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Doing Business in Nigeria

2018

Sector SWOT

An Investor's Guide

GN VOL 2 2018

IFLR 1000

Recommended Firm for
Financial and Corporate Deals
(2018)
&
Energy and Infrastructure Deals
(2018)

CorporateINTL GLOBAL AWARDS WINNER 2018

Corporate Finance
Law Firm of the Year
NIGERIA
2018

CorporateINTL GLOBAL AWARDS WINNER 2018

Capital Markets
Law Firm of the Year
NIGERIA
2018

FINANCE AWARDS 2017

Banking & Finance
Law Firm of the Year
NIGERIA
2017

FINANCE AWARDS 2017

Innovation in
Corporate Law
NIGERIA
2017

ACQ5 Global Awards 2016

Law Firm of the Year
(Corporate Finance)
NIGERIA
2016

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Law Firm of the Year
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2016

AI LEGAL awards

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THE EDITOR-IN-CHIEF'S NOTE

MICHAEL ORIMOBI

GLOBAL CHAIRMAN

TOKUNBO ORIMOBI LEGAL GROUP

I welcome you to the 2nd edition of Tokunbo Orimobi's annual economic outlook publication - Gnosis.

Gnosis is an intellectual pack that x-rays various economic issues of our contemporary time. Our maiden edition was a useful resource for investors in determining why, how, when the tide will swing at variant directions and the gravity to maintaining a balance in various sectors of the Nigerian economy. This 2nd edition aims to provide well thought-out and well-researched insights on various sectors of the Nigerian economy to wit; Agriculture, Insurance, Nollywood, Offshore Logistics and Technology. The aforementioned sectors constitute a decent chunk of Nigeria's GDP and would therefore, be the primary focus of this edition of Gnosis. Furthermore, this edition takes a quick look at Agriculture in Zimbabwe and the potential investment opportunities in the sector.

Technically, Nigeria has recovered from recession and to this end, it is important that Investors are tutored on what to expect in 2018 economically. 2018 has been tipped to be an "expansionary year". It has also been tagged as "Nigeria's year of infrastructure". Our goal in the 2018 edition of Gnosis is to lend our voices to these pressing economic issues and therefore, take a view on the dos and don'ts of doing business in Nigeria in 2018.

Gnosis would be distributed globally. We thank our contributors immensely for their efforts and support towards actualising this edition. Tokunbo Orimobi, as an international legal practice, is committed to contributing to discussions and debates on the global economy.

We hope that you will enjoy every article contained in this edition.

Thank you!

Michael Orimobi 1

Michael is an ingenious and astute commercial lawyer with years of experience in capital markets, M&A and finance. He holds a Bachelors degree in Law (LLB) from the University of Lagos. Furthermore, he has a Masters degree in Commercial Law (with emphasis on Corporate Finance law, International Commercial Tax, International Intellectual Property Law and Corporate Governance) from the University of Cambridge.

He started his career as an investment banker and was involved in structuring several Nigerian and Cross-border commercial transactions, such as Financial Analysis and Valuation of Companies, Mergers & Acquisitions, Listing of Companies on the Nigerian Stock Exchange, Core Investor Sale, Privatization & Commercialization, Balance Sheet Restructuring, Corporate Restructuring, Issuance of Equity, Debt and Hybrid Instruments (Private Placements, Special Placings, Public Offers) and Foreign Direct Investments.

He is currently the Global Chairman of the Tokunbo Orimobi Legal Group – an international legal practice with offices in Abuja, Ibadan, Lagos, London, New York, Port Louis and Pretoria. Michael doubles as the Managing Partner of the Group's Nigerian Practice - Tokunbo Orimobi LP. Michael, in the course of his legal career has been able to perfectly combine his legal background with his investment banking experience in proffering highest quality legal advisory services to clients.

