and prosperity."

Gbenga Ajayi, Partner and Head of Africa and the Middle East at QED Investors, added: "At QED, we're thrilled to support Raenest as they redefine cross-border banking for Africans. Their commitment to financial inclusion, combined with a seamless user experience, positions Raenest as a game-changer in the region's fintech landscape. We firmly believe that by bridging the gap between local and global markets, Raenest will unlock new opportunities for African entrepreneurs, freelancers and businesses, ultimately driving greater economic empowerment across the continent."

L-R: Divisional Head, SURULERE Business, Dr. Bimbo Akorede; Principal Gbaja Junior Girls School, Mrs. Tawakalitu Dahiru; ED, Corporate & Investment Banking, Polaris Bank, Mrs. Abimbola Ozomah; ED PaceGate Limited, Raj Totlani, Group Head, Customer Experience & Value Mngt; Bukola Oluyadi & GM, Evolve Charity Trust, Mr. Godwin Ejeh when Polaris Bank & Evolve Charity Donated over 200 Schools essentials to both Gbaja Junior and Senior Secondary Schools in SURULERE last week in Lagos



## Nestlé Announces Dairy Demonstration Farm, Invests Over ₦1.8 Billion in Dairy Development

**N**estlé Nigeria has launched a dairy demonstration farm in Paikon Kore, marking a significant milestone in the company's commitment to enhancing the local dairy industry through the Nestlé Nigeria Livestock Development Project (NLDP), inaugurated in 2021. The NLDP is structured around three pillars: Better Milk, Better Feed (fodder), and Resilient Communities. It is supported by the Federal Capital Territory Administration and delivered in collaboration with CBI Innovations Limited (CBIIL) and 2Scale.

Nestlé Dairy Demonstration Farm is designed to build on the success of the NLDP by serving as a practical model for implementing best dairy practices. It will showcase how to enhance the productivity of local cattle breeds from an average yield of 1 liter per cow per day to potentially over 10 liters through effective breeding pro-

grams. The farm also aims to showcase the practical application of best dairy practices to maintain herd health, nutrition, and hydration to transform local dairy production.

At the launch event, Wassim Elhousseini, Managing Director and CEO of Nestlé Nigeria said, "Since 2019, Nestlé Nigeria has invested over ₦1.8 billion in improving the livelihoods of pastoralists in and around the Paikon Kore and Kachia grazing reserve. We are happy to report that the milk producers participating in this program have experienced a substantial increase in their household income which rose from ₦70,000 in 2021 to ₦250,000 in 2024. This growth is attributed to increased productivity driven by improved dairy practices and provision of the enabling infrastructure within the communities."

Daily milk collection increased

from an initial 200 liters in June 2021 to an average of 6,000 liters per day at the Milk Collection and Cooling Centre, aggregating over 1 million liters of raw milk to date. This success benefits approximately 3,000 milk producers who are part of the 83 dairy cooperatives established under the NLDP.

Also commenting on the demonstration farm, Mr. Soji Apampa, CEO of CBI Innovations said, "We are excited about the opportunities ahead. Nestlé Demonstration Dairy Farm is not merely a project, it catalyzes the positive change we are dedicated to through sustainable farming practices that protect our environment, animal welfare, and the well-being of our communities. We envision a future where this dairy farm serves as a model of excellence and an inspiration for others in the industry. We will continue to innovate, learn, and grow, always maintaining an unwavering focus on quality, sustainability,

and community."

In his address, the Honorable Minister of Livestock Development, Alhaji Idi Mukhtar Maiha said, "The establishment of this model dairy farm demonstrates Nestlé's unwavering commitment to contributing to the nation's backward integration goals and aligns seamlessly with our national agenda for livestock development. By introducing modern farming practices, supporting local dairy farmers, and ensuring the production of high-quality dairy products, this project will not only boost our domestic dairy supply but also reduce reliance on imports, thereby strengthening our economy. In view of this, the Federal Ministry of Livestock Development is fully committed to creating an enabling environment for investments like this to thrive."



# Loan controversy: Onasanya appears in Court to clear name

*...It's civil matter, loan fully paid, Otudeko's lawyers tell court*

In a determined effort to prove his innocence and clear his name, Dr. Bisi Onasanya, the former Group Managing Director of First Bank, on Thursday appeared before Justice Chukwujekwu Aneke at the Federal High Court in Lagos.

Onasanya, alongside former First Bank Chairman Oba Otudeko; a Director at Honeywell Group, Soji Akintayo, and a firm, Anchorage Leisure Limited, is refuting allegations of fraud related to a commercial loan transaction at the bank during his time as the Group Managing Director.

Onasanya's appearance aligns with the commitment made by his lawyer, Adeyinka Olumide-Fusika (SAN), when the matter first came up in court on January 20, 2025.

Another counsel for Onasanya, Olasupo Shashore (SAN), argued that although the former banker is determined to defend his innocence and clear his name, he aligns with the argument of Otudeko's lawyers that the court should first hear the preliminary application challenging its jurisdiction before proceeding with the case.

Chief Wole Olanipekun (SAN), who is the lead counsel for the 1st defendant (Otudeko), told the court the case is civil in nature because it concerns a bank-customer relationship and should not be treated as a criminal matter by the court.

Ade Adedeji (SAN), counsel to the 4th defendant, Anchorage Leisure Limited, supported Chief Olanipekun (SAN), stating that the Economic and Financial Crimes

Commission (EFCC) seemed determined to harass and intimidate his clients, despite the loan being fully repaid since 2017 and all parties having agreed to close the matter.

