NETWORK

NIGERIAN-BRITISH CHAMBER OF COMMERCE

A publication of the Nigerian-British Chamber of Commerce

How to Position your Business for Trade & Investment

Trends in the Nigerian Real Estate Market

How to fix Nigeria's Broken VAT System

Why Digital Transformation is Crucial to the Survival of Businesses in Nigeria

5 Things to Know about the Future of Gas

Interview with Bisi Adeyemi 17th President & Chairman of Council

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DECEMBER 2021 EDITION

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THE NIGERIAN-BRITISH CHAMBER OF COMMERCE is the foremost bilateral chamber of commerce in Nigeria with the objective to promote trade and Investment between Nigeria and Britain since its establishment in 1977. The Chamber currently has over 400 members from diverse sectors of the economy. We are an international affiliate of the British Chamber of Commerce (BCC) which gives us access to a network of 53 Chambers of Commerce across the United Kingdom and 71 other international affiliates around the world.

Mission

To continuously encourage and promote mutually beneficial trade relations between Nigeria and Britain

Vision

To be the foremost channel of trade and commerce between Nigeria and Britain

Core Values

Integrity
Co-operation
Commitment
Respect

THE NIGERIAN-BRITISH CHAMBER OF COMMERCE

Olubunmi Owa Street, off Admiralty Way
Lekki Phase 1, Lagos, Nigeria

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www.nbcc.org.ng

Greetings *from the* President

Dear Esteemed Members,

It is with great pleasure that I address you as President and Chairman of Council for the first time through this medium. As you are aware, I was elected to the position during the last Annual General Meeting held on July 16, 2021, at the NBCC Headquarters in Lekki Lagos.

I am pleased to note that in the past 4 months, the new Council has worked assiduously to consolidate the profile of the Chamber, enhance trade relations between Nigeria and the UK and improve our service offering to members.

In addition, Our membership in the last few months has seen a significant increase with Africa Prudential, Odua Investment Group, and Twinnings Ovaltine joining our Prestige Membership category.

Attendance across our programmes has continued to wax strong with the introduction of new programmes such as the Meet the Governor and Investment series. Permit me to take this opportunity to extend my warmest appreciation to all the guest speakers, panellists and all participants that honoured and graced our programmes.

To achieve the goal of promoting member prosperity through networking and enhancing the robustness of our membership, the Technology Sectorial Group was inaugurated on November 18, 2021, at the British Deputy High Commissioner's Residence.

I seize this opportunity to thank the Council, EXCO and Members for their positive contributions to the successful execution of programmes organised by the chamber in the past 4 months.

In 2022, we look forward to enhancing ties amongst Nigerian enterprises and our British counterparts as well as improved B2B connections. We intend to make 2022 a memorable year for members as we endeavour to be the respected voice of the organized private sector by actively engaging with policymakers and bringing to the fore the pain points of our members, to engender a more conducive environment for doing business.

I thank you for your audience and wish all our esteemed members a Merry Christmas and a Prosperous 2022!

Sincerely,
Bisi Adeyemi
President and Chairman of Council

Cover

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Editor's Note

This Year's edition of *Network* Magazine coincides with the inauguration of a new President and Chairman of the Council as well as the commissioning of the Chambers headquarters in Lagos. It is perhaps quite tempting to adorn this edition with garlands, given its release just before the Yuletide: a season renowned for its unique fusion of pomp and pageantry.

Readers are guaranteed a bountiful harvest of well-researched, diverse insights across a variety of interesting impact points in the life of Corporates and Executives.

This 2021 edition takes readers through the process of ***harnessing the future with data***, *how market leaders are adopting digital transformation*, as well as insights into ***how to fix Nigeria's value added tax (VAT) System***.

Those passionate about ***trade and investment*** or trends in the ***gas sector*** are equally well served with articles on ***how to position business for trade and investment*** as well as the ***future of gas in Nigeri***a.

In addition, we have other entertaining content to give you a wholesome reading experience as you flip through the pages.

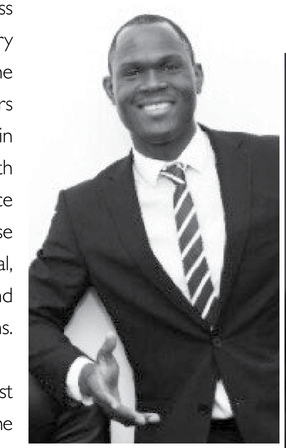
We are certain that you will find this magazine interesting and worthy of your time as we continue to bring you nothing short of the very best.

Happy Reading.

Bayo Rotimi
Editor In Chief

Contributors

Frank Abu is the Chief Data and Analytics Officer at Pairview, a leader in industry matched data, AI and analytics services with a presence across three continents. He has 15+ years of industry experience in data and analytics, 12 years in the Banking and Insurance sector and over 3 years in Senior Level Client Services Management in Software Consultancy. Previously, he worked with Barclays Bank, ClickFox Inc., O2, RIAS Insurance and Experian. Frank is a Certified Oracle Database Administrator and IBM Analytics professional, speaking in major Analytics conferences for IBM and Data Governance Forums.



Toyin Bashir is a Partner at Banwo & Ighodalo. She has extensive experience in dealings with the government and a regulatory agency located in the FCT and maintains a good relationship with them. She heads the Firm's corporate office in the Federal Capital Territory, Abuja, and is thoroughly committed to ensuring that clients' expectations are met. Since she joined the Firm, Toyin has been involved in several of the firm's commercial transactions.

Taiwo Oyedele is the Fiscal Policy Partner and West Africa Tax Leader at PwC. He is the Chairman of the COVID-19 intervention committee for PwC West Africa. He is the author of *Insights on Taxation and Fiscal Policy*; Top 50 Tax Issues in Nigeria; the Nigeria Transfer Pricing Chapter of the IBFD publication and a contributor to the annual doing business report of the World Bank. He is a prominent speaker at conferences and a regular guest on various business and economy programs on TV, radio and online media. He is the Research Director for the Fiscal Policy Roundtable of the Nigerian Economic Summit Group, a member of the ACCA Global Governing Council, Chairman of the ICAN Taxation & Fiscal Policy Faculty Board, and a member of the Ministerial Committee on the implementation of Nigeria's National Tax Policy. Taiwo is an alumnus of the London School of Economics, Yale University and Harvard Kennedy School Executive Education. He is the Founder and President of Impact Africa Foundation.

Teslim Shitta-Bey is the Managing Editor, Proshare Nigeria Limited. He holds a Bachelor's degree in Economics and Statistics (University of Benin) and a post-graduate certificate in Financial Journalism. He has, in the last three decades, accumulated a rich and varied experience as a stock market/ Investment analyst, Commercial and Investment banker and a financial journalist. He has had over 20 years of experience in Investment Banking. He is an avid Financial Modeler and is a regular collaborator with the global financial modelling community.

Baba Alokolaro. A founding partner, Baba is TNP's Managing Partner and leads its Corporate Finance and Business Advisory Group. He has a particular focus on Private Equity, and in this light, has acted for both Investor and Investee companies in capital raising transactions. Baba is regarded as a solution-oriented business lawyer and has been responsible for the firm's reputation in the capital markets, e-Commerce and tech space in a series of deals across several industries. He lends his expertise across areas of Project Finance, Corporate Finance, M & A, Infrastructure and Power. Between 2007 and 2011, Baba garnered some public sector experience as General Counsel to the Governor of Lagos State, Nigeria. He is a council member of the Nigeria Bar Association –Section on Business Law, and a member of the Chartered Institute of Arbitrators and Capital Market Solicitors Association. He is also the Vice-Chairman of the Mergers, Acquisitions & Corporate Reorganisations Committee of the Nigeria Bar Association – Section on Business Law.

Leye Makanjuola is the Founder and Chief Executive Officer of Intense Digital Limited, a Marketing and Technology company made up of young versatile and talented innovators passionate about growing businesses by creating experiences people love through strategy, innovation, creativity and technology.
He laid his foundation in Marketing Communications at Pan Atlantic University and also earned marketing and business certifications from the University of Pennsylvania, Wharton. Leye has consulted for brands like Leadway Assurance, Daily Trust, CHI, Total Nigeria, AXA MANSARD, Multichoice Nigeria and was a recipient of the YTECH 100 award in recognition of his contribution to the Nigerian technology space.

Oluwatoba Oguntuase is a Senior Practice Support Lawyer at Banwo & Ighodalo

Ejiro Omonode is the Managing Director, Mastersports International Limited.

Tayo Odunsi FRICS, ANIVS, RSV is the Chief Executive Officer, Northcourt Real Estate. He is a Chartered Surveyor with over 15 years of professional real estate experience. He holds an undergraduate degree in Estate Management from the University of Lagos, an MSc. Real estate finance and investment degree from the Henley Business School, University of Reading, UK, an MBA from the Imperial College London, and currently a Doctoral Researcher at the School of Real Estate & Planning, Henley Business School. He is a Fellow of the Royal Institution of Chartered Surveyors (RICS), a member of the Project Management Institute (PMI), the Society of Property Researchers, the Nigeria Economic Summit Group (NESG), and the African Real Estate Society. He also serves as a Director at Ventures Park, the leading co-working space in the heart of Abuja. He's an ardent art lover, valuer, and curator.

Enobong Shittu is an experienced Legal Consultant at DCSL Corporate Services. She has a demonstrated history of working in the law practice industry and is highly skilled in Negotiation, Legal Drafting, Corporate Governance Advisory, Company Secretarial Practice, Risk Management, Regulatory Compliance Management, AML/CFT, Legal Management, IT Law Advisory. Enobong is a strong professional with a Certification focused in Mergers and Acquisition from the New York Institute of Finance, and Data Privacy Law and Data Protection.

Grace Adejare-AJUWON . is the Managing Director of Proshare. Grace joined Proshare as a business & market analyst with an eye for strategic execution and development with a passion for business growth, data analysis, and new markets.

She is a data science enthusiast with over eight years' experience in business and market analysis, project management, digital marketing, and product development; having obtained her first degree in Actuarial Science from the University of Lagos, Akoka, and currently holds a Post Graduate and Masters degree in Economics from the same University. She obtained numerous post-graduate certificates in areas related to strategy, risk management, change management, and project management. She is currently a member of the Institute of Directors (IoD).

Ladun Ogidan is the deputy editor-in-chief and art director of Omenka magazine. She holds a first degree in mass communication from Covenant University, Nigeria. Ogidan is the chief operating officer, Revilo, a publishing and cultural communications company and the senior programme officer, The Ben Enwonwu Foundation. She is also the operations manager at Omenka Gallery, Lagos. Her expertise is built from over 9 years of curating major exhibitions at prestigious art fairs around the world, including The Armory Show, Joburg Art Fair; and Cape Town Art Fair. As a publisher, she has spent over 8 years developing creative and intellectual content with a focus on the visual arts from Africa. In addition, Ladun Ogidan is a member of the editorial board of Network, the bi-monthly magazine of the Nigerian-British Chamber of Commerce. She has also served in the same capacity at Cloud 9, Dana Air's now retired inflight publication.

Past Presidents/Patrons of NBCC

CHIEF HENRY O. FAJEMIROKUN
(1977-1978)

CHIEF ADEYEMI LAWSON CON
(1978-1981)

CHIEF JOHN AKIN-GEORGE
(1981-1985)

MR OLUDAYO SONUGA
(1985-1989)

OLOYE OLANREWAJU D.OKUNBANJO
(1989-1993)

CHIEF A.B.ADEBOWALE OON
(1993-1997)

PRINCE ADEYARA ADEYEMO
(1997-2001)

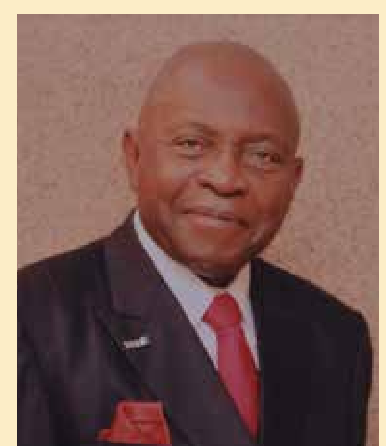
MRS M.R.A. ADELEKE OON
(2001-2003)

CHIEF (DR) MICHAEL OLAWALE-COLE
CON MFR FNIM CNIM (2003-2005)

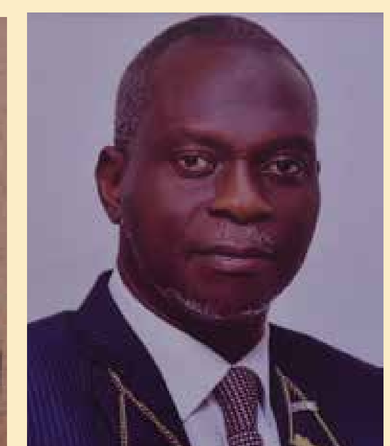
SENATOR DIPO ODUJINRIN MFR
(2005-2008)

MR AKINOLA AKINTUNDE
(2008-2011)

ARC T.C AWAGU
(2011-2013)



PRINCE ADEYEMI ADEFULU MFR
(2013-2015)



PRINCE ADEDAPO .O. ADELEGAN
(2015-2017)

MR AKIN OLAWORE, FNIVS, FRICS
(2017 – 2019)

MR KAYODE FALOWO
(2019-2017)

Nigerian-British Chamber of Commerce Headquarters

OUR CHAMBER

NIGERIAN-BRITISH CHAMBER OF COMMERCE

LEVERAGING THE NBCC MEMBERSHIP TO POSITION YOUR BUSINESS

S/N	BENEFITS	CATEGORIES				
		Premium	Prestige	Corporate Plus	Corporate	Emerging
1.	A seat on the Council of the Chamber, reserved for the Chief Executive or a representative of the company not below the rank of a Director	√	x	x	x	x
2.	Banner on the website with a link to the company webpage	√	x	x	x	x
3.	Opportunity to showcase products or services at one Breakfast event per annum including 5-minutes presentation.	√	x	x	x	x
4.	Complimentary annual dinner ticket	√	x	x	x	x
5.	Complimentary attendance for the CEO at annual Patrons' Day.	√	√	x	x	x
6.	Complimentary registration on the CONNECT online business matchmaking platform.	√	√	x	x	x
7.	Courtesy visit to the CEO by NBCC Exco and Patrons once a year – NBCC to publicize	√	√	x	x	x
8.	Right of "First Refusal" on event sponsorships	√	√	x	x	x
9.	Private and exclusive Premium/Prestige members' dinner with the British Deputy High Commissioner– a unique networking opportunity.	√	√	x	x	x
10.	Opportunity to host a selected virtual event with Chambers resources once a year	√	√	x	x	x
11.	Free banner placement in our newsletter	√	√	x	x	x
12.	Free training at a two-day training each year	1	1	x	x	x
13.	Commemorative plaques	√	√	x	x	x
14.	Speaking opportunities at Chamber events	√	√	√	x	x
15.	Free participation for two Executive level nominees at (number) Breakfast Meetings per annum.	4	2	1	x	x
16.	Opportunity to engage with visiting foreign delegations to Nigeria	√	√	√	√	Subject to availability
17.	Global business links through affiliation with the British Chambers of Commerce (BCC).	√	√	√	√	√
18.	Leverage on the membership profile of the Chamber for marketing references.	√	√	√	√	√
19.	Complimentary advertisement of products, services or special events on the NBCC social media platforms and newsletters subject to (subject to advert approval)	√	√	√	√	√
20.	Full utilization of the Chamber's Advocacy platform.	√	√	√	√	√
21.	Representation in at least one committee of the Chamber.	√	√	√	√	√
22.	Membership cards	5	4	3	2	1
23.	Discounted participation at Chamber Programmes	√	√	√	√	√
24.	Business referrals	√	√	√	√	√
25.	Member-to-member offers	√	√	√	√	√
26.	Market intelligence services on Nigeria-UK trade	√	√	√	√	√
27.	Complimentary copies of Chamber's magazine	√	√	√	√	√
28.	UK visa reference letter	√	√	√	√	√
29.	Representation of members' interest to all relevant government authorities	√	√	√	√	√
30.	Exclusive access to member login platform on website • Membership Directory • NBCC marketplace • E-Tender services • Signposting to Growth Hub services (EIR) Access to 24 Legal, HR helpline and other expert services.	√	√	√	√	√
31.	Annual strategic meeting with your Relationship Manager	√	√	√	√	√
32.	Member recognition spotlight on NBCC newsletters	√	√	√	√	√
33.	Exclusive access to Plaza members' lounge	√	√	√	√	√
34.	Discount for use of Plaza facilities (seminar/training/meeting rooms)	20%	20%	20%	20%	20%
35.	Providing access to E-library and information data bank Exclusive policy and research reports.	√	√	√	√	√
36.	Access to E-library and information data bank with exclusive policy and research reports	√	√	√	√	√
37.	Opportunities for entry in NBCC Competitions for members with an exchange programme Grand Prize.	√	√	√	√	√
38.	Company representive in NBCC Committees	3	2	1	1	1

NBCC Plaza Commissioning July 2021








NBCC Knowledge Skills and Resources center - November 2021








Courtesy Visit

2021 Webinar Gallery

Annual General Meeting/Handover

2021 Members Evening & Inductions

NBCC Knowledge, Skills, Resources Dedication

OUR CHAMBER

Tech sector launch - November 2021

Golf Tournament - November 2021

Interview with President Bisi Adeyemi

Grace Adejare-Ajuwon

Josephine Adebisi Adeyemi (Nee Soetan) was born in Lagos on the 25th of June, 1967 to Engr. Ebenezer Adebayo Soetan and Mrs Mariam Aina Soetan and is the 4th of ten children. Bisi started her education at the Army Children School, Zaria and went on to the Methodist Girls High School, Lagos.

Growing up, she wanted to be an aeroplane pilot as her father was an Aeronautical Engineer and Flight Instructor and she was fascinated by the smart young pilots, particularly the lone female at the time. She would however go on to study law at the Ahmadu Bello University, where she graduated in 1986. Bisi was called to the Nigerian Bar in 1987 and holds an MBA from the Lagos Business School, Pan Atlantic University.

Bisi started her career at the law firm of Chief Bankole Oki, SAN and went on to work as General Counsel at Dredging International, a multinational dredging company and as Chief Legal Officer and Company Secretary at Acorn Petroleum Plc.

Bisi is a member of the Nigerian Bar Association, the International Bar Association and the Institute of Directors. She has attended Leadership Training at the Harvard Business School, The Wharton School, the University of Pennsylvania and the Kellogg School of Management, Northwestern University Illinois.

Bisi is the Managing Director/CEO of DCSL Corporate Services Ltd. She joined the company with a charge to turn around the fortunes of the Company and create a distinct brand identity from its then parent Firm – Deloitte. DCSL under her leadership has recorded significant success in this regard, with an impressive client portfolio and emergence as a market leader in the corporate services and governance space.

Passionate about Corporate Governance, Bisi anchors a weekly column on the subject in the BusinessDay newspaper and facilitates Director Development Sessions at the Institute of Directors.

She is an Expert-In-Residence at the Enterprise Development Centre of the Pan Atlantic University and serves on the Executive Council of Women in Management, Business and Public Service (WIMBIZ). She is an Independent Non-Executive Director on the Boards of Center for Women's Health and Information and Eventful Limited. She currently serves on the Executive Council of the Lagos Business School Alumni Association.

She has at different times served as Honorary Treasurer, Chairman of the Learning, Education and Training Committee, Chairman of the Trade Mission Committee, Chairman of the Finance and General-Purpose Committee and Deputy President at the Nigerian British Chamber of Commerce.

Bisi's two children, Toluwanimi and Oluwasomidotun are extremely proud of her accomplishments.

Madam President, your inauguration is coming up on December 3, 2021, I know you are looking forward to that, could you tell our readers what your plans for the administration are?

The administration has an 8-point agenda the major theme being consolidation and sustainable growth.

1. Improve Value Proposition to Members

We will improve the value proposition to members through better engagement, bespoke benefits, and services, designed to meet the needs of members in a manner that directly impacts business performance. Improved engagement will enable us to better determine the needs of each category of our membership and offer category-tailored services that create value and deliver visible member benefits.

2. Strengthen the Secretariat for Improved Service Delivery

To ensure that the Chamber is better positioned to deliver improved value to our members and meet its strategic objectives, it is imperative that we continue to strengthen the Secretariat. The key competencies required in this regard have been identified and the process of bridging identified gaps that will ensure we have a world-class Secretariat, supported by the appropriate governance structures, policies and processes will commence immediately. Internal governance and control processes to improve efficiency will be strengthened.

3. Refocus Sectorial Groups for Maximum Impact

To achieve the goal of promoting member prosperity through networking, we will refocus the Sectorial Groups for better alignment with the objectives of the Chamber and the expectations of member companies. programmes and events of the Sectorial Groups will be focused on promoting B2B opportunities. A new Sectorial Group to cater for the creative industry and enhance the robustness of our membership will be inaugurated.

4. **Voice of Business - Improve the Efficacy of the Chamber's Advocacy Role**

We shall reposition the Chamber as a vibrant and respected voice of the organized private sector by actively engaging with policymakers and bringing to the fore the pain points of our members, to engender a more conducive environment for doing business. The key to effective business advocacy is to focus on issues that are consistent with the Chamber's mission and vision, create an alignment in this regard with the expectations of our members, collaboratively communicate these issues to policymakers and provide feedback to our members. In this regard, we will host structured advocacy meetings, roundtables, and quarterly briefing sessions.

5. Integrate British Businesses into our Membership

Refocus efforts to bring back British businesses to diversify our membership base and provide closer interaction between Nigerian and British businesses. This effort will be driven primarily via social networking and more informal events with the key objective of delivering seamless trade services to UK companies seeking access to Nigerian markets and vice versa. We will also continue the efforts to revive the UK Network and better integrate its activities with those of the Chamber to create seamless interaction for the benefit of our members in Nigeria and the UK. In this regard, concerted efforts will be made to deliver the British Trade Centre.

6. Sustained Focus on Micro, Small & Medium Enterprises (MSMEs)

Recognizing the significant role of MSMEs in attaining economic prosperity, we will develop, enhance and sustain bespoke MSME services including business advisory, targeted training, and structured mentorship programmes. We will pursue appropriate strategic partnerships in this regard.

7. Diversify our Funding Sources

With the commissioning of the NBCC Plaza project, we will emplace strategies to actualize the wealth creation opportunities provided by the multipurpose Plaza building. We will diversify the Chamber's funding options beyond the primary source of revenue (membership dues) by positioning the Chamber to attract both local and international grants. We will also improve the value proposition to our sponsors in a bid to ensure sponsorship is a win-win experience. Our Trade Desk will be activated to provide us with the opportunity of earning income in other currencies. We will also prioritize our subscription recovery efforts and build a healthy reserve.