Michael is ranked as a Leading Lawyer for Capital Markets Deals in Nigeria by the IFLR1000, emerged as Lawyer of The Year, Nigeria & Leading Adviser, Nigeria in the ACQ Global Awards and was awarded Marketing Law with Accolades Award in the 2016 DealMakers Country Awards.Under his tenure as Managing Partner of Tokunbo Orimobi LP, the law firm has won several awards such as Corporate Finance Law Firm of the Year, Nigeria - 2016 Corporate Int'l Magazine Global Awards;Most Innovative Law Firm, Nigeria – 2016 Acquisition International Magazine Awards; Recommended Firm for Financial and Corporate Deals (2016) & Energy and Infrastructure Deals (2015) - IFLR1000; Corporate Finance Law Firm of the Year, Nigeria - 2015 Deal Makers Country Awards; Regulatory Compliance Practice of the Year, Nigeria, Dispute Resolution Law Firm of the Year, Nigeria & Best Commercial Law Firm of the Year, Nigeria - 2015 Acquisition International M&A Awards; Full Service Law Firm of the Year, Nigeria, Project Finance Firm of the Year, Nigeria & Litigation Law Firm of the Year, Nigeria - 2014 ACQ Global Awards etc.

He is a member of the Nigerian Bar Association and the International Bar Association.

2 Wilbert Frank

Wilbert Frank is a Founding Board Member and Executive Secretary of the Zimbabwe Nigeria Chamber of Commerce where he focuses on bi-lateral Inter-Governmental and Private Sector Trade and Investment initiatives primarily in the Mining, Agriculture and Hospitality Sectors.

A respected and influential Hospitality leader, Wilbert is now Managing Director of Interafrotality Leisure Group (a hospitality investment and development firm in West Africa), working with the World's Top Hotel and Restaurant Brands in expansion into Africa. He is a member of the Africa Association of Hospitality Professionals and he has served on all notable industry bodies and judged most major hospitality and leisure awards locally and globally. He has been recognised as one of the "Top 10 Thinkers in Hospitality in Nigeria" in an Ipsos survey among business decision makers in Africa.

3 Olaotan Soyinka

Olaotan Soyinka is an erudite and well-grounded Underwriter with over 20 years cognate experience. He is an Associate of the Chartered Insurance Institute of Nigeria. He is a Graduate of Insurance from University of Lagos and also holds an MSc degree in Marketing from the same university. He joined Sovereign Trust Insurance Plc in March 1998. A seasoned Professional who has plied his trade in both Marketing and Technical Divisions of the organization is expected to bring his overwhelming wealth of experience to bear in providing instructive leadership to the company while taking it to the next phase of its growth stage. Soyinka is an alumnus of the Lagos Business School having successfully completed the Senior Management Programme of the Institution. He is also a member of the prestigious Ikoyi Club 1938.

4 Deyemi Okanlawon

Deyemi Okanlawon is an ACTORPRENEUR... actor, business consultant and entrepreneur who co-founded QuikLinx Marketing Solutions in 2007 and has since founded both Sales Target Company and Covenant Entertainment Services. Deyemi has held Sales and Marketing manager positions at various companies including Baker's World, Proshare, Dealfish and OLX Nigeria. A trained Film, TV, Theatre and Voice actor Deyemi is currently noted as one of the emerging talents in Nigeria's film industry, Nollywood, and has featured in several high-profile movies, TV and animated series and stage performances.

Deyemi has a certificate in Acting For Film from the prestigious NewYork Film Academy and a B.Sc. in Chemical Engineering from the University of Lagos, and his marriage to his university sweetheart Damilola has been blessed with two boys Ademide and Adeife.

Oladipupo Jadesimi 5

Mr Oladipupo Jadesimi's primary background was in the Law. He read Law as a Jurisprudential scholar at the University of Oxford. He later trained as a Chartered Accountant in London, England, with the then Coopers & Lybrand (now Price Waterhouse Coopers). He was the first General Manager, Investment and Corporate Banking, Nigerian Acceptances, the later NAL Merchant Bank. He worked as a management consultant with Laventhol Krikstein Horwarth and Horwarth, in Toronto, Canada and qualified as a member of the Canadian institute of Chartered Accountants.

He was a founding partner of Arthur Andersen, Nigeria before taking early retirement to engage in private business in finance, real estate and oil and gas.

He is the Chairman of Niger Delta Exploration and Production Plc, one of the major indigenous E&P companies and is founder and Executive Chairman of Ladol Integrated Free Zone Enterprise, the first and largest indigenous Industrial Free Zone.

Maya Horgan Famodu 6

Maya Horgan Famodu is an active venture investor, and Founder of Ingressive, a tech integration firm that works with corporates and venture capitalists to invest in, build products for, and train the tech and millennial populations across Sub-Saharan Africa.