"We filed a preliminary objection, but the EFCC has yet to reply. The loan, which is the subject of prosecution, has long been repaid since 2017, when the EFCC initially waded into the matter. There is clear evidence of repayment available. The continued pursuit of this case by the EFCC amounts to nothing but witch-hunting, intimidation, and harassment of the defendants. It is baffling why a matter that was resolved many years ago is suddenly being resurrected."

He said an application dated February 10, 2025 had been made,

requesting the court to quash or decline jurisdiction over counts 1 to 10, alleging abuse of judicial process and a lack of prima facie evidence.

EFCC Prosecutor Rotimi Oyedepo (SAN) countered, stating that the allegations in the 13-count charge stemmed from a detailed investigation.

Following arguments from both parties, Justice Aneke adjourned the case to March 17, 2025, for ruling on the matter of jurisdiction.

Olumide-Fusika (SAN), counsel to Onasanya, urged the court to allow his client to return home and appear in court on the next adjourned date, stating that Onasanya had complied with the earlier assurance by presenting himself before the court as a mark of respect for the judicial process. Justice Aneke granted the request, permitting Onasanya to go home and return for the next hearing on the adjourned date.

It would be recalled that Olumide-Fusika (SAN), had, at the first sitting, condemned the manner in which the case had been handled, accusing the EFCC of subjecting his client to a 'media trial'.

Mr. Soji Akintayo, the third defendant, also appeared in court while the first defendant Oba Otudeko did not appear on health ground through the application and submission by his lawyer, Chief Wole Olanipekun who stated with support of an Affidavit how and when his client traveled to the United Kingdom for medical reasons through the Murtala Mohammed International Airports.

MD/CEO, Nigeria Deposit Insurance Corporation (NDIC), Bello Hassan receiving the formal Letter of Nomination of the Corporation as Daily Independent Regulatory Agency of the Year 2024 Award from the Managing Director/Editor-in-Chief, Daily Independent, Omanufeme Steve at the NDIC Head Office, Abuja.



## International Breweries partners FRSC to champion safety on Nigerian roads

In a landmark move to promote road safety and reduce road crashes in Nigeria, International Breweries Plc (IBPLC), through the intervention of the AB InBev Foundation has reinforced their commitment to safer roads by installing 35 cautionary road signages and donating 1,000 reflective jackets to the Federal Road Safety Commission (FRSC).

These interventions target key cities such as Lagos, Port Harcourt, Abuja, Ilesha, Onitsha, and Sagamu/Abeokuta which host some of country's busiest highways.

Speaking on the initiative, the Corporate Affairs & Regulatory Director, International Breweries PLC, Temitope Oguntokun, said: "As a socially responsible organisation, we are deeply committed to the safety of lives and property. By working closely with the FRSC, we aim to address critical road safety challenges and reduce preventable acci-

dents across Nigeria's highways. This initiative is a testament to our dedication to sustainable development and the well-being of our society."

Continuing, she said "the partnership demonstrates how collaborative efforts can significantly enhance road safety in the country. The reflective jackets and cautionary signages will go a long way in saving lives and improving compliance with road safety regulations."

Road crashes remain a critical challenge in Nigeria with the FRSC reporting a staggering 10,617 road traffic crashes in 2023 alone. Among the primary challenges and causes of these incidents are limited public awareness of the dangers of over speeding, drunk driving among others.

In response to this urgent concern, International Breweries PLC, in collaboration with the FRSC, has undertaken this robust initiative aimed at reducing road traffic acci-

dents by at least 15 percent along key routes. Through the strategic placement of road cautionary signages and the provision of reflective jackets to enhance road visibility across highly motored locations in the country that are more prone to accidents including Abuja, the initiative underscores the importance of compliance with speed limit regulations and fostering a safer driving culture.

Receiving the donation, the Federal Road Safety Commission's Sector Commander, Lagos State Sector Command, Kehinde Hamzat, commended the efforts of International Breweries and the AB InBev Foundation.

Aside from the FRSC, International Breweries also partnered with the National Union of Road Transport Workers (NURTW), and drivers who regularly ply the busy roads. Olufemi Akanbi, a Lagos-based driver expressed appreciation to IBPLC and AB InBev Foundation for the initiative, maintaining that

the signages are an important reminder of the fragility of life and the need to stay away from alcohol while driving.

According to the FRSC data, reported by the National Bureau of Statistics (NBS), 21,670 people were involved in accidents in 2020 alone with 885 fatalities compared to the 2024 data of 19,461 people involved in accidents with accompanying 693 fatalities. This drop is significant as IBPLC and FRSC continue to deepen safety initiatives while placing premium value on the lives of people.

This initiative is part of IBPLC and AB InBev's broader commitment to creating a positive impact in the communities where they operate. By championing road safety, International Breweries and the AB InBev Foundation aim to not only reduce accidents but also build awareness about the shared responsibility of ensuring safer roads for all.

## About US

Open Business is a pan-Nigerian newspaper with global reach which offers balanced and credible media content for excellence.

## Vision

To be the veritable business voice through its vibrant daily online and weekly e-copy as-well-as hard copy platforms

## Mission

Open Business shall be a reliable business mouthpiece committed to sound ethical practice in the sourcing and delivery of informed and useful news, comments, analyses and information to the public for decision making.

