Business Briefs

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Friday, 15 June 2012

African Development Bank has been instrumental in promoting sustainable economic growth and reducing poverty on the continent for nearly 50 years

ADB Chief at G8 Summit Donald Kaberuka, president of the African Development Bank, ADB, was among those who took part in the extraordinary meeting of the world’s richest nations which held May 19. The meeting discussed the critical issue of food security in Africa. Kaberuka was invited to the Group of Eight, G8 Summit at Camp David near Washington, by Barack Obama, President of United States, US, who stated in the invitation that the session would focus on ways to “increase private sector investment in agriculture and scale innovation.” The invitation reflects the growing recognition, on the world stage, that Africa plays an increasingly important role in the global economy, and that the African Development Bank is a leading contributor. Participants at the meeting included leaders of the G8 nations, several African heads of state, executives from multinational companies, African private sector leaders and Kaberuka representing the ADB. It’s the first time that an ADB chief had been invited to a residence of the US President. During his visit to Washington, Kaberuka participated in a symposium on food and nutrition security and attended a reception hosted by Hillary Clinton, the US Secretary of State. The African Development Bank has been instrumental in promoting sustainable economic growth and reducing poverty on the continent for nearly 50 years. Its membership includes 53 African and 24 non-African nations. The Bank was established in 1964 to stimulate and mobilise internal and external resources to promote investments as well as provide its regional member countries with technical and financial assistance. Documentary on Women in Border Trade The ECOWAS Commission and the UN Women are jointly producing a television documentary that will project the contributions of women in regional cross-border trade. The film seeks to document the challenges faced by women traders and entrepreneurs in the region with a view to raising awareness for advocacy to address the challenges. It will also highlight economic losses due to ineffective implementation of the relevant ECOWAS Protocol and seek to influence policy-makers through appropriate recommendations on how to improve trade and gender issues in the region. The documentary will be shot on pilot locations along the Nigeria-Benin, Liberia-Côte d’Ivoire and Liberia-Sierra Leone borders. Speaking at the project launch meeting at the Commission’s Abuja headquarters recently, Adrienne Diop, the Commissioner for Human Development and Gender, said the project was desirable given the strategic role that women cross-border traders play in the region. Sintiki Ugbe, the ECOWAS director for Gender, Youth and Sport, presided over the meeting, which was also attended by other ECOWAS Commission officials, including Gbenga Obideyi, director of Trade, as well as representatives of the UN and the Japanese Embassy in Nigeria, which is part-funding the project. The ECOWAS Directorate of Gender will lead efforts on the project, in conjunction with the Trade, Private Sector, and Free Movement Directorates and the Communication Department. In another development, the ECOWAS and the West African Insurance Companies Association, WAICA, will host a workshop in Abuja, between May 22 and 23, to validate a feasibility study for the establishment of an ECOWAS Investment Guarantee/Reinsurance Agency. Organised with the support of the European Union and the African Caribbean and Pacific Countries, EU/ACP, Business Climate Facility, BizClim, the workshop will bring together key stakeholders, including officials of ministries of trade and investment from ECOWAS member states and executives from the region’s insurance and reinsurance sector. The main objective of the workshop is to provide a platform for discussion of the key findings, conclusions and implications of the feasibility study vis-à-vis the factors limiting Foreign Direct Investment, FDI, in the region, such as political instability, market access difficulties and cost of the supply chain (transport, infrastructure and communication). The other objectives are to enhance the effective operation of the ECOWAS Common Investment Market, increase the flow of FDI into, and within the region, and to increase insurance and reinsurance capacity in the region. This is with the aim of ensuring higher level of local industrial content both within the insurance sector and other emerging sectors such as oil, gas, mining infrastructure and manufacturing. More Winners of Legend Promo Prizes It’s a season of harvest for loyal consumers of Legend Extra Stout. Last week, many of them smiled home with fantastic prizes, courtesy of the Legend Real Deal Promo. The promo, which kicked off on May 1, has seen lucky consumers carting away prizes that ranges from LCD television sets to generators, Blackberry phones and N5,000 cash prizes. Other prizes include Face Caps, T-shirts and recharge cards. So far, 11 LCD television sets, 13 generators and 16 Blackberry phones have all been won in the promo. Other prizes which have been claimed by winners include 349 T Shirts, 319 face caps, 29,995 recharge cards and 13,309 free drinks. Also, seven lucky people have smiled home with the N5,000 cash prize. Speaking on the Legend Real Deal Promo, Funso Ayeni, Senior Brand Manager, Legend-Nigerian Breweries PLC, said the Real Deal Promo was put together to reward loyal consumers of the Brand. “Our consumers are very key to us and we take pride in them. That is why we put this promo together to reward them and say thank you for making Legend what it is today,” he said. Enhancing Kwara’s Economic Base The Kwara State government has incorporated Harmony Holdings Company with 21 subsidiaries and a projected one billion Naira share capital base as part of its drive to enhance economic activities in the state. Kamaldeen Ajibade, Kwara State attorney- general and commissioner for justice, said that Harmony Holdings Company will ensure fiscal and operational efficiency of its subsidiaries as they cut across all facets, including hospitality, transportation, agriculture, sport and aviation. The subsidiaries include Kwara Investment and Property Development Company Limited, Kwara Mall Development Company Limited, Harmony Transport Services Limited, Kwara State Waste Management Company Limited and Kwara State Football Academy Limited. Others are Ministry of Finance Incorporated, Harmony Securities Limited, Kwara Insurance Brokers Limited, Midway Minerals Development Company Limited, Kwara Ethnix Designs Limited and Kwara Hotels