Ingressive past clients include top Silicon Valley investors and corporates Y Combinator, 500 Startups, New Relic, USAID, GitHub, Facebook and Techstars--to name a few--and in the last year, Ingressive clients have made 12 local investments through Ingressive tours.

Their last event, High Growth Africa Summit, convened 750 investors, developers, and African technology companies for two days on how to launch, scale, and fund a high growth African business.
Maya also launched $5 Million early stage venture fund, Ingressive Capital, this year.

Maya attended Pomona College after completing the Cornell University Prelaw Program, and worked within the banking sector of JPMorgan Chase. Before starting Ingressive, Maya conducted extensive emerging market economic research in Southern Africa and LatAm, taking students with her to explore keys to sustainable economic development. She also worked in private equity research, consulting with businesses looking to enter the West African market.

Ms. Horgan-Famodu is committed to ensuring brilliant people, wherever they are located, have access to the resources they need to build wildly scalable businesses. In her spare time, Maya loves to exercise, ride her motorcycle, and travel. She also dances, choreographs, and contributes to the Huffington Post.

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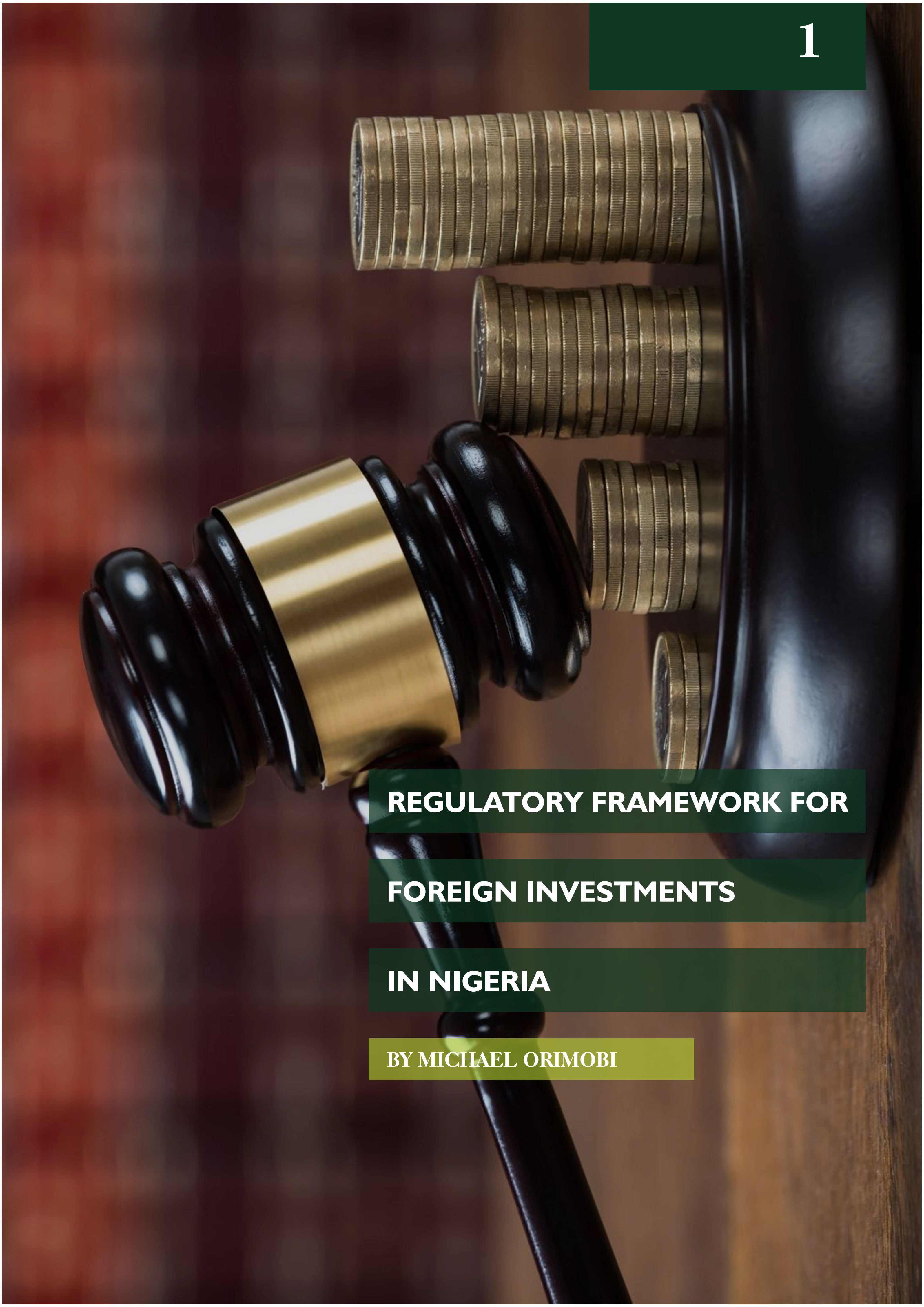