# Open Business Comes Out Better!

A pan-Nigerian newspaper with global reach--- Open Business -- comes out this week repackaged to serve its target public better. Until today, the online newspaper has consistently offered balanced and credible media content to the readers in a professional manner. That informed the management's decision to gradually upgrade it's package with the addition of weekly e-copy and hard copy publications essentially to enrich the content. As a business and economy journalism platform, we shall be driven by authoritative, incisive business and political reporting .We shall beam searchlight on key areas of the private and public business community including federal, state and local government bureaucracies. Open Business is poised to be the alternative platform in reporting

and analysing critical sectors of the Nigerian economy such as the Financial markets, Oil/Gas, Transport, ICT/Telecommunications, Political economy and the SMEs.

Our other editorial menu are Religion / Faith , Brands/Marketing, Tourism/Hospitality as well as Health/Living. Managed and run by experienced professionals in the industry, the newspaper promises to have a national spread and beyond with enhanced digital technology. It is already enjoying a growing reputation as a voice of business and newspaper of choice for decision makers.

The paper's reader-friendly layout and colour production shall remain appealing to Advertisers as well as the business and political elite. Our Marketing strategy is multi- level such that impact shall

be felt in the right circles. Open Business as the name implies shall strive to promote good will, transparency and boost corporate governance in the public and private sectors of the economy.

We therefore provide a veritable platform for you to expose your commercial messages through online and hard copy advertisements. You are equally enjoined to partner us beyond advertising placement by branding and sponsoring our specialized pages in any of the sectors of the economy.

We welcome you to a new and exciting experience in business journalism. Your views and contributions to build a better society shall not be neglected. Keep a date with us every day and week as we prepare to partner you for success.

# EDITORIAL

## LG Electronics shines with 100+ awards at CES 2025, exciting new products for Nigeria

LG Electronics has once again solidified its position as a global technology leader by securing over 100 prestigious awards and accolades at CES 2025. Recognized for groundbreaking innovations across multiple categories, LG's commitment to cutting-edge technology and consumer-focused solutions continues to earn widespread acclaim.

Amidst this global recognition, the Managing Director of LG Electronics Nigeria is leveraging CES 2025 to announce the introduction of new state-of-the-art LG products into the Nigerian market. This strategic move underscores LG's dedication to delivering top-tier technology tailored to the evolving needs of Nigerian consumers.

At CES 2025, LG Electronics showcased an impressive lineup of revolutionary products spanning across multiple categories, including media entertainment, home and B2B solutions from leading publications and tech experts. Highlighting LG's honors at CES 2025 were more than 100 CES Innovation Awards including three Best of Innovation Awards for the 83-inch LG OLED evo G5 TV (Video Displays), UltraGear Bendable Gaming Monitor 45GX990A (Gaming & eSports, Imaging) and Pet Care Zone (Pet Tech & Animal Welfare).

Speaking at a conference, Mr. Hyoung Sub Ji, Managing Director of LG Electronics

Nigeria, expressed enthusiasm about bringing these advanced products to the country. "LG's remarkable performance at CES 2025 highlights our drive for innovation and excellence. We are excited to introduce award-winning technology to the Nigerian market, enhancing customer experiences with our latest state-of-the-art products."

"With a commitment to market expansion, LG Electronics Nigeria is set to roll out amazing products nationwide, ensuring availability through its extensive distribution network and authorized retail partners. The company remains dedicated to enhancing customer satisfaction by providing superior technology, durability, and after-sales support," he said.

The newly introduced products include next-generation 4K OLED, QNED, UHD TVs, Soundbars, intelligent home appliances integrated with AI-driven features, advanced air conditioning solutions, and energy-efficient kitchen appliances. These innovations align with LG's vision of creating a smarter and more connected living environment for Nigerian consumers.

LG's latest innovation in TV, the LG OLED evo G5 was honored by CNET Group with its "Best of CES" honor in the display category. As the official media partner of the Consumer Technology Association (CTA), the award is considered the official award pro-

gram for CES.

LG Media Solutions' portfolio has earned a series of Best of CES 2025 awards in prolific tech-publications such as Tom's Guide, PCMag, The Verge and more. Highlights include: the MyView Touch&Move (32U889SA) earning Best of CES 2025 from TechRadar, recognized for its exceptional versatility and user experience. The LG StanbyME 2 was honored as the "Best sequel" by The Verge, celebrating its cutting-edge design and unique functionality. Mashable named the LG G5 OLED evo TV as one of the Best of CES 2025, praising its groundbreaking picture quality and immersive viewing experience. Additionally, USA Today included the

LG SIGNATURE OLED T in its 50 Top Picks for CES 2025.

Developed in collaboration with multi-platinum musician and tech entrepreneur will.i.am, the LG xboom Grab speaker took home an Editor's Choice award in the Audio & Video Category of Techlicious' CES 2025 lineup. Combining will.i.am's visionary approach to music with LG's leading audio expertise, the xboom Grab produces exceptional sound quality in a sleek, portable design. The "xboom by will.i.am" audio products deliver high-impact sound and bold aesthetics, making it a game-changer in the world of portable audio.

LG Home Solutions has garnered widespread recognition at CES 2025 for its innovative products, with several standout awards highlighting its cutting-edge designs and functionality. Mashable's CES 2025 Highlights: What We've Seen So Far accolade went to the LG AeroCatTower, celebrated for its sleek design and powerful air filtering capabilities. The LG Counter-Depth MAX Zero Clearance Refrigerator earned the TWICE CES Picks Award, lauded for its space-saving features and smart technology. 9to5Toys named the LG Indoor Gardening Appliance Best of CES 2025, acknowledging its advanced features that bring gardening into the home with ease and efficiency. Additionally, both Apartment Therapy and The New York Times selected





## 2025 Valentine Celebration: Cornerstone Insurance Foundation, LFBI Distribute Food To Schools For Less Privileged Children

In the spirit of valentine, Cornerstone Insurance PLC Foundation, the corporate social responsibility arm of Cornerstone Insurance Plc, partnered with the Lagos Food Bank Initiative (LFBI) and distributed food to some schools of less privileged children in Lagos State in celebration of this year's Valentine.

