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PSRG-RICHARDSON  
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Annual Health, Safety, Security & Environment  
Forum (16th Edition)

# Unlocking Economic Prosperity in Nigeria - Bridging the Gaps.

*...Of Moments, Messaging and Momentum*

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Olufemi **AWOYEMI**, *mni*

Tuesday 17th - Wed 18th Sept, 2024EKO  
Hotel & Suites, Victoria Island, Lagos.

**“ Today, not unlike before, we face a generational moment** where we must *courageously, truthfully* and *intelligently* confront our economic challenges to recalibrate the **messaging** needed to build the **momentum** needed to win. Often, It is *how we view the problem* that makes it difficult to resolve.”

# Unlocking Economic Prosperity in Nigeria: Bridging the Gaps.

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**Founder/Chairman, Proshare**  
Tuesday, September 17, 2024  
Lagos, Nigeria



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Theme: Unlocking Economic Prosperity  
in Nigeria - Bridging the Gaps

 Host <b>AKIN OSUNTOKI</b> MD/CEO Richardson Oil and Gas	 Chairman <b>TONY ATTAH</b> CEO Renaissance Africa Energy	 Lead Speaker <b>OLUFEMI AWOYEMI</b> Chairman Proshare Nigeria Limited	 Speaker <b>ADEGBITE FALADE</b> CEO/MD Aradel Holdings Plc	 Speaker <b>IFEOMA UZ'OKPALA</b> Executive Director, Bank of Industry
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# The **Seven** Things I wish to achieve:

1. **Explain** The Visioning Trap: **Of Memories over Imagination**;
2. **Contextualize** the Game of **Transitions, Transformations** and **Translations**;
3. **Present** the **State of Play**;
4. Re-invent **Problem Definitions** & Present an Approach to Economic Sectors;
5. **Identify Gaps** in Nigeria's **Economic Prosperity** Pursuit via Productivity;
6. **Share** Insights for **Bridging the Gaps** for a Prosperous Future; *and*
7. **Offer** Closing **Thoughts** on **Moments, Messaging** and **Momentum**.

1/7.



# The Visioning Trap: Of Memories over Imagination.



## VISION:

“ **Economic prosperity** refers to a country's **economic growth, security, and competitiveness...** ”

## TRAPS:

- P. What makes a nation **prosperous**?
- P. What **ideology** and **governance approach** drives Nigeria's Vision?
- P. What are the **prosperity indices** we seek to **unlock**?
- P. What are the **probabilities** for the potentials & *possibilities* we seek?
- P. After Independence, how do we become independent of the **colonial economic systems and structures** inherited?

***“Frankly, we are not just dealing with traditional threats from new competitors, substitute products, shifts in the market or over-exuberance of market players – we are instead seeing ENTIRE industries turned on their heads in incredibly short periods – a disruptive influence accelerated so rapidly because of our inability to cope with and anticipate actions driven by the ‘Laggard Nation Effect’!*”**

# Of Memories over Imagination...

- ① While MEMORIES offer Soundbites: There has been no consensus or consistency on **what constitutes prosperity** outside GDP growth..., *not equality, social safety nets or household prosperity indicators.*
- ① In their book 'The Prosperity Paradox', *Late Prof Clayton Christensen and Nigeria's Efosa Ojomo* adopted the approach that *'Prosperity isn't created through the flood of resources designed to remedy things like low-quality education, sub-par healthcare, bad governance, or nonexistent infrastructure. Instead, for many countries, prosperity flourishes when investments are targeted at improving people's wellbeing through a particular type of innovation called **market-creating innovations.**'*
- ① In other words, **bridging** the **prosperity gap** is not about palliatives, or band-aids.

# The Visioning Trap... memories over imagination

Our economic trajectory has long been held in this **laggard nation effect** or what we call **the visioning trap**, a **reliance on past experiences** with slow adaption rather than a **future view** with constant alignment with the changing economic order.



This tendency to prioritize **memories of past achievements over the imagination of where we should be** has held us hostage to an economic strategy that mirrors previous policies rather than embracing **innovative thinking** necessary to play big in the rapidly changing global economy.

- Ⓟ While **history offers us valuable lessons, over-reliance can rob us of the creativity and forward-thinking policies** needed to unlock economic prosperity for our people and society.
- Ⓟ **Successive governments** have often **drawn on familiar strategies** that worked in previous times and fine-tuned those that failed, believing that these approaches will yield different results in the prevailing context.

## THE LAGGARD NATION EFFECT ON THE NIGERIAN BUDGET

### Nigeria's Socioeconomic Budget Concepts

- Ⓟ Infrastructure and capital projects
- Ⓟ Education and Health
- Ⓟ Rehabilitation and revamping
- Ⓟ Security
- Ⓟ Agriculture
- Ⓟ Debt Servicing
- Ⓟ Taxes and levies
- Ⓟ Conditional cash transfers
- Ⓟ Fiscal deficit
- Ⓟ Oil and gas production
- Ⓟ Non-oil output
- Ⓟ Privatisation proceeds
- Ⓟ Multilateral/bilateral project ties
- Ⓟ Social Welfare
- Ⓟ Foreign exchange reserves



### Global Socioeconomic Issues/Concepts

- Ⓟ Renewable Energy
- Ⓟ Electric Vehicles
- Ⓟ Digital literacy and transformation
- Ⓟ Artificial Intelligence
- Ⓟ Cybersecurity
- Ⓟ Biotechnology
- Ⓟ E-commerce
- Ⓟ Agritech
- Ⓟ Health Tech
- Ⓟ Markets: equities, bonds, etc
- Ⓟ Supply Chain
- Ⓟ Financial Technology (FinTech)
- Ⓟ Smart Cities
- Ⓟ Climate Change
- Ⓟ Sustainable Development



# Memories over imagination...

- Ⓟ This **backward-looking mindset** may have provided some *expedient* results in terms of **tokenisms** i.e. infrastructural projects completion like the *Lagos-Ibadan Expressway* and the *Second Niger Bridge*, among others, it **often overlooks the dynamic nature of the global economy**, where new challenges (**friendshoring and geopolitics**) and opportunities (**IP, Patents, and Data markets**) require adaptive and innovative responses.
- Ⓟ The **continuous fine-tuning of outdated policies** has contributed to Nigeria's slowing economy, preventing us from achieving our full potential, and sovereign prosperity.

