

INSIGHT & OUTLOOK



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The controversy around the Central Bank of Nigeria (CBN) – MTN disagreement on capital transfer is eliciting diverse reactions among investors especially foreign investors.

For clarity sake, the Apex Bank maintains that some banks issued irregular certificates of capital importation (CCIs) on behalf of some offshore investors of MTN Nigeria Communication Limited; though MTN maintains that it followed due process.

Nigeria economic growth is mostly projected to hinge on the capacity of the nation to attract meaningful FDI.

Between 2007-2014, Foreign Direct Investment in Nigeria averaged 1,298.48 Million USD from 2007 until 2017 reaching an all-time high of 3,084.90 Million USD in the fourth quarter of 2012 and dropped to 808.56 USD Million in the first quarter of 2018.

SUMMARY OF ECONOMIC PERFORMANCE

GDP Growth	1.50%	↓
Exchange Rate (Interbank)	305.56	↑
Exchange Rate (Parallel)*	359.36 (July)	↓
Exchange Rate (FMDQ)	364.40	↑
Oil Price/barrel	\$73.29	↓
External Reserves	\$45.84bn	↓
Inflation Rate	11.23%	↑
MPR	14.00%	=
Avg. Crude oil Prod vol (daily)	1.73mbpd	=

The CBN – MTN disagreement is projected by several analysts, to adversely affect the FDI inflow to the country because the information available to many foreign investors has not conclusively clarified the CBN position. Investors worry when exit from an economy is blocked or made unnecessarily cumbersome (thereby deterring exit or increasing the cost of exit). The process of capital movement (which the CBN alleged MTN did not follow) is not different from any international foreign capital transfer protocol. There will be a marginal downward trend in FDI inflow because investors will tend to place more premium on investing in Nigeria as a result of perceived additional risk. Nevertheless, Nigeria will experience a sharp rise in FDI inflow towards the end of first quarter of 2019 with successful elections and proper clarifications of the CBN position on the MTN – Capital transfer dispute.

SECTOR WATCHLIST

FINANCIAL SECTOR



- ❖ Nigeria's Central Bank (CBN) ordered South African telecoms firm MTN and four banks to return \$8.134 billion. The Apex Bank maintains that the alleged banks issued irregular certificates of capital importation (CCIs) on behalf of some offshore investors of MTN Nigeria Communication Limited. Standard Chartered PLC was fined 2.4 billion naira (\$7.86 million), Stanbic IBTC Bank

AGRICULTURE



- ❖ An average of 27,000 farmers would benefit from the Central Bank of Nigeria's N14.9 billion loan granted to the North East Commodity Association (NECAS) under its Anchor Borrowers' Programme (ABP).
- ❖ Central Bank of Nigeria (CBN) set to release N10 billion per project financing in agriculture and manufacturing sectors by deposit money banks (DMBs),

PLC 1.8 billion naira, Citibank 1.2 billion naira and Diamond Bank PLC 250 million naira.

- ❖ MTN Nigeria signed a 200 billion naira (\$636 million) loan with a consortium of 12 lenders to fund capital expenditure and working capital to enable the expansion of its voice network and data service.
- ❖ Nigeria's Central Bank has injected \$210 million into the interbank foreign exchange market to boost liquidity and alleviate dollar shortages.
- ❖ Ecobank Nigeria has launched its 'Emerald Business Club,' an electronic platform aimed at offering convenience and accessible banking services especially to small and medium size enterprises, local corporates and clients in the commercial sector.
- ❖ N1.603trillion was recorded in Q2 2018 as data on Electronic Payment Channels in the Nigeria Banking Sector. The volume of transactions through the ATM reached 217.417 million in Q2 of 2018.