The distribution of food and other items to the needy and vulnerable children is part of the Company's way of giving back to the society.

The schools that benefitted from the food distribution are Divine Wisdom – Agege, Idera Oluwa – Agege and Debby and Frank – Agege.

Speaking to the journalists at the LFBI office at Ikeja, the General Manager, Cornerstone Insurance Plc, Mr. Charles Nwachukwu, reaffirmed Cornerstone Insurance's commitment to the welfare and wellbeing of the less privileged people in our society.

He expressed the Company's readiness to work with LFBI to impact the lives of the people of the communities where it operates.

"We are proud to be part of this laudable initiative to give a sense of belonging to our school children especially the less privileged children at this valentine. There is no better time to do this than now.

"It is time to show love to the people of our immediate community through insurance. Our slogan is 'Show Love With Insurance.'

"We need to affect our environment positively by showing love and giving to help those who are in need," Mr. Nwachukwu said.

Speaking on Cornerstone Insurance Plc as corporate entity, he said the Company is a one-stop insurance company that provides all kinds of insurance solutions that meet the needs of the insuring public.

He said in 2024, the Company gener-

ated over N32 billion as revenue, while about N4 billion was paid as claims.

Also speaking, the Head of Marketing and Corporate Communications at Cornerstone Insurance Plc, Cordelia Ekeocha, said since the inception of Cornerstone Insurance Foundation in 2013, the Foundation has been working with different organizations in impacting the lives of the people of the community.

"Since 2013, we have been working with different Non-governmental organizations (NGOs) and institutions in various ways to impact the lives of the people in our immediate communities," Cordelia said.

Responding, the Executive Director, LFBI, Dr. Michael Sunbola, commended Cornerstone for their support even as he solicited for more in the future.

Lagos Food Bank, according to Dr. Michael, is a non-profit, nutrition-focused initiative committed to fighting hunger, reducing food waste and solving the prob-

lem of malnutrition through targeted programmes that seek to improve the nutrition/food intake of pregnant women and their infants who are not able to get the required nutrient during pregnancy and breastfeeding of their babies.

Cornerstone Insurance Plc Foundation (CIPLCF) serves as the corporate social responsibility (CSR) arm of Cornerstone Insurance Plc, focusing on initiatives that uplift communities and improve societal well-being. The foundation's efforts are primarily directed towards health, women empowerment and education.

The Education Enhancement Intervention for Food Insecure Students (EDUFOOD) is a programme by the Lagos Food Bank Initiative (LFBI) aimed at improving the nutritional status and health of food-insecure students in low-cost private primary and secondary schools within underserved communities in Lagos State.



L-R: Mrs Grace Arinze (UNDP) Mr Kenneth Aror (NAICOM) Mrs Bukola Ifemade (UNDP Consultant) Comrade Ali Paul (Wuse Market Executive) Mr Richard Ojo (NCRIB) Mrs Toyin Akinoya (NIA) at Wuse Market Campaign

## NAICOM Signs MoU With NEMSA To Enhance Electrical Safety, Insurance Compliance

The National Insurance Commission (NAICOM) and the Nigerian Electricity Management Services Agency (NEMSA) have entered into a historic partnership, signing a Memorandum of Understanding (MoU) on enforcement.

This collaborative effort aims to establish a framework for mutual understanding and cooperation in achieving their regulatory obligations, prioritizing the safety of lives and property in relation to electrical incidents.

At the signing ceremony held at the NAICOM Headquarters on Friday, February 7, 2025, the Managing Director/CEO of NEMSA, Engr. Aliyu T. Tahir, highlighted the agency's mandate to enforce technical standards and regulations, con-

duct inspections, testing, and certification of electrical installations.

He emphasized the importance of synergy between NAICOM and NEMSA to ensure safety and mitigate risks.

The key objectives of the MoU are to ensure synergy and cooperation where both agencies will work together to ensure safety of lives and property; ensures certification and compliance where NEMSA will certify electrical installations in residential, commercial, and industrial premises, while ensuring that facility applicants are insured with licensed insurance companies and risk mitigation and economic growth ensuring that potential risks are mitigated, investments protected as well as promote economic growth.

The Commissioner for Insurance, Mr. Olusegun Ayo Omosehin, expressed his enthusiasm for the partnership, describing it as a "landmark strategy" that will foster development through collaboration and enforcement. He reaffirmed NAICOM's commitment to achieving expected compliance.

The Deputy Commissioner for Insurance Technical, Dr. Usman Jankara, reassured the NEMSA delegation of NAICOM's commitment to the partnership, emphasizing the importance of teamwork in achieving their shared objectives.

The signing of the MoU marks a significant milestone in the collaboration between NAICOM and NEMSA, paving the way for enhanced electrical safety and insurance compliance in Nigeria.

## Linkage Assurance Introduces Budget-Friendly Third-Party Motor Insurance with Own Damage Cover

In response to the evolving needs of Nigerian motorists, Linkage Assurance Plc has introduced an enhanced third-party motor insurance package, 'Third Party Plus,' offering additional protection beyond the traditional third-party coverage.