...Edison's **electric light** did not  
come about from the  
**continuous improvement**  
of the **candle...**

# Memories over Imagination – Getting to Shifts

- ▶ The **consequences** of this **visioning trap** is evident in the **slow pace of economic diversification, infrastructure deficits, low technology adoption, and reliance on Oil & Gas for foreign exchange accretion.**
- ▶ Most countries in the West, Asia, and the Middle East have harnessed **technological advancement** to revolutionize traditional industries and embraced new industries... **our economy has struggled to move beyond its traditional economic base** of Agriculture, Oil & Gas, and Civil Services (*in most States*), with little exception in the Financial Services and ICT sectors.

# Yet Movements/Changes are occurring across sectors..

..Bringing limitless possibilities for forward-looking entities

- P **Governance:** Measured Transparency, citizen participation through e-government platforms, and improved service delivery.
- P **Regulation:** Regulatory oversight, supervision, enforcement, record-keeping, training, circulars, communications and payment of obligations.
- P **Business:** Rise of e-commerce, digital marketing, automation, new business models.
- P **Transactions:** Cashless payments, mobile banking, digital wallets.
- P **Medicine/Healthcare:** Telemedicine, electronic health records, improved access to information and services
- P **Agriculture:** Agritech, precision farming techniques, digital marketplaces for farmers, access to weather data and market information. **Agric as a Business Model.**
- P **Sports & Creative Arts:** Online broadcasting, digital distribution of creative content, growth of the esports industry..
- P **Education:** Online learning platforms, digital content creation, improved access to educational resources
- P **Trade:** Increased access to global markets and streamlined logistics through digital platforms. **Taking advantage of Devaluation of the Currency.**
- P **Utilities:** Smart grids for electricity distribution, remote monitoring and management.
- P **Construction:** Building Information Modeling (BIM) for efficient design and construction and 3D printing technologies
- P **Transportation:** Intelligent transportation systems for traffic management, the rise of ride-hailing services, and e-call-up systems for truckers at ports.
- P **Security:** Cyber security measures to protect digital infrastructure and Data, as well as digital forensics for crime investigation
- P **Legal Practice:** Lawtech, eSignature technology, AI Regulations, and Blockchain-based Smart Contracts, law reports and digital libraries, partner network, etc

# Yet, Questions Remain about 'Transitioning'...

- P What is the guiding **Ideology of Nigeria's economic development path**?
- P The continuous fine-tuning of outdated policies has contributed to Nigeria's slowing economy, preventing us from achieving our full potential.
- P How has the role of the government and private sector been delineated? *We have long had first-world aspirations while sustaining a third-world mentality; the misalignment of the two reaffirms existing frustration with the private-public compact.*
- P While we recognize that Nigeria has huge potentials, we are yet to address the probabilities that define prioritizations. *While everything is possible, not everything is probable.*
- P Not adopting a whole-of-government approach denies us the ability to resolve the **dynamics of development** within timeframes. *Do we seek overnight success or incremental growth within the frame of a defined end-game with identified timelines for policies, processes, programmes and outcomes?*
- P How is Nigeria's prosperity end-game captured in budgets, development plans and medium-term financial frameworks? *Nigeria's prosperity roadmap must be written, clear and widely disseminated for transparency, citizens' buy-in, and social guidance.*

“A clarity in Nigeria’s **prosperity endgame** is **required** to guide national *policies, programmes, and processes* that has hitherto been loose and uncoordinated.

A ‘**prosperity**’ endgame approach is needed to deliver **transitions, transformation, and translations.**

2/7.



# The Game of Transitions, Transformations, and Translations.



## Overcoming The 'Visioning Trap'...

**“Often, we mistake potentials and possibilities for probabilities.”**

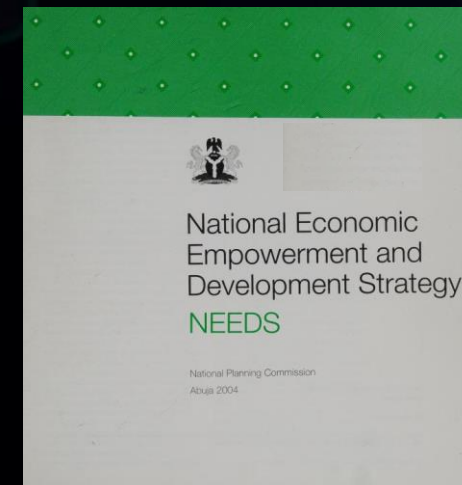
While, Anything is Possible. It's the Probabilities of Priorities that matter in the end.

Everything must be weighed in terms of its likelihood and prioritized, accordingly.”

- Adapted from Ray Dalio

A Sovereign PLAN's endgame delivers economic growth, security, and competitiveness...

- P. Policy;
- P. Programmes; *and*
- P. Projects.



*All Properly Costed and broken into timelines to match the budget phases -> Plan Document*

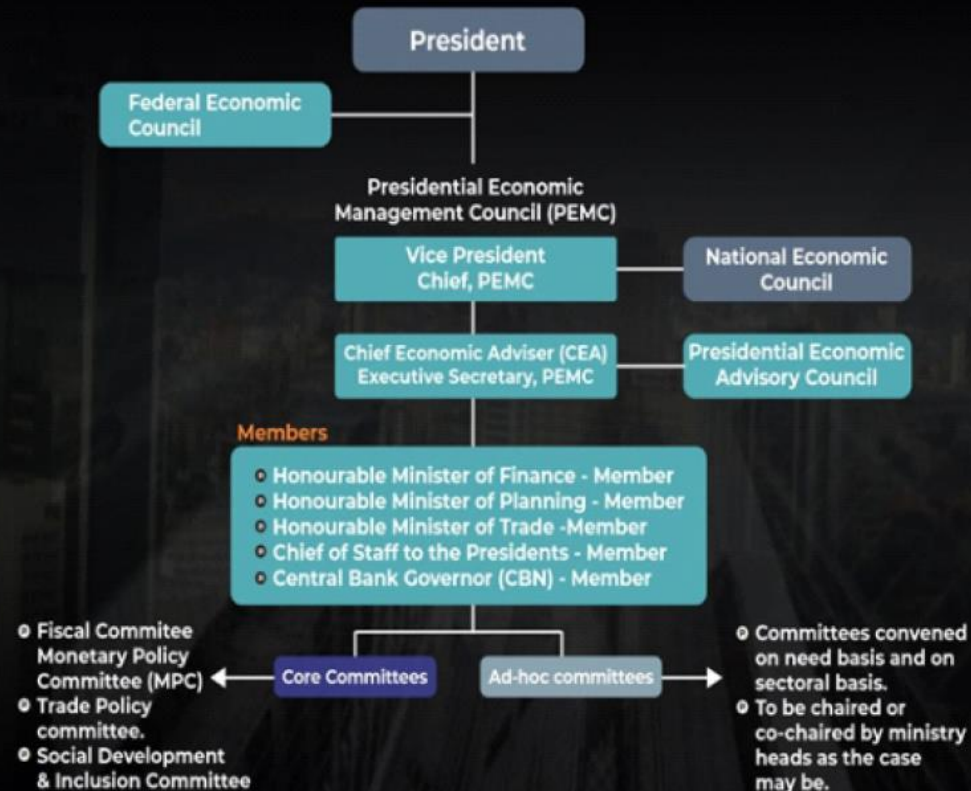
*2005 National and State Documents as case study*