8. Launch the NBCC Emerging Leaders & Executive Mentoring Programme

We will formally launch the NBCC Emerging Leaders Platform which will serve as a platform through which the Chamber can create impact with a younger demography as well as a pipeline to leadership succession. An Executive Mentoring Programme that will pair accomplished professionals and entrepreneurs with their younger counterparts will be established as our contribution to equipping the next generation of business leaders.

As President of the NBCC, do you think Nigeria and Britain are trading enough especially if one considers the fact that we have been partners for over 100 years?

The trade volume between Nigeria and the United Kingdom hit over £3.5 billion in 2020. This figure was expected to go up significantly but for COVID. Conversely, at the end of 2019, the two-way trade in goods between the United States and Nigeria was $10 billion. Given our historical antecedents with Britain, we should be doing so much more. There is a need for both countries to make concerted efforts to improve the business environment to enhance bilateral ties.

As a rider to that and given the on-going efforts to diversify the Nigerian economy, do you think we are doing enough to bring back foreign investors or attract enough foreign investment in Nigeria?

How do we restore the confidence of foreign investors especially British businesses in Nigeria's economy so they can invest more? We are not doing enough in general. Whilst private sector organizations are doing the best that we can to tell a positive story of Nigeria as the ultimate investment destination in Africa, more needs to be done in the areas of ease of doing business, security and infrastructure.

What are the benefits and opportunities of being a member of NBCC?

Our members have a platform that provides them meaningful networking that engenders B2B opportunities, connects them with UK and Nigerian (as the case may be) partners and an opportunity to showcase their business to our widespread membership and followership. We host impactful and knowledge-sharing events that ensure we remain top-of-mind and we promote meaningful business activity. We have hosted State governors, policymakers and business leaders to discuss investment opportunities, the impact of policy on businesses and to share the experience. We recently introduced an "Open Door" Series via which our members will have exclusive access to emerging opportunities as these come on stream.

Do you think members are underutilising these benefits? If yes, what is your advice to them on the best ways these benefits and opportunities can be accessed and maximized by members?

I believe members can take better advantage of the opportunities by staying tuned and attending all our events and programmes. They should also participate more in the activities of the Sectorial Groups.

Can you share two of the most memorable moments of your career journey so far?

My first job as a rookie lawyer and my current role. I remember the day that I argued my first case at the Court of Appeal. I was set up by my then Principal, the late Chief Bankole-Oki, SAN. He was supposedly unwell, and I was to go to court to get an adjournment in a land matter we were handling. The Court will have none of it and asked me to proceed with my address. It was at that point I discovered I had the wrong case file! The Court decided to stand the matter down to allow me get the case file. I thought I had been left off the hook as I hurriedly went back to the Office intending to persuade Chief Oki to come back with me to handle the matter. He was comfortably sitting at his desk in casual clothes and won't budge!! With my heart in my mouth, I went back to the Court and successfully argued the appeal – I wrote the brief anyway. The clients were not at all inspiring as they doubted, I knew what I was doing. Fortunately, we won the appeal!

Do you have any mentors?

Not formally, but there are a couple of people I consider my mentors. I look to them for professional advice and counsel. They have been invaluable sounding boards. I will however recommend formal mentoring as an invaluable resource.

What one word describes you the best?

I would leave that to those who want to describe me. They will be the better judge.

What are the principles you abide by to govern your professional and personal life?

Diligence, professionalism, the pursuit of excellence, fairness and empathy.

How have you managed your professional and personal life?

I realized early in my career that it was going to be difficult if not impossible to achieve the mythical work-life balance. So, I learnt very early to set out priorities for each stage of life and career. I also have taken maximum advantage of all my support systems and these have helped me achieve a fair balance.

TECHNOLOGY

Emerging Technologies: Harnessing the Future from Now with Big Data

Frank Abu

Source: https://www.doutoriot.com.br/

As Covid concerns slowly start to recede in the rear-view mirror, runaway global temperatures and climate concerns again start to resurface at COP26 and Big Tech looks beyond dominant market positions to innovation triggers [1], it feels much like an uncertain world is starting to become the status quo.

From our inception in 2009 (our humble beginnings are in reskilling out-of-work professionals in analytics), we pride ourselves at Pairview in reinventing people, processes and tools to better equip organisations in handling large scale change. In the current 4IR or "Age of Fusion", we are uprooting and upgrading skills in engineering, analytics and AI to tackle fundamental challenges at the confluence of the physical, digital, and biological worlds. While we cover a multitude of industries and business functions through our reskilling programmes and accelerated "plug-and-play" AIaaS solutions, one of the focus areas right now is in the area of Talent Analytics. As employers grapple with an uncertain post-pandemic future and shifting employee sentiment and attitudes to work as well as workplace ("work is work" or "purpose unleashed"? [2]), the need to listen in to the heartbeat of the workforce and react quickly has never been more apparent.

Artificial Intelligence for HR

HR and Talent Analytics is not a new field [3], but with many companies jumping on the AI bandwagon, there is an evolving interest today in Predictive Analytics and particularly AI for HR functions. With Gartner reporting only 21% of HR leaders believing their organisation is effective at using data to inform HR decisions, clearly, there is scope for ramping up capabilities and the potential is huge – a $6.3b market and 14.2% growth to 2027 [4].

Historically descriptive-based solutions using systems of record, dashboard technologies (Excel, Tableau, Cognos etc.) and basic automation have supplied HR functions with "tactical" solutions for employee management and helped push businesses and organisations towards a data-led culture. While valuable from the perspective of understanding current / AS-IS process and application landscapes, this inherent "fire-fighting" based approach needs to move from data to delivery and towards a more strategic approach, embracing more predictive-based solutions which help to anticipate and drive real-value insights, rather than simply record/publish status quos. One of the key innovations we see at Pairview which is intended to address the "predictive gap" is in Enterprise AI solutions.

At Pairview we see the current (C-Level) Enterprise AI needs and expectations of HR professionals fall into one of three core areas: Recruitment, Talent management / Human Capital Management (HCM) and Employee Experience. These disciplines can be considered as mirroring the employee journey from hiring into the company to onboarding, job training, competency, and mastery through to challenging job exit processes and ultimately mitigating employee churn/attrition.

Towards No-Code Solutions

In Recruitment, from candidate sourcing, screening, and matching, Pairview leverages cutting edge text analytics / NLP methods to augment human decision-making processes or strip out bias in the underlying selection process. We offer a wealth of solutions from onboarding CRPA to ethical background validation, CV and reference validation, OCR + NLP for HR document retrieval and archival Deep Learning high volume image classification solutions anchored to AI Ethics / Code of Conduct oversight and governance as well as no-code AutoAI solutions (using emerging technologies such as IBM Cloud Pak for Data) to quickly generate high-performance predictive insights without programming.

In Talent management / Human Capital Management (HCM), our AIaaS suite enables HR Managers to get a grip on employee performance, workforce planning, career planning, mentoring, and coaching helping attain a holistic/360-degree perspective on company culture, psychology and the employee "journey". Our HCM solutions include Employee Recommendation Engines and Content Personalization through the use of predictive analytics/machine learning to identify professional development needs and requirements, Anomaly Detection on day-to-day aspects such as employee attendance, behavioural or disciplinary issues and our Attrition Risk Engine built with technologies such as WATSON Studio and WATSON Search to flag groups of or individual employees that may be at risk of leaving.

Training and Consultancy Solutions

Directing focus away from operational aspects of the HR role, our "Employee Experience" / "TinyPulse"-type AI tools help HR teams get a grip on the overall employee "experience" with a view to understanding more deeply the "voice of the employee". Whether it's through our Real-time Event-driven Feedback platform, Self-Service / Self-Help Chatbots and IVAs, social media, Glass Door, Google Review and Trust Pilot Sentiment Analysis for HR research or bespoke use of NLP methods on job satisfaction/employee pulse surveys and employer reviews we believe we have the right AIaaS solution for HR teams looking to embrace SME- augmenting AI technologies across the workforce.

At Pairview we recognise the need to work within manageable organisational budgets and excel in designing Training & Support Models with tactical "quick wins" and a development roadmap that address knowledge, skills and competency gaps across key stakeholders.

We always start with a question – or more precisely, a questionnaire to elicit digital awareness, skills and competencies. We then build on that to offer consultancy, support and implementation services where we provide resources or develop and deploy AIaaS solutions which scale with organisational needs: from sandbox project to MVP to full enterprise solution. Our AIaaS approach is use case-led and starts small - reverse-engineering production sized processes and architecting solutions to meet prioritized business requirements.

Whether it's data mining internal & 3rd party structured & unstructured data sets, building compelling and compliant BI & reporting solutions, generating deep customer & client insights using sophisticated predictive analytics techniques, optimizing customer or investment strategies with Deep Learning, we encourage readers to get in touch to find out more or speak to one of our in-house AIaaS experts.

Notes

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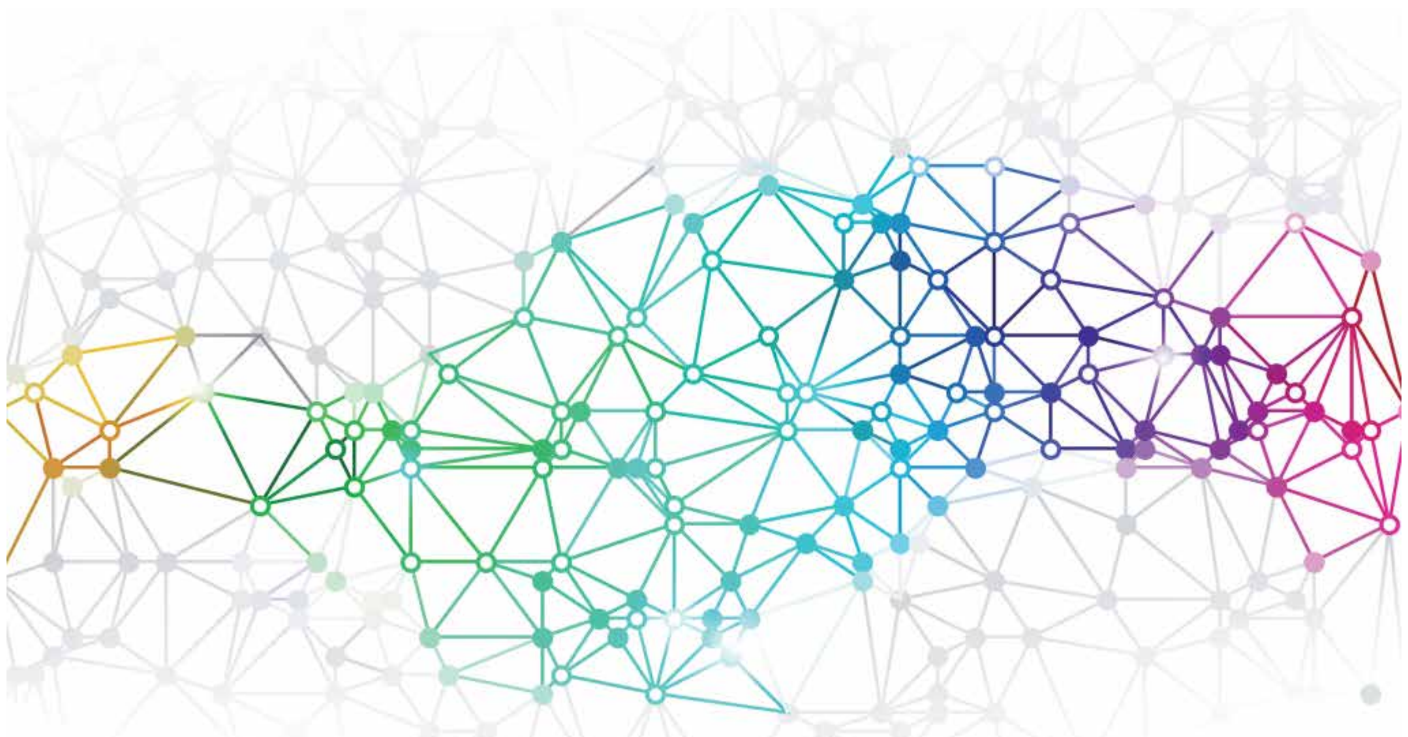
Why Digital Transformation is Crucial to the Survival of Businesses in Nigeria

Leye Makanjuola



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We are well into 2021 and it is clear what industries are set to experience a major change in their fortunes for the better if the trends in the last 18 months are to be used as a yardstick. Since the COVID-19 pandemic broke out in 2020, millions of companies have struggled financially or closed shop due to drastic losses caused by the disruption to the normal flow of business activities and supply chain disruptions. A handful of companies however thrived almost sensationally during this period and continue to do so now that the World is settling into a "new normal". These companies span several industries and sectors but the common factor that can be used to identify these prize horses is Technology. Companies that positioned themselves for a world not defined by physical interactions or transactions are the ones winning. Except for pharmaceutical companies who made a killing developing and selling vaccines to the whole world; the Companies that experienced significant success had elements of Cloud Computing, E-Commerce and gaming in their business models.

Of the top 10 Companies with net market cap gain of more than $1bn globally in 2020 – 6 were technology companies (Apple, Microsoft, Facebook/Meta, Tencent, Alphabet and Paypal), while the other 4 are Technology-enabled businesses (Tesla, Amazon, T-Mobile and Nvidia). Some will even argue that they are fully-fledged technology companies. Whatever the definition of these types of Companies; one thing is clear - businesses that operate largely using digital infrastructure and leverage digital platforms to offer products, services and experiences to their customers are the ones poised to be market leaders in the next decade. We have now learned that the world economy as we know it will be driven by businesses whose business models are hinged on digital operations. Today, we are already seeing the positive impact of digital-driven businesses – with remote work, online education, digital banking and telemedicine becoming the norm and saving billions of dollars, time and resources. Digital transformation is forcing companies to change their business models and adapt to the new market realities. What's interesting about this is that it's not the companies that are driving their favourite brands to provide services to them in a way that is convenient for them or else, they'll be looking for the replacement on google that very moment they experience a disappointing interaction. The consumers' needs, preferences and buyer journey is what should now dictate your Business' transformation strategy. To keep up with this new kind of "always-connected" customer, your business must embrace technology to deliver an unmatched customer experience.

What is Digital Transformation?

Digital transformation, also known as DX, is the application of digital capabilities to processes, products and assets to enhance efficiency, increase customer value, manage risk and navigate through new revenue generation opportunities. DX involves adopting digital technologies for both internal operations and external ones; including sales, marketing and support efforts. Digital transformation is not a walk in the park for most Companies. Most companies fail at their first attempt at transformation; but it is a necessity for any business that wants to be around, talk less of being a market leader in 10 years. Fail now and fail fast so you can iterate and try again till you get it right. Nigerian businesses must start to rethink their business models, embrace innovation, cultural change and experiment more. For your digital transformation efforts to succeed, your Company must become more agile in its ability to respond to customers and rivals – using data, technology, people and processes to increase productivity, efficiency, and revenue.

What does digital transformation mean to businesses in Nigeria?

As consumers' tastes and demands become more sophisticated - they expect businesses like yours to meet them wherever they are be it social media, google search, mobile apps web, SMS, chatbots etc to offer sales, customer service and information updates and more. They expect businesses to provide almost instant feedback to their inquiries and they expect a seamless experience. For Nigerian businesses to earn the evolved consumer's loyalty, it can't be business as usual anymore. Your business must start to invest in digitizing communication platforms, processes and operations both internally and customer-facing. There is an urgent need for Nigerian businesses to improve their knowledge and capacity to deliver amazing experiences for not just their customers but their talent, investors, regulators and stakeholders using technology.

Digital trends driving the present and future of business transformation such as cloud computing, blockchain, big data, cyber security, additive manufacturing and artificial intelligence are radically changing the business landscape, reshaping the nature of work, the depth of customer interactions and the responsibilities of corporate entities. Digital Transformation is essential to businesses in Nigeria looking to grow and stay ahead of the competition in what is now a digital-first world.

Faster, Insight-Backed Decision Making through Big Data

Most organizations in Nigeria accumulate mountains of data about their consumers but don't do much with the data. The real magic happens when that data is analyzed to show hidden patterns about user preferences, behaviours and trends that your business can use to make informed decisions. Positioning data and analytics as the centre of truth informing all business decisions will ensure your Company is not operating on only hunches and intuition.

Businesses now have access to greater volumes of data than ever before, in no small part due to the Internet of Things (IoT). With the right set of analytical tools, this data can be converted into valuable business insights that can be used to make more informed, quicker decisions. The deeper analytical tools are embedded in business operations, the greater the integration and effect they can have. Leveraging AI-based technologies can be the key to tapping into the potential of big data. Innovations across data and analytics are constantly rising to the surface, and many harbour advanced AI capabilities that both modernize existing applications and sift through data at a faster and more reliable rate, all supporting leaders in their endeavours to make better, faster decisions that result in progression.

Improved Customer Experience

Enhanced access to data gives businesses the ability to offer customer service teams not only better ways to connect with customers, but also richer data on customer history. In addition to this, it provides a better user experience for anyone who interacts with the brand. With digital technology tools such as Customer relationship management (CRM) systems, marketing automation systems, AI chatbots etc that allow for personalization and rule-based automation; businesses can improve their customer relationships with:

- Accurate reporting
- Visual data
- Improved messaging and actions
- Simplified collaboration
- Valuable insight
- Personalized interactions
- Real-time and scalable response

The goal is to improve customer service relationships and assist in customer retention and drive sales growth.

Reduced Corporate Risk

Automation reduces corporate risks that are inherent when manually managing processes, data, and business operations. Information and Corporate Data security are greatly improved by going digital and the fear of data and knowledge loss is largely reduced. The World Economic Forum's Global Risks Report 2020 ranks cyber-attacks as the second risk of greatest concern to businesses in the coming decade. Therefore, businesses of all sizes need to be increasingly aware of the need for enhanced security. The rise in cyber-crime has also led to an increased interest in protecting data, training employees and incorporating IT into every aspect of the business. At the very least, an organization that wants to thrive needs to be committed to protecting data with cloud-based data backups, integrating patches and updates regularly and training all employees to spot signs of data breaches. Progressive businesses must implement a security strategy consistently across all networks, applications and data, whatever services or service providers are being used.

Increased Efficiency and Productivity

Digital technologies deliver gains in efficiency and productivity by speeding up processes and streamlining operations. Robotic process automation, for example, can outperform humans by multifold factors. Digital transformation provides a valuable opportunity for core business functions, such as finance and HR, to move away from manual processes, and automate key areas like payroll, enabling business leaders to focus on tasks that impact higher priority tasks like revenue generation, talent development and other tasks the impact positively on the Company's primary goals and objectives.

Reduced Operating Costs and Enhanced Collaboration

With Cloud computing, businesses can reduce the amount of money spent on hardware, maintenance and human resources. You don't have to reinvent the wheel when you can rely on already existing technology platforms that have global expertise and quality assurance. Your IT teams can then focus on data analysis, customer experience, innovation and new product development that can increase customer loyalty and company revenue instead of wasting productive man-hours on mostly maintenance and repairs. It's easier to backup and restore data that's stored in the cloud. Cloud technologies ensure better data safety and an almost unlimited storage capacity that does not take up physical space in your office premises. Cloud applications enhance collaboration by allowing employees work on the same documents and applications simultaneously and in real-time anywhere they are in the world as long as they have an internet connection. Your staff can meet virtually and exchange information with the help of cloud-enabled technologies like Microsoft team, Google Drive and Slack. Greater Agility

Digitally savvy enterprises have the ability to not just react to change but to capitalize on it. With cloud computing, for instance, organizations can rapidly scale up or down based on changing needs data storage needs. Meanwhile, modern software development methodologies, such as DevOps and Agile, enhance better collaboration among teams and allow them to rapidly create and roll out new features and functions to satisfy market needs as quickly as they evolve. What this means for businesses is that they can be more confident in their ability to quickly reallocate resources to meet changing market needs than companies that still depend largely on physical data infrastructure and processes.

Conclusion

In today's fast-moving, always-connected global economy; companies will be forced to migrate primarily to digital business models sooner than later or face extinction. Digital transformation offers organizations an opportunity to engage modern consumers, and deliver on their expectations of a seamless customer experience regardless of channel or place.

Although many companies in Nigeria are hesitant to invest in digital transformation due to resistance to change and the unknown factor; when done strategically, digital transformation will always improve your Company's products, experience and fortunes.

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How to fix Nigeria's Broken VAT system

Taiwo Oyedele

https://www.proshareng.com/

Historical context

VAT stands for Value Added Tax. It is a tax payable on the supply of goods and services at different stages of product supply and service delivery value chain. The burden of the tax ultimately falls on the final consumer.

The concept of VAT was first developed by a German economist in the 18th Century but first adopted by France in 1954. So, VAT is relatively a new tax compared to other taxes like income tax with some accounts attributing its first introduction to Egypt as far back 10 AD, or stamp duty which was first introduced in Spain in 1637.

Different countries operating a federal system of government have different structures of VAT. Brazil has both a federal VAT and state sales and service tax with lower rates applicable to inter-state transactions. Canada has combined federal Goods and Services Tax (GST) and provincial sales taxes. The US operates only sales tax at the state level excluding inter-state and international trade.

VAT has so far been adopted in over 150 countries worldwide. It is referred to as Goods and Services Tax (GST) in some countries. It can be differentiated from 'Sales Tax' which is imposed at every point of consumption without an input credit mechanism. Let's use a cake as an example assuming a consumption tax rate of 10% as illustrated in table 1:

Table 1

Value chain	**Selling price**	**VAT at 10%**	**Sales Tax at 10%**
Supplier of flour, egg, fat & sugar	1,000	100	100
Cake manufacturer (added value of 500)	1,500	50 (150 less 100 input VAT)	150
Cake distributor/retailer (added value of 300)	1,800	30 (180 less 150 input VAT)	180
Total consumption tax		**180**	**430**

GOVERNMENT AFFAIRS

Under a VAT system, the final consumer only pays 10% on the final value resulting in a total cost of 1,980 (1,800+180) compared to 2,230 (1,800+430) under a sales tax system due to the cascading effect of sales tax without any mechanism for input tax claim.

Nigeria's VAT facts and figures

1. VAT was introduced in Nigeria via Decree 102 of 1993 and implementation began in 1994. It replaced the sales tax introduced via Decree 7 of 1986. Since its introduction almost 3 decades ago, VAT has become the fastest-growing tax revenue head in Nigeria displacing PPT (N1.52 trillion) and CIT (N1.41 trillion) in 2020 to claim the top spot at N1.53 trillion.

2. The 1999 Constitution does not mention VAT, Sales or Consumption Tax even though the VAT law predates the 1999 constitution. The omission means it is considered a residual item that falls within the remit of the state to legislate on, based on S.4(7) of the 1999 Constitution.

3. The VAT act has been amended several times with key changes such as the clear definition of exempt items, exemption threshold for small businesses with annual turnover not exceeding N25m, a requirement for foreign suppliers to charge VAT, self-charging of VAT, exclusion of rent, land and building from the scope of VAT, etc

4. Over 500 food items are exempted from the national VAT including bread, cereal, fish, milk, fruits, yam and water. In addition, education books and materials, tuition, medical services, shared passenger transport, commercial air travel, and rent are exempted.