The innovative policy, designed to cater to budget-conscious vehicle owners, combines the legally required third-party insurance with own damage protection, ensuring that policyholders are not left stranded in the event of an accident.

Unlike the conventional third-party motor insurance policy priced at ₦15,000, which only covers third-party liabilities, the Linkage Third Party Plus provides extra benefits, including an Own damage coverage starting from ₦500,000 to ₦1,000,000 depending on the variant chosen.

The product is available in four different plans to accommodate various budgets and protection levels: Third Party Plus: On-The-Go – ₦30,000 premium, Own Damage Cover: ₦500,000; Third Party Plus: Star – ₦50,000 premium, Own Damage Cover: ₦750,000; Third Party Plus: Diamond – ₦60,000 premium, Own Damage Cover: ₦850,000 and Third Party Plus: Platinum – ₦70,000 premium,

Own Damage Cover: ₦1,000,000

Speaking on Arise TV, Dr. Imo Okorie Imo, Chief Strategy and Product Officer at Linkage Assurance Plc, emphasized the rationale behind the launch of the Third Party Plus Insurance product.

"Many Nigerian motorists struggle to maintain comprehensive insurance due to economic constraints. We identified the need for a more affordable plan that provides the mandatory third-party cover while also offering some level of protection for their own vehicle," he explained.

Dr. Imo noted that the Third Party Plus was developed in response to market demand, ensuring that customers who cannot afford comprehensive insurance are still protected against both third-party liabilities and personal vehicle damages.

"By law, third-party insurance is compulsory, covering damages to others. However, to provide additional security for our customers, we introduced this hybrid plan, which has received regulatory approval," he added.

To enhance accessibility and ease of purchase, Linkage Assurance Plc has launched a dedicated online portal where customers can seamlessly buy and manage their policies from anywhere.



# Stakeholders laud Adeniyi for suspension of 4% FOB on imports, other achievements

... as media urges FG on enhanced power, political support for Customs to deliver on mandate

Stakeholders in the maritime sector has landed the Comptroller General of Nigeria Customs Service (NCS), Adewale Adeniyi, for convincing the federal government to suspend the implementation of the 4% Free-on-Board (FOB) value on imports into the country.

Speaking at the ceremony for the presentation of "Iconic Maritime Personality of the Year Award 2024" to the CGC by Nigerian Maritime Journalists in Lagos on Thursday, a former National President of Association of Nigeria Licensed Customs Agents (ANLCA), Prince Olayiwola Shittu, said the suspension is a relief to importers and Customs agents.

He addressed Adeniyi the CG of Customs as well as the CG of licensed Customs agents and freight forwarders.

Shittu, who was the Chairman of the occasion noted that Adeniyi was instrumental to his success when he was the National President of ANLCA guiding him with advice.

The renowned industry stakeholder congratulated the CGC for the well deserved award coming from maritime journalists, the watchdogs of the sector.

Also, the Chairman, Customs Consultative Council, Alhaji Hakeem Olanrewaju, eulogised



Comptroller General of Nigeria Customs Service (NCS), Adewale Adeniyi

the qualities of CGC Adeniyi and congratulated him for being celebrated by the maritime press with the award of 'Iconic Maritime Personality of the Year 2024.'

He called the attention of Customs licensed agents to the fact that things have changed and enjoined his colleagues in the freight forwarding business to have attitudinal change.

The Vice President, ANLCA, Prince Olusegun Oduntan, commended the CGC for being a grassroots leader who listens to the people, an attitude that has brought a positive change. He

promised that his association will continue to partner Nigeria Customs under the CGC leadership.

In his own speech, the National President, Africa Association of Professional Freight Forwarders and Logistics of Nigeria (APFFLON), Otunba Frank Ogundojemite, described the CGC as a downright good man and a natural leader. He stated that Adeniyi was his class captain in the university and later the President of the department. He added that he was a sports enthusiast who later became the leader of Man'o'War.

Describing him as extremely patriotic and very humble, he said that the CGC has been keeping his old friends without looking at his current status.

Speaking on behalf of the maritime journalists, Mr. Oke Ibeke, commended Adeniyi for his superlative performance which has changed the narrative in Customs.

He commended the CGC for delivering on his mandate in areas of revenue collection, anti-smuggling activities, trade facilitation and others.

Ibeke noted that this was the first time journalists from various media houses covering a sector would agree jointly to honour a chief executive officer of an agency. He pointed out that the unusual agreement was not for sycophancy but to give honour to a man who is a game changer.

He said that President Bola Tinubu must have seen in Adeniyi special qualities of an accomplished administrator before making him the CGC, adding that he has not disappointed the President for once.

Emphasising that Customs is key to the economic development of any nation, Ibeke called on the federal government to give the Service more power and political support to be able to deliver better on its mandate.

## FAAN To Revolutionise Airport Operations Via AI

The Federal Airports Authority of Nigeria (FAAN) has disclosed its plan to explore AI and other technologies in the revolution of airport operations.

Managing Director and Chief Executive of FAAN, Mrs. Olubunmi Kuku, stated this at the 2025 International Civil Aviation Organisation (ICAO) Global Implementation Support Symposium (GISS), held in Abu Dhabi, UAE, from February 10 to 12.

With full participation of the management team led by Kuku, this year's symposium themed, "The Next Flight: Innovating for a Sustainable Tomorrow," addressed the critical issues facing the aviation industry and served as a platform for global stakeholders to collaborate and share best practices.