# Of Transitions, Transformations, and Translations... 2/

Policy Agenda	Objective	Documents	Outcome
<b>Structural Adjustment Programme (SAP)</b>	To restructure and diversify the economy, reduce dependence on oil	SAP Document 	Mixed outcomes; <b>economic liberalisation but increased poverty</b>
<b>Vision 2010</b>	To transform Nigeria into a developed nation by 2010	Vision 2010 Document 	Failed to achieve significant targets due to <b>political instability and corruption.</b>
<b>National Economic Empowerment and Development Strategy (NEEDS)</b>	To achieve poverty reduction, wealth creation, and employment generation	NEEDS Document 	Some progress in economic reforms, but <b>widespread poverty and unemployment persisted.</b>
<b>7-Point Agenda</b>	Address critical infrastructure, food security, wealth creation, education, land reform, security, and Niger Delta.	7-Point Agenda Document 	<b>Little progress</b> due to the short tenure of the president.
<b>Transformation Agenda</b>	Continuation of Vision 20:2020, focusing on job creation, poverty alleviation, and economic growth.	Transformation Agenda Blueprint 	Some economic growth, but <b>poverty and unemployment rates remained high.</b>
<b>Vision 20:2020</b>	To position Nigeria among the top 20 economies by 2020	Vision 20:2020 Document 	<b>Missed targets;</b> Nigeria did not reach the top 20 economies.
<b>Economic Recovery and Growth Plan (ERGP)</b>	To restore economic growth, invest in people, and build a globally competitive economy	ERGP Document 	Short-term recovery was achieved, but <b>structural reforms for long-term growth were insufficient.</b>
<b>What is the current plan?</b>	To achieve a US\$1trn economy by 2030	<b>No Roadmap, Targets or Endgame Document...</b>	

# Of Transitions, Transformations, and Translations... 3/

## ECONOMIC GOVERNANCE STRUCTURE.



Source: Proshare Research

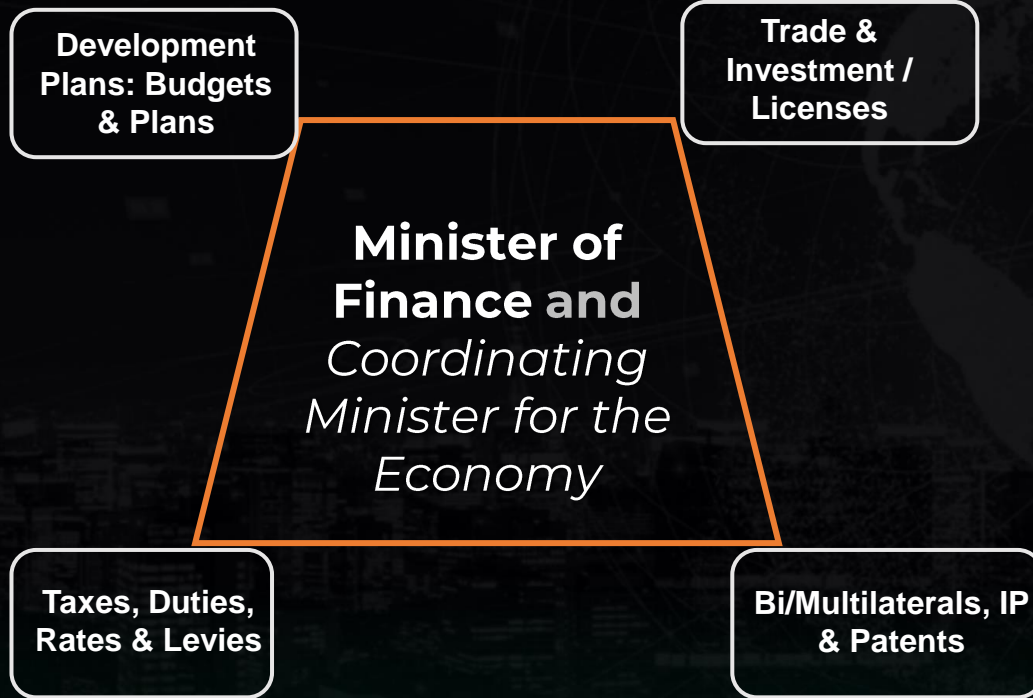
Proshare.

## HOW GOVT WAS INTENDED TO FUNCTION:

- Ⓟ The CME was created to coordinate the activities of the economy (for a **WOG** ??);
- Ⓟ The structure is a layering meant to deliver a one-government approach but does not have enablers for a whole-of-government approach;
- Ⓟ Gaps exist in this governance architecture as it does not have mechanisms for monitoring, evaluation, accountability and learning (MEAL) is not enshrined in the layers of a *British-styled public service* operating an *American-styled* presidential system.
- Ⓟ Gaps create opportunities for the **chaos**, and **inefficiency** that breeds corruption.