5. VAT collection in 2020 was N1.53 trillion out of which about 51% represented import VAT and international services. The top contributing sectors are professional services & telecoms 10.6%, other manufacturing 10.07%, commercial & trading 5.06%, breweries, bottling & beverages 3.90%, transport & haulage 2.84%.

6. Alcohol which is banned in some states contributed less than 3% of total VAT collection

7. Some big sectors contribute very little to VAT revenue due to the nature of their operations e.g. banks & financial institutions contributed 1.62% (because VAT is only charged on a small component of their income such as fees & commission but not on interest or premium), oil marketing contributed only 0.63% given that VAT is not charged on petroleum products.

8. In line with S.40 of the VAT Act, revenue is shared 15% to the Federal Government, 50% to States & FCT, and 35% to Local Governments. The principle of derivation of not less than 20% is reflected in the distribution to states and LGs. Although not stated in the VAT Act, other factors used in the distribution are equality 50% and population 30%. There is a 4% cost of collection for FIRS and 2% for NCS in the case of import VAT.

9. States with the highest derivation are Lagos (50.5%), FCT (13.2%), Oyo (2.9%), Rivers (2.7%), and Kano (1.4%). The bottom 32 states contributed only 7% with the bottom 3 being Abia (0.08%), Osun (0.07%), and Zamfara (0.06%). On the other hand, amounts shared by the top states & their LGs are Lagos (14.7%), Kano (3.8%), Oyo (3.2%), Rivers (2.7%) and FCT (2.5%). The bottom 3 states shared Osun (2%), Abia (1.6%), and Zamfara (1.6%).

10. In the early years of VAT introduction, filing and payments were made based on branch locations. This practice was complicated especially for offsetting of input against output VAT. A central system of filing was therefore introduced about a decade ago. This means VAT is currently filed and remitted centrally by companies based on their head office locations. This gives rise to what I call the "Headquarters Effect". For instance, all the Telcos, Banks, big manufacturing companies, top professional firms etc with head offices in Lagos remit their VAT to FIRS offices in Lagos. This artificially inflates the VAT attributed to Lagos while reducing the VAT revenue attributed to other states. Other major states may suffer the HQ effect to some extent e.g. PH Electricity Disco based in Rivers but serving other states.

Implications of a States' VAT regime

1. If states enact their VAT or Sales tax laws, the guaranteed winners will be the federal government in respect of import VAT and international transactions (whether retained by FG only or paid into the Federation account and shared), and the FCT. States that may either lose or gain are Lagos and Rivers due to HQ effect and are subject to collection efficiency. Lagos also has to deal with granting input VAT at 7.5% on items sourced by businesses outside the state against the lower output VAT rate of 6%. All other states and 774 local governments will be worse-off, all things being equal.

2. The positions of all states will be negatively impacted by lack of capacity to collect, difficulty in auditing compliance, and higher cost of collection which may be up to 15% especially in states where consultants and other forms of agency structures are used for tax collection.

3. States that have existing consumption tax such as Lagos, Edo and others would have to repeal those laws when introducing VAT or sales tax as to do otherwise would amount to legislating double taxation.

4. Small businesses with turnover not more than N25m that are exempt under the national VAT would have to comply with VAT under the states' VAT laws.

5. Penalties for failure to register is as high as N50,000 for the first month and N100,000 for each subsequent month while the fine for failure to keep records to ascertain the correct VAT is up to N250,000. This penalty regime will weigh heavily on businesses especially SMEs such as barbers, hairdressers, tailors, shoemakers, plumbers, bus and taxi drivers, makeup artists, restaurant owners, etc. This further increases the risk of such businesses being harassed and extorted in many states especially those employing thugs to enforce tax compliance.

6. People will pay more, but the government will collect less due to the inefficiency of collection and leakages. There will be higher costs of goods and services arising from input VAT claim and refund complications in addition to items that are not exempted under the states' VAT law such as rent, tuition, processed foods such as amala, suya, jollof rice, and ogbono soup. In addition, there will be incidence of double taxation due to likely conflicts between origination and destination principle in different states. Worse still when the reality of the inability to implement VAT hits home many states will inevitably introduce sales tax with its cascading effect.

7. Nigeria's ease of doing business and paying taxes will deteriorate given the multiple VAT compliance and Nigeria's tax to GDP ratio will decline.

8. Tax practitioners including lawyers and accountants will benefit as the states' VAT regime will create multiple fee opportunities to assist taxpayers comply.

9. Local governments will be worse off. Effectively between states and LGs, the VAT revenue split under the national VAT is 59% to 41%. However, states are prescribing lower rates for LGs e.g. Rivers 30%, Lagos 25%.

10. FIRS will lose the cost of collection on VAT revenue within states and may have to improve its operational efficiency to sustain current capacity or seek additional funding from the National Assembly which will reduce revenue accruing for sharing to all levels of government.

Conclusions and recommendations

The connotation that the current VAT controversy will improve fiscal federalism is superficial. Out of the top 7 taxes in Nigeria, 3 accrue entirely to states & local governments (personal income tax, property taxes, and stamp duties) while the remaining 4 (companies income tax, petroleum profits tax, VAT, import & excise duties) are shared to states & LGs at rates ranging from 43.32% from the federation account to 85% from the VAT pool. This is equivalent to 5 of the top 7 taxes accounting for over 95% of tax revenue in Nigeria accruing to states & local governments.

In the US, both the federal and state governments collect personal income tax while sales tax is only collected by states. Land which is a country's most valuable natural resource is about one-third federally owned in the US while states own less than 10%, the rest are owned by private landowners, tribal authorities and counties. In Nigeria, land is owned almost entirely by states while personal income tax, the top revenue yielding tax head in the world, accounting for about 38% of tax revenue in South Africa, up to 41% in the US and over 30% global average, is entirely collectable by Nigerian states on their residents.

So, efforts aimed at addressing the current challenges need to be redirected. It is not a clash between states and federal government (amending the constitution is squarely within the purview of the National and States Assemblies). It is also not a North vs South context, the 32 states that will suffer financially cut across all regions. And the impact of certain states sharing VAT from alcohol and spirits which are prohibited within their territories is exaggerated given that such products account for less than 3% of VAT revenue.

The way forward

1. Put people first – any outcome that negatively impacts the majority of Nigerians is not the right solution just as we cannot claim to empower the subnational by weakening at least 32 states and all 774 local governments.

2. Address inequity - the current VAT revenue sharing formula among states is not equitable. This inequity should be addressed by allocating any domestic VAT collected from each state entirely to the respective state. Only VAT collected on imports, international services and inter-state transactions should be paid into the VAT pool and shared based on derivation. This will address the current controversy without creating new problems.

3. Give accelerated hearing – this is an issue of utmost national importance and should be accorded the urgency that it deserves by the judiciary and all key stakeholders. The uncertainty created is counterproductive for business and tax revenue generation.

4. Redesign the VAT structure - regardless of the outcome of the ongoing court case, a more suitable VAT regime should be developed for Nigeria and spelt out in the constitution. By extension, the tax system is overdue for a holistic review.

5. Avoid reversing progress – even if states are to collect consumption tax going forward, adopting the very old VAT law as we have seen with Rivers and Lagos state is a setback especially for lack of exemption for small businesses, limited scope of exempt items, not addressing the digital economy and business reorganisation. The fact that a state has the legal right to enact a VAT law does not mean it should do so in a hurry. Sufficient time should be dedicated to consultation, stakeholder engagement, capacity building and administrative readiness before enacting the law with a minimum commencement of 3 months after enactment in line with the 2017 National Tax Policy. A model legislation may be developed by the Joint Tax Board.

6. Grow the pie and optimise existing taxes – beyond ensuring equity in sharing the cake, everybody wins when we grow the pie. Creating a conducive business environment to stimulate the economy and creating employment will inevitably lead to more tax revenue for all levels of government. Examples include land reforms, unlocking dead assets and removing impediments to the ease of doing business.

Nigeria's tax system is in a bad shape, which is set to get worse with the recent developments. To find the right solutions we must correctly define and properly situate the underlying issues to avoid misdirected prescriptions or the "cobra effect" where the solution designed to solve a problem ends up making it worse.

Sources of data: FIRS & NBS.

The Nigerian Code of Corporate Governance 2018: A Code of Best Practice

Enobong Shittu

What is Corporate Governance?

Corporate governance is a system of rules, processes and policies that dictates how a company is operated, regulated and controlled. It ensures that appropriate decision-making processes and controls are in place so that the interest of all stakeholders (shareholders, employees, suppliers, customers and the community) are maintained.

The Organisation for Economic Co-operation and Development (OCED) defined Corporate governance as "a set of relationships between a Company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined."

History of Corporate Governance in Nigeria

The emergence of the corporate governance principle in Nigeria can be traced to the Companies and Allied Matters Act (CAMA) 1990, which replaced the Companies Act of 1968 as the primary law regulating companies in Nigeria, although at that time, corporate governance was yet to emerge as a distinct concept. It, however, made provisions that are fundamental to corporate governance practice in Nigeria which include equity ownership disclosure, minority shareholders' rights and equality of members, oversight management where Corporate Affairs Commission (CAC) and other regulators are expected to regulate the activities of the companies as well as the codification of directors' duties.

However, soon after the promulgation of CAMA, the corporate challenges around the world brought the issue of corporate governance to the fore, with the collapse of major corporations in the United States of America and the United Kingdom. As a result, different countries across the globe began reviewing their corporate governance practices. This made certain countries issue corporate governance codes of practice to address new issues that were not adequately and specifically covered by the company legislation and in the early 2000s, the concept of corporate governance gained wider consideration worldwide.

Several industry-specific codes of corporate governance were introduced by the relevant regulators in the telecommunications, pensions, banking and insurance industries such as the Code of Corporate Governance for Telecommunication Industry 2014, the PENCOM Code 2008, the Code of Corporate Governance for Banks and Discounts Houses in Nigeria 2014 and the Code of Corporate Governance for the Insurance Industry 2009 respectively. In addition to these, the Securities and Exchange Commission also introduced the Code of Corporate Governance for Public Companies in Nigeria, 2011

On 15th January 2019, the Financial Reporting Council of Nigeria (FRCN) by its powers in Sections 50 and 51(1) of the Financial Reporting Council of Nigeria Act issued the Nigerian Code of Corporate Governance 2018. The Code is the first national code of corporate governance that cuts across all sectors as it applies to public companies/entities and all regulated private companies, being companies that file returns to any regulatory authority other than the Federal Inland Revenue Service (FIRS) and the Corporate Affairs Commission

Structure of the Nigerian Code of Corporate Governance ("NCCG" "the Code")

The NCCG consists of twenty-eight corporate governance principles which border on the Board of Directors, Assurance, Relationship with Shareholders, Business Conduct and Ethics, Sustainability and Transparency. Each principle outlines the best practice for implementation.
The objective of the Code is to:

- Institutionalize corporate governance best practices in Nigerian companies.
- Align the interest of the Board and Management with those of the Shareholders and other Stakeholders.
- Promote a commitment to good governance practices among companies, increase their level of transparency, and create an environment for sustainable business operations.
- Promote public awareness of essential corporate values and ethical practices that will enhance the integrity of the business environment.
- Ensure that companies are better placed to achieve their business goals and contribute positively to society.

https://www.policycode.com/

The Code adopts a principle-based approach and prescribes that Companies should assume the "Apply and Explain" approach in reporting compliance with the NCCG. Companies are required to demonstrate how the specific activities they have undertaken best achieve the outcomes intended by the corporate governance principles specified in the Code. This prevents a "box-ticking" exercise as companies deliberately consider how they have (or have not) achieved the intended outcomes.

The Board of Directors

The NCCG emphasizes having a sufficient number of Directors relative to the scale and complexity of the Company's operations and business. The effective discharge of the responsibilities of the Board and its Committees is assured by an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence, and integrity. A written, clearly defined, rigorous, formal, and transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality individuals to the Board.
The Code advocates for best practices and international standards by providing that the MD/CEO is not a member of the committees responsible for key issues such as remuneration, audit, or nomination and governance and that the MD/CEO should not go on to become Chairman, except in exceptional circumstances, where he should adopt a cool off period of three years.

The NCCG also states that most of the Non-Executive Directors ("NEDs") should be independent. The Board is required to confirm the independence of each Independent Non-Executive Director (INED) annually and INEDs are not expected to exceed a tenure of three terms of three years each. Whilst noting the importance of the INEDs on the Board, the Code states that the INEDs should represent a strong independent voice on the Board, in character, judgment and accordingly be free from relationships or circumstances with the company, its management, or substantial shareholders which may appear to impair their ability to make unbiased judgment. The
Code also provides that the Board of Directors should monitor performance by facilitating external independent evaluation of the Board every three years.

Assurance

An effective Internal Audit Function assures the Board of the effectiveness of the governance, risk management and internal control systems. Principle 18 of the Code provides that every company should establish an Internal Audit Function (IAF) and the purpose of the IAF should be clearly defined in an Internal Audit Charter approved by the Board. Where a company fails to establish an IAF, it is expected to disclose the reason for its failure in its annual reports with clarification on how effective risk management and internal control were achieved without the IAF.

https://ethicalboardroom.com

In addition, the Code also recommends that external auditors of companies are to be retained for no more than 10 years, subject to re-appointment after a cool-off period of seven years. It also places an obligation on auditors to report any violations of the law by the Company to the audit committee or the Board. The Code also advocates for an effective whistleblowing framework for reporting any illegal or unethical behaviour to minimize the Company's exposures and prevent a recurrence.

Relationship with Shareholders

Effective stakeholder dialogue at general meetings is encouraged to promote greater shareholder participation in the affairs of the company and balances Shareholders' needs, interests, and expectations with the objectives of the Company. The Board should develop a policy that ensures appropriate engagement with shareholders which should be hosted on the Company's website.

Business Conduct and Ethics

The establishment of professional business and ethical standards underscores the values for the protection and enhancement of the reputation of the Company while promoting good conduct and investor confidence. The NCCG highlights the importance of maintaining professional business and ethical standards emphasizing that the Board should model a top-down commitment to keeping these standards by formulating a Code of Business Conduct and Ethics that will be reviewed periodically.

Principle 25 of the Code provides for the establishment of policies and mechanisms for monitoring insider trading, related party transactions, conflict of interest and other corrupt activities which mitigates the adverse effect of these abuses on the Company and promotes good ethical conduct and investor confidence. A Director is not required to be present during the time in which any matter where he has an interest is being decided.

Sustainability

Principle 26 of the NCCG requires companies to pay adequate attention to sustainability issues, including environmental, social, occupational, community health and safety hazards as this ensures successful long term business performance and projects the Company as a responsible corporate citizen contributing to economic development.

The Board should establish policies and practices on the Company's:

- Environmental, Social & Governance (ESG) Principles
- Ethical, safety, health and environmental responsibilities – including working conditions
- Stance on corruption, business principles, practices and efforts towards achieving sustainability
- Practices concerning employment equity and diversity (gender and other issues)
- Training initiatives, employee development and the associated financial investment
- Opportunities created for physically challenged persons or disadvantaged individuals

Transparency

Disclosures and communication are essential factors for achieving transparency in business practices. Principles 27 and 28 require companies to interact with their shareholders to keep stakeholders informed of the activities of the company so that they can make informed decisions.

Every board should adopt and implement a stakeholder management and communication policy and is required to ensure that reports and other communication issued to stakeholders are written or made in clear and easily understood language and are made available on the Company's website.

In addition to the specific disclosures outlined in the NCCG, the Board is required to use its best judgment to disclose any matter which, though not specifically required to be disclosed by the NCCG, in the opinion of the Board, is capable of affecting the present or anticipated financial condition of the Company or its status as a going concern.

Conclusion

Corporate Governance is not a set of rigid rules and should go beyond ticking the structural indicator boxes. It should be a culture – not sanction or regulator-driven.

Nigeria's corporate sector continues to demonstrate a willingness to improve corporate governance standards and with the aid of the Code, Companies would be able to develop and implement these best practices standards as the same is essential for the growth, profitability and sustainability of all organizations, regardless of size.

So, Who Do I Pay My Value Added Tax (VAT) To?

Baba Alokolaro

https://businesspost.ng/

Recent judicial pronouncements on which level of government is constitutionally empowered to levy and collect Value Added Tax (VAT) and subsequent legislation by the Rivers and Lagos State Governments may have created a compliance nightmare for Nigerian businesses. Businesses are likely to witness an avalanche of demand notices from competing tax authorities, each of whom is claiming the right to impose VAT.

We have identified the facts and legal position on this issue below, as well as what each taxpayer needs to know.

What we know

- In an action instituted by Rivers State, the Federal High Court (FHC) declared that VAT imposed by the Federal Government is unconstitutional and restrained the Federal Inland Revenue Service (FIRS) from levying or collecting VAT (the "Judgment").
- Lagos State successfully joined Rivers State in the same suit challenging the constitutionality of the VAT Act.
- A few states including Adamawa, Kogi, Plateau have now joined the FIRS in the same suit against Rivers and Lagos State.
- Rivers and Lagos State have now enacted their respective Value Added Tax Laws ("VAT Laws").

- The Rivers State Government stated that it would start collecting VAT from September 2021. The FIRS appealed against the Judgment of the FHC and advised all taxpayers to continue remitting their VAT to it. The FIRS filed an application at the Court of Appeal to stop the enforcement of the Judgment.
- The Court of Appeal on 10th September 2021, ordered both Rivers and Lagos State to maintain the status quo on the collection of VAT pending the resolution of the FIRS's appeal of the FHC's judgment.

What does the taxpayer need to do/ know?

- Where business owners opt to comply with the State VAT Laws and the Judgment is later overturned, the VAT paid to the States may be irrecoverable. On the other hand, a taxpayer who continues to comply with the VAT Act and remits its VAT to the FIRS may open itself to persistent payment demands and enforcement proceedings by the States.

So, who should you remit VAT to?

- You will need to come up with strategies to manage the tax risks inherent in this fluid and delicate state of affairs.
- Consider initiating individual or joint actions/ measures to secure temporary relief pending the resolution of this controversy. In all, any mitigatory measures taken must be backed by applicable law, failing which such measures will be futile. This measure was adopted in Eko Hotels v FBIR , where the taxpayer stated that it was uncertain as to whether to remit the 5% levy as VAT charged by the FIRS or as Consumption Tax charged by the Lagos State Internal Revenue Service.
- Note the decision in Attorney General of Ogun State v Aberuagba where the Supreme Court held that States cannot impose taxes on inter-state commercial transactions. Therefore, any VAT Law enacted by States must be tested against this principle to ensure that the bounds of their taxing authority are not exceeded.

Conclusion

While it may be argued that the Judgment is supported by valid legal reasoning, the likelihood of it being set aside on appeal is not remote. Consequently, taxpayers should carefully evaluate the risks inherent in this situation and get appropriate legal and tax advice throughout these uncertain times. Also, the respective state governments and the FIRS must exercise some restraint and respect the Court of Appeal's order to maintain the status quo. This will provide some temporal relief for taxpayers, who due to no fault of theirs, are caught up in this quagmire.

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Beyond AfCFTA – How to Position your Business for Trade & Investment Opportunities

Toyin Bashir and Oluwatoba Oguntuase

Introduction

Economic growth in the Sub-Saharan Africa (SSA) market has been on a path to recovery since the lifting of lockdowns in most regions around the globe towards the end of 2020. Despite having the lowest growth rate of all regions in the world in 2021, at 3.4%, according to projections by the International Monetary Fund (IMF) [1], the SSA market will likely continue a path to a strong recovery in 2022, following the gradual implementation in the region of the Agreement Establishing the African Continental Free Trade Area ("Free Trade Agreement"). Similarly, the COVID-19 related growth contractions witnessed in East, Southern and Central Africa in 2020 are now projected to rebound; as the major regional economies return to growth on the back of improved tourism activities and higher commodity prices. The World Bank predicts that economic recovery in these regions will be accelerated between 2021 and 2022, as African countries leverage the African Continental Free Trade Area ("AfCFTA") to further integrate into regional and global value chains [2].

The AfCFTA, established by an initial signature of 44 member States of the African Union ("AU"), on March 21, 2018, has since then been signed by 54 AU members and has been ratified by 38 of the 55 members of the AU [3]. It is noteworthy that the Free Trade Agreement underpins the aspirations of the African Union under its agenda 2063. Notably, the full effect of the AfCFTA kicked off on January 1, 2021, with the promising implementation of parts of the Free Trade Agreement already taking place, such as the floating of the Pan African Payments & Settlements Systems (PAPSS) through a concerted effort of the AU and Afreximbank. While the full implementation of the Free Trade Agreement may still take some time, due to outstanding issues such as agreement on tariffs, access to finance, inadequate intra-trade related infrastructure, intellectual property, among others, other geopolitical issues are a potential basis for trade and investment strategies. For instance, as the United Kingdom ("UK") looks to more trade and investment opportunities and partners in the post-BREXIT era, AfCFTA presents a veritable platform for collaboration between Nigerian and British investors and businesses.

Nigeria occupies a unique position as a market leader within the AfCFTA, with a Gross Domestic Product estimated at $432.3 billion in 2020 by the World Bank [4] (the largest on the continent), and a demography of about 201 million in 2020 (the most populous black nation globally) from data gathered from the African Development Bank [5]. Despite some nascent challenges, such as the rising debt profile of the country, there have been some silver linings in the past year which has contributed to the recovering growth the country is witnessing, going into Q4, 2021. Several legislative reforms such as the enactment of the Companies and Allied Matters Act, 2020; Banks and Other Financial Institutions Act, 2020; Finance Act 2020 and the Petroleum Industry Act, 2021, are a few of the legislations which are reshaping the business landscape and are expected to improve the ease of doing business in Nigeria and also contribute to more investor participation in the economy, going into 2022.

This article highlights key promising areas of growth within the Nigerian economy, important reforms, regulations and incentives that investors need to pay attention to, and the different strategies stakeholders can pursue to position their businesses for the various opportunities for trade and investment available in the domestic market, even as they look to overcome common challenges facing regional and intra-African trade and take advantage of the continent-wide opportunities presented by the AfCFTA.

Strengthening your position

A few challenges still abound across the continent, preventing full implementation of the Free Trade Agreement, thus limiting the potential of the AfCFTA. A strong impediment is the regional insecurity arising from immigration risks and cross-border insurgency and terrorism. Owing to this and the high rate of smuggling being witnessed at that time, Nigeria, the largest market on the continent, was forced to close its borders with some neighbouring countries between August 2019 and December 2020; thereby restricting movement of goods and persons between Nigeria and the affected countries for the period.

Also, many Nigerian businesses still operate in the informal sector and/or on the wrong side of the law in the domestic market, in terms of compliance with applicable regulations. Requirements of the legal and regulatory framework for doing business in Nigeria must be fully complied with, for entities to be well-positioned to take advantage of the incentives within the Nigerian market, before launching into the AfCFTA to benefit from the continent-wide trade and investment opportunities.