FAAN's delegation engaged in discussions on key themes, including balancing aviation growth with sustainability, lever-

aging AI to enhance airport operations and training, and strengthening implementation support for resource-constrained states.

Additionally, the team attended sessions on transforming digital learning in aviation training and exploring evolving strategies for a more sustainable aviation future.

On Day Two of the symposium, Kuku received the TRAINAIR PLUS member plaque on behalf of FAAN. She

also signed the FAAN-ICAO TRAINAIR PLUS Manuals in the presence of the Director of Human Resources and Administration at FAAN, Dr. Emiola Luqman,

and the Acting General Manager of Training at FAAN, Mrs. Toyin Akinlade. The Director of Airport Operation at FAAN, Captain Abdullahi Mahmood, was also part of the delegation.

This achievement marks a significant advancement in FAAN's

commitment to excellence in aviation training and support.

The GISS provides an invaluable opportunity for FAAN to connect with global leaders and gain insights into the latest advancements and challenges in the aviation sector.

"We are particularly interested in exploring the role of AI in revolutionising both airport operations and training and how FAAN can effectively integrate these technologies to enhance efficiency and sustainability at our airports," Kuku said.

FAAN's participation in the ICAO GISS underscores its commitment to remaining at the forefront of aviation best practices and delivering world-class airport services.

According to the Director, Public Affairs & Consumer Protection, Mrs. Obiageli Orah, the knowledge and insights gained from this symposium will be instrumental in shaping FAAN's future strategies and initiatives.





# Let the DISCOs die for Nigerians to have light

By Michael Owthoko, Ph.D

The unending darkness permeating Nigeria today, unarguably, was the mistake of 2013 when majority stakes in the electricity distribution companies (DISCOs) were sold to private investors as part of larger efforts to improve electricity supply, which was hitherto, disrupted by constant power failure across the country.

Unfortunately, after 12 years of practical operations, these private investors have turned out to be technically incompetent with severe illiquidity challenges that weaken their capacity to perform, demonstrate competence, and deliver electricity satisfactorily to customers in line with policy and public expectations. Worse still, nothing suggestive that the DISCOs can improve in performance and efficiency, translating into a burden for Nigerians, in the absence of government's interference.

By their poor conduct and performance, the DISCOs have undermined the intention and objective of the Federal Government's electricity reforms which was aimed at strengthening the power sector through private sector participation for delivery of efficient and quality service. The reforms which started with the enactment of the Electric Power Sector Reform Act 2005 (EPSRA), led to formation of the Nigerian Electricity Regulatory Commission (NERC) and creation of the Power Holding Company of Nigeria (PHCN). The PHCN was later segmented into Generation, Transmission and Distribution, from where the DISCOs were created.

The reforms were essentially necessitated at the time by constant power failure induced by poor condition of network of power assets, including moribund facilities and equipment together with government's poor handling and management of the electricity sector. These challenges were identified as obstacles impeding efficient and regular supply of electricity to consumers, leading to eventual sale of six GENCOs and eleven DISCOs to private investors.

So far, the DISCOs have failed to inspire public confidence, as they often attribute their failure to inherited obsolete and unviable equipment, a defence mechanism evidently too weak to attract public sympathy. Inability of the DISCOs to identify from the outset, the depth of facility decay before agreeing to take up responsibility for the job, exposes the gaps in their technical knowhow. And failure to replace most of the moribund equipment and facilities, is a confirmation of their poor financial health, a factor that should have been activated for their disqualification.

Perhaps, as device to mitigate this financial deficit, DISCOs resort to sharp practices, using estimated billing, varied service bands, passing incidence of cost relating to faulty equipment replacement to consumers and unjustifiable blackout.

For example, consumers are fraudulently asked by DISCOs to pay for faulty distribution facilities and equipment, including wires, cables, conductors and transformers, despite leveraging government and banks. Even after compelling consumers to fund replacement of faulty equipment, ownership of such assets reverts to the DISCOs. Yet, no payment waiver or concession is extended to customers for electricity consumed.

Implicitly, consumers indirectly bear part of the DISCOs' operational cost despite payment for electricity bills. And because the consumers are caught up between the deep blue sea and the hard rock, the DISCOs have now made it a bureaucratic culture to make incessant demands to consumers for replacement of



Minister of Power, Adebayo Adelabu

faulty lines and equipment, including transformers. Field electrical engineers of the DISCOs capitalized on this unwholesome practice to constantly push cost of maintenance down the throat of consumers.

Besides, estimated billing has become part of DISCOs' trick for defraying cost of operations. Consumers are billed based on estimation as against prepaid metering, a preferred option to support their balance sheet. This explains why the process for obtaining prepaid meters is cumbersome and frustrating. Even where the prepaid meters are available, the DISCOs deliberately make the issuance process difficult, just to discourage consumers.

Categorization of consumers into different bands is also a strategy to shore up revenue, particularly in Band A. This category of consumers is allocated a minimum of 20 hours a day, but receive less supply quality, despite associated high tariff of about N207 per kilowatt/hour (KWhr).

Consumers that are migrated to bands B, C, D and E also complain of inadequate supply that is not commensurate with their service bands. From approved minimum, Band B is entitled to 16 hours, Band C - 12 hours, Band D - 8 hours, and Band E - 4 hours per day, yet, blackout persists with supply at variance with approved service minimum in the different bands. It appears to be a ruse designed to fleece consumers.