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REGULATORY FRAMEWORK FOR FOREIGN INVESTMENTS IN NIGERIA

BY MICHAEL ORIMOBI

Nigeria is Africa's second largest market and a gateway to the African business hub with a population of over 190 million, a consumer market of over $400 billion yearly and a middle class of circa 25 million people.

All over the world, governments particularly in developing countries try to attract foreign investments into their countries. This is due to the fact that such investments amongst others bring in capital and create employment opportunities. Therefore attention is devoted to political, social and legal incentives that will attract foreign investors. Nigeria as a developing country is no exception. "Nigeria is open for business" – this has been the mantra of several governments in Nigeria till date.

It is common knowledge that Nigeria's economy, like most frontier and emerging markets, is dependent on external aid, trade and foreign direct investments. Consequently, to ensure that the investment climate is conducive and friendly, countries enact relevant investment legislations aimed at attracting foreign investments and assuring the investors of the security of their investments. Nigeria has joined other countries in this respect and has put in place quality investment legislations with a view to providing a conducive and encouraging legal environment for foreign investors and investments. An alien whether individual or corporate may invest and participate in the operation of any enterprise in Nigeria except those on the negative list1.

In this brief write-up, the ultimate goal is to bring to life a better understanding of salient regulatory frameworks for foreign investments in the commercial-nerve-center of Africa's economy. Thus, when you think investment, think Nigeria!

The Nigerian Legislature, recognizing the immense roles and importance of foreign investments in the economy, has at various times enacted laws that allow and encourage foreign investments in Nigeria by non-Nigerians.

Foreign investments are initiated in Nigeria either through:

a. Foreign Direct Investment (FDI): these are direct investments by foreign investors who invest by incorporating a Nigerian entity (either solely or with Nigerians) or acquiring or investing in an already existing one; or

b. Foreign Portfolio Investment (FPI): which involves participating indirectly in business by purchasing shares in existing companies, usually through the Nigerian Capital Markets. It is the passive holding of securities, none of which entails active management or control by the investor.

The relevant laws governing Foreign Investment in Nigeria are as follows:

a. The Companies and Allied Matters Act Cap. C20 Laws of the Federation of Nigeria (LFN), 2004;

b. Nigerian Investment Promotion Commission Act Cap. NI17 LFN, 2004;

c. Immigration Act Cap. I1 LFN, 2004;

d. Investments and Securities Act Cap 124, LFN, 2007;

e. Foreign Exchange [Monitoring and [Miscellaneous Provisions] Act Cap. F 34 LFN, 2004;

f. Industrial Inspectorate Act Cap. I8 LFN, 2004;

g. National Office for Technology Acquisition and Promotion Act Cap. N62 LFN, 2004.

COMPANIES AND ALLIED MATTERS ACT,("CAMA"), LFN 2004

The law governing the formation and regulation of business enterprises in Nigeria is the Companies and Allied Matters Act and this law established the Corporate Affairs Commission, which is the body responsible for the registration and regulation of companies.

By the provisions of the Companies and Allied Matters Act, a foreign investor may join in forming a Nigerian company subject to the provisions of any law regulating a particular trade or business. Also, any foreign investor wishing to set up business operations in Nigeria is obliged to take all necessary steps to obtain local incorporation of a Nigerian company or branch or subsidiary of an existing company, which would be a separate and distinct entity from its parent company. Without such compliance, the foreign company shall not have a place of business in Nigeria for any purpose other than the receipts of notice and other documents. The CAMA, however, sets out exceptions to the general rule that all foreign investors doing business in Nigeria must incorporate in Nigeria. These exceptions include companies engaged by the Federal Government to execute specific projects, companies undertaking approved loan projects on behalf of donor countries or international organizations, and foreign government owned companies engaged wholly in export promotion activities.2 The Corporate Affairs Commission administers the CAMA.

THE NIGERIA INVESTMENT AND PROMOTION COMMISSION ("NIPC") ACT, CAP N117, LFN 2004

This Act, established the Nigerian Investment Promotion Commission ("NIPC") which is the primary body responsible for encouraging, facilitating and monitoring foreign investment activity in Nigeria. A foreign investor, before commencing business is required to register with the NIPC by virtue of Section 20 of the NIPC Act. The foreign enterprise is permitted to commence operations once it has it has been registered with the NIPC. Thus, the NIPC Act allows foreigners to invest and participate in the operation of any Nigerian enterprise 100% without any restriction. This is however, subject to certain sectors where local content policies apply - sectors where Nigerians must own majority shares in the companies.

Interestingly, due to the avalanche of regulations that need to be complied with, by foreigners desirous of doing business in Nigeria, there exists a One-Stop Investment Centre (OSIC) to ease registration of companies, obtaining relevant permits and licenses for incoming investors etc. The Centre is a facilitation mechanism that brings all relevant investment facilitation agencies in one location to provide a well-coordinated, speedy, and transparent service to investors.

Investment Assurances under the NIPC Act

Further to liberalizing the economy, the NIPC Act contains a number of investment assurances and incentives. These assurances and incentives together make the Nigerian economy more attractive to foreign investors.

A foreign investor is guaranteed unconditional transferability of funds in freely convertible currency through an authorized dealer:

- Dividends or profits [net of taxes] generated by the investment;
- Payments in respect of loan servicing where a foreign loan has been obtained;
- The remittance of proceeds [net of taxes] in the event of sale or liquidation of the enterprise.

• Guarantees Against Expropriation
The Act also guarantees that no enterprise shall be nationalized or expropriated by any Government of the Federation; and no person who owns, whether wholly or in part, the capital of any enterprise shall be compelled by law to surrender his interest in the capital to any other person unless the acquisition is in the national interest or for a public purpose under a law which makes provision for:

(a) Payment of fair and adequate compensation; and a right of access to the Courts for the determination of the investor's interest or right and the amount of compensation to which he is entitled.
(b) Any compensation payable shall be paid without undue delay and authorization for its repatriation in convertible currency shall where applicable, be issued.

• Settlement of Investment Disputes
The NIPC Act contains liberal provisions for settlement of investment disputes. This is intended to make the investment environment as conducive as possible. Where a dispute arises between an investor and any Government of the Federation in respect of an enterprise, all efforts shall be made through mutual discussion to reach amicable settlement. The NIPC Act provides in Section 26 (1) & (2) that any dispute between a foreign investor and any government in Nigeria arising out of investment shall be submitted to arbitration within the framework of any investment treaty entered into between the government of Nigeria and any state to which the investor is a national, or in accordance with any other international machinery for settlement of investment disputes as agreed upon by the parties. Where in respect of any dispute, there is disagreement between the investor and the government as to the method of dispute settlement to be adopted, the International Centre for Settlement of Investment Disputes shall apply.

THE IMMIGRATION ACT CAP 1.1 LFN, 2004

By virtue of the Nigerian Immigration Act, Foreign investors are to obtain the following:

i. Expatriate Quota: this is the official approval granted upon application to the Minister of Interior to a company, which enables it employ expatriates to specifically designated jobs. There is no restriction on the number of quota positions that may be applied for; however, the number of quota positions that will be granted is at the discretion of the Minister of the Interior. The applicant company is, amongst other things, required to have an authorized share capital of at least N10, 000,000.00 (Ten Million Naira). The expatriate quota is of two types; permanent until reviewed granted to the chairman of the board of a company or the managing director and the temporary quota granted for a period of five (5) years in the first instance renewable for a further period of two (2) years to directors or other employees of the company.

ii. Business Permit: Operational license granted to an expatriate to enable him carry on business activities in Nigeria;

iii. Residence Permit: This is required for entry into Nigeria where a foreigner intends to stay beyond three (3) months. The application is made to the Nigerian Embassy or Consular Officer in the country where the applicant resides. The foreign investor is granted a 'Subject to Regularization (STR)' Visa which is regularized on arrival and a work permit issued to the investor as the STR Visa alone does not entitle the foreigner to take up employment in Nigeria right away. An application for regularization of stay must be made after arrival in Nigeria and thereafter the CERPAC (Combined Expatriate Residence Permit and Aliens Card) - a combined residence and work permit - will then be granted which is valid for two years.

INVESTMENT AND SECURITIES ACT ("ISA"), LFN, 1999

The ISA as a law embodies comprehensive provisions on issues relating to securities and investments in Nigeria. Some of the major provisions of the ISA are as follows:

(a) The ISA establishes the Securities & Exchange Commission (the "SEC") and delineates its functions to include: the regulation of investments and securities business in Nigeria, registration of Securities Exchanges, Capital Trade Points and any other recognized Investment Exchanges, registration of securities to be offered for subscription or sale to the public etc.

(b) The ISA provides for the establishment of an Investment and Securities Tribunal ("IST") to settle any dispute arising from the operators of capital market and exchanges in Nigeria.

(c) The ISA includes a provision for the electronic transfer of registered shares.

(d) The ISA further provides for the establishment of an Investor Protection Fund ("IPF"), which is used to compensate investors who suffer any pecuniary loss from the misuse of assets by a member of a stock exchange and any directors/employees of capital market operators.

The ISA further provides for the obligatory maintenance of accounts for clients' funds by market operators, dealers, amongst others, separate from their business accounts. The ISA also covers the public offer and sale of securities and investments to the public, mergers, takeovers and acquisition, investment schemes, registration of securities and registration of interests in securities and capital market operators, amongst others.

FOREIGN EXCHANGE (MONITORING AND MISCELLANEOUS PROVISIONS) ACT CAP F34, LFN, 2004

This is the basic foreign exchange control legislation. It establishes an Autonomous Foreign Exchange Market. The highlights of this Act include the following: liberalized dealings in foreign exchange; guarantees foreign investors who invest in Nigeria, unconditional transferability of funds relating to their investment in Nigeria out of Nigeria, subject to the payment of relevant taxes etc. Such funds to be repatriated must have been imported into Nigeria through an authorised dealer. By virtue of Section 15 of the Act, a Certificate of Capital Importation ("CCI") shall be issued to any person who imports capital into Nigeria through an authorized dealer (banks licensed by the Central Bank of Nigeria to deal in foreign exchange). Nigeria's foreign exchange regulations require that foreign investors must, obtain a CCI as evidence that their investment has been brought into Nigeria in order to have access to the official foreign exchange market to purchase foreign exchange and in order to open special nonresident accounts into which all proceeds from sale of securities, dividends and interest are credited and to repatriate capital, capital gains, dividends, interest and income received in freely convertible currency. Thus for investors that are not keen on accessing the official foreign exchange market for their deals, the CCI is not compulsory.

INDUSTRIAL INSPECTORATE ACT CAP.18 LFN, 2004

This Act is established for the purpose of investigating and following the undertakings of industries including investments and other related matters. To this end, it carries out investigations into any proposed, new and existing undertaking involving any proposed capital expenditure, and in particular, for the purposes of determining the investment valuation of the undertaking, that is -

i. the actual capital (whether foreign or local) employed or proposed to be employed in the undertaking; and

ii. the actual valuation of buildings, plants and other machinery employed or proposed to be employed in the undertaking and any addition thereto.

By virtue of the establishment of this Act, contracts between foreign investors and Nigerians for transfer of technology are required to be registered with the National Office for Technology Acquisition and Promotion not later than 60 days from the execution of the agreement. The National Office issues a Certificate of Registration to evidence the registration.

It is pertinent to point out that the Federal Ministry of Finance, the Central Bank of Nigeria and other licensed banks in Nigeria are mandated not to make payments due under a contract or agreement involving transfer of technology, unless the Certificate of Registration is presented by the party or parties concerned together with a copy of the Contract or Agreement certified by the National Office.

TAX SYSTEM

• Companies Income Tax

The Companies Income Tax Act charges the profits of any company accruing in, derived from, brought into or received in Nigeria in respect of any trade or business at the rate of 30%. The profits of a company other than a Nigerian company (i.e. a company not incorporated in Nigeria) from any trade or business shall be deemed to be derived from Nigeria if such company has a fixed base of business in Nigeria and profit is attributable to the fixed base; or such Company not having a fixed based habitually carries on business in Nigeria through an authorised representative.

• Petroleum Profit Tax

The Petroleum Profits Tax Act imposes tax on the profits of upstream oil and gas companies. The tax rate usually depends on the contractual relationship with the Federal Government through the Nigerian National Petroleum Corporation (NNPC) and the number of years of operation of the company.

Companies which have entered into a Production Sharing Contract with the NNPC are taxed at 50% of their profits. Companies in a Joint Venture with NNPC are taxed at 65.75% for the first five years of operations and thereafter taxed at 85%.

• Personal Income Tax

By virtue of the Personal Income Tax Amendment Act, all allowances or other gain or profit from employment including compensations, bonuses, premiums, benefits or other perquisites granted to any temporary or permanent employee shall be liable to personal income tax3 at an average graduating rate of between 7% to 24% of the individual's annual income in the manner below:

Income to be Taxed	Taxable Band	Rate of Tax	%Age
For every Naira	First 300,000	7,000 per Naira	7%
For every Naira	Next 300,000	11,000 per Naira	11%
For every Naira	Next 500,000	15,000 per Naira	15%
For every Naira	Next 500,000	19,000 per Naira	19%
For every Naira	Next 1,600,000	21,000 per Naira	21%
For every Naira	Above 3,200,000	24,000 per Naira	24%

• Withholding Tax

at the applicable rate for certain transactions including dividends, interest, discounts, royalties, charges, annuities, fees, dues and allowances for services rendered.

The withholding tax rate on investment income such as dividends and interest is 10%, and 15% on royalties.

• Capital Gains Tax:

Capital Gains Tax is payable on gains that accrue to any person on a disposal of assets for the year of assessment. The tax is chargeable on all forms of property (including options, debts, incorporeal) whether or not it is situate in Nigeria. It is, however, useful to state that capital gains tax will be charged on assets situated outside Nigeria if any amount thereof is received or brought into Nigeria.

The rate of capital gains tax is 10%. Capital Gains Tax is not chargeable on gains arising from the acquisition of shares of a company that is taken over, absorbed or merged.

• Value Added Tax (VAT)

VAT in Nigeria is governed by the Value Added Tax Act No.102 of 1993 (as amended)('VAT Act') which imposes a consumption tax on the supply of taxable goods and services, at the rate of 5% of the value of the taxable goods or services being supplied.

Thus, all goods and services supplied in Nigeria are taxable at the rate of 5% unless they are specifically excluded by (Schedule 1) of the VAT Act.4

INCENTIVES

By way of incentives, the government introduced several tax reliefs as an effort to encourage and promote FDI in the country. These reliefs are discussed below:

• Pioneer Status
Pioneer status is granted to specific companies in certain sectors of the economy such as agriculture, manufacturing, quarrying, tourism etc. These pioneer

companies are situated in certain low investment areas of the country such that the companies eligible for pioneer status must meet certain conditions by way of the category of products in which they are involved and to this end, are exempted from payment of taxes for a period of up to seven years. These companies must be starting off business in Nigeria for the first time and the area of business sought to be undertaken by the company must fall within the categories of business declared to be of pioneer status under the NIPC Act.

• Double Taxation Relief
Nigeria has signed double taxation relief treaties with many commonwealth countries. Thus, where a foreign company doing business in Nigeria is able to show that it has remitted tax in another country, which is a party to that treaty, it will be granted tax relief by way of exemption5.

• Utilisation of Local Materials
Where a company meets its minimum local raw materials requirement, 20% of its profits are exempt from taxation for a period of 5 years.

• Rural Investment Allowance
Where a company incurs expenses in the course of providing basic amenities such as water, means of telecommunication, good roads or other basic amenities in order to enhance its business, it will be granted specific allowances6.

• Bonus for filing returns in due time
A 1% concession of the total tax payable is given to a company for filing its annual returns within the required time-frame.

• Research and Development (R&D):
A company that participates in research and development for commercial purposes will be granted 20% tax credit on its expenditure7.

CONCLUSION

In a bid to meet the objective of improving the ease of doing business in Nigeria, President Buhari established the Presidential Enabling Business Environment Council, (PEBEC) last year to review the procedures for doing business in Nigeria. The Council has adopted several action plans aimed at pushing ease of doing business reforms in the country. It is hoped that the results will be efficient and this action by the government would engender cost-effective regulation in multiple areas that positively affect businesses and confer credibility on the government's economic plans among Nigerian businesses and foreign investors.

The PEBEC reforms are expected to also help improve Nigeria's rankings in the World Bank DB index for 2018.

Indeed, Nigeria is ready for business!

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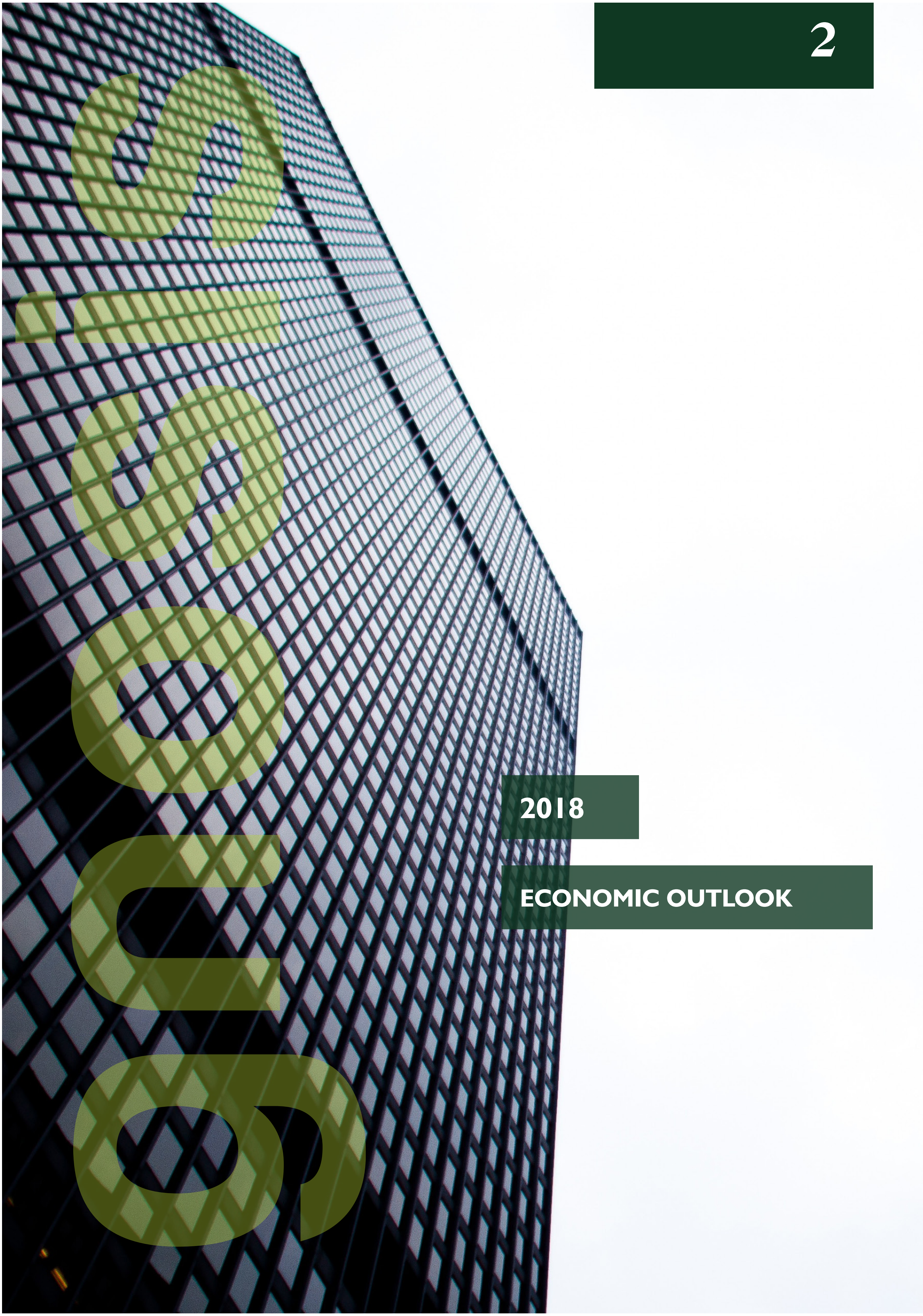

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