What to do

Beyond the creation of the AfCFTA, it is imperative that more Nigerian businesses migrate to the formal sector and are compliant with relevant laws and regulations in the country, in order to build strong and enduring brands, protect their intellectual property rights from infringements, and be securely positioned within both the domestic and regional markets; to be able to tap into the gains of the continental free trade zone. This would also increase the chances of such businesses accessing much-needed capital in scaling up their businesses and improving the standards of their goods and services, thereby making them more competitive locally and internationally.

While the Free Trade Agreement with its six (6) Protocols [6] constitute the regulatory framework governing doing business within the continental single market, it is important to note that any Nigerian entity that operates in non-compliance with any applicable regulation in the domestic market cannot conform to the provisions of the Free Trade Agreement and its Protocols, and will certainly be unable to lawfully participate in the AfCFTA.

In essence, investors and businesses should take note of specific requirements for doing business under Nigerian law. In some instances, there are laws and regulations which may require registration with general or industry-specific regulators. Besides registration, some of the legal issues that impact the conduct of business within Nigeria include filing of statutory returns, obtaining necessary permits and licenses, taxation, intellectual property rights, and exploiting available incentives, depending on the sector a business or investor wishes to participate in.

While positioning to take advantage of a booming trade region, businesses and investors will need to clean-house in terms of some of these regulatory expectations/obligations, which we briefly highlight below:

TRADE & INVESTMENT OPPORTUNITIES

- Business Registration & Statutory Filings: Registration and administration of business entities in Nigeria are governed by the Companies and Allied Matters Act, 2020 (CAMA) and the Companies Regulations made pursuant thereto. The legislation, which also establishes the Corporate Affairs Commission (CAC) – the government agency in charge of the regulation of the formation and management of companies in Nigeria and responsible for implementing the provisions of the CAMA – provides the foundational rules guiding business operations right from the commencement of business through to liquidation. It also prescribes the periodic statutory filings which business organizations are expected to make (such as Annual Returns). No foreign entity is permitted to carry on any business in Nigeria, except such entity is duly registered under the CAMA or appropriately exempted from registration in accordance with the law. To be well-positioned for trade and investments opportunities, a Nigerian or foreign entity will have to be properly guided on how to be on the right side of the law regarding the requirements of the CAMA.

- Tax Regime: The tax regime applicable in Nigeria is contained in a collection of tax statutes, regulations, executive orders and policies, primarily administered through the Federal Inland Revenue Service, Nigeria's federal tax authority, and the State Internal Revenue Service in each State of the Federation; which administer state-imposed taxes within the territory of each State. The various tax authorities administer different taxes specified under Nigerian law and payable by individuals and businesses. Nigeria also has specific transfer pricing regulations, which apply to businesses and investors operating their Nigerian entities through affiliate or subsidiary companies. Investors and business entities must be well guided and comply with their tax obligations, to take advantage of domestic and regional trade and investments opportunities.

- Business/Investment Incentives: There are several investment incentives available to businesses and investors who are interested in doing business in Nigeria. The Nigerian Investment Promotion Commission ("NIPC") is the agency established to encourage, promote and coordinate investments into the country. The NIPC provides business entities with the necessary assistance and guidance needed to grow and administer incentives to enterprises registered and operating in Nigeria. It also has the responsibility to designate certain investments as "Priority Areas" deserving of special incentives. and provides a guarantee against expropriation of foreign enterprises. Upon incorporation and before commencing business within Nigeria, a foreign investor is required to register with the NIPC to qualify for certain incentives available to business enterprises in Nigeria, including tax holidays, ease of repatriation of funds upon exit from the country, as well as protection of investment and special status designation where eligible. The NIPC operates a One-Stop-Investment-Centre ("OSIC"), as a way of enhancing the ease of doing business and facilitating investments in Nigeria. The OSIC, as an investment facilitation mechanism, brings relevant government agencies to one location, coordinated and streamlined, to provide efficient and transparent services to investors. This provides investors with a single place to process all approvals that are statutorily needed to set up an investment project in Nigeria. The aims of OSIC include the removal of obstacles and unnecessary bureaucracy faced by investors in setting up and running businesses. It provides statistical data and information on the Nigerian economy, investment climate, legal and regulatory framework as well as sector and industry-specific information to aid existing and prospective investors in making informed business decisions. Businesses operating in Nigeria and having the plan to launch into the continental single market, are advised to seek proper legal and professional guidance on how to comply with the requirements for benefiting from NIPC-administered incentives.

- Export Opportunities: Nigeria actively engages in trade agreements with a bid to increase its exports. Nigeria is a member of many regional economic groups like the Economic Community of West African States ("ECOWAS"), the AU) and the World Trade Organisation ("WTO"). The country also has several export incentive schemes managed by the Nigerian Export Promotion Council ("NEPC"). The export process also involves permits and clearances administered under different agencies including the Nigerian Customs Service and the Nigerian Agricultural Quarantine Service. Investors and businesses operating in the domestic market and strategizing on how to expand their horizons, by participating in trade and investments within the AfCFTA, will require professional legal guidance on the regulatory framework for export in Nigeria and the requirements for qualifying for NEPC-administered incentives. Such professional guidance will cover issues of registration with NEPC as an exporter; advisory services on product development, market information, export training & seminars, and trade promotion services; and how businesses can benefit from NEPC-sponsored match-making services – where indigenous/Nigerian exporters are matched with potential buyers for their products.

- Intellectual Property: Nigeria has a robust collection of intellectual property ("IP") laws and regulations. Under the Nigerian IP regime, copyright is generally used to protect such intellectual works as literary, musical, and artistic creations. There is also a robust framework for registering Industrial Property, which covers rights in patents, trademarks, industrial designs, utility model plants and animal varieties etc. Asides from its domestic commitments, Nigeria has also demonstrated its commitment to protecting IP rights through membership in organizations like the African Regional Intellectual Property Organization; the World Intellectual Property Organisation) and the WTO. Businesses and individual investors require legal guidance on how best to protect their IP rights in their products and inventions, to successfully take the gains of their creative works within Nigeria, as well as be in a good position to enter into secure franchise agreements and export arrangements within the AfCFTA.

TRADE & INVESTMENT OPPORTUNITIES

- Technology Transfer: This is a key issue for businesses that may wish to take advantage of Nigeria's technology space. Transfer of technology in Nigeria is supervised by the National Office for Technology Acquisition and Promotion ("NOTAP"), which evaluates and registers technology transfer agreements; promotion of intellectual property; technology advisory and support services etc. Where the capital to be transferred in a cross-border transaction is a foreign technology i.e., technical expertise, plant, machinery, engineering supply, training facilities, trademark & patent rights etc., the commercial contract or agreement in respect of such a foreign technology is required by law to be registered with NOTAP within a specified period. It is important that investors and businesses secure their positions regarding the legal and regulatory regimes for technology transfer, as they look to become well established in the Nigerian market while planning an expansion of their operations into other African markets; through the instrumentality of the AfCFTA.

- Foreign Exchange Regime: The Nigerian foreign exchange ("FX") regime is governed by the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, 1995 and other circulars, regulations and guidelines issued thereunder. Under Nigerian law, an investor that intends to import Foreign Capital (including Plant, Machinery and FX) into the country, is required to do this through an authorised dealer licensed by the Central Bank of Nigeria ("CBN"). The authorised dealer through which the capital for investment is imported is then obligated to issue, within a stipulated time, a Certificate of Capital Importation ("CCI") to the investor. The CCI entitles an investor to open a foreign currency domiciliary account with any authorised dealer and also to open a special non-resident Naira account. The CCI also guarantees unconditional transferability and repatriation of funds (both capital and earnings) by an investor upon exit from Nigeria. In addition to this, the Foreign Exchange Manual issued by the CBN provides a comprehensive guide to investors and businesses on the operations of the Nigerian FX market. Notably, there are items in respect of which importers are banned from accessing FX at the Nigerian Inter-Bank Foreign Exchange Market. Also, for FX-eligible transactions, importers are required to be familiar with the

CBN-prescribed documentation requirements. There is also the Investors' and Exporters FX Window, a special window established in 2017, at which investors and businesses benefit by accessing FX for stipulated eligible transactions including loan repayments, interest payments, dividend/income remittances, capital repatriation, bills for collection and other miscellaneous payments specified in the extant CBN FX Manual. To successfully participate in the AfCFTA, Nigerian businesses must be well acquainted with the current FX regulations in the country, to be able to source FX legally for their import operations, as well as comply with the law regarding the handling of FX generated from their export operations.

- Land & Real Estate Acquisition: Land and real estate are essential for the operation of business enterprises. Whether domestic or foreign entities, businesses acquire land and real estate for offices, and housing, agricultural, mining, mortgage and other finance or investment purposes. Acquisition of landed properties in Nigeria is governed by the Constitution of the Federal Republic of Nigeria, Land Use Act, Land Registration Law of the State where the relevant land is located, and the Nigerian Minerals and Mining Act, among others. By the provisions of the Land Use Act, the titles to all lands within urban territory of each State in Nigeria (except for land vested in the Federal Government or its agencies) are vested solely in the Governor of the relevant State (Lands within the rural territory of a State are vested in the Local Governments). The Governor of a State is empowered by law to grant to acquirers, Rights of Occupancy, which is evidenced by the issuance of certificates of occupancy. Any subsequent transactions in respect of the land must be with the consent of the Governor of the State where the land is located. It is important also for investors to know that while title to a land is vested in the Governor of the State where the land is located, the laws of the country vests total ownership and control of all minerals, mineral oils and natural gas in, under or upon any land, territorial waters and the Exclusive Economic Zone of Nigeria in the Federal Government. Businesses and investors that acquire interests in land, either by way of leases, sub-leases, mortgages or outright purchase (assignment) are required to obtain proper legal guidance on how to perfect their titles by registering the properties acquired, in accordance with the law. By the time the AfCFTA goes into full operation, Nigerian businesses and foreign entities operating in Nigeria with the plan to transact businesses across the continent involving interest in land and real estate will be in a more secure position to do so when such land-related interests are properly registered in Nigeria.

Conclusion

A lot of issues transcend the cross-border exchange of trade and commerce between Nigeria and the United Kingdom and the other regions of the world. Nigeria provides a unique destination of opportunities for investors coming from the UK and across the globe. With recent and ongoing reforms and a commitment on the part of policymakers towards incentivising businesses that would drive exports and attract foreign capital, investors can begin to form a comprehensive strategy on how to tap into the promising areas of widened trade & investment opportunities.

The country's trade policy is largely influenced by its free enterprise system and its resolve to further open up its economy and integrate with the global economy. With the establishment and operation of the Nigerian Office for Trade Negotiations, as the agency of Government having the specific duty to supervise trade for the country, it is not in doubt that Nigeria's ratification of the Free Trade Agreement was done with the intention to integrate the domestic economy fully into the regional, and by extension, global economy. Nigeria's efforts towards similar regional/international free trade arrangements are instructive, including efforts in support of the ECOWAS Trade Liberalization Scheme (ETLS); the Doha Development Round of Negotiations; Cross/Inter-constituency Groups; the Negotiations for Agriculture Liberalization & Non-Agriculture Market Access; as well as the trade-related aspects of the intellectual property rights.

While Nigeria, Africa's leading economy and largest market, is poised to take on many prospects by participating in the AfCFTA, as a prime destination for trade and investment opportunities on the continent, it is imperative that investors and business entities consolidate their positions in readiness for a big launch into the continental single market. Businesses that seek to take advantage of Nigeria's growing role in regional trade and investment will have to review some of their trade objectives in line with some of the regulatory expectations/obligations imposed under Nigerian law. It is noteworthy to state that full compliance with the law positions businesses and investors in a unique point of advantage when full implementation of regional trade opportunities like the AfCFTA come into full-fledged effect.

Notes

1. IMF – https://www.imf.org/en/News/Articles/2021/04/12/na041521-six-charts-show-the-challenges-faced-by-sub-saharan-africa

2. The World Bank – https://www.worldbank.org/en/region/afr/overview

3. Trade Law Centre (TRALAC) – https://www.tralac.org/resources/infographic/13795-status-of-afcfta-ratification.html#:~:text=Start%20of%20trading%20begins&text=As%20at%2015%20January%202021,deposited%20their%20instruments%20of%20ratification%3A&text=Start%20of%20trading%20under%20the,Union%20on%205%20December%202021

4. The World Bank – https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=NG

5. AfDB – https://www.afdb.org/en/countries/west-africa/nigeria

6. (i) Protocol on Trade in Goods; (ii) Protocol on Trade in Services; (iii) Protocol on Rules and Procedures on the Settlement of Disputes; (iv) Protocol on Investment; (v) Protocol on Intellectual Property Rights; and (vi) Protocol on Competition Policy.

Business Sustainability Post Covid-19 Pandemic

Thistle Praxis

https://www.york.ac.uk/

Our world and businesses will never be the same again is a cliché but real as it isn't just about change, which is constant, but the magnitude and multi-dimension of the change brought about by the COVID-19 pandemic.

The COVID-19 Pandemic has challenged a lot of assumptions held as impossible or people chose not to conceive.

Many businesses have had to accelerate their digital adoption and develop business lines yet only as a survival instinct. However, sustainability is about value creation and shared prosperity conceived not only for today but for the future.

Whilst this piece may not be exhaustive, we will outline various issues businesses seeking to be sustainable must consider post-COVID-19.

Review Your Business Strategy

Any business strategy formulated before the last almost 24 months needs to be reviewed particularly the assumptions surrounding the pillars of value or enablers of efficiencies. Fortunately, some organisations spend the end of the year on strategy retreat and culture retooling. The new year mustn't be treated as the years that used to be.

We advise that businesses assess the relevance of the business value proposition and rejig if necessary. Ensure the assessment is done for both internal and external dynamics along the triple dimensions of Economic, Environment, and Social Impacts. Some brands will sustain success post-COVID because they connected positively and emotionally with their customers during the pandemic.

One of the positive gains of the pandemic is the increased awareness by consumers that they matter greatly and that when push comes to shove quality of living matters. The past several months have indicated consumer changing preferences including the move from consumerism to lasting and sustainable lifestyles. Thus, businesses must have flexible and agile frameworks which can effectively and quickly adapt to the dynamic market environment which is now characterized by major changes in the value chains.

Identify and leverage the efficiency gains. It is important to know what was learned and how it could be systematized and operationalized. It is advisable to look at the hard metrics and measures not just the 'feeling' for a realistic assessment. Choose to discontinue what might have been short-term survival imperatives but could derail the business focus and set the timelines for discontinuation.

Finally, the need for knowledge and policies for cash flow management and capital re-investment cannot be over-emphasized. Governance which underplays or overlooks this responsibility will fail its stakeholders as no business is isolated from the vagaries of both systemic and life challenges.

Look at Your People and Love Them!

Above everything else, the COVID-19 pandemic has torched and touched our humanity.

Many people have had or seen someone die or suffer because of COVID-19. People need time to heal. To heal from a scourge that took their freedom of movement, their choice of meeting, and preferred forms of expressing themselves. The ancillary effects of eroded incomes and the sense of insecurity of what more could happen could have built-up stress levels and worse still, adversely affected stress elasticities.

It would mean that businesses choose to be concerned about their everyone's overall well-being (including leadership). In recent times there have been calls and reminders that both employees and employers must pay attention to the mental health of the human resources. It might be interesting to assess the level of technology fatigue of your staff in deciding to build further learning and development interventions going forward.

It is also important to remind everyone to consciously be kind to others even when they must be firm.

Rethink the Compensation and Benefits Packages

It is time to start engaging your Health Management Organizations on the true needs of your staff for the coming months. This implies that a survey or assessment should be done. **Showing that the CEO, HR business** partners, and the team leads are available to listen should be a good start point.

The corollary effects that the pandemic had on increasing cost and low purchasing power should call for a plan to adjust salaries to some humane levels even if over time and supported by the respectable engagement of the team.

Some level of maturity would also be required to plan a transition from a hybrid or remote work system even if the preferred work setting is onsite and not remote.

Invest in Excellent Operational Standards for Your Value Chains

The proximity of a global marketplace and the need for the enhancement of value chain and supplier capabilities and standards have been heightened by the COVID-19 pandemic.

The relevance here is about building a culture of collaboration and shared prosperity around it such that it is simple and easy to decentralize decision-making when it is necessary and still be true to the values and philosophies held by organisations.

Businesses must focus some attention to assess the alignment of their operations with their Mission and Value Propositions. Lofty plans without supporting operational frameworks and resourcing are a sure recipe for failure.

Build Your Innovation Core Function and Fund it

It is instructive that this is not new yet underutilized. It perhaps falls within the sphere of Covey's 'Important, not Urgent' activities.

Organisations that have chosen to apply this basic business sense are what we now refer to as agile and being able to respond to the Volatile, Uncertain, Complex, and Ambiguous-VUCA business environment.

There must be within the organisations, champions who make it their business to say, 'What if' and 'Why not?' A business without a budget line for its research and innovation has no arsenal post-COVID-19.

Engage for Execution

Finally, a business comprises people who can create synergetic value. Communication amongst business constituents is a respect for the business objectives and would facilitate the sustainability of the business.

About ThistlePraxis Consulting

ThistlePraxis Consulting is an engine for social impact and the preeminent advisor to innovative, niche market leaders in the strategy and sustainable business space. Our work is diverse and so is our bold workforce. We identify patterns that lead to sustainable growth and profitability. We don't just help our clients solve their challenges, we collaborate to ensure future challenges are solved. We are the partners you need when advice and insight matter most. We are a Strategy and Advisory Business.

https://oecd-development-matters.org/

Nigeria's Country Report 2021

Teslim Shitta-Bey

https://i1.wp.com/

1. Mega Trends

COVID-19 & Economic Recovery

Even though Nigeria's total confirmed cases during the first and second pandemic wave settled below 140,000 in 2020, the economic loss arising from the disruption of economic activities stood at N3 trillion, with the GDP growth rate contracting by -1.92% in 2020. The external context of the COVID-19 crisis, which drove economic slowdown, was marked by capital outflows, low oil prices, and declining foreign remittances. Growth resumed in the fourth quarter of 2020 as the pandemic restrictions were eased, oil prices started to recover, and the Monetary and Fiscal authorities implemented policies to counter the economic shock. As a result, in 2020, the Nigerian economy experienced a minor contraction than had been projected by the World Bank at -3.2%.

As the global economy continues to recover gradually, the World Bank also revised the growth projection to 2.4%, though there is high uncertainty about the outlook. The recovery would be dependent on a continuous rise in oil exports driven by increased demand; any unexpected shock to oil prices could threaten the modest growth projected. The World Bank projects the Nigerian economy to underperform those of other oil producers.

Local analysts and institutions have made several recommendations to the government to keep the growth rate above the population growth rate:

- Transparency of the exchange rate management policies to reduce distortions in allocations of FX both in the private and public sectors.
- Increased funding for the services and agriculture sectors, which helped the economy recover from the recession. Insecurity is the main bane in the agriculture sector; hence it must be tackled, particularly in the country's North-East region.
- Clearly define monetary policy priorities, with price stability and reduction in inflation as the primary goals.
- Full and effective reopening of land borders and strengthening regional cooperation.
- Asset privatization and securitization to improve revenue and reduce the debt burden of the nation.

Rising Crude Oil Price

For an oil-dependent country, an uptick in oil prices is indicative of a recovering economy, especially after the hiccup triggered by COVID-19. When oil prices are bullish, as the case has been in recent months, the government earns more money and can fulfil its financial obligations; its financial capacity shrinks when there is a crash as it did in 2020 when the crude oil prices bottomed out, sending the economy to a tailspin.

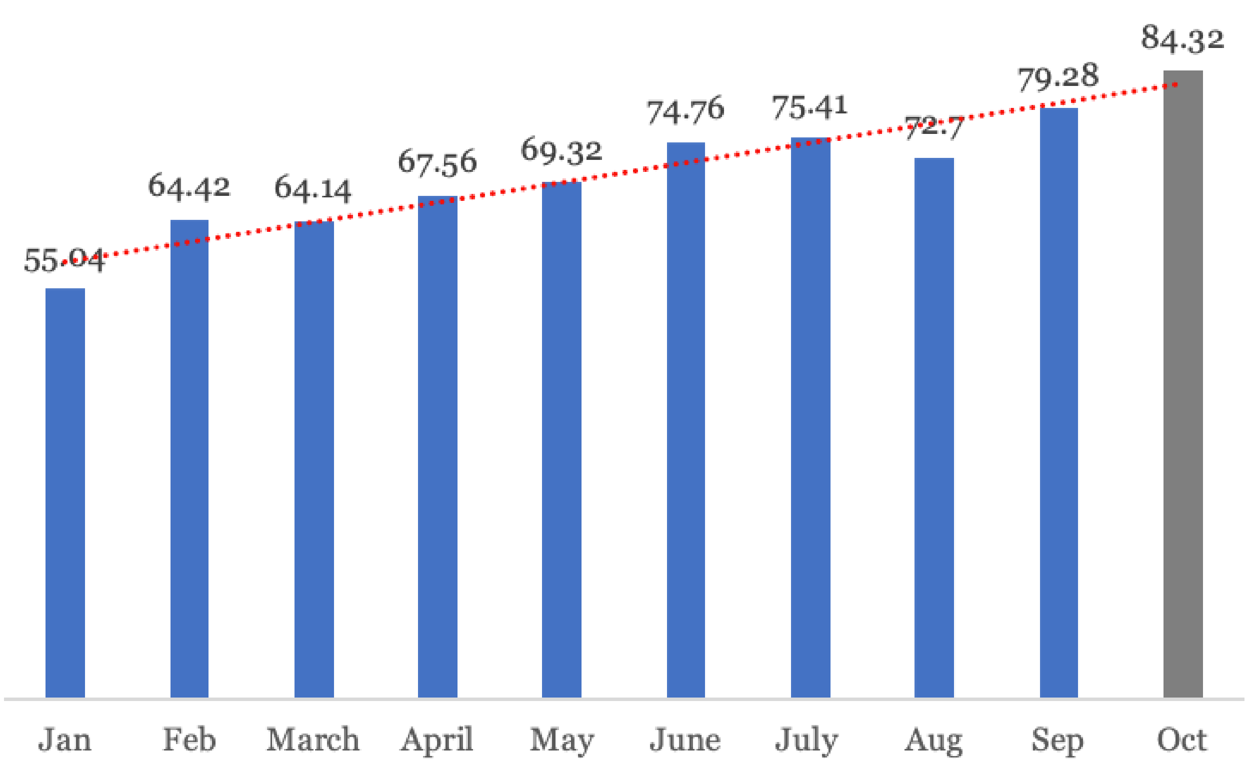
For Nigeria, which exports crude but imports all the by-products of the commodity, the dynamics of rising oil price is much more profound. Nigerian refineries are operating at a near-zero capacity despite the funds that have been channelled to these refineries to improve capacity; the country still depends on the importation of PMS for its daily needs. This means, rising oil prices put more pressure on the country's foreign exchange – a country so blessed with crude but cannot process it into consumables.

The government is at a crossroads to either end subsidies or keep the fuel subsidy regime. According to the NBS report, the government spent N123.7bn as a petrol subsidy in September 2021. Several analysts believe that although ending the fuel subsidy regime is the most painful option, it is also the most desirable.

The crude oil price has been rising steadily between January and October 2021, above the 2021 budget of US$44/bbl. Oil price traded at US$84.32/bbl, as of 28 October 2021, and it is expected to get to US$90/bbl. by the end of the year, according to Goldman Sachs. Rising oil price means an increase in FX earnings for the government, on the flip side, pressure on the reserves considering our import reliance status (see chart 1 below).

Investments and business policies aimed at accelerating local industrialization and fostering local production of numerous by-products of crude oil would reduce reliance on imported goods while conserving scarce foreign exchange.

Chart 1: Monthly Closing Price of Crude Oil Jan – 28 Oct 2021 (US$/bbl.)



Source: CBN

AfCFTA

The African Continental Free Trade Area (AfCFTA), a flagship project of the African Union's Agenda 63, is aimed at boosting intra-African trade by providing a comprehensive and mutually beneficial trade protocol among member nations, including trade in goods and services, investment, intellectual property rights, competition policy, and e-commerce. Against all odds, the AfCFTA secretariat has managed to launch trading under the AfCFTA agreement on January 1, 2021. The National Action Committee on AfCFTA, a body mandated with the responsibility of coordinating Nigeria's readiness intervention and monitoring the implementation of the AfCFTA agreement, continues to wrap up plans for Nigeria to begin trading under the AfCFTA. The committee has continued its state engagement and sectoral sensitization programs to enhance buy-in and domestication of the AfCFTA agreement in Nigeria. The committee has also succeeded in developing a comprehensive draft of the National Implementation Plan. The Plan highlighted how Nigeria intends to optimize trading under the AfCFTA. Few Bold Actions highlighted are SMEs Aggregation, the establishment of production clusters, Tech Parks, innovation hubs, and launching of Sealink. With the vast opportunities offered by the AfCFTA, Nigeria-the largest market on the continent, through its committee, has an overarching objective of capturing 10% of Africa's imports to double Nigeria's export earnings by 2035.

However, trade facilitation challenges and weak trade infrastructure remain huge problems for Nigeria under the AfCFTA agreement. A recent study by Proshare Research revealed that Nigeria ranks lower in customs efficiency and trade-related infrastructures compared with peer countries in Africa such as Ghana and South Africa. These bottlenecks, which have been the challenges of the pre-existing regional economic community, must be resolved for Nigeria to benefit from the AfCFTA. The Nigerian government must enforce the digitalization of Customs processes to eliminate manual interventions and secure optimal operations for Nigeria.

Petroleum Industry Act (PIA)

After over 20 years of making a law that clarifies the Nigerian Oil and Gas Industry, President Muhammed Buhari and the 9th National Assembly finally made it a reality by signing the Petroleum Industry Bill (PIB) into Petroleum Industry Act 2021 (PIA). President Buhari estimated that Nigeria lost about $50billion worth of investments in 10 years before the Act due to the uncertainty in the oil and gas industry. The bill provides a complete overhaul of the legal, fiscal, and regulatory regime for Nigeria's oil and gas industry. With a wide and profound change in the PIA, the Federal Government of Nigeria has launched a Steering Committee for the Implementation of the provisions of the PIA, headed by the current Minister of State for Petroleum Resources, Timipre Sylva.

The committee has the mandate to lead the timely and effective implementation of the PIA within 12months. Several concerns have continued to trail the passage of the PIA. Some southern groups have called for an amendment of the PIA to increase the 3% allocation to the Host Community Development Trust Fund from the Settlors' annual operating expenditure to between 5-10%. While some northerners defended the 30% allocation of NNPC Limited profit to Frontier Exploration Fund for hydrocarbon exploration in the Frontier Basins, some analysts and southerners called for its downward review. Meanwhile, in September 2021, President Buhari called on the National Assembly to increase the non-executive board members of each of the regulatory agencies from two to six to capture the six geopolitical zones. On October 20, 2021, the Minister of State for Petroleum Resources inaugurated the boards of the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NPRA) and the Nigerian Upstream Regulatory Commission (NURC) in Abuja were the subsisting DPR Act, the Petroleum Inspectorate Act, the Petroleum Equalisation Fund Act, and the PPPRA Act cease to exist. Earlier in October, President Buhari has raised the 2022 appropriation bill by N2.47 trillion to reflect the new fiscal terms in the PIA. With the implementation of the PIA currently ongoing, the concern for most Nigerians is that the PIA is coming at a time when the global economy is campaigning for little or no investment in fossil fuel. The Federal Government of Nigeria has argued that it intends to leverage its abundant gas reserves through the PIA to reduce Nigeria's carbon emissions.

Macroeconomic Indicators

- GDP growth rate
- Unemployment
- Inflation
- Foreign Reserves

GDP Growth Rate

The World Bank revised the country's GDP growth rate to 2.4% for 2021 in October from 1.8% projected in June 2021. The growth in GDP for 2021 will be by the Service sector of the economy.

The economic growth of the Nation has shown signs of significant recovery from the 2020 recession. GDP grew by 5.01% in Q2 2021 from 0.51% growth in Q1 2021, the third consecutive quarter of growth since the pandemic. The economy entered a recession in 2020, reversing three years of recovery, which was propelled by the fall in crude oil prices on the back of falling global demand, supply shortfalls, and containment measures to fight the spread of COVID-19.

The main driver of the GDP growth in Q2 2021 was the non-oil sector inched up to 6.7% from 0.8% in Q1 2021. The agricultural and industrial sectors contracted to 1.30% and -1.23% from 2.28% and 0.94%, respectively. The service sector improved significantly from -0.39% in Q1 2021 to 9.27% in Q2 2021 (see

Chart 2: Nigeria's GDP Growth Rate Q1 2020 – Q2 2021

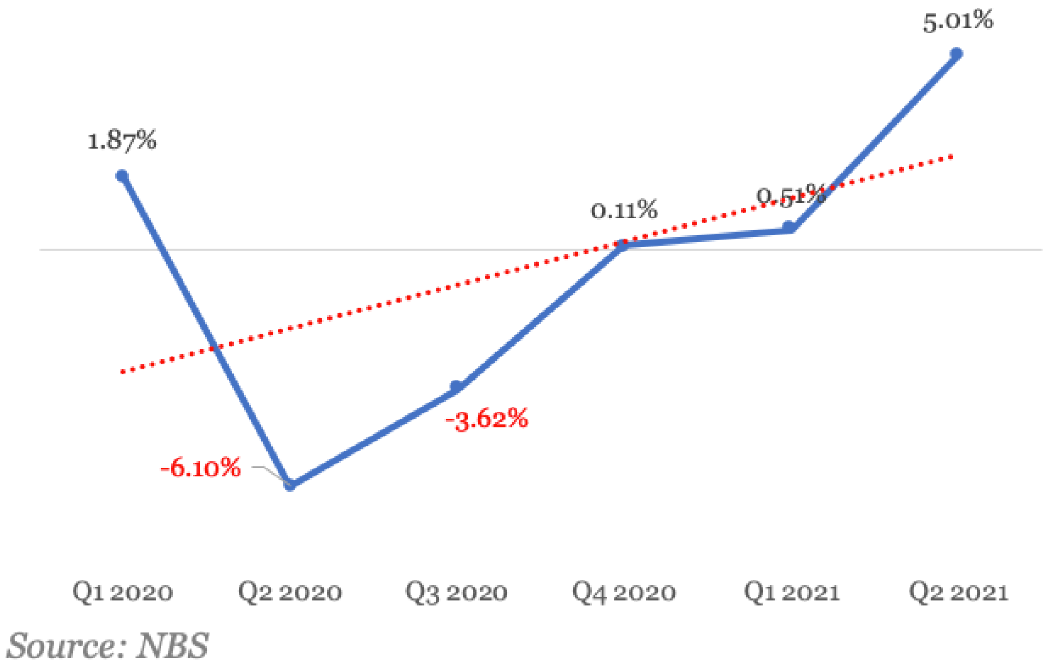


chart 2 above).

GDP per capita is projected to decline because the economy is expected to grow more slowly than the population.

Inflation Rate

According to World Bank's estimates, inflation is expected to average at 16.5% for 2021, which is way above CBN's target of 13%. It is also likely to fall to 13.5% in 2022 and 11% in 2022.

In 2020, average inflation rose to 13.21% from 11.39% in 2019; this was attributed to higher food prices due to constraints on domestic supplies and the pass-through effects of the exchange rate. Also, the increase in electricity tariffs added further to inflationary pressures.

From 18.17% in March 2021, inflation is currently at 16.63% as of September 2021, after decelerating for six consecutive months. Despite the decrease in inflation, the average Nigerian's life is far from idyllic; prices remain high, and the cost of living in many states

Chart 3: Nigeria's Inflation Rate January – September 2021

remains on the rise (see chart 3 below).

The root causes of the country's high inflation have been recognized as increased money supply, limited domestic production, and a volatile exchange rate. Addressing these concerns by the monetary and fiscal authorities will assist the CBN in meeting its inflation objective while also raising citizens' living standards.

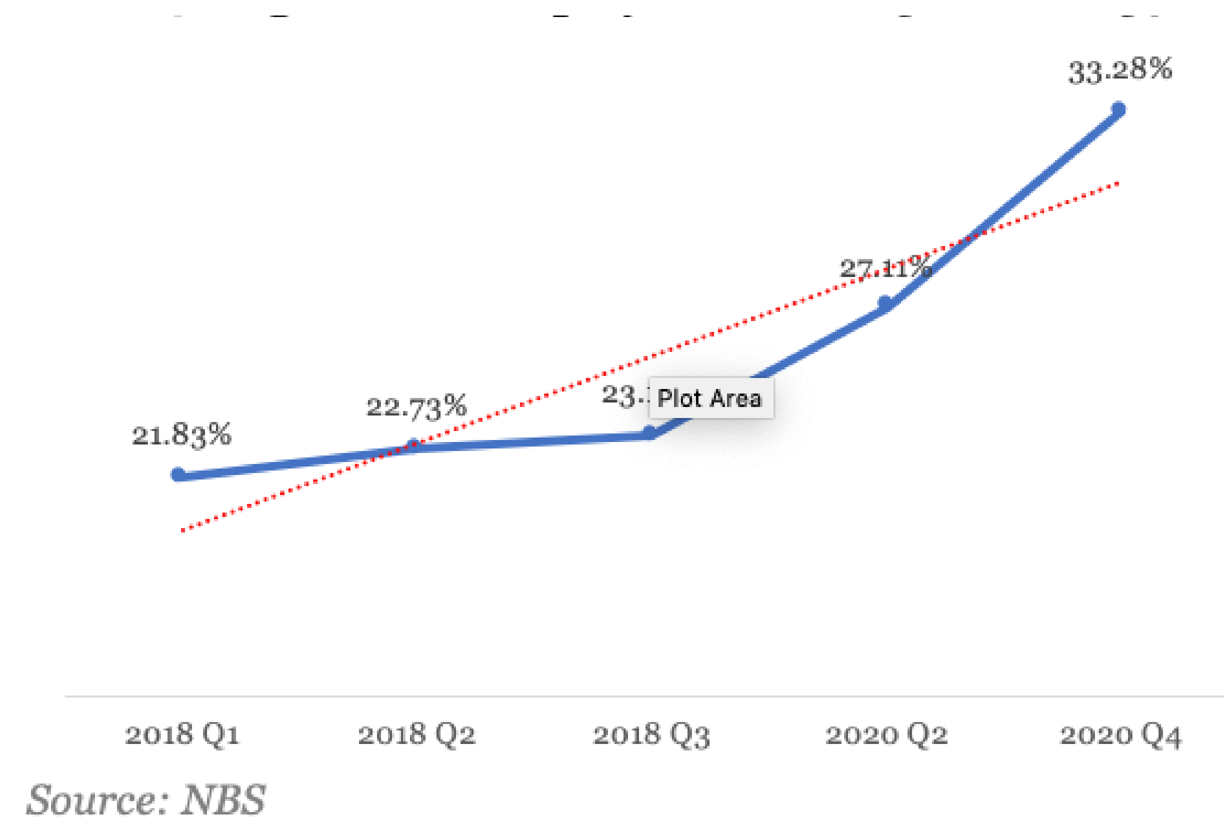
Unemployment Rate

The jobless rate in Nigeria rose to 33.3% in the last quarter of 2020, up from 27.1% in Q2 2020, ranking the second-highest behind Namibia at 33.4% on a global list of countries monitored by Bloomberg.

According to a report by World Bank, unemployment pressures were worsened by the COVID-19 pandemic; between 2010 and 2020 jobless rate rose by over 400%, from 6.4% in 2010 to 33.28% in 2020. From the latest data, a third of the 69.7 million labour either did nothing or worked for less than 20 hours a week, making them unemployed. Another 15.9million worked less than 40 hours a week, making them underemployed. Less than half of Nigeria's labour is fully employed (see chart 4 below).

Local economists have suggested different pathways through which the Nigerian economy could navigate through turbulent waters. Some of the solutions offered to reduce unemployment include overhauling the Nigerian school curriculum to meet the modern needs of society, funding and encouraging entrepreneurship like Sweden, and subsidizing capacity-building training. These suggestions, though well-meaning, could prove challenging to implement

Chart 4: Nigeria's Unemployment Rate Q1 2018 – Q4 2020



in the absence of a political will. While politics ties the implementation knots, economics applies the screws.

About 26 states in Nigeria recorded no capital importation in 2020. While some analysts have attributed this to a lack of infrastructural facilitates in the sub-nationals, others note that the levels of insecurities in the country must have been a significant contributor. Although according to the unemployment statistics, some of the states battling insecurity recorded high unemployment rates. Zamfara state recorded a low unemployment rate of 12.99%, while Borno state's unemployment rate stood at 43.25%.

Some characteristics of the states with the highest levels of unemployment as of Q4 2020 include high levels of insecurity, overdependence on FAAC, poor infrastructural facilities, and low levels of industrialization.

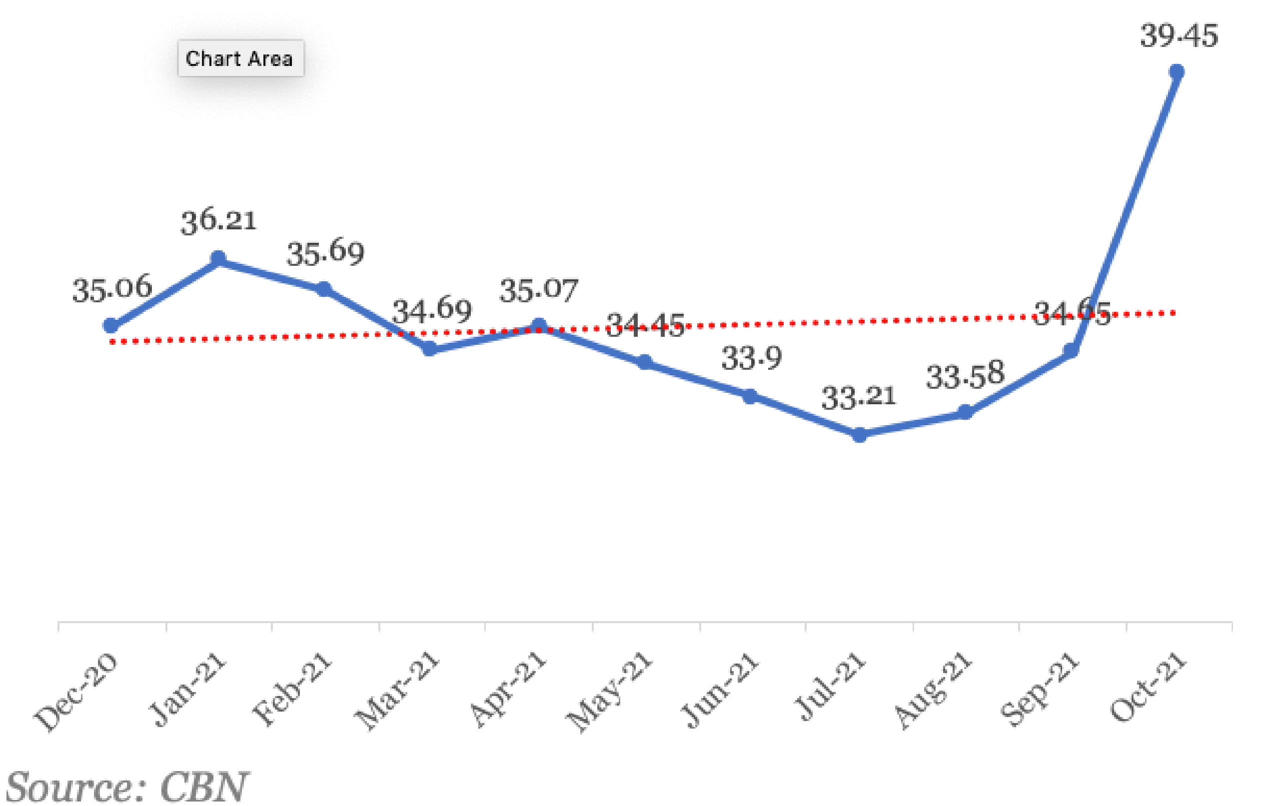
Foreign Reserves

The nation's foreign reserve level is relevant in the context of world trade, payments, and capital flow in and out of the country.

Economic growth is challenged after a natural disaster compounded by more significant current accounts, fiscal deficits, a rise in debt portfolio, and the reserve also coming under pressure. Remittances, foreign aid mitigate the adverse growth effects in the near term. The International Monetary Fund (IMF) approved a general allocation of Special Drawing Rights (SDRs) equivalent to US$650bn in August 2021, majorly to address the long-term global need for reserves, build confidence and foster resilience and stability of the global economy. Nigeria got US$3.45bn, which is in proportion to the country's existing quota in the Fund.

The country's foreign reserves fell to their lowest level between June and August 2021, hardly reflecting the marginal increase in rising oil prices in the period. IMF's SDR and the FGN Eurobond (US$4bn), which was issued on 21 September 2021, increased the foreign reserve to its current level of US$39.45bn an average for October 2021 (see chart 5 below).

Chart 5: Monthly Average Foreign Reserve Dec 2020 – Oct 2021



2. Structural, Fiscal and Monetary Policies

Fiscal Policy: Budget and Budget performance

Review of the 2021 Approved budget- 'The Budget of Economic Recovery and Resilience.

The Budget of Economic Recovery and Resilience' passed by the Nigerian Senate in December 2021 was a N13.59tr budget with planned retained revenue of N7.99tr and a projected fiscal deficit of N5.6tr. With an assumption of $40/barrel and oil production of 1.86m barrels per day, the Federal government's share of oil revenue was estimated at N3.5tr. The approved 2021 budget provided N3.12tr for debt servicing, while non-debt recurrent expenditure was projected at N5.64tr. Meanwhile, N4.13tr, an equivalent of 30% of the budget, was allocated to Capital Expenditure. By July 2021, the Nigerian Senate passed the sum of N982.73bn as a supplementation for the 2021 fiscal year. Of the total sum, N123.33bn was meant for Recurrent Expenditure. At the same time, N859.40bn was passed as a contribution to the Development Fund for Capital Expenditure supplementary budget was for Recurrent (Non-Debt) Expenditure. The amount was meant primarily to fund the Covid-19 vaccine program and the procurement of additional equipment for security.

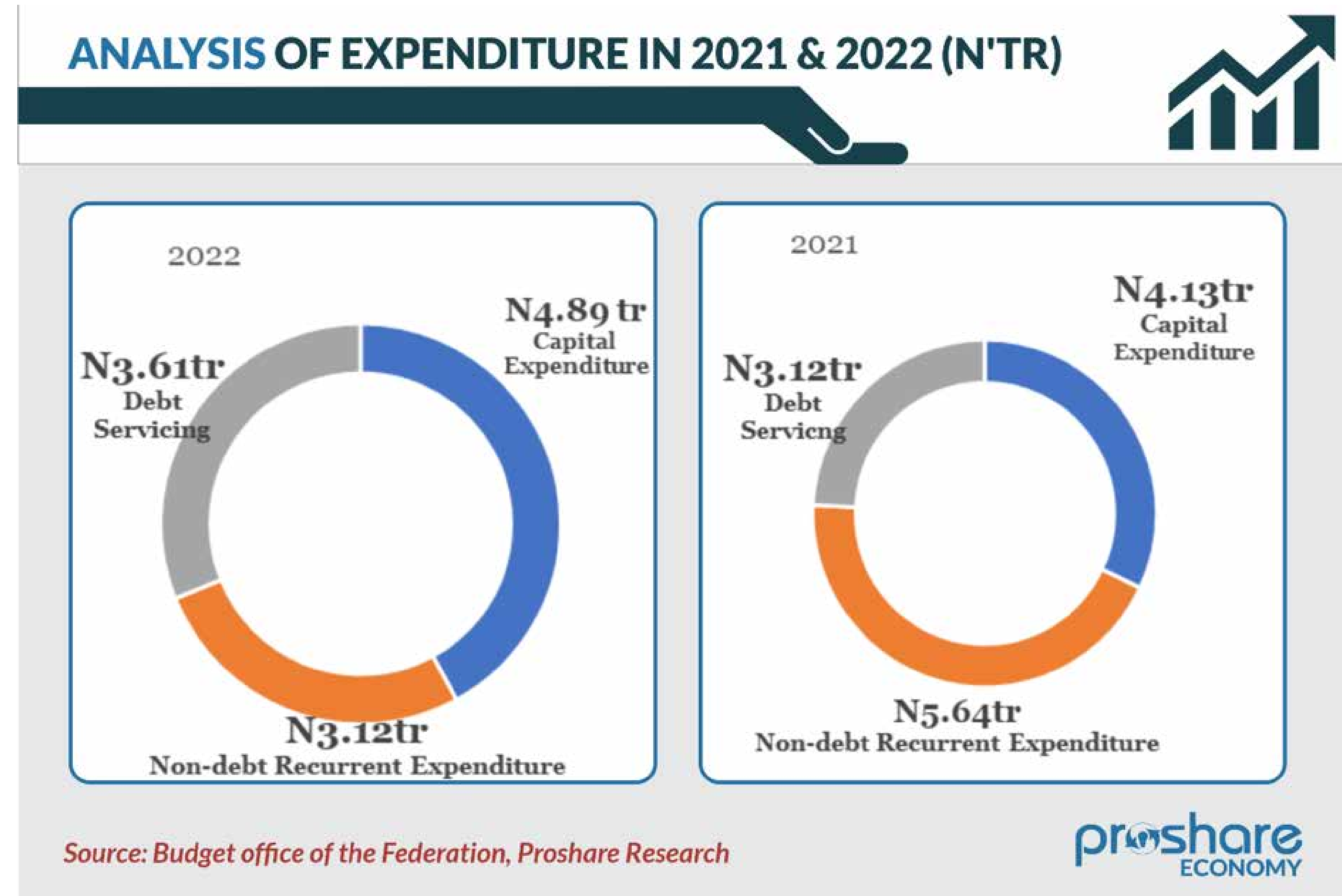
A look at the half-year Implementation report for the 2021 budget shows that as of May 2021, the Federal government's retained revenue was N1.844 trillion, which amounts to 67% in terms of revenue; on the other hand, total expenditure was N4.86 trillion, which represents 92.7% of expenditure performance. Essentially, the 2021 budget suffered revenue shocks significantly earlier in the year when oil prices tanked. Meanwhile, the Minister of Finance noted that as of September, the federal government had performed 73% of the prorated revenue, having generated N3.93tr.