This inefficiency has so negatively robbed off on the DISCOs to the extent that their reputation and public trust have waned. It is so bad that, for example, pickup ladder trucks conveying field workers of DISCOs, now conjure image of crooked personnel going around to extort consumers over non-existent faults. The presence of these field engineers trigger apprehension among consumers over possible alteration of electricity balance. All these are in violation of regulatory operating standards as depicted in the Key Performance Indicators (KPIs) set by NERC. The KPIs are metrics designed to measure performance of the DISCOs.

When organizations entrusted with responsibilities to deliver electricity to final consumers have consistently failed to achieve target, resulting in poor quality of life and business downturn, with implications on gross domestic prod-

uct (GDP), government has the obligation to mediate, and put the sector on a new trajectory to guarantee improved and regular supply of electricity.

This is where the NERC, which was established to oversee the activities of the DISCOs, is expected to act on behalf of government to compel them to operate within the framework of the established KPIs, through regular monitoring and enforcement of compliance. The KPIs include management accountability, increased operational performance, improved electricity delivery, customers' service satisfaction, metering, customers' complaints resolution, estimated billing and quality of service delivery.

But so far, the NERC has not lived up to its billings as evident by failure of the DISCOs to meet their KPIs, coupled with flagrant display of nonchalance, impunity and inexperience. Besides 5% reduction in operational expenditure as penalty for non-compliance with energy offtake, no serious sanctions have been slammed on the DISCOs, a gap they have been exploiting to perpetuate darkness in the country.

Put differently, apart from management accountability which is beyond consumers' determination, other KPIs are observed more in breach by DISCOs than in compliance. For example, there is no improved performance and increased power delivery to consumers. There is also poor metering system fueled by non-availability or indiscriminate issuance of meters, as well as estimated and delayed billing. Besides, consumers are also compelled to pay for equipment, including cables and transformers. These are part of growing customers' dissatisfaction over poor services by DISCOs.

While power generation companies (GENCOs) and Transmission Company of Nigeria (TCN) are not immune from the general inefficiency web of the power sector, if the approximately 5,000 megawatts (MW) of electricity currently generated was optimally and efficiently distributed by DISCOs, using functional and reliable equipment and facilities, the magnitude of blackout currently being experienced in Nigeria would have been slashed.

The spotlight on the DISCOs is informed by their crucial role in the electricity supply value chain. They deliver electricity directly to consumers which provide them the opportunity to interact with customers. The GENCOs and TCN do not interact directly with consumers, and this removes these organisations from public attention despite their importance in the supply value chain.

In other words, the DISCOs are the barometer the general public and consumers use in measuring the power sector performance. Regrettably, none of the DISCOs has shown excellence in their performance, including Abuja Electricity Distribution Plc, Benin Electricity Distribution Plc, Eko Electricity Distribution Plc, Enugu Electricity Distribution Plc, Ibadan Electricity Distribution Plc, Ikeja Electricity Distribution Plc, Jos Electricity Distribution Plc, Kaduna Electricity Distribution Plc, Kano Electricity Distribution Plc, Port Harcourt Electricity Distribution Plc and Yola Electricity Distribution Plc.

The DISCOs are today, part of major reason Nigeria is referred to as a "generator republic". Until the DISCOs are dissolved and replaced with technically competent investors who are ready to invest heavily in distribution equipment and facilities, homes and industries will continue to suffer from poor electricity supply, posing serious threat to government's planned provision of reliable and sustainable electricity. In other words, let the DISCOs die so that Nigerian can have light.



By Michael Owthoko, Ph.D

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COMMENT



# Economy: Is Nigeria stuck in progress illusion?

By Marcel Okeke

**A**frinvest West Africa Limited provided the above headline in its maiden 'Afrinvest Monthly Update' for 2025, as a rider to the main title of the publication. The headline suggests that there is an illusion about Nigeria's economic progress; and goes on to question whether the nation is now stuck in this illusion of making progress.

It therefore becomes necessary to probe whether Nigeria has actually been making any economic progress, specifically in the past close to two years under the current Bola Ahmed Tinubu-led administration. This investigation is best done via an assessment of the state of a number of key economic indicators.

In May 2023, when President Tinubu was inaugurated, inflation rate stood at 22.40 per cent; it rose steadily to stand at 28.92 per cent in December, 2023. It continued the spiraling until July and August 2024 when the rate dropped marginally to 33.40 per cent and 32.15 per cent respectively. The rate resumed its surge, and closed 2024 at 34.82 per cent.

In pursuit of the illusion of economic progress, however, the Federal Government seems bent on re-basing the measure of inflation—the Consumer Price Index (CPI). This, apparently, is to come up with an inflation figure that will give credence to a stable and growing economy. The National Bureau of Statistics (NBS) has, in the past couple of weeks, been working assiduously to realize the 'desired' result. We wait!

On its own part, the Central Bank of Nigeria (CBN), since May 2023, has deployed everything in its armory of monetary policies to 'tame' the rampaging hyper-inflationary trend. Unfortunately, rather than depressing the inflation rate, the continued hike of the Monetary Policy Rate (MPR) which the CBN adopted, has caused unintended collateral damage to the economy.

The benchmark or indicative interest rate—MPR—that was at 18 per cent by May 2023, has been hiked to 27.50 per cent by end-2024; a jump of almost ten per cent. One of the upshots of this has been the prevalence of outrageously high interest rates charged by the Deposit Money Banks (DMBs) for all their (credit) facilities.

These interest rates have been ranging between 30 and 35 per cent per annum: rates that have pushed bank credits beyond the reach of most businesses, especially the Micro, Small and Medium-scale Enterprises (MSMEs). The CBN has also gone ahead to hike the Cash Reserve Ratio (CRR) from about 30 per cent to 50 per cent during the same period.