SME SECTOR



- ❖ Federal Inland Revenue Service (FIRS) has developed various strategies including deployment of technology to facilitate ease of tax compliance for Micro Small and Medium Enterprises (MSMEs).
- ❖ Visioned Skills Development Center (VSDC) has concluded arrangements to issue a small grant to 21,000 entrepreneurs in Bayelsa State through the World Bank "bottom-up" project aimed at reducing unemployment rate in Nigeria.
- ❖ Jaiz Bank Plc set to disburse the \$20 million secured from the Islamic Development Bank (IDB), for Small and Medium Enterprises (SMEs) in Nigeria before the end of the year.
- ❖ Diamond Bank Plc disbursed over N1billion under the cash flow-based SME lending scheme.
- ❖ The Central Bank of Nigeria (CBN) 2017 annual report shows disburse of N76.9 billion to Micro, Small and Medium Enterprises Development Funds (MSMEs) from inception in 2013 to 2017.

under the Differentiated Cash Reserves Requirement (DCRR).

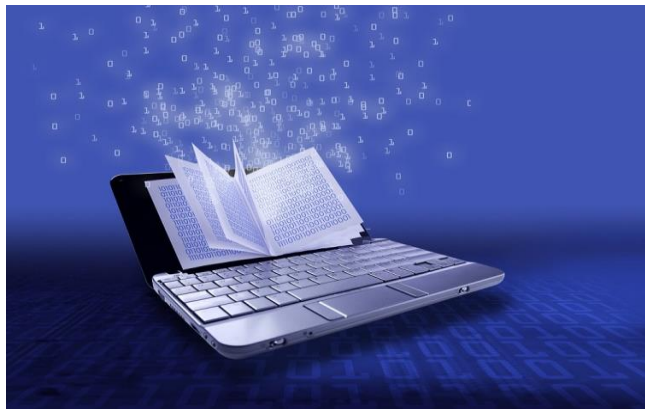
- ❖ Nigeria Incentive Risk-based System for Agriculture Lending (NIRSAL), an affiliate of the Central Bank of Nigeria (CBN), commenced a capacity building programme for 55 Agricultural Value Chain Actors (AVCA) in Borno State to boost capacity in agribusiness. The body plans to assist smallholder farmers to generate a total revenue of N1.6tn. The body projects the country's agricultural exports revenue to reach \$4.4 billion (N1.6 trillion) by the end of this year.
- ❖ Food and Agricultural Organization(FAO) revealed that it has trained 51 agricultural experts in the FFS approach in North-eastern Nigeria.
- ❖ African Development Bank (ADB) and Food and Agricultural Organization(FAO) set to work in strategic alliance to raise \$100m to promote food security, sustainable agriculture and rural development in Nigeria.

TELECOM SECTOR



- ❖ The Nigerian Communications Commission (NCC) approves the sale of 9mobile to Teleology at USD 500 million.
- ❖ Globacom announced discounts from 5 percent to 85 percent on international calls through the launch of Glo Slasher.
- ❖ MTN Nigeria signs a seven-year NGN 200 billion medium-term credit facility with a consortium of twelve local banks to help fund its capital expenditure and working capital.
- ❖ Nigerian Communications Commission (NCC) disclosed that about 40 million Nigerians are currently deprived access to the internet due to over 200 access gaps recorded in the Information and Communication Technology industry.

EDUCATION



- ❖ Federal Government launched smart classroom digital education to link up children and schools to digital learning.
- ❖ The International Monetary Fund (IMF) engaged Fintech Nigeria Association (FintechNGR) in a meeting to ensure an effective financial inclusion strategy to help Africa's largest economy achieve more financial inclusion.

TRANSPORT



- ❖ The Lagos State Government says work is in progress to integrate the rail, road and water transport systems in order to address the persistent gridlocks in the state.
- ❖ Lagos State flagged off the expansion of the Orile Tanker Terminal, as part of solutions to the Apapa gridlock.
- ❖ The Federal Controller, Works, Lagos, Mr Adedamola Kuti on Friday said that tests on 15 expansion joints on the Third Mainland Bridge have been completed. The 11.8km bridge was closed to traffic on Aug. 24 for investigative maintenance tests, expected to lasted for three days.

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