Appraisal of 2022 proposed budget: 'Budget of Economic Growth and Sustainability

The 2022 appropriation bill, which rests on an assumed crude oil price of $57/barrel and a projected daily oil production of 1.88mbpd, has planned to spend N16.39tr, which in nominal terms is 20% larger than the 2021 budget.

Available revenue for 2022 is estimated at N10.13trn. This results in a N6.25tr deficit which corresponds to 3.93% of the GDP. The budget deficit is higher than the 2021 deficit to GDP ratio which was 3.57% and the threshold as contained in the Fiscal Responsibility Act (2007). To capital expenditure, the Federal Government allocated 30% of the budget which is N4.89tr, while Non-debt Recurrent Expenditure is projected at 3.12tr, 3.61tr was set aside for Debt servicing (see chart 6 below).

Chart 6: Analysis of Expenditure in 2021 & 2022 (N'tr)



The 2022 proposed budget is to be majorly financed by oil revenue(N3.16tr), Non-oil Taxes (N2.13tr), and N1.82tr being revenue from Government Owned Enterprises (GOEs). In keeping with the January to December fiscal calendar, Budget defence is underway, and the Senate has committed to ensuring that the bill is passed before Christmas.

Fiscal Federalism: VAT and Stamp duty Debates

The Federal government had announced the increase in the VAT rate from 5% to 7.5%,

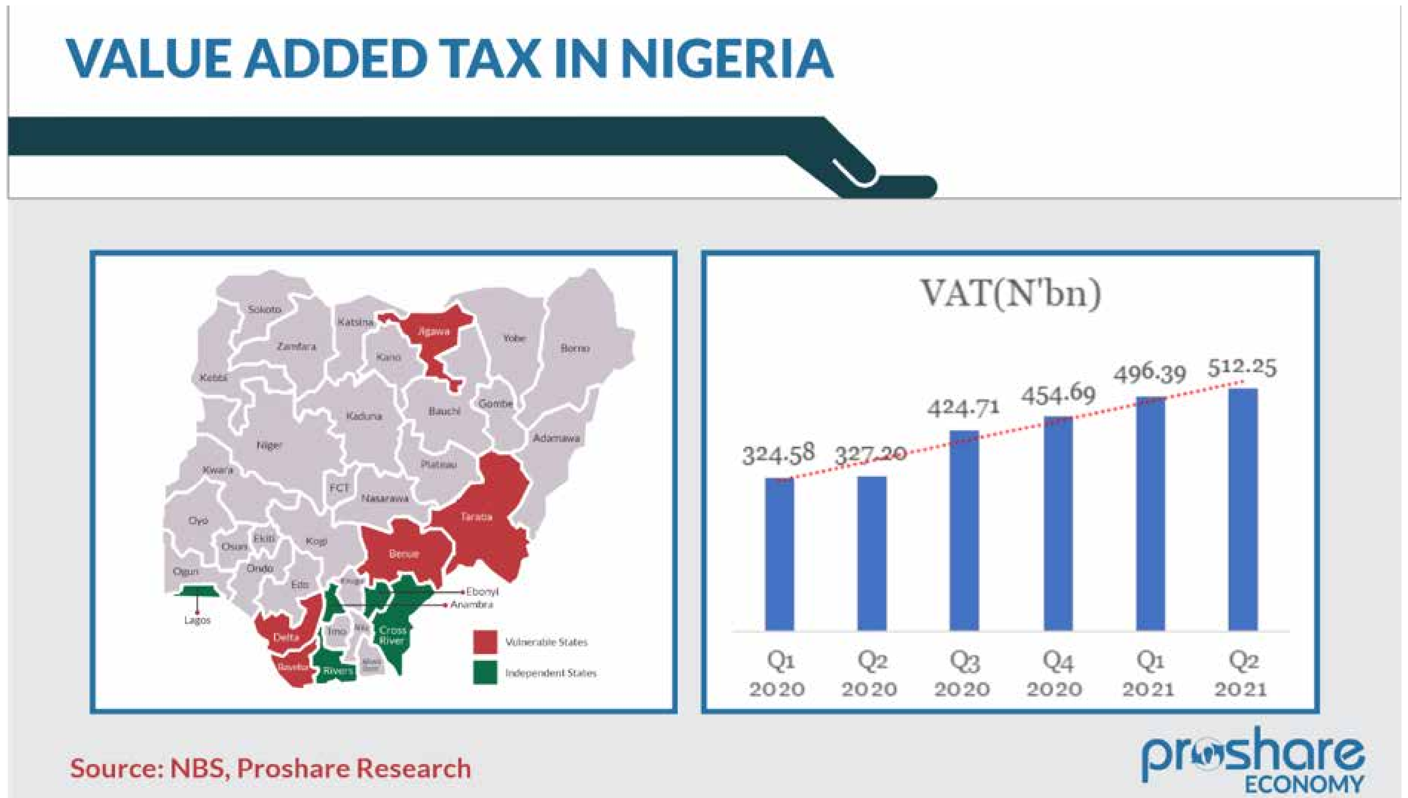
In September, The Rivers state government, in a suit filed in a federal high court in Port-Harcourt, contested the legality of the Federal collection of Value Added Tax.

After the court ruled in favour of the Rivers state government, the state assembly swiftly passed a law mandating all businesses to henceforth remit their VAT payment to the state government; a counter judgment was, however, delivered in a Federal high court in Kebbi State, being a judgment from a coordinate court, FIRS later approached the appellate court, and it ruled that status quo be maintained.

Proshare noted that apart from Lagos, Rivers, Anambra, Ebonyi, and Cross-river states, all other conditions will experience severe revenue shocks if VAT becomes administered by States as against the Federal government (see chart 7 below).

In a suit filed by the Attorney Generals of the 36 state governments, the court was petitioned to advise on the collection of 85% of all stamp duties collected on electronic money transfer levy, on electronic receipts, or electronic transfer for money deposited in deposit money banks and financial institutions, on any type

Chart 7: Value Added Tax in Nigeria



of account to be accounted for.

Debt Profile & The Eurobond Issue

Nigeria's public debt has been rising, as the government has taken to borrowing as the only source of raising revenue. The total public debt stock, which comprises the debt stock of the FGN, thirty-six state governments, and FCT, stood at N35.47 trillion of US$86.57bn. The country's total external debt stands at US$33.47bn, which is 38.66% of the entire debt stock, while domestic debt accounts for 61.34%. In 2020, N3.3trn was spent on debt servicing, which was 84.89% of the revenue. January to May 2021, N1.85trn was spent on debt servicing, 97.56% of government revenue.

In Q2 2021, the government spent N445.4bn on debt servicing payment, N322.7bn on domestic debt service, and N122.7bn was spent on external debt servicing. Many Nigerians are concerned that the country's debt was not sustainable; economists like Dr Ayo Teriba believe that the only way to solve the problems presented by debt costs is to reduce or eliminate the debt cost itself. By issuing interest-free loans like the Sukuk. Also, asset-linked securitization converts dead or idle public infrastructure into new sources of immediate fiscal liquidity and future revenue flows without the burden of interest payments. Commercial investors in such securities are happy to wait for the assets' profits or rent to be unlocked. On 21 September, Nigeria raised the sum of US$4bn through Eurobonds. The Order Book peaked at US$12.2bn, which enabled the government to raise US$1bn more than the US$3bn it initially announced. According to DMO, the government plans to use the proceed to finance part of the 2021 budget deficit. The bonds were issued in three tranches US$1.25bn at 6.125% and maturity of seven years, US$1.5bn at 7.375% with a 12-year maturity, and US$1.25bn at 8.25% with a maturity of 30 years.

3. Monetary/Development finance Policies

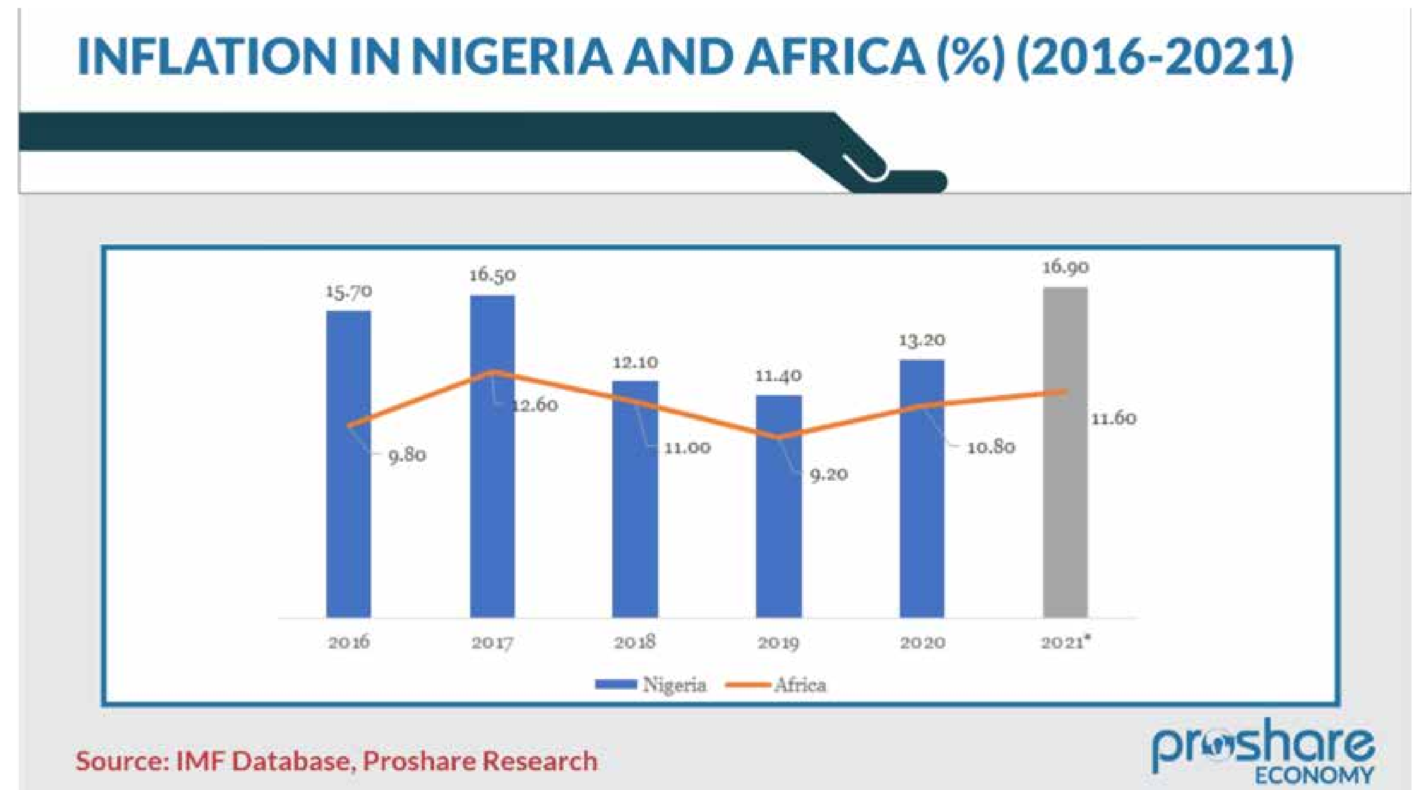
MPC rate and Inflation

Since September 2021 when it reduced the MPC rate from 12.5% to 11.5%, the Monetary Policy Committee has maintained a centrist stance with policy parameters, holding the MPC rate at 11.5%, CRR at 27.5%, SLR at 30%. Meanwhile, Nigeria's Inflation has since April 2021 continued to shuffle along with

the downward trend. As of September, headline inflation declined from 17.01% recorded in August to 16.63%.

The full-year Inflation rate in Nigeria rose from 11.4% in 2019 to 13.20% in 2020. The spike in the general price level was attributed to the closure of the border in 2020 and the exchange rate pass-through effect of a depreciated Naira against the dollar. The IMF expects that the rise in general prices would reach 16.9% for 2021; the CBN, on the other hand, predicts that inflation would moderate to 13% by year-end (see chart 8 below).

Chart 8: Inflation in Nigeria and Africa (%) (2016-2021)



Exchange rate policy and reserves management policies

In a bid to increase liquidity in the fx market, the CBN, through a circular issued on the 5th of March, introduced the Naira 4 Dollar Scheme. The initiative which was meant to see International Money Transfer Operators (IMTO) pay an additional N5 for every $1 remitted to the country was initially supposed to last until May 8, 2021, but was later extended until further notice.

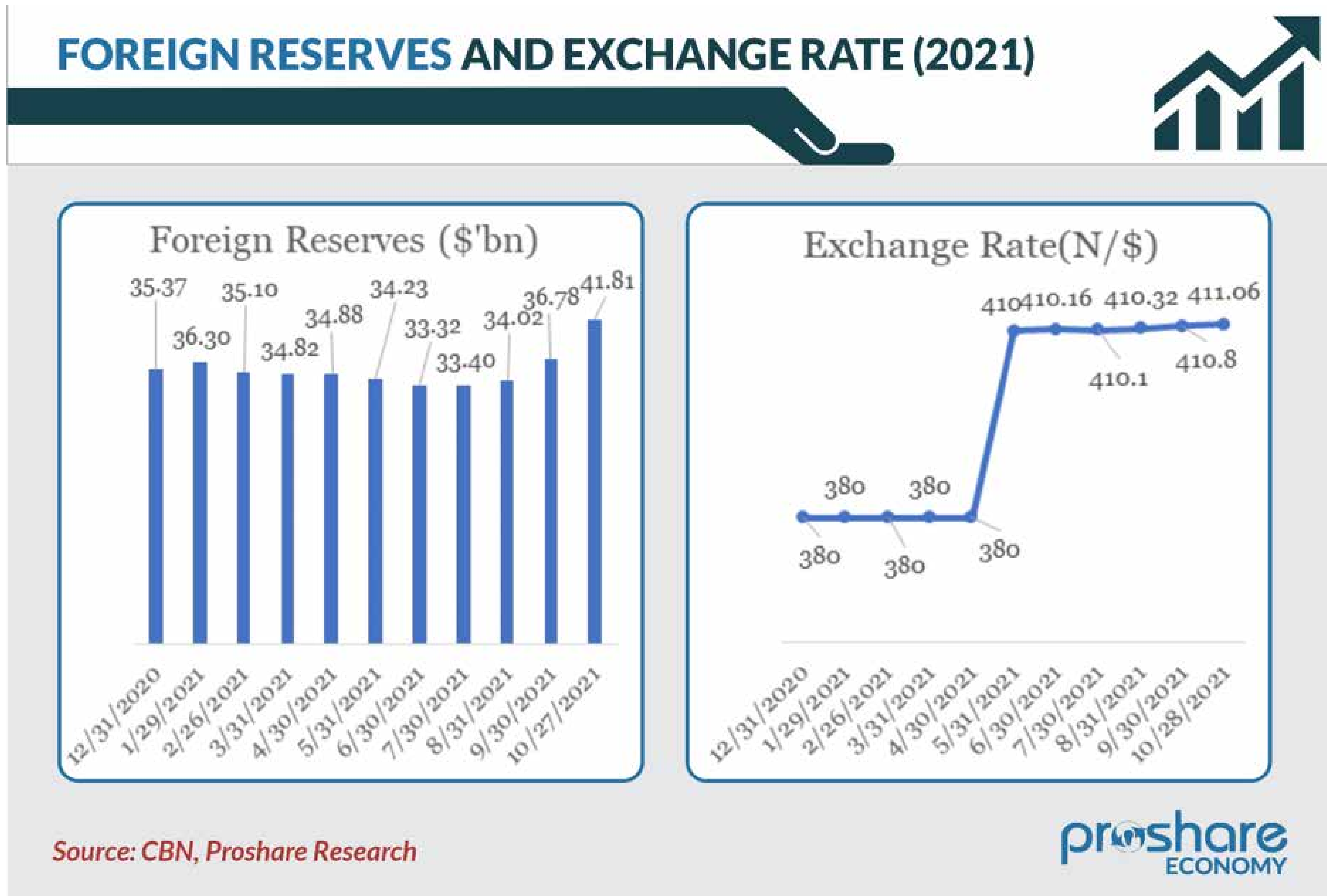
In May, the Central Bank of Nigeria removed the N379/$ exchange rate from its website in a move many rightly interpreted to mean that the Apex Bank had decided to adopt the I&E Fx rate as the official rate (see chart 9). The CBN would later replace the old reference rate with the I&E Fx rate on its website.

The CBN, in July 2021, announced that it would stop the allocation of FX to Bureau de change operators. The decision was pivoted on the bank's observation that the BDCs had, contrary to their mandate, become wholesale dealers conducting large foreign currency transactions more than the statutory limit of $5000. Money Deposit Banks were directed to open teller points. However, in September, owing to a combination of factors, namely: speculation, fx demand from importers of items on the restriction list, significant demand by foreign school returnees, and forward loading, the Naira crashed to N575/$ in the parallel market, although the Naira steadied at the official window. Manufacturers mainly complained of a lack of access to FX. The deficit has had to be met by privately sourced FX and purchases in the parallel market, where premiums relative to the official exchange rate reached N160/$ in September. Furthermore, there is an estimated $2 billion backlog of FX requests by foreign portfolio investors (FPI) disposal of Naira assets. Meanwhile, the reserves as seen accretion

Development Finance Initiatives

In response to the impact of the covid 19 pandemic, the CBN, in its development finance capacity, sustained existing stimulus programs and embarked on several new initiatives. In January, the Special Public Works Programme was introduced. The government allocated a total of N52bn to the program, which was designed to engage

Chart 9: Foreign Reserves and Exchange Rate (2021)



774,000 unemployed Nigerians. Each worker that was enrolled in the 3-month job scheme earns N20000 monthly.

In March 2021, through the Targeted Credit Facility (TCF), the CBN provided another N50bn funding for household and small and medium-sized enterprises (SMEs) that Covid-19 has particularly hit. Through the NIRSAL Microfinance Bank, the Bank had announced an N50 billion TCF in 2020, which was later extended to N100 billion. As part of its development initiatives, the bank maintained the 75bn Youth fund established by the CBN through NIRSAL MMFB in October 2020. The scheme, which would last till 2023, is expected to generate 500,000 jobs, with the target beneficiaries being youth aged between 18 and 35.

The Anchor Borrowers Programme continued in 2021. The agricultural loan scheme was launched in 2015 by the Central Bank to improve farm yield and reduce food importation. However, by the second quarter, the CBN had recorded some substantial default with the Kebbi State chapter of the Rice Farmer Association of Nigeria, claiming that of 70,000 lenders, only 200 had paid back.

4. Trade balance & Capital importation

Foreign Trade

As overseas commerce and travel resumed, Nigeria's international trade increased in H12021 by N6.88tr (46%). While imports increased by 60% year on year (Y-o-Y) from N8.59 trillion in H1 2020 (during the pandemic) to N13.8 trillion in H1 2021. Exports increased by 26% during the same period. Therefore, the trade imbalance worsened by 157% year on year, from N2.25 trillion in H1 2020 to N5.81 trillion in H1 2021. The country's land borders with Benin, Cameroon, and Chad which were shut in August 2019, were officially opened in January 2021 when the AfCFTA kicked in January 2021. Despite this, exports to Africa dropped in H12021 by 25% y-o-y.

Capital Importation

As of June 2021, Capital imports had fallen by 32% year-on-year, from $1.13bn in the first quarter of 2021 to $875.62 million in the second quarter of 2021 (Q2'21). Portfolio investment was $551.37 million, an equivalent of 63% of total capital importation during the period, followed by Other Investment, which accounted for 28% ($246.27 million) of total capital imported, and Foreign Direct Investment (FDI), which accounted for 8.9% ($77.97 million) of total capital imported in Q2'21(see chart 10 & 11).

Chart 10: Trade Deficit(N'tr) & Capital Importation ($'m)

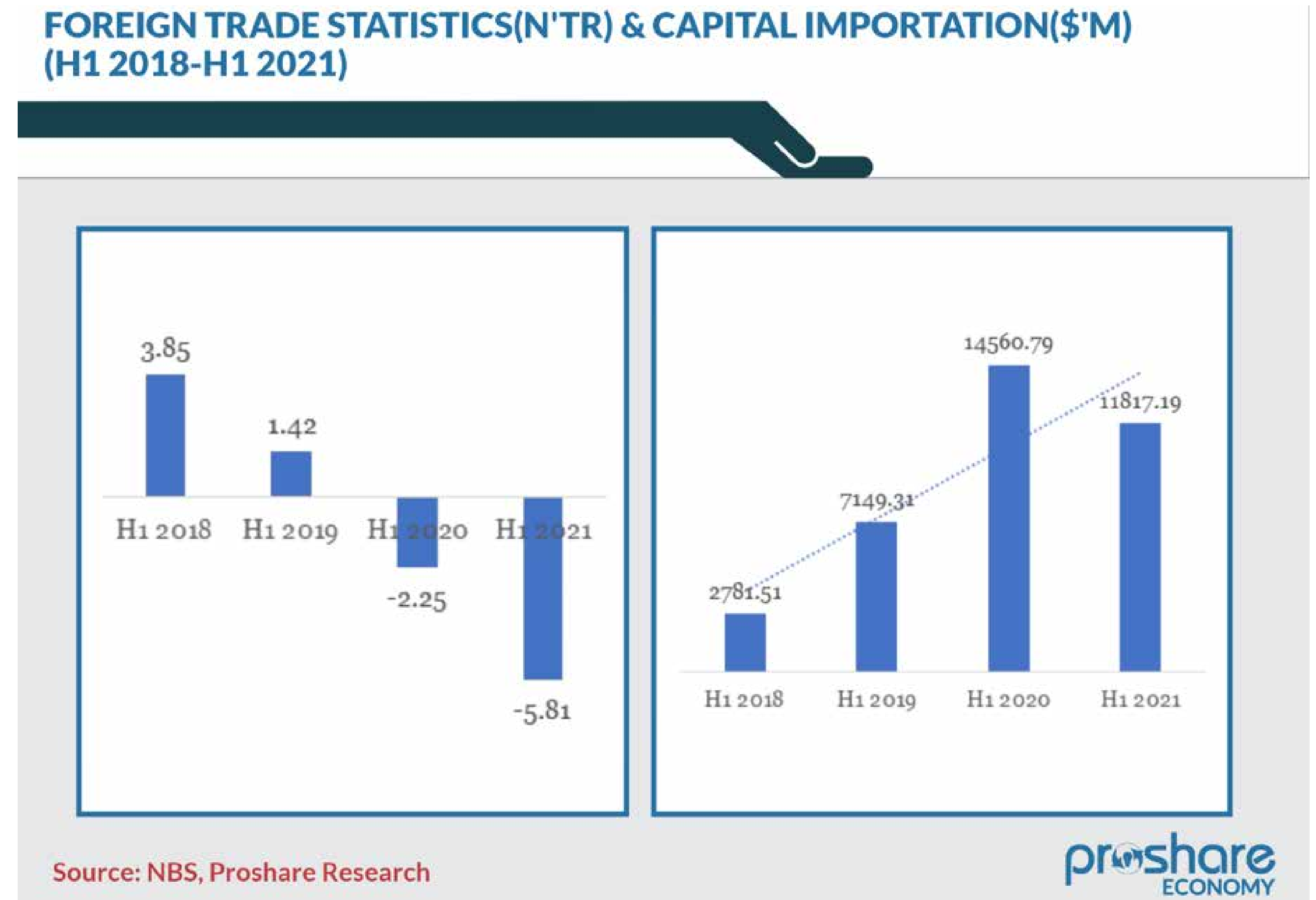
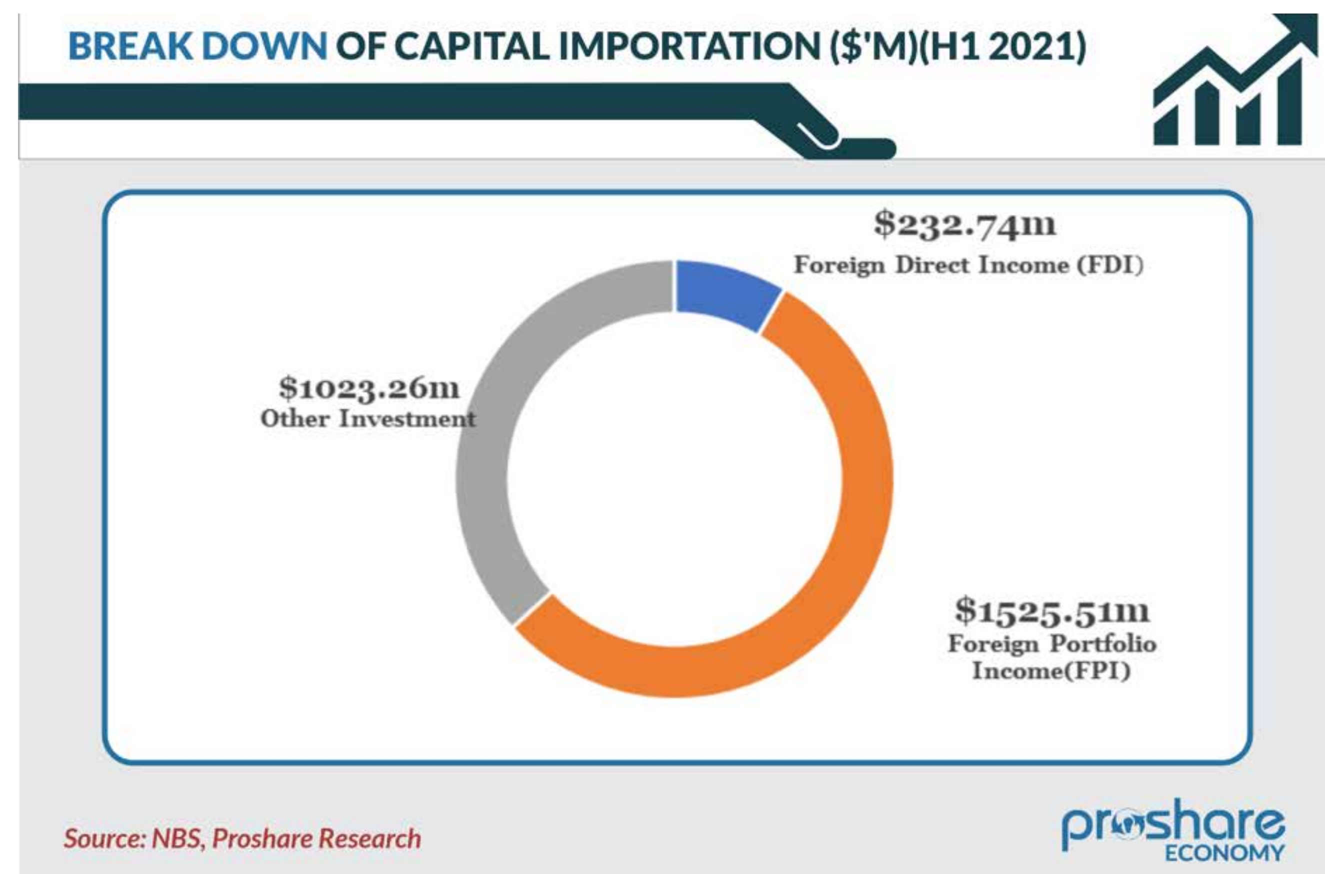


Chart 11: Break down of Capital Importation (H1 2021) ($'m)



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5. Infrastructural Policies and programs

Infraco & NIFC

The 15tr Infrastructure Company (Infraco) was set up to bridge the nation's infrastructure gap. According to the world bank, the country needs N36tr annually to close its infrastructure gap for the next 30 years. With a seed capital of 1tr jointly contributed by the CBN, the NSIA, and the AfDB, Infraco is expected to bring about private sector involvement to improve Nigeria's infrastructure.

Also, the 24-hour Nigerian International Financial Centre (NIFC) is expected to act as an international gateway for capital and investment. The NIFC would offer high-return-yielding investment opportunities in Nigeria to the world.

Power: Electricity value chain

The $2.3bn Presidential Power Initiative (formerly the Nigerian Electrification Roadmap) which was launched in July 2019, was meant to see German company, Siemens AG, provide 25,000 megawatts (MW). However, two years after, the first phase of the project which should have brought the electricity grid to 7,000MW by the end of 2021 has yet to kick in. Nigeria's electricity value chain is characterized by a power generation transmission mismatch. Despite the country's more than 8,000MW of operational power-producing capacity, only an average of 4,500MW is received by end-users.

Aviation: Concession programs

The Aviation sector Roadmap of the Federal government is expected to see the four major commercial airports -Lagos, Port-Harcourt, Abuja, and Kano Airports operate more efficiently and profitably through a concession arrangement. The concession program's Request for Qualification stage (RFQ) was completed in October, while the Request for Proposal (RFP) is expected before the end of the year. The concession program is expected to upgrade Airport facilities bringing to the level of international Aviation hubs.

Ports: E-call-up system

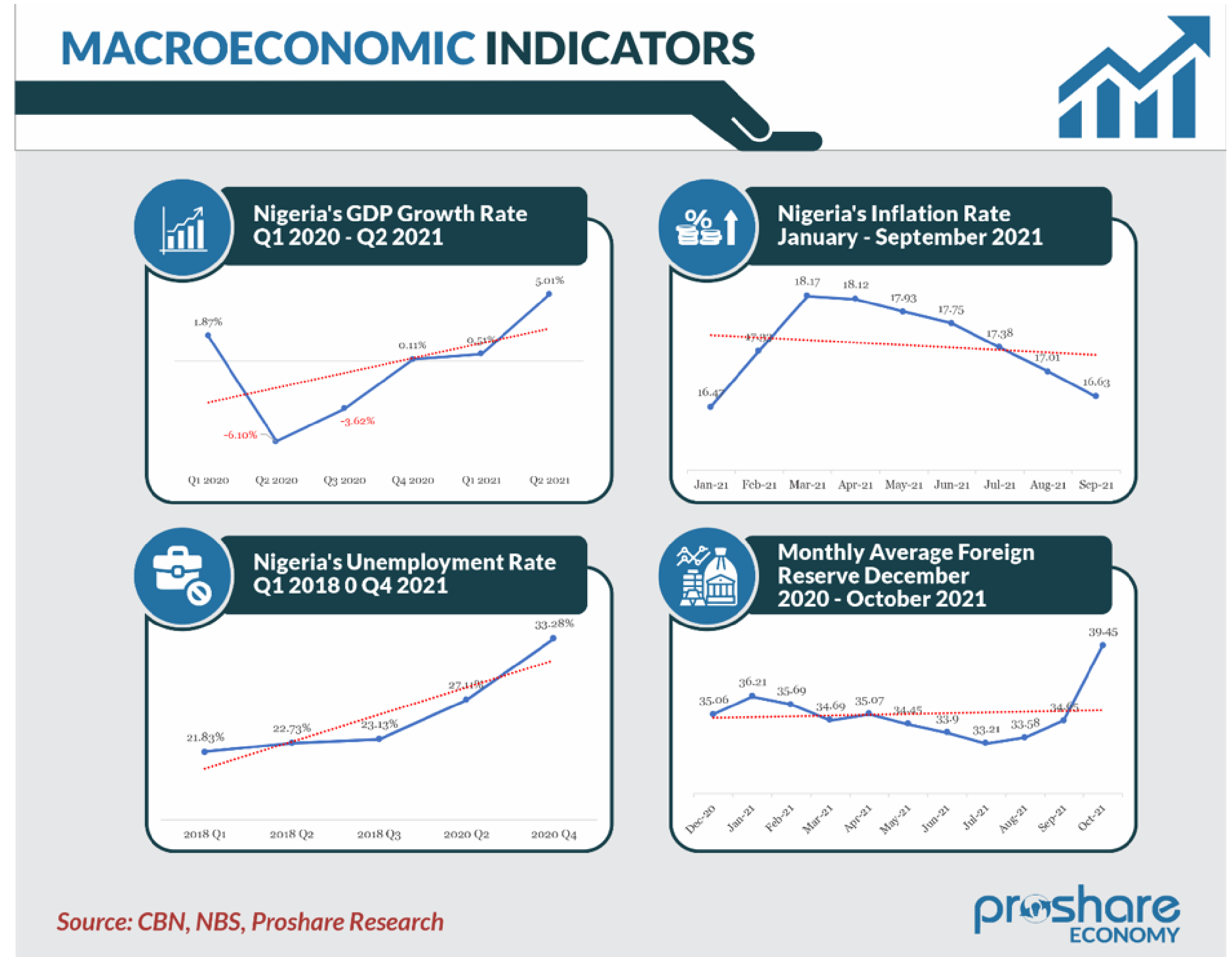
Cargo clearing logistics have continued to constitute a significant impediment to the conduct of business in Nigeria. Despite the introduction of the e-call up system (Eto) – which was meant to reduce the congestion along the port corridor by scheduling the movement of trucks, port operators complain that the process is being sabotaged and that the presence of presidential and state government task forces have not helped matters.

Insecurity

Insecurity has taken a toll on the Nigerian economy; the country's dire security situation took another dimension with the advent of bandits and kidnappers in the North-West, posing a major threat to the livelihood of farmers. Farmers and herders crises and pockets of restiveness in other parts of the country also disincline investors from considering investing in the country. This also affects the sovereign rating of the country.

6. Outlook & Recommendation

Supported by global economic recovery, oil demand, crude oil prices, government revenues, and export earnings are likely to improve compared to the first half of the year when Nigeria's Mining sector contracted by 12.29% on the back of low-slung oil prices. Meanwhile, growth in the Non-Oil Sector will weaken, owing to the impact of Insecurity on Agriculture and Industries in the country.



Nigeria's GDP is projected to grow between 2.5% and 2.8% in 2021, while Real GDP is predicted to rebound to pre-pandemic levels only in 2022. Per capita income would, however, remain stagnant for some years. The high base effect, which has accounted for the fall in Inflation, would ease, and rising gas and imported food prices would keep inflation at double digits. In the absence of a re-emergence of the pandemic, the Current Account deficit would fall modestly as oil prices rebound.

Fiscal authorities need to prioritize the country's human capital by investing in the health and education sector clearly and efficiently targeted at improving the productivity of the citizenry. However, significant income mobilization will be required in the medium to long term to minimize budgetary sustainability risks caused by insufficient debt payment capability. With low per capita income, revenue mobilization will need to rely on progressive tax systems. Tax credits should be awarded to companies in exchange for the construction of roads and other critical infrastructure. Strategies such as Asset-securitization and non-interest-yielding debts can be considered to reduce the country's debt service cost.

The idea of an Infrastructure

company adopting the PPP model is commendable; however, to attract foreign investment, a more transparent and market-based exchange rate policy is required. Proshare suggests developing a market-clearing uniform exchange rate while prioritizing offsetting the existing demand for foreign currency that is estimated at $2bn. The current centrist monetary policy is reasonable, it may not need to be loosened until inflation declines further and approaches single digit, subsequently, the operational framework for monetary policy can be modified to emphasize the priority of economic growth.

The authorities need to provide soft and hard infrastructure to promote domestic and foreign investment. If faithfully implemented, the Petroleum Industry Act has the prospects of improving output in Oil sector substantially. The electricity sector should be fully deregulated to improve electricity transmission. In the medium to long term, the Justice System and the civil service need to be sanitized to reduce license processing time.

5 Things to Know about the Future of Gas

Shell Petroleum Development Company

https://iea.imgix.net/

1. Gas is a more reliable and renewable energy compliant alternative to liquid fuel

Considerable opportunities lie in supplying Nigeria with gas. Nigeria has a population of more than 200 million and this is expected to double by 2050, so there is enormous potential within the domestic gas market. Natural gas emits between 45% and 55% fewer greenhouse gas emissions and less than one-tenth of the air pollutants than coal when used to generate electricity. Reliable and affordable energy is required to grow the economy, Gas can bring the necessary stability to businesses.

Shell, through its companies in Nigeria, plays a pioneering role in gas to the domestic market. SNG is contributing to this energy stability through its gas pipeline in Aba. This development put life back into a lot of industries. SNG markets gas as an alternative to liquid fuels. This gas is used by local manufacturers to make household consumables, beverages, utensils and hardware. Its customers include Africa's largest plate glass factory and several household names. SNG is the only gas distribution company in Nigeria certified

https://www.ey.com/

according to the ISO14001 international standard for an effective environmental management system.

2. Gas usage would enable the ending of continuous flaring

Shell Companies in Nigeria (SCiN) have made a series of investments and forged partnerships over the last 20 years to capture and commercialise associated gas for domestic and export markets. Through this programme, greenhouse gas emissions have been reduced and a valuable energy source redirected to domestic and international customers.

Recent examples of gas gathering projects include the Southern Swamp Associated Gas Solutions (SSAGS) project, which was commissioned in 2019-2020, and a significant part of the Forcados Yokri gas gathering project is set to be completed in 2021. Gas from SSAGS and Forcados will be channelled for domestic use and exported as liquefied natural gas (LNG). The remaining sites with low-volume flares are in remote areas of Nigeria and the SPDC JV has been working with the federal government and other partners to develop small-scale projects to capture the associated gas for local use.

3. Gas would bring increase investment to power nigeria economy

Shell is investing in a gas portfolio that will increase supply for Nigerian and international customers via an expanding network of plants, pipelines and export terminals developed with joint venture partners, the Nigerian government and communities. The Shell Petroleum Development Company of Nigeria joint venture (SPDC JV) has long produced oil in the Niger Delta.

Today, it aims to produce more natural gas, much of which was once flared but is now gathered for the domestic power supply or exported as liquefied natural gas (LNG). SPDC is developing four of the government's seven critical gas supply projects. The Assa North/Ohaji South Gas Development Project when completed will be one of the largest domestic gas projects with a capacity of 300 million standard cubic feet of gas per day.

4. Gas is the next big thing in nigeria energy future

In 2020, Nigeria's Minister of State for Petroleum Resources, H.E. Timipre Sylva, introduced the National Gas Expansion Program and declared 2020 the 'year of gas' and the start of a 'gas decade' which will see the country utilise its gas resources. Nigeria can be a West African powerhouse economy of food, fashion, football and industrial goods. Opportunity to change the narrative of NIGERIA oil and gas sector from significant revenues and less contribution to the economy.

The sector, at the end of 2020, contributed below 10% of Nigeria's gross domestic product.[1] Energy can be a powerful driver of sustainable development. Nigeria has around 202 trillion cubic feet of proven gas reserves and about 600 trillion cubic feet of unproven reserves, according to the government-owned Nigerian National Petroleum Corporation (NNPC), now NNPC Limited [2], giving it the resources to build a prosperous economy for its growing population of around 200 million people.

Today, development in Nigeria is held back by a lack of infrastructure, both pipelines to deliver gas at demand centres and infrastructure to evacuate generated power. Intermittent power from the electricity grid causes power shortages in urban and rural areas. The federal government of Nigeria has made it an economic priority to harness the potential of its natural resources to bring power and prosperity to its people. This would come with building energy infrastructure which FGN has made a priority for Nigeria.

5. Gas would enable resolution of other challenges to power supply beyond gas that need to be fixed

Inadequate gas supply is often ascribed as the major source of power crises. This has been refuted as other major contributors weaken the power sector. Some of these factors include; the gap in funding and contractual agreement, non-operational GenCos (only 25 of 160 licensed GenCos), insufficient/ poor infrastructure, among others. The operational GenCos have an installed capacity of 13,000MW and the current gas supply to GENCOs can generate about 10,000MW electricity. The Power sector has a vision of generating 30,000MW by 2030, to achieve this, funding issues need to be tackled, more GenCos needs to be operational and ultimately gas supply would require a boost.

Notes

1. Nigerian National Bureau of Statistics GDP Report Q4 and full-year 2020

2. https://www.iea.org/countries/Nigeria

3. https://www.worldbank.org/en/news/press[1]release/2020/06/23/nigeria-to-keep-the-lights-on[1]and-power-its-economy

https://d32r1sh890xpii.cloudfront.net/

NIGERIAN-BRITISH CHAMBER OF COMMERCE

2022 Programme Schedule

BREAKFAST MEETINGS

An important medium for policymakers, business leaders and stakeholders to gather and exchange ideas about economic issues in Nigeria. This event draws attendance from key industry leaders, government officials and members of the diplomatic community.

- 2022 Economic Outlook – Bismarck J. Rewane, CEO, Financial Derivatives
- Date: January 13, 2022

ADVOCACY ROUND TABLE

The Advocacy Roundtable is an important forum for thought leaders and stakeholders in the private and public sector to address economic and organizational issues in Nigeria and globally. The Roundtable provides member businesses with a voice in laws and policies that affect the businesses community.

NATIONAL EXHIBITION – Q1

The National Exhibition is a bi-annual local/National Conference and Exhibition aimed at giving companies the space, support and expertise needed to make connections, do deals and realise their potentials.

Benefits of the National Conference & Exhibition

- Excellent platform for member businesses to exhibit their brands and services to potential customers and investors.
- Improve the Chamber's visibility and brand.
- Establish new partnerships and develop foreign market opportunities.
- Foster public-private partnership between NBCC Members, external participants and the government.

AFRICAN EDUTECH CONFERENCE 4.0 - Q3

Provides a platform for the government, regulatory agencies and educational professionals to interact and share experiences on the revitalization of our education system, through the application of technology and innovation as key ingredients for educational transformation.

INVESTMENT SERIES - QUARTERLY

The NBCC Investment Series was created to offer exclusive opportunities for member businesses to engage with diverse institutions, government parastatals and agencies with investment opportunities and information to share on a wide platform aimed at improving trade and investment between Nigeria and Britain. Examples of these institutions are: Bureau of Private Enterprises, Ministry of Works, OGFZA, Dangote Industries, Bank of Industry, Bank of Agriculture (BOA), Central Bank of Nigeria, etc.

EXPERT – IN- RESIDENCE QUARTERLY

The Experts-in-Residence program is an initiative of the NBCC MSME Committee to provide expert consultation sessions to members. Each session is for 30-45mins and is by appointment only.

Our network of Experts-in-Residence (EIRs) have a wealth of experience in their various areas of expertise including Accounting & Audit, Human Resources, Legal transactions, Product Development, Regulatory Affairs, Marketing, Communications & Media, Leadership, etc. Our Experts provide subject-matter expertise and altogether offer a powerful resource for NBCC members.

TRAININGS – (DIGITAL MARKETING, MANAGEMENT)

Our trainings are geared towards SME companies in the populace and aims to equip these businesses with a platform that fosters bilateral trade and encourages the next generation of business savvy entrepreneurs.

INTERNATIONAL TRADE TRAINING QUARTERLY

Provides current continuous professional development courses for professionals and business owners in the practice of international trade. Courses include Export Documentation and Procedures, Core Principles of International Trade, Letters of Credit, etc.

MEMBERSHIP INDUCTION CEREMONY - QUARTERLY

The quarterly induction ceremony officially welcomes the new members and provides a platform for members to discuss, exchange ideas and build a network of contacts in a relaxed atmosphere.

SHARING EXPERIENCES

The Sharing Experiences Programme brings industry leaders to share their real-life experiences and the lessons learnt while building successful businesses.

Past Keynote Speakers – Jim Ovia CON, Chairman, Zenith Bank Plc and Aigboje Aig-Imoukhuede, Chairman, Coronation Capital

ENERGY GROUP EVENT

Discuss relevant issues, showcase the opportunities available to businesses from different sub sectors and educate about the requirements to operate in the oil and gas and energy industry.

TRADE MISSION EVENT

This is a yearly event that discusses and highlights business opportunities in Nigeria and the United Kingdom.

It provides one of the best platforms for delegates to explore business collaborations and investment opportunities. Delegates are also able to engage with members of the other International Chamber of Commerce and the UK Chamber of Commerce. Highlights include: Visit to the Nigerian High Commission, international Trade Conference, to mention a few.

AGRIC & EXPORT WORKSHOPS

As Nigeria looks to increase awareness on non-oil export, it is imperative that future exporters be equipped with the skills needed to compete in the international market and meet international standards. The Agric & Export workshop is an intensive programme designed and aimed at equipping would-be exporter with skills and expertise needed to gain a competitive advantage in the challenging and complex world of export, import and international trade.

MSME BUSINESS FORUM

MSME Business Forum is an open-house session targeted specifically at all the Micro, Small and Medium organizations in the Chamber. The Forum is an avenue to address key issues and answer questions specific to SMEs such as accessing finance, staffing, import & exports etc.

MEET THE GOVERNOR SERIES

This Programme brings industry leaders and policy makes to share their real-life experiences and the lessons learnt. It is our belief that strong collaboration between the government and the Organized Private Sector (OPS) is essential to the economic prosperity of the States and nation.

Past Speakers – Babajide Olusola Sanwo-Olu, Governor, Lagos State and Prince Dapo Abiodun Executive Governor of Ogun State.

PROFESSIONAL SERVICES GROUP EVENT

MSME Business Forum is an open-house session targeted specifically at all the Micro, Small and Medium organizations in the Chamber. The Forum is an avenue to address key issues and answer questions specific to SMEs such as accessing finance, staffing, import & exports etc.

JOIN

THE NIGERIAN-BRITISH CHAMBER OF COMMERCE

Membership of the Chamber is open to firms and companies established in Nigeria or the United Kingdom, who trade with or have business connections or dealings with the countries involved and/or are interested in developing or furthering such interest and/or connections.

For more information, please visit: www.nbcc.org.ng.

NETWORK

ADVERTISE

- *Network* is also strategically placed at the World Trade Mission, VIP events, VIP airline lounges, luxury hotel suites, private members clubs, major financial institutions and banks, global corporations and foreign missions.

Trends in the Nigerian Real Estate Market: How Firms and Family can Position

Tayo Odunsi

https://www.build-review.com/

For firms and families looking to make small or significant investments in the real estate market, it is important to understand what is driving the market and where challenges and opportunities lie. Asides from the economic environment, two events that took place in recent times had significant impacts on the Nigerian real estate market. These are the COVID-19 outbreak and the Post-EndSARS vandalisation. The latter (vandalisation) ushered in a period of even-greater levels of insecurity in the country.

The macro backdrop is an economy that had inflation rising steadily from 12.13% in Q12020, peaking at 18.17% in Q12021 and now slowly declining to 16.63% in Q32021. GDP growth on the other hand rose from a COVID-19 induced low of -6.10% in Q22020 to 5.01% in Q22021 fuelled by improvements in agriculture, trade and telecoms and IT services. Unemployment and underemployment however remain a cumulative of about 55% of the population, in part attesting to a likelihood of increased crime and poverty.

In 2020, due to the COVID-19 pandemic and lowered yields on T-bills and bonds, there was a higher interest in residential real estate. The pandemic made commercial real estate less desirable (howbeit for a short period), residential real estate was in high demand and that demand has not changed. Northcourts' research finds that one of the major factors pushing this interest in residential is that for about 5 years before 2020, Nigerian families had begun to demand smaller sized homes – typical to what is obtainable in the UK, where average house sizes are even much smaller. However, with COVID-19, the trend began to reverse with households seeking out bigger homes with more features that can be adapted to work, study and play from home.

https://media-exp1.licdn.com/

This demand for bigger space and coupled with higher insecurity levels ushered in after the post-EndSARS vandalisation, has created increased interest in gated estates in Lagos being one of the safest states in the country. Northcourt found that prices of land in gated estates in Lagos have increased by 25% on average between October 2020 and October 2021, with the increase being as high as 100% in certain estates such as Banana Island. This trend is expected to continue for at least another 12 months. Consequently, land banking investments especially in gated estates with a good title, will typically be profitable and serve as a hedge over inflation.

Locked in our homes with only telephony and the internet as the major means of communication with the outside world for months accelerated the adoption of new technology globally and Nigerians were not left out. Nigerians began to rely on technology more, for erstwhile basic things as well as the complex, including investing, managing and trading in property. Several proptech (proptech refers to property technology – any property management or investment tool that leverages technology) tools have now begun to see significant adoption while many new offerings are currently in the offing.

While Fintech (financial technology) are enjoying primetime publicity for significantly impacting how we now carry out financial transactions locally and globally – in stealth mode, we are in the early days of a Proptech revolution in Nigeria and globally. The pandemic lockdowns taught even the most analogue minds the importance of adopting new technology, not only for communication but for transacting and managing investments – real estate inclusive.

With Proptech, there are two opportunities for families and firms to either be early adopters or early investors or even both. There's also a fourth opportunity to be Proptech creators as the surface has barely been scratched. Companies like RentSmallSmall, Estate Intel, Spleet, Nigeria Property Center, Yashud, LiveVend and Respay are some of the early creators currently disputing traditional real estate, but the mass public is fairly unaware, just as they didn't realize the future impacts of fintechs like Remita, Flutterwave, Paystack and Quickteller before they reached their 'Unicorn' status.

Similar to the rise of proptech is the disruptive trend of operational real estate. This refers to real estate products that focus on providing a real estate service experience rather than selling a good. Some operational real estate offerings on the rise in Nigeria include; coworking, coliving, short lets, pop-up stores and maker labs. Most of these offerings cater to a younger demography and may be seen as being in their early stages. However, as these players (operational real estate users and operators) grow in age, wealth and influence, it can be inferred that such trends will become even more mainstay. As such, there may yet be first-mover advantages to galvanise.

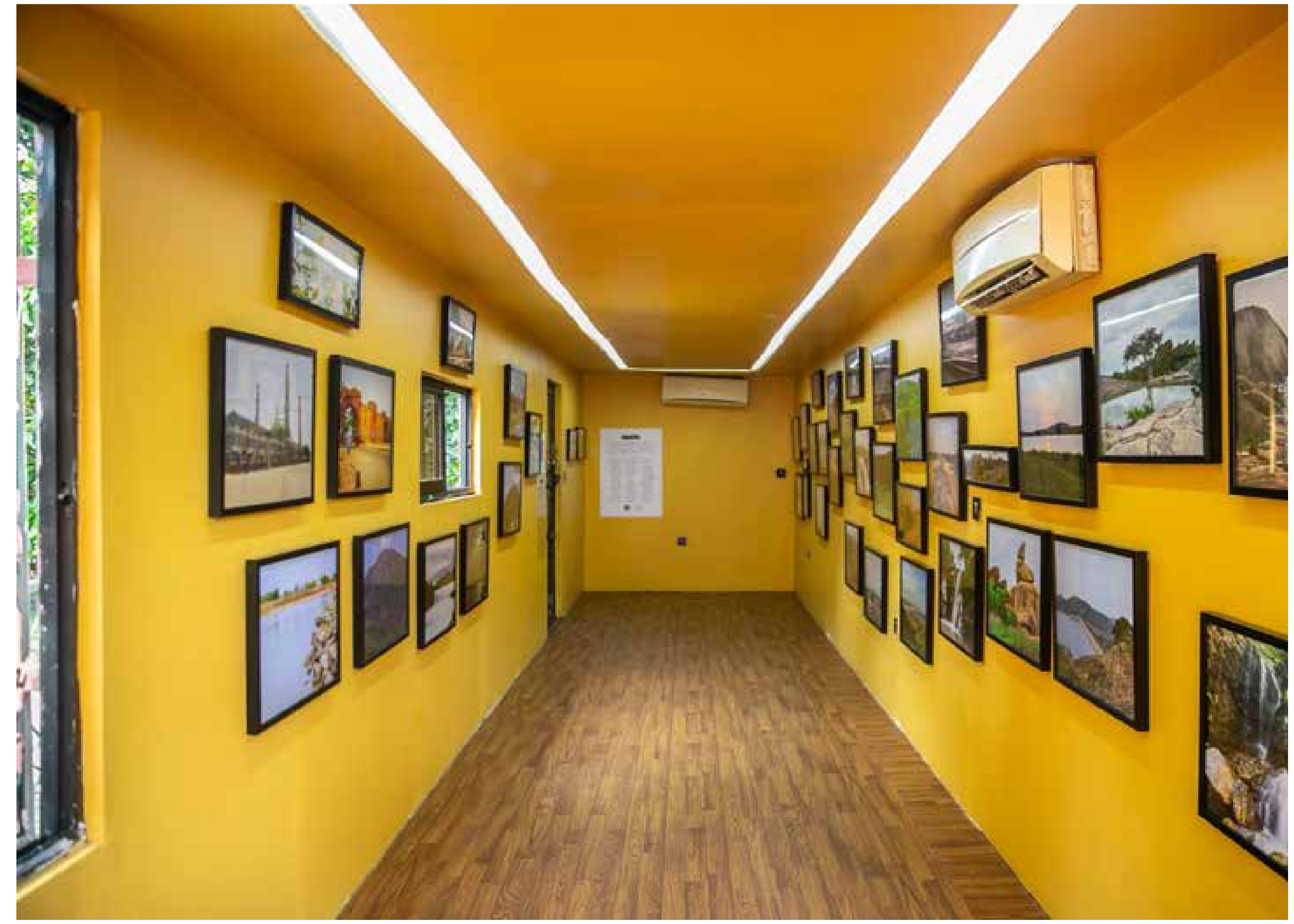
In Conversation with Azu Nwagbogu

Ladun Ogidan

Azu Nwagbogu

Azu Nwagbogu is the founder and director of African Artists' Foundation (AAF), a non-profit organisation based in Lagos, Nigeria. He is also the founder and director of LagosPhoto, an annual international festival of art and photography. In addition, he is director and editor-in-chief of Art Base Africa, an online journal that focuses on contemporary art from Africa and her related diaspora Nwagbogu also founded the National Art Competition, an annual arts competition in Nigeria that provides a platform of exposure to emerging Nigerian artists.

He was chief curator at the Zeitz MOCAA Museum in Cape Town and before then curated several international exhibitions, including *Dey Your Lane*! Lagos Variations at BOZAR Centre for Fine Arts (Brussels, Belgium) in 2016; *Tear My Bra at Rencontres d'Arles* (Arles, France), 2016; and *Tomorrows/Today*, co-curated with Ruth Simbao at the *Cape Town Art Fair* (Cape Town, South Africa) in 2016.



LagosPhoto 2018 Installation Shot.

In recent times, online art fairs have come under increasing criticism for their " lack of innovation". This development is more worrisome when one considers that they are perceived by many as a replacement for physical editions in the wake of the coronavirus pandemic. How do you view this assertion, and what innovations are you bringing to bear in the 2021 edition of the *LagosPhoto Festival*?

As you know, over the past decade, event-based art events such as biennials, fairs and exhibitions have contributed significantly in drawing attention to the African continent: art, music, literature, fashion and culture in general. Today, the pandemic and the torpor it has brought with it, has hindered their continuity and exposed an infrastructural deficit. African Artists' Foundation (AAF) seeks to remediate this condition and initiate a long-term collaboration between global professional actors and, in particular, a new Pan African movement that is mediated not through economics but culture. This is the intelligence we find historically after great global disasters.

Last year with *LagosPhoto*, we jumped before we were asked to by creating www.homemuseum.net as the platform for LagosPhoto. This year as ever, we have an idea as a hybrid for the festival that is innovative and aims to get ahead of the curve. I can't let too much out of the bag at this stage but you can be sure that we are not waiting around to be told how to exist in this space.

Every year, the festival runs an international open call, gathering a significant number of proposals. How has the festival changed throughout the years, and do you think the increased interest stems from our contemporary life being so affected by digitalisation?

We don't actually run an open call every year but last year the open call, which was translated into several languages was vital to the construction of the Home Museum. If you like, the open call was baked into the cake of the curatorial proposition.

The increased interest in the work we do with the festival is due to several factors, the first being the fact that it keeps innovating thematically and the artists keep

LagosPhoto 2019 Installation Shot.

making meaningful work whilst supporting us and media such as *Omenka*, support this marriage and promote it.

Your exhibition 'Liminality in Infinite Space' featured 23 artists that form part of the new vanguard in the field of contemporary African figuration. Please tell us more about the show, what you hoped to convey to the public through its theme, the reception it received and the continued potential for figurative painting in this era of digitalisation?

'Liminality in Infinite Space' has been such a great success and the first thanks and gratitude goes to the artists who agreed to be in the show because they understood the importance of being exhibited on the continent and the broader vision of the Foundation with the show. A big thanks to all the artists, Princess Ayoola, Olayinka Sangotoye and Jana Terblance who all worked on it with me.

'Liminality' is our first stab at this cultural Pan African movement. It begins with establishing a resistance to conform to the pressures of representing that the art world demands, of work that is improving, didactic or illustrative of pain, misery and loaded with socio-political discourse. It is about owning the precious 'Western' art world medium of painting and representing the mundane and beautiful experiments *(to quote Saidiya Hartman) of quotidian daily living of Africans.

In an interview, you mentioned, "I feel the imbalance personally when I go to international festivals and fairs. It is no fun going to somewhere like the Arles photo festival and being the only Black curator". How would you react to the appointments of non-African diaspora curators to head portfolios on African art?

Overall it is rather sad that there has been so little change in supporting and nurturing African talent to grow into senior portfolio positions. Fundamentally, and in principle, if they are qualified I do not have a problem with it and in most cases where such appointments have happened, the candidates are qualified. What is sad is the institution's inertia to change and support the growth of representative talent. It is unfair to blame the candidates who got the job. I saw a picture recently in the news, in it there were eight white men dressed in military attire sent out as a tweet with the caption "conversations on diversity, inclusion, and culture change". This is what it feels like in the art world. Lots of virtue mongering but very little by way of action.

Owing to the pandemic, there is dwindling corporate support for the visual arts. How do you manage to fund your operations, and what is your advice for cultural organisations seeking corporate support?

Collaborate, innovate and attenuate your ego and cut out the excesses. Individually we are not important in the greater scheme of things but together we can achieve a lot.

What is the resiliency of the market for contemporary African art, to what extent was it impacted especially with regard to galleries, and how are they coping?

I don't know enough about the market to speak with authority but I do think we are at a global turning point.

For museums nationwide, documenting COVID-19 has been inseparable from documenting Black Lives Matter protests. How successful are African artists in responding to systemic racism and police brutality?

'Liminality in Infinite Space' and its precursor 'The Medium is the Message' were acts of refusal to the visual representation of Blackness in global media.

The growing trend for online exhibitions did not just emerge in relation to the pandemic but was only accelerated, as several platforms such as Google Arts & Culture has, for many years, been compiling virtual tours of museums around the world. What is the potential for physical exhibitions/fairs in a future post-pandemic?

It will never be the same and when things do return to normal — whatever normal is in the future— I certainly hope we have come out better for it. I won't miss the centralisation of the global West in conversations about art; its inanity, vulgarity, excess and lack of ecology in art world practice.

In the same vein, what is the role of new media art and online art events in the new 'normal' with regard to the pandemic?

We have to keep digging deeper into this virtual space as it is becoming more real and tangible with each passing day. We also need to learn ways to sanitise its usage for our safety and mental health.

LagosPhoto 2019 Installation Shot.

The Wrapper Tying Ceremony of the Opobos in Rivers State

Nneka Isaac-Moses

It has been 22 years since Isaac and I dedicated our lives to travelling and discovering people and cultures. We have been to over 32 countries and counting however, the mosaic of cultures in Nigeria is of particular interest to me for many reasons.

The first time we visited Opobo Island was during the coronation of the King after 23 years of kingship tussle that claimed no life nor recorded any damage to properties. It was to celebrate the coronation of their new Jaja; King Dandison Douglas Jaja, the Amanyanabo of Opobo.

At the time, there was no access road to the Island so, from Port Harcourt Airport, Isaac and I took a taxi to Connor waterside to board a boat to the Island to witness the coronation. That was our very first visit to Opobo. Most times when we travel, I like to dress smart; ready to climb a mountain if the need arises. It was December and all roads led to Rivers State while all the boats set sail to Opobo Island.

As we alighted from the taxi, we were making inquiries on how to join a boat to our destination when a beautiful woman approached me. She wanted to know if I was a first-time visitor to the Island.
Upon my response, she told me that I could not wear my jeans trousers to the Island. That every woman must tie wrapper around her waist on the Island: That is the rule. To enjoy any trip, every tourist should obey the laws of the host community. I did not have any wrapper on that trip. I was the camera operator, my husband was directing and we were the presenters and narrators of Goge Africa, the multiple-award-winning culture and tourism TV show. How could we have known about this culture of the people? There was no google at the time!
Luckily, she offered me one of her wrappers and helped me to tie it over my trousers. That wrapper served me until the end of that trip. When I went to return it, I realized that she was the Secretary to the State Government at the time.

Many years later, the Jaja of Opobo invited Goge Africa to the Wrapper Tying ceremony of his two daughters, Princess Adata Thelma Henry and Princess Tamuno Priye Voilet Jaja. The wrapper tying ceremony is a very elaborate and ostentatious tradition in Opobo and surrounding islands.

While it celebrates womanhood, it is an initiation ceremony into womanhood. According to the Jaja of Opobo, the ceremony is performed by the parents for the girl child any time after puberty, even if the girl is already married.

The wrapper tying ceremony is in two parts; Bibite and Egerebite. On this occasion, we were lucky to witness both as the younger Princess Tamuno Priye Violet Jaja was doing the Bibite, the first stage while her elder sister who was already married with children was doing the second stage, Egerebite.

The wrapper tying ceremony is a long process that involves going into the fattening room (a secluded personalized training session) to educate a girl child on personal hygiene, beauty routine, home care, culinary lessons, sex education and lessons on how to take care of her husband and children. While in the fattening room, she is pampered and beautified by older women. They orally pass on their culture and tradition to her as they prepare her for suitors.

A woman may proceed and get married after the ceremony or remain in her father's house as a complete woman with full benefit and respect.

As they say in Opobo, "She has attained the status to speak among women and in the society generally". As an Opobo female, if you have not done the wrapper tying, you are regarded as a (naked) girl who has not attained the status to speak among real women or in society. Hence, you may not be allowed to speak during public gatherings or community meetings.

Some of the must-have items for wrapper tying ceremony includes various types of wrappers like Ikaki, Velvet, Popo, Damask and George wrappers. Each of these must-have matching head ties, shoes and bags. Accessories must include Coral beads and lavish sets of real gold ornaments.

On the day of the ceremony, the celebrant will be presented to the public fresh out of her fattening room seclusion. It is almost like a carnival and the whole community usually look forward to the celebration.

A colourful tent known as Iragbo is erected within the celebration ground using different wrappers. In this case, two were erected. The tents serve as a changing room and contain boxes of wrappers, clothes and fashion accessories for the ceremony. Men are not allowed into the tent. Only women who have previously performed the ceremony are allowed into the tent to assist the celebrant in dressing up.

Amidst sonorous singing of the traditional songs of the Igbani language, accompanied by the heart pumping beats of the traditional music

instrument, the celebrants are ushered into the arena by their aunt who had also performed the same ceremony in the past. She guides them through the well-articulated dance routine. Gracefully moving their lower torso in rhythmic unison with the music while swinging their beautifully decorated hands delicately. Each dance lasts for about 10 minutes before they retire to change into other complete sets of costumes in readiness to entertain the excited audience with another round of dance. Every guest including our media team and myself had more than enough to eat and drink.

The second day was very striking for me. The celebrants attended a church service with everyone. Thereafter both women were carried shoulder high around the community amidst lots of music and dance as the excited crowd accompanied them in exciting merriment back home to the palace.

The celebration continued with more displays of cultural performances from the community and neighbouring Islands.

In continuation of the day before, the celebrants are showered with gifts of cash and wrappers as they danced around the arena to ensure they have more than enough wrappers in their wardrobe. The younger Princess may be appreciated with any type of wrapper but the George wrapper because she has only completed the first phase of the wrapper tying ceremony, Bibite.

On the other hand, her elder sister having also done Egerebite can accept and also tie the George wrapper because she is now a complete woman. The wrapper tying tradition is taken so seriously that if a woman passes on before it is done; the ceremony must be performed for her before she is buried.

Lessons from the Tokyo Olympics

Ejiro Omonode

The Founding Fathers of the modern day Olympics were quite clear about the Spirit and Philosophy of the Olympic Games. The emphasis was hugely placed on participation rather than winning, as the originating concept of Olympism bordered squarely on uniting all five major continents of the World as lucidly depicted by the rings connecting the sub-continents of Africa, Europe, Asia, Antarctica, Oceana, South and North America.

Tokyo 2020 was decided well ahead of time and preparations and all preparations towards the largest world sporting event were clearly in top gear.

Yet the unforeseen circumstances presented by the COVID-19 Pandemic ensured that the Games would eventually hold in 2021.

Team Nigeria began the journey on the Road to Tokyo with an entirely different strategy and mindset hoping in the process to avoid the pitfalls of past participation at the Games that often ended and left in its wake, stories of disappointment and poor performances.

This time around, there was a clear focus on quality representation and not the usual jamboree like mass participation by athletes as was the previous practice

Adopt-an-Athlete Policy was initiated by the Sports Authorities and Corporate Nigeria promptly joined the fray in massive moral and monetary support to Team Nigeria.
Indeed, expectations were extremely high as both the Olympians and Paralympians embarked on the Road to Tokyo. The vision and mission leading to the Games were unambiguous but then, the results and outcomes were a bag of mixed feelings of limited successes and avoidable failures in certain areas.

As with previous Olympic Games, Team Nigeria underperformed in both versions, the only saving grace being the Paralympics that fetched most medals in comparison to the physically stronger category.

With some measure of better preparation and quality representation from Team Nigeria, medal and podium expectations were thoroughly and strategically hinged on Track and Field, Wrestling and Basketball but sadly, they all evaporated into thin air with bitter flakes still hung in some places.

For this article, some of the biggest lessons for Team Nigeria are adequate preparations and planning. The dope testing regimens showed us that Team Nigeria was inadequately prepared or informed through pre Games conduct to the failures of the two poster ladies of the contingent – Blessing Okagbare and Odunayo Adekoroye.

Lack of proper professional conduct led to the disqualification and non-participation of Star Athletes in Track and Field, which resulted in the shameful protest by the victims. They had failed to go through the mandatory out of competition and pre-games dope test. For 11 athletes out of 21 registered by the Track and Field squad to the Games to be disqualified and sent packing with ignominy from the Games village dealt a devasting blow to the psyche, spirit and competitive morale of the team.

Still, the worst was yet to come as the poster lady of the contingent on whose shoulder and neck a Gold medal was already hanging, Okagbare got expelled from the Games.
The battle to salvage her reputation and career remains a tough call as the World Athletics Integrity Unit continues with investigation and interrogations. Dope allegations and failure to meet with the mandatory pre-competition test presents the biggest lessons yet for Team Nigeria's participation at the Games.
However, beyond the dope (drug) issues, there were also technical failures, bordering on a lack of tactical professionalism.

First, it was the medal hopeful Odunayo Adekoroye who before Tokyo 2020 had dominated her class and category in wrestling and when the chips were down, she came crashing down with avoidable miscalculation and error.

It remains one of the most painful episodes in her glittering career, she would rue for some time to come. Perhaps Podium place in Paris could assuage that unforgettable loss.
Another lesson we learned, was that late preparation and late arrivals in Tokyo played a huge role in the preparedness of athletes and other overall performances. Some few athletes, who were medal hopefuls, arrived in Tokyo with only a few hours to their events, which invariably resulted in painful losses.
Like in all spheres of life, lessons learnt are meant to adequately lead to managing future challenges. Therefore, Lessons from Tokyo 2020 should serve as the springboard to better and improved podium performances at the Paris Olympics.
Lessons bordering on timely and adequate preparations, encompassing going through the regime of drug (dope) test and deploying the right technical and professional approach to the Games, should serve as the right motivation to future Olympic games.

https://www.premiumtimesng.com/