Limited. Also included are Satellite Motel Limited, Patigi Regatta Motel Limited, Shonga Farms Holdings Nigeria Limited, Kwara Advanced Diagnostic Centre Limited, Ilorin Cargo Terminal Company Limited, Kwara Paper Converters Limited, Erin-Ile; Kwara Cashew Nuts Processing Company Limited and Kwara Tourism Kitchen Company Limited. The attorney-general added that some of the companies are fully state-owned while government has different degrees of equity in others. The commissioner also explained that the new holding company would ensure that the subsidiaries are properly run to boost the internally generated revenue of the state. To give the Harmony Holding Company further legal footing, the commissioner said the council’s decision will be passed on to the state House of Assembly for a resolution supporting the move. Consolidating Regional Integration Maureen Chigbo, Pita Ochai and Anayo Ezugwu The Economic Community of West African States, ECOWAS, is mapping out measures to accelerate the pace of regional integration and consolidate the activities of ECOWAS institutions. One of the measures, according to Kadire Desire Ouedraogo, the new president of ECOWAS, is “to strengthen actions to make the community a peaceful and safe region in line with democratic principles.” It will also speed up the implementation of the ECOWAS Common External Tariff, CET, and the Trade Liberalisation Scheme, TLS. The President, who assumed office last March with the full complement of a new management team that includes a new Vice-President and six Commissioners, will accelerate macro-economic convergence of the economies of the 15-member states of the Community “through a rigorous application of fiscal and monetary policies and effective implementation of multilateral surveillance mechanisms.” He will also expedite the development of the Community Investment Code, the implementation of the ECOWAS Agricultural Policy, and finalise the Economic Partnership Agreement, EPA, negotiations with the European Union, “with a view to signing an agreement underpinning development and pursuant to regional building efforts.” Under the new leadership, ECOWAS will sustain efforts on regional infrastructural development; ensure the application of its laws, particularly in the area of free movement of persons and goods, and to continue co-operation with countries in “a win-win partnership.” Ouedraogo said in Abuja recently that he would ensure that the ECOWAS institutions improve transportation and energy supply, as well as combat drug trafficking and implement the tripartite agreement involving the Commission, Cuba and Venezuela, in support of the ECOWAS Campaign to eliminate malaria from the region by 2015. He said that the ECOWAS Bank for Investment and Development, EBID, mobilised about US$160 million in 2011 for the campaign. Hope Not Lost The hope of having a regional maritime development bank is not lost after all. The federal government has assured that plans are on to establish the bank. According to Adeleke Oyewole, senior special assistant to the president on maritime services, the desire of the federal government to make the establishment of the bank sustainable has been delaying the takeoff. The Maritime Organisation of West and Central Africa, MOWCA, has been waiting for Nigeria to appoint financial and legal consultants before the bank can be declared open for operation. The bank is expected to generate funds at very good conditions for the services of the Cabotage Act and the local Content Act and it is expected to increase the purchase of vessels by indigenous ship owners to enable them lift crude and refined petroleum products when fully operational. “It is a regional thing, we are looking at the way to make it sustainable so that we don’t just set up a bank that will collapse the next day. For anything to endure, it has to take long time because if you just hurry it and put in place, tomorrow, somebody will kick it out. If it is well enshrined in our existing system, it will also endure,” he said. FCMB’s Good Return on Investment Shareholders of First City Monument Bank PLC, FCMB, are happy with their investment in the bank. The bank in its 29th annual general meeting