CRR is the percentage of deposits that banks (DMBs) must keep with the CBN, rather than lending out to customers. Fifty per cent CRR means that for every 100 naira deposited into any DMB, the bank is required to hold 50 naira in reserve with the CBN, and can only lend out the remaining 50 naira to customers.

So, both the high MPR and CRR pose a very tight constraint on the credit creation capacity and other functions of the DMBs, especially in a weak economy. Although the CBN has deployed the hiked MPR in structuring such facilities as the Treasury Bills to attract massive patronage, the gains remain too short-lived and disruptive to the economy.

Specifically, the highly priced (handsome



Finance & Economy Minister, Wale Edun

yields) Treasury Bills have been attracting some quantum of foreign portfolio investments (FPIs)—but this is 'hot money' that has no capacity to bring stability to the volatile macro-economy. This market environment has also enabled the government (via debt instruments) to remain dominant in the capital/money market; thus, crowding out a good number of private sector participants.

It has therefore remained an illusion that the CBN has generated a huge foreign exchange (FX) inflow to strengthen and stabilize the naira. The 'hot money' generated through the FPIs have been leaving the Nigerians shores shortly after they come in. Their impact has been largely on paper, as captured in the Nigerian Exchange (NGX) periodic 'Capital Importation' reports.

The state of the naira exchange rate vis-à-vis the dollar and other hard currencies in the past 21 months is even more worrisome. From an official level of below N500/US\$ in May 2023, the naira had crashed to a level of almost N2000/US\$ before inching up to about N1500/US\$ currently. The full floatation of the local currency mid-June 2023 practically rang the death knell for the Nigerian legal tender.

The policy of exchange rate determination by market forces (demand and supply) exposed the acute shortage of FX—leading to lingering excess demand over supply in the market. Although the CBN has tried so many initiatives to arrest the situation, the naira exchange rate has remained sticky at between N1700-N1500/US\$.

Again, the battle (by the CBN) to strengthen the naira and stabilize the FX market is yet to be won. The minimal gains of the naira (though unstable) in recent weeks have remained shrouded in propaganda and self-adulation by the monetary authorities. For a currency exchange rate that dropped from N475/US\$ to N1560/US\$ in 20 months, any perceived progress (or gain) is certainly an illusion.

Another indicator (the price of fuel) presents even a more woeful and pathetic picture of illusion about so-called economic progress of Nigeria in recent times. From below N200 per liter at end-May 2023, the price of Premium Motor Spirit (PMS) has shot up to over N1000 per liter. On May 29, 2023, President Tinubu announced the fuel subsidy removal, and PMS' price jumped instantaneously to about N700 per liter. This trajectory has been sustained.

The catastrophic impact of the subsidy withdrawal on the economic wellbeing of Nigerians is yet permeating all nooks and crannies of the country. Unprecedented level of high inflation; hunger

and penury unleashed on the citizenry. Government's resort to dispensing of palliatives at all levels of the polity to assuage the pains has proved ineffective and unsustainable.

Institutions like the IMF and the World Bank have been alerting Nigeria on the number of its citizens that have been pushed into poverty trap by the impacts of Government policies. Food insecurity has become an existential threat to millions of Nigerians that have been pauperized by the fall-outs of economic policies. Staple food has gone out of the reach of millions—pushing the Government to 'toy with' the idea of 'tax-free' importation of some food items. But almost one year on, this policy is yet to yield any results!

In handling the 'volcanic eruption' caused by the unplanned fuel subsidy withdrawal, the Government, rather than expediting action in improving local refining, had resorted to issuing licenses to many more people to be importing PMS and other refined products. This is such that Nigeria has continued to depend almost hundred per cent on imported PMS for its local needs.

Efforts of private concerns like Dangote Refinery to improve the bad situation met with deadly intrigues, chicanery, and even sabotage by the officialdom. Today, although Dangote Refinery has recorded a pyrrhic victory, the refining industry has been made scary for other discerning investors. Numerous hidden obstacles and landmines are set up for existing and intending investors in spite of liberalization.

Even the much-publicized repair and re-streaming of some Government-owned refineries are yet to improve the horrible PMS supply situation in the country. The pricing of the commodity has gotten linked to the vagaries of oil price movement in the international market, and as such, local players (like Dangote) remain perpetually exposed to external headwinds.

This is why recent celebrations of the return of the Port-Harcourt and Warri refineries were only but part of the economic 'progress illusion'. The issues (corruption) that saw the collapse of those national assets (refineries) over the years are yet to disappear. In point of fact, since the publicized repair, those refineries have remained in fits and starts.

Government remains yet undecided as to whether to privatize those refineries or to keep on sinking huge public funds, running into billions of dollars, into endless maintenance of the 'dead' refineries. Or, perhaps Government is only content with parading the repairs of those refineries as part of its 'illusory progress.' Whichever way, every gauge of the economy reveals the nadir of hope.

This has become most obvious in the Federation Account Allocation Committee (FAAC) monthly (national) income sharing by the three tiers of government. From some hundreds of billions of naira usually shared by the Federal Government and the sub-nationals every month in the past, the amount has ballooned to trillions of naira in recent times.

But this seeming 'bumper harvest' is a mere 'money illusion'—where the 'huge' sums doled out to the tiers of government are not worth much. Money, in Economics, is what money can buy. Therefore the thoroughly devalued and inflation-deflated naira being shared by FAAC has little value to tangibly improve the wellbeing of the people.

It is illusion, all over!



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OPINION