

BUSINESSWORLD

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RATES AS AT JANUARY 17, 2019

MONEY MARKET		REPO		S & P INDEX		S & P INDEX		EXCHANGE RATE
OVERNIGHT	3.86	CALL	2	INDEX LEVEL	490.15%	1/4 TO DATE	1.87%	N307/1US DOLLAR*
90-DAY	3	1-MONTH	5.50	1-DAY	0.62%	YEAR TO DATE	1.87%	*AS AT LAST FRIDAY
		3-MONTH	7.25	MONTH-TO-DATE	1.87%			



CSR IN ACTION

L-R Representative of Vice President of Ghana/Minister of Monitoring and Evaluation, Ghana, Mr. Anthony Osei; Lagos State Governor, Mr. Babajide Sanwo-Olu; Vice President Prof. Yemi Osinbajo; Managing Director/Chief Executive Officer, Airtel Nigeria, Mr. Segun Ogunsonye; Minister of Communication and Digital Economy, Dr. Isa Pantami, and Ori of Ife, Oba Adeleye Eritan Ogunwusi, during the Airtel Touching Lives Season 5 Premiere, held in Lagos... recently

Stockbrokers Urge FG to Ensure Policy Consistency

Goddy Egebe

The Chairman, Association of Securities Dealing Houses of Nigeria (ASHON), Chief Oyinoyechukwu Ezeagu, has called on the federal government to sustain policies that impact financial markets and entire economy positively.

One of such policies, according to him, was the decision of the Central Bank of Nigeria (CBN) to exclude individuals and local non-bank institution from its open market operations (OMO) auction last year.

The policy has since crashed

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yields on the fixed income securities and increased patronage of the equities market.

Ezeagu explained that the OMO policy had been very beneficial to the stock market, noting that the fall in interest rate created opportunities for higher return on equity (ROE) and investors are taking advantage of the inverse relationship between the money market and capital market.

He, however, expressed concerns about the sustainability

of the OMO policy going by uncertainties that usually characterise government policies in Nigeria.

According to him, the government might decide to reverse OMO policy if banks mount pressure that it was hurting their profit margin or the CBN perceives a need to boost the nation's external reserve.

"Our concern is always policy uncertainty and consistency in Nigeria. This has been a major drag to the growth and development of the economy and by implication, the capital market. The new policy on OMO is making investment in

the market more attractive but the question is sustainability. We operate in an unpredictable environment where there can be policy somersault at the least expected time," Ezeagu said.

The OMO restriction was part of the CBN's financial engineering tactics to ensure that deposit money banks channel credit to the real sector and reduce the crowding-out effect on the private sector in terms of credit.

"Banks should lend money to the real sector to enhance

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Mining: Adegbite Woos UK Investors

Kasim Sumaina in Abuja

CAPITAL MARKET

In line with federal government commitments to diversify the economy and provide jobs for the teeming youth, the Minister of Mines and Steel Development, Mr. Olanilekan Adegbite has highlighted reforms in the mining sector aimed at fast-tracking national growth.

Adegbite, who was the chief host at a conference in United Kingdom titled, "Nigeria Beyond Oil" seized the opportunity to showcase Nigeria's mineral and mining potential and the incentives put in place to make the sector more attractive to investors.

Adegbite opined that Nigeria was being perceived as an oil country and should serve as a hub of investments. He, however, noted that the country has been an unwilling victim of the oil curse which he said created a huge gap in terms of solid mineral

management.

This, according to him, has brought about Nigeria's 30 years of stagnation in the mineral industry.

According to him, "President Muhammadu Buhari's administration met challenges in the mining sector occasioned by long neglect. It was apparent that we must re-exact the Nigeria before oil" policies, when the sector contributed as much as 5.6 per cent in 1980 to the national GDP."

The minister, in a statement by the ministry's Director of Press, Mr. Edwin Okpara, stated that the present administration recognised mining as a strategic income stream in the face of dwindling oil revenue and look towards increasing its contribution to the national

GDP by three per cent by 2025.

While assuring participants at the conference that the Nigerian government was determined to protect direct foreign investments as indicated in the Nigerian Mineral and Mining Act 2007, he said, "Our focus is now on de-risking the sector, by the provision of more up-to-date and comprehensive data on mineral occurrences in Nigeria and enabling a more investor friendly environment through favorable incentives."