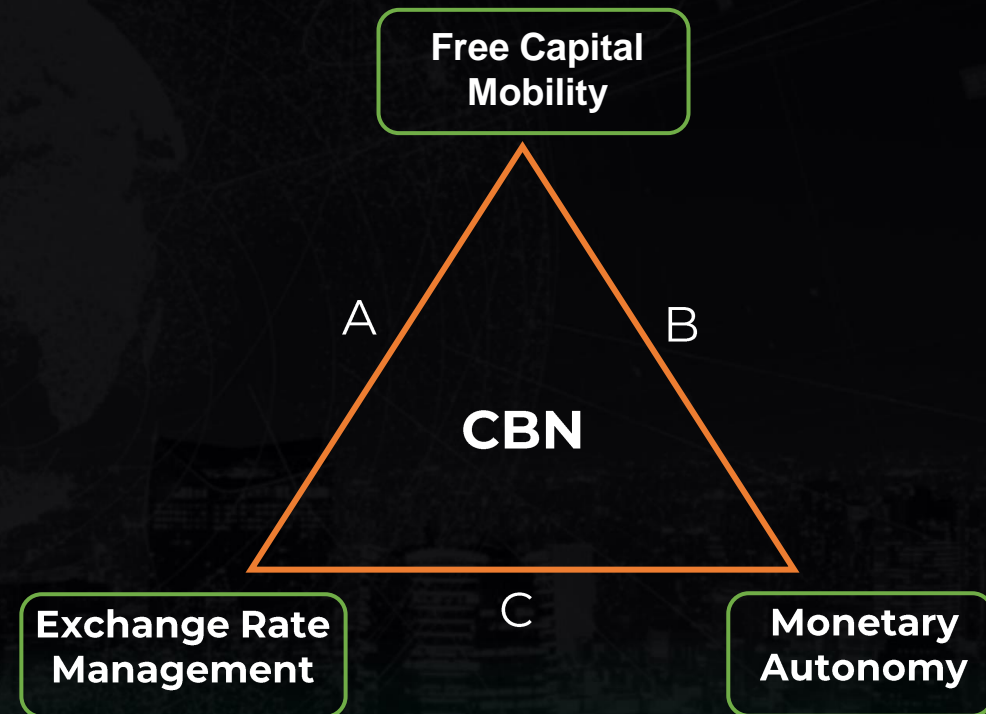
# Challenging our Understanding of What Govt Manages... 4/

## Fiscal Policy



PICK4

## Monetary Policy



PICK2

# Building from Memories into Imagination... 5/

- We agree that prosperity ***'flourishes when investments are targeted at improving people's well-being through a particular type of innovation called market-creating innovations.'***
- A clear Nigerian example was the introduction of the general system for mobile (GSM) technology in Nigeria in 2001.
  - The technology ***did not require significant government financial outlay*** but drew revenue from licenses issued to private sector operators.
  - The ***innovation*** in telecommunication opened the floodgate of increased access to telephones and wider communication opportunities for Nigerians as it fostered massive employment growth.
  - It equally ***opened business opportunities*** across various sectors that rode on the back of increased internet penetration occasioned by the govt. action.

# Where Nigeria has worked: 3 Prosperity Case Studies. 6/

Across these industries, the **government made viable legislation .....**

## NITEL/MTEL

- NITEL was reconfigured as a national carrier with state-owned infrastructure. (1985 – 93.37 FGN & 6.7% FirstBank)
- In 2001, this was jettisoned and **Licenses were issued** to private operators and In 2012 MTEL was created.
- Telephony & Internet services grew exponentially. Entry Cost was higher but has reversed.
- The results are the direct growth of the Creative, ICT, Fintech, Education, Services, & Media industries; and indirectly expanded the e-commerce, cybersecurity space, etc.

## NLNG

- NLNG had been a success story since incorporation in 1989, delivering its 1st LNG cargo in Oct 1999, and completing a 6th Train in 2008.
- **However**, the 7<sup>th</sup> Train which was started in 2019 and is expected to be completed in 2025, is beset with challenges – No Gas feedstock due to capital constraint from NNPC (ought to be MOFI/MOPI), due diligence, political and force majeure issues.
- Of the total Gas Output of Nigeria (4.5bn scb, of which NLNG consumes 3.5bn scb) NLNG gets 2.5bn scb and has to deal with issues related to contracts not supplied; and if Train 7 comes on board, the 65% of feedstock utilization will drop to 44% with Opex cost
- SNAG: Nigeria should by now be on Train 10. *Now stuck in memories rather than imagination*

## Banking Consolidation ('05)

- The recapitalization increased bank sizes and funding ability for big ticket deals *incl. 2013 Dangote Refinery syndicated loan.*
- Strengthened bank quality and Improved financial system stability.
- Enabled building a robust payment infrastructure system and Opened up expansion outside Nigeria.
- This move shifted paradigms that enabled the Fintech Industry.
- **However**, we did not plan adequately for bad behaviour that led to poor loans quality which created AMCON that now appears to be in need of a bail-out itself.
- *We are in an incremental stage, not a rut.*

3/7.



# The State of PLAY.



“

Understanding the state of an economy requires both a **Macro** and **Micro** lens.

**NB: The **Micro** gauges the human face  
i.e. the policy effects on **household** – *the  
common denominator of policy.*”**

# WHAT A DIFFERENCE AN ADMINISTRATION MADE!

## LEGENDS:

C - Current - Sept 15, 2024  
 P - Previous - May 29, 2023  
 RC - Rate of Change

**NB:** Population  
 (Numbers & Demographics)



Inflation



Food Inflation



Exchange Rate  
(NAFEM)



BDC



Unemployment



Underemployment



Misery Index



Interest Rate



Credit to  
Private Sector



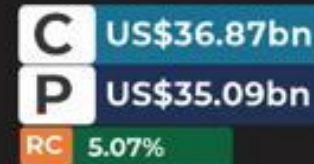
PMI (Stanbic IBTC)



GDP Growth



External Reserves



INDICATORS	CURRENT	PREVIOUS	RC
Crude Oil Production	1.35mb/d	1.43mb/d	-5.59%
Crude Oil Quota	1.58mb/d	1.74mb/d	-9.20%
Debt Market Size	N75.43trn	N33.49trn	125.23%
NGX Capitalisation	N56.00trn	N30.35trn	84.51%
Total Public Debt	N121.67trn	N46.25trn	163.07%
Broad Money Supply	N106.26trn	N54.63trn	94.58%

INDICATORS	CURRENT	PREVIOUS	RC
Narrow Money	N35.28trn	N21.4trn	64.86%
Currency in Circulation	N4.05trn	N1.68trn	140.88%
Capital Importation	US\$3.38bn	US\$1.06bn	218.87%
Foreign Direct Investment	US\$183.97m	US\$84.23m	118.41%
Foreign Trade Balance	N6.95trn	N0.996trn	597.79%

# Micro Economic Indicators –Average household



## MICRO ECONOMIC INDICATORS - AVERAGE HOUSEHOLD

Expenses/Outflows	May 29, 2023	Sept 15, 2024	Rate of Change	Income/Inflow	May 29, 2023	Sept 15, 2024	Rate of Change
Utility - Electricity (Non-band A)	8,000.00	10,000.00	25.00%	Household Income	150,000.00	200,000.00	33.33%
Utilities- Others	8,000.00	15,000.00	87.50%	Investment Returns	10,000.00	20,000.00	100.00%
Rent	15,000.00	35,000.00	133.33%	Gifts	20,000.00	30,000.00	50.00%
Transportation	30,000.00	60,000.00	100.00%				
Gas	4,000.00	7,200.00	80.00%				
Feeding/Foodstuff	35,000.00	75,000.00	114.29%				
Medical	8,000.00	12,000.00	50.00%				
Children School Fee	20,000.00	30,000.00	50.00%				
Clothes	10,000.00	20,000.00	100.00%				
Repairs	4,000.00	8,000.00	100.00%				
External Dependents	5,000.00	15,000.00	200.00%				
Deficit/debt		37,200.00		Savings	33,000.00		
Estimated Expenses	147,000.00	287,200.00	95.37%	Estimated Income	180,000.00	250,000.00	38.89%
							-56.5%

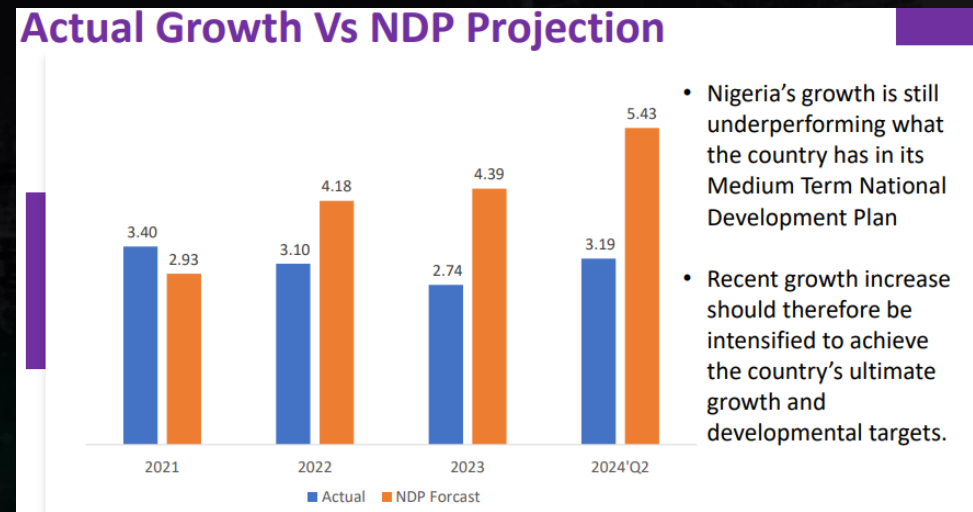
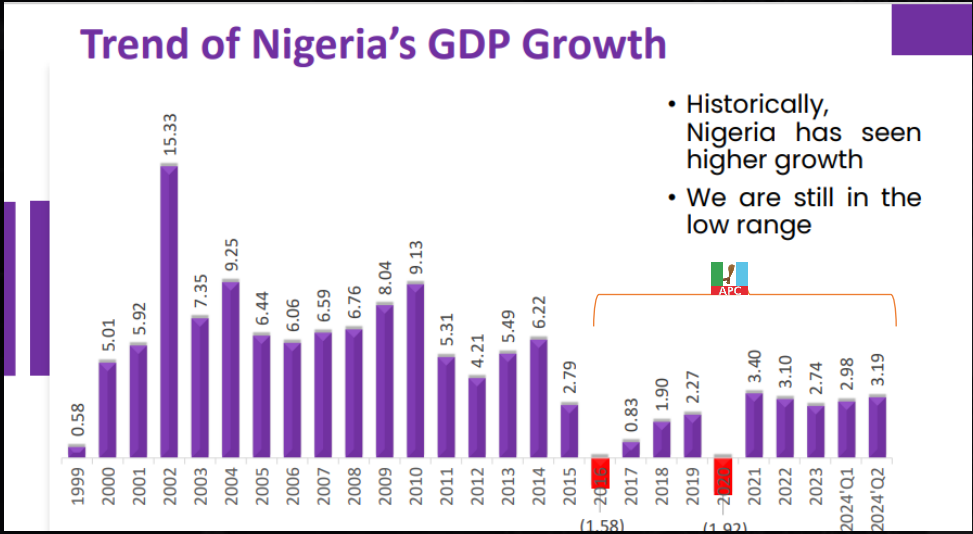
### Household Dashboard

Inflation	22.22%	33.40%	50.32%	Misery Index	27.52	38.40	39.53%
Food Inflation	24.61%	39.53%	60.63%	Minimum wage	30,000	70,000	133.33%

Comparing the financial numbers and price levels between May 29, 2023 & Sept 16, 2024 – **we see:**

- Ⓟ HH Income and HH outflows mix-match;
- Ⓟ **HH Income** has stagnated or moved by 12% over the year averagely;
- Ⓟ **HH Outflows** have
  - increased pain points by 57 bps;
  - pushed northwards the misery index by 40 bps ; and
  - seen a DROP in consumer purchasing power close to 95 bps.
- Ⓟ Some Households' **electricity bills** is now HIGHER than **rent** paid in absolute terms;
- Ⓟ Savings & Investments has taken a hit;
- Ⓟ Household **prosperity** is under severe threat.

# Prosperity is about Productivity – The Unanswered Question



One of the most pressing challenges in Nigeria's journey towards prosperity is the country's significantly low productivity. This issue demands immediate attention and action for the economy to achieve sustainable growth.

Productivity is the resource output per unit of time or production per input unit. A proxy measure of productivity would be a country's GDP growth. **Nigeria's GDP growth has slowed gradually since the beginning of the 2000s**, suggesting lower domestic output per unit of resource input.

For Nigeria to **maintain its economic competitiveness**, the real GDP must grow at a robust rate of 8% to 10% annually over the next decade.

Critical actions required include but are not limited to the following:

- Ⓟ Lower exchange rate to reduce the cost of inputs and increase output (*on the back of higher demand*);
- Ⓟ **Financialise** idle public sector assets (to increase FX and foreign reserves);
- Ⓟ Improve agricultural sector security (reassess kinetic and non-kinetic action);
- Ⓟ Adopt a **strategic** security approach to national food/grain reserves; and
- Ⓟ **Realign** education to match market requirements (deliberately establish a STEM bias).

Nigeria's GDP growth has **fallen behind the medium-term national development plan** in the last three years. The consequence has been incrementally worsening of **national productivity**.

Source: NBS, Medium-Term National Development Plan (NDP)

# Between Macro and Micro Len...

**The gap** between macro and micro is that we continuously focus on macro and pay little attention to households.

## Macro

- The focus of **fiscal** has been on palliative, debt management, and fiscal balance rather than increasing **productivity**.
- The **Monetary** policy has focused on moderating inflation and exchange rate management

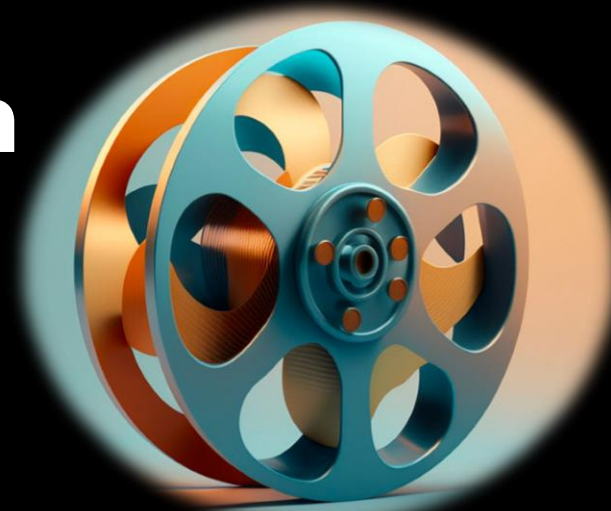
## Micro

- All policy decisions are manifested on the micro –in this instance; **households** and **SMEs**.
- The management of households has been based on **palliatives** rather than market-creating innovations that unlock prosperity.
- With palliatives, **Income** remains **stagnated** or dropped in the real term, while expenses have gone up.  
-Monthly **electricity** bill is now higher than **rent**.
- One major way to prioritise Households in decision-making is to release **STRATEGIC RESERVE** → to contain price increases.

4/7.



Re-inventing **Problem Definitions** and Structure of the Economy.



# We are not going to achieve a quantum leap by embracing a **tunnel vision** ....

..we will make mistakes, have false steps, but we must never fail to recognise that this current state is NOT another crisis... **it is a disruptor in our governance model...**

We must dare to **RE-IMAGINE** and redefine the problem we seek to solve!

A **problem** is a question or situation raised to **inspire thought**.

- ① Every problem has in it the seeds of its own solution. If you don't have any problems, you don't get any seeds
- ① The real problem is **the ability to define** objectively what the situation is, how you view it, how you identify **gaps** and the necessary **enablers**; and how you use it to innovate a new way of conduct/change.

“..how we **view** a problem  
impacts how we **resolve** the  
problem.”

# So, What is the Problem Nigeria Seeks to Solve...?

???

## The Nation v. Empire Conundrum!

Contextualized, **What is the central prosperity question Nigeria needs to resolve/address?**

5/7.



# Identifying Gaps to Nigeria's Economic Prosperity.



# The New Nigerian Economy: The Possibilities, Gaps, & Probabilities

S/N	Sectoral Economy	Components	Key Agencies	Annual Output - 2023 Nominal GDP(US\$'bn)*	2030 Potential Output - Proshare Estimate (\$'bn)	Gap to the US\$1trn Economy (US\$'bn)
1	Digital Economy	ICT	NCC, NITDA, NIPOST, NigComSat	39.87	109.78	69.91
2	Creative Economy	Arts, Entertainment and Recreation, Publishing, Motion Pictures, Music Production, and Broadcasting,	FMACT, NOTAP	7.77	21.40	13.63
3	Energy Economy	Crude Petroleum, Oil Refining, Electricity, Renewables	NUPRC, NMDPRA, NEITI, ECN	24.53	67.54	43.01
4	Mineral Economy	Mining and Quarrying	COMEG, MCO, NGSA, SMDF	2.78	7.66	4.88
5	Blue Economy	Fishing , Water Transportation	NPA, NSC, NIWA, NIMASA, CRFFN	3.71	10.22	6.51
6	Lifestyle Economy	Accommodation and Food Services	NTDC, NAFDAC	3.14	8.66	5.52
7	Mobility Economy	Transportation and Storage	NRC, FAAN	5.25	14.44	9.19
8	Agricultural Economy	Crop Production, Livestock, Forestry	FMARD, NADF	80.47	221.57	141.10
9	Services Economy	Financial and Insurance, Professional, Administrative, Public Administration, Other Services	CBN, NAICOM, BPSR	37.03	101.95	64.92
10	Industrial Economy	Manufacturing	FMITI	56.9	156.67	99.77
11	Trade Economy	Trade	FMITI, NEPC	43.3	119.22	75.92
12	Construction Economy	Construction, Real Estate	FMWH	51.58	142.01	90.43
13	Education Economy	Education	NUC	4.91	13.52	8.61
14	Health Economy	Human Health and Social Services	NAFDAC, NHIA, NIMR, NACA, NIPRD, NPHCDA	1.97	5.44	3.47
	<b>Total Ouptut</b>			<b>363.21</b>	<b>1,000.08 (US\$1trn)</b>	<b>636.87</b>

\* 2023 GDP in dollar estimated @N633/US\$- average rate for 2023

# Necessary Enablers...

## Examples of Enablers of Economic Prosperity to Bridge Gaps

### Transportation Network

- Deal Books / PPP Models
- Efficient mobility and productivity enhancer
- Trade facilitation

### Technology / Internet Services

- Innovation driver / Productivity boost
- Digital Literacy / Connectivity
- Data Oversight & Control / Taxation Rules

### Infrastructure

- Infrastructure Funding Instruments for Health, Education, Rail etc
- Capital market as a veritable platform for ownership & returns in Infrastructure projects

### Education Services

- Curriculum Changes to service new
- Funding Models and Minimum Standards
- Licence arrangement

### Intellectual Property

- Technology Master Plan
- Creativity Protection & Enforcement
- Innovation incentives
- Patents (as a competitive advantage)

### Security

- Funding the new security architecture
- Investment opportunities in Military Hardware
- Reducing Business Cost factored into Security Plans

## What needs to be done emanates from identified gaps:

❶ Nigeria has prioritised the **sovereign Income Statement against its Balance Sheet Statement**.

❷ This means that the country has emphasised revenue and expenses rather than assets.

❸ Many countries have moved away from income statement management to balance sheet management, and one case in point is Saudi Arabia (e.g., the Saudi Aramco case).

❶ The gap between **what is needed and what is done**. For example, Nigeria needs to shore up its net foreign reserves to at least US\$100bn to see a significant decline in inflation since foreign exchange translation costs are responsible for 70% of the domestic inflation rate.

❷ However, the Central Bank of Nigeria (CBN) has continued raising the Monetary Policy Rate (MPR), but even if this rate is increased to 100%, it would not achieve this goal.

❶ Nigeria has a Human Capital gap. The country's **educational system is misaligned with the economy's needs**, making it unfit for purpose.

❷ This translates into a productivity and competitiveness conundrum that explains the random 'japa' phenomenon, which can be used to our advantage.

❶ Public policy is executed in silos which suggests the absence of coordination and sequencing to achieve economic impact. This reflects the lack of a **whole-of-government** approach to governance, resulting in weak policy effectiveness.

6/7.



# Unlocking Potential: Bridging the Gaps for a Prosperous Future.



## What Has Been Done

## What Needs to be Done

### Fiscal Policy

- Fuel subsidy removal without policy push to address the downsides; and transfer of savings to areas requiring subsidy.
- Fiscal and Tax Reforms Committee, Finance Act Amendments, and Set-up Presidential Economic Coordination Council.
- Issued domestic dollar-denominated bonds.

- Explore equity financing of government projects (securitisation or/and financialization).
- Repurpose subsidies as productivity incentives in key sectors; with clear RoI's/Tax contributions.
- Pay attention to trade agreements entered into (over '00s) and bridge de-linkages with MDAs.
- Implement the Fiscal and Tax Reforms Committee proposal of streamlined taxes.

### Monetary Policy

- Exchange rate harmonisation.
- Monetary tightening to curb inflation without fiscal side policies.
- Banks recapitalisation plan initiated.
- Unintended transition from ATM system to POS terminal system; without guardrails.

- Consolidate monetary tightening with fiscal prudence.
- Follow through on recapitalisation of financial services esp the insurance sector.
- Disintegrate the monetary policy functions into the UK model of BOE, FCA, and PRA.

### Trade and Foreign Policy

- Improved Bilateral Relations with key countries, the US, China, and the EU. Yet, over 163 bilateral agreements are yet to be formalised and operationalised.
- Commenced Guided Trade Initiative of the AfCFTA, but little integration in homeland.
- Land and Air border with neighbours reopened; but no new strategy for trade, investments and settlements.

- Establish a Sovereign DEAL BOOK.
- Mainstream Trade & Investment as a major component of economic management.
- Overarching Strategy to fund extractive industries to unleash capital flows and deal with international alliances/force majeure
- Review of the HS Codes to incentivise exports of specific goods, and discourage others.
- An expanded and 24-hour run port system / new port expansion program.

## What Has Been Done

## What Needs to be Done

### Business Facilitation

- Continued the PEBEC initiative.
- Executive order to ease the tax burden
- N250bn interventions in key sectors, such as Agriculture, Manufacturing and Transportation.
- Signed Electricity Bill and upward review of Band A tariffs.

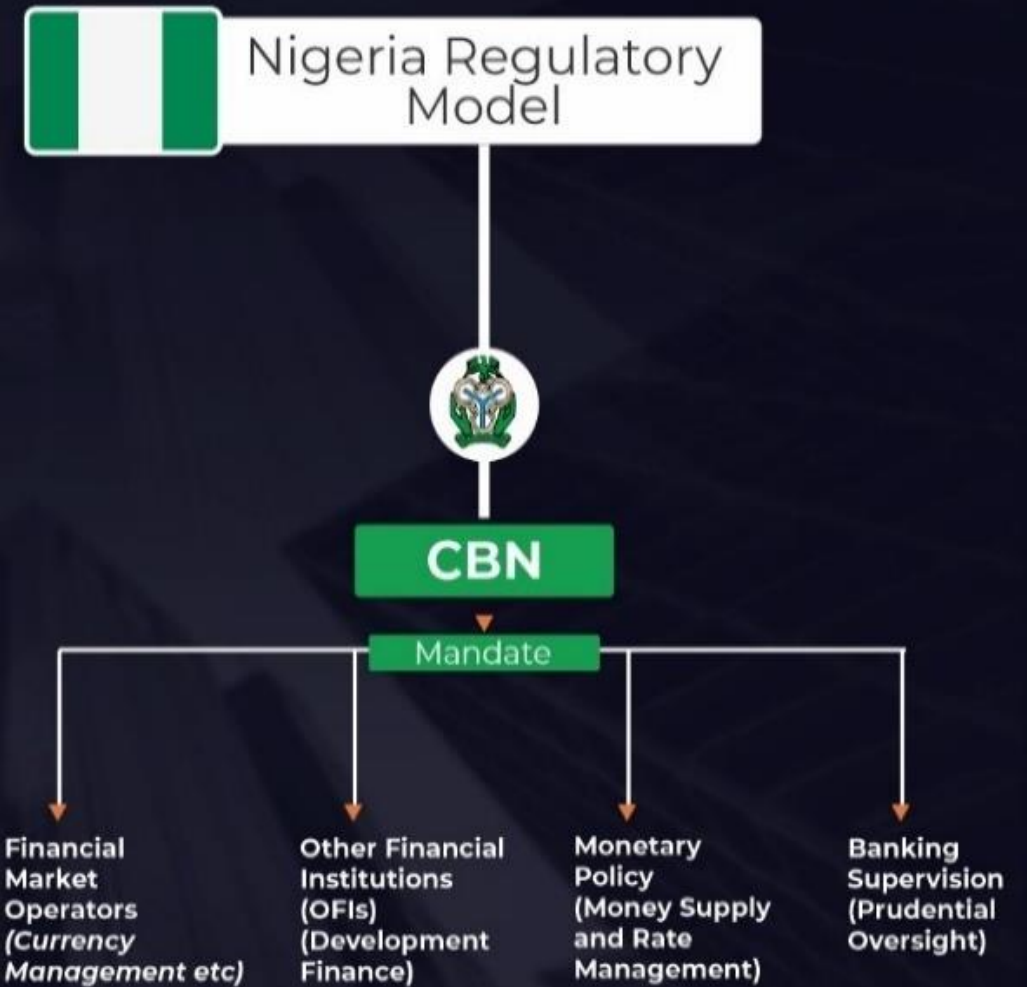
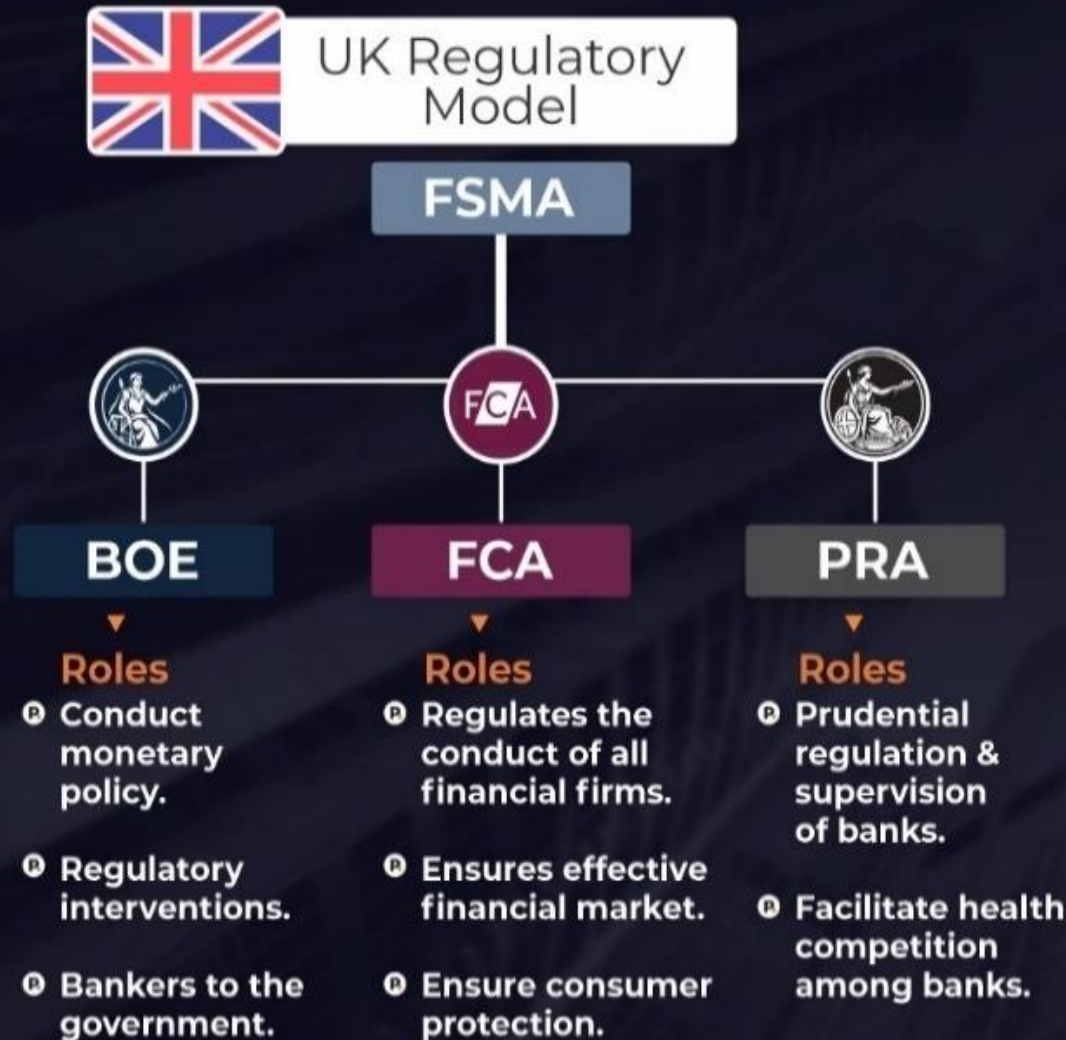
- Nigeria's PPP model must be considered a strategic and medium-to-long-term national security decision.
- Incorporation of government-private sector JVs to drive efficiency and block leakages.
- Fiscal subsidy as incentives for productivity in strategically important industries.
- A sustainable night economy with spillover effects to other sectors and job creation.

### Household Welfare

- Conditional cash transfer to vulnerable households.
- Subsidised food distribution programmes.
- Student loan programme.
- Minimum wage review.
- Consumer Credit Scheme.
- Advocacy for CNG and LPG adoption.

- Use the strategic reserves to crash food prices; and have a plan for (1) rapid build up of reserves and (2) interventions; a quasi price control mechanism.
- Use tax incentives for household as a means of expanding the tax bracket (eg social security).
- A system for hire-purchases/consumer credits that delivers a broad-based credit system for household finances.
- Rent-to-own financing arrangement for house-ownership.

# ENABLERS: Regulatory Changes, e.g. ...



**“A *paradigm shift* is necessary to unlock Nigeria's full economic potential.**

**The country must move from a ‘PRESIDENTIAL POWER’ approach to a whole-of-government approach that aligns policy actions across ministries, departments, and agencies.”**

7/7.



# Closing Thoughts: Of Moments, Messaging and Momentum.



“Prosperity is delivered through *innovative thought, integrated sequencing, and impeccable execution* of public policy and actions.”

# Of Moment, Messaging, and Momentum

May 29, 2023

Sept 17, 2024

## Moment

Key moment was inaugural address that delivered the **fuel subsidy removal** and **FX liberalisation**, which became a defining moment for the administration on account of the **sequencing** and **signalling** thereafter.

- We create a new moment using the Refinery's production of PMS as a crucial first step in economic independence and evidence that Nigeria can do great things with **an aspirational speech**.
- We **signal a new public-private charter**; as an ideological governance approach.

## Messaging

Akin to the messaging model of the IBB SAP reforms, our approach to **messaging** delivered a *cobra effect* that snowballed into a *crisis of confidence* in the economy, and widened the trust deficit; expected from a lag in **follow-through with policy actions**.

- Be deliberate and intentional about the main points of information the public has to hear, see, understand, and remember. Our coherent **messaging** must be one that **builds confidence** and bridges **public trust**; backed with actions that act as signals.

## Momentum

A policy for the larger good, where **optics** did not match messaging struggled to **build momentum**, yet its less likely to be stopped. It delivered unintended forward motion towards despair and led to the **#EndBadGovernance protests**.

- Regain **momentum** by leveraging one success or multiple successes, no matter how big or small, to start a **domino effect**. Build assurance from **policies** attached to **roadmaps shared/agreed** upon by the Govt and Private Sector.

“It is lightning that strikes, not  
thunder.

Thunder is a direct result of lightning.

*It is possible that you might **see** lightning  
and not **hear** the thunder, because it was  
too **far away**.”*

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# Thank you!

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