held on Monday, May 21, approved a bonus issue of three shares for every shareholder whose name appeared in the register of members at the close of business on April 27, 2012. Based on the approval by the shareholders, the board had, instead of a cash dividend, created additional 2,440,678,830 units of ordinary shares, by means of the capitalisation of N1, 220,339,415 from the share premium account, in order to pay for the bonus shares. Jonathan Long, FCMB chairman, said at the meeting, that the recommendation of bonus issue was made in order to demonstrate the appreciation of the board and management to the bank’s shareholders for their continued confidence, commitment and support. “The board believes that shareholders have every reason to look forward to better returns on their investment after this year’s substantive provisioning, as the bank continues on a path of sustainable profitability,” he said. In his presentation of the audited results of the bank for year ended December 31, 2011, Ladi Balogun, group managing director, said that the bank reported gross earnings of N80 billion, up by 28 percent from the N63 billion in 2010. Net revenue rose by 35 percent from N40 million to N54 million while operating profit soared by 116 percent from N9 billion to N18.5 billion. Total assets stood at N602 billion compared with N539 billion in 2010. Deposit grew by 22 percent from N335 billion to N409 billion. Provision to cover non-performing loans was 128 percent while capital adequacy and liquidity ratios stood at 28 percent and 44 percent respectively. A Commendable Act, But…. The National Association of Telecommunications Subscribers, NATCOMS, has commended the Nigerian Communications Commission, NCC, for imposing fines on Telecoms operators over poor services. Deolu Ogunbanjo, NATCOMS president, said that the NCC has taken the right step in its decision to fine the operators. While praising the decision of the NCC, Ogunbanjo appealed to the NCC to ensure that the Nigerian consumers benefit from the N1.17 billion fine on the telecoms operators. “Why should the NCC raise money in form of fine for the federal government at the expense of subscribers who actually suffered monumental loss as a result of poor quality services rendered by the operators,” he said. In 2007, when telecoms users experienced poor quality of services, the NCC mandated the MTN and Celtel, now Airtel, to pay compensation of N175 per subscriber on their network in form of airtime. A Partnership that Works It was time for stock taking for Glaxo-Smith Kline Consumer Nigeria, GSK, May when the organisation held its 2012 annual general meeting in Lagos. The pharmaceutical and health care company had an impressive performance in its 2011 operating results. Accordingly, the company rewarded some of its shareholders for their contributions during the period under review. According to Olusegun Osunkeye, chairman of the company, the turnover was N21.52 billion, a 28 percent increase over the previous year which was N16.86 billion. Profit before tax and profit after tax were N3.50 billion and N2.30 billion respectively, a 19 percent and 16 percent growth over the previous

year which was N2.93 billion and N1.97 billion respectively. The board also recommended a dividend of N1.14 billion to be paid to shareholders, representing 1.20k per share, after deducting appropriate withholding tax. Osunkeye said the company partnered with the National Agency for Food, Drugs Administration and Control, NAFDAC, in 2011 using advanced technology in combating fake and counterfeit medicines in the country. That partnership recorded positive results in the protection of patients and the society at large. “The regulatory body has been at the forefront in ensuring that clampdowns were initiated against perpetrators of counterfeiting medicine and we worked with them accordingly,” he said. The growth in the share value of the company remained quite satisfactory in 2011 taking into account the general performance of stocks in Nigeria. Bharat Shah, executive director of the company used the opportunity to resign his position and was replaced by Andries Van Rooijen, former head area supply chain, GSK Africa.