He stressed that the ministry has achieved some milestones which he believed would prompt the participating countries as well as the larger mining world to be part of the exploration and mining revolution in Nigeria.

The minister listed the achievements of the ministry to include the on-going National Exploration Project (NIMEP), which was government's rapid response to

the dearth of investible geoscience data as well as the upgrading and automation of the Nigeria Mining Cadastre Office (MCO) for full online operations which he said would reduce the processing of mining licenses from 45 days to 15 days.

He said the outstanding gold discovery by Segilola Resources operating Limited/Thor Explorations Limited, whose exploration exercise in the Southwest of Nigeria established a proven reserve of one million ounces of gold on part of its tenements, is receiving the attention from international investors.

He further explained, "Our approach to the enactment of a 'Nigeria Beyond Oil' era is holistic, the integrated method involves the development of the necessary infrastructure to support the mines and mining communi-

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Quick Takes

KPMG Commences Remuneration Survey

KPMG said it has kicked-off the second edition of its remuneration survey for the independent oil and gas industry. The survey would help the participating exploration and production companies take informed pay decisions, by providing them with valuable market insights and information on pay levels and practices. Many key players in the industry have signed up for the 2020 edition. "The survey is still very much open to other oil companies that may wish to participate.

"The survey, which is conducted on a job grade basis, covers permanent Nigerian employees from graduate entry to executive management levels," a statement from KPMG explained.

The survey report would cover all elements of pay such as: fixed pay (basic salary & cash allowances), variable pay (short and long term performance based pay), benefits-in-kind (e.g. medical and status car) and retirement benefits (e.g. pension and gratuity). The report would also present total cash compensation (fixed and variable pay) and total cost of employment (total package).

The survey exercise would run for four months, thereafter, a report would be issued (in May 2020) to participating companies.

"KPMG will subsequently communicate a date for the close-out meeting to debrief participating companies as well as obtain feedback on the exercise.

Access Bank Boost Tourism

With the 2020 Access Bank Lagos City Marathon fast approaching, the headline sponsor, Access Bank Plc has reiterated that its sponsorship of the race is geared towards improving the economic and social outlook of the state. While speaking about the marathon, the Group Managing Director of Access Bank Plc, Herbert Wigwe, was quoted in a statement to have said, "As one of the leading banks in Nigeria and indeed Africa, it is imperative for us to support the economic and social development of the communities in which we operate.

"Hence, we have sponsored the Access Bank Lagos City Marathon for five years to make Lagos State more attractive to tourists and foreign investors alike. "We have also used this platform as an avenue to create more jobs and opportunities to thousands in the state," he added. He went further to add that, "to ensure that the impact of the marathon, as felt in Lagos State, is duplicated and sustained, we have also begun sponsoring marathons and other sporting events across different states in Nigeria as highlighted by our sponsorship of the Abeokuta marathon." With over 100,000 participants recorded across the last two editions of the Access Bank Lagos City Marathon, Wigwe said he expects the trend to continue as the marathon which has moved up from a Bronze Label marathon to a Silver Label, less than five years after its maiden edition, continues to garner the respect of top international and local athletes alike.

NSIA Group Celebrates 25th Anniversary

The NSIA Group has said it intends to play a major role in the development of the African economy.

The insurer also said it would continue to provide lasting responses to the socio-economic challenges facing the continent.

The President of the Group, Jean Kacou Diagou, stated this while speaking at the 25th anniversary celebration of the company's operation held in Abidjan, recently.

He said the Group's insurance division, intends to respond to the major challenges of transforming the African society.

"On the personal market, the rise of the middle class will require supporting the needs of populations in terms of protection and provident insurance while providing innovative solutions.

"The digitalisation of our offers represents a tremendous growth driver," Diagou said.

He said NSIA's continuous growth has been driven by strategic acquisitions, first in Côte d'Ivoire and then in the sub-region.

He said the group acquired Assurances Généraux de France (AGF), International Bank of West Africa (IBIA) and more recently in African countries like Togo, Cameroon, etc.) with the exception of Nigeria.

"I am happy and proud of what has become of the NSIA Group today. I thank our customers and investors who have accompanied and trusted us to this day.

The Quote

"If recommendations made after accident investigations are not implemented airlines suffer, the public suffers but it helps the win-win situation and give people the confidence to fly"



Commissioner, Accident Investigation Bureau (AIB)
Akkin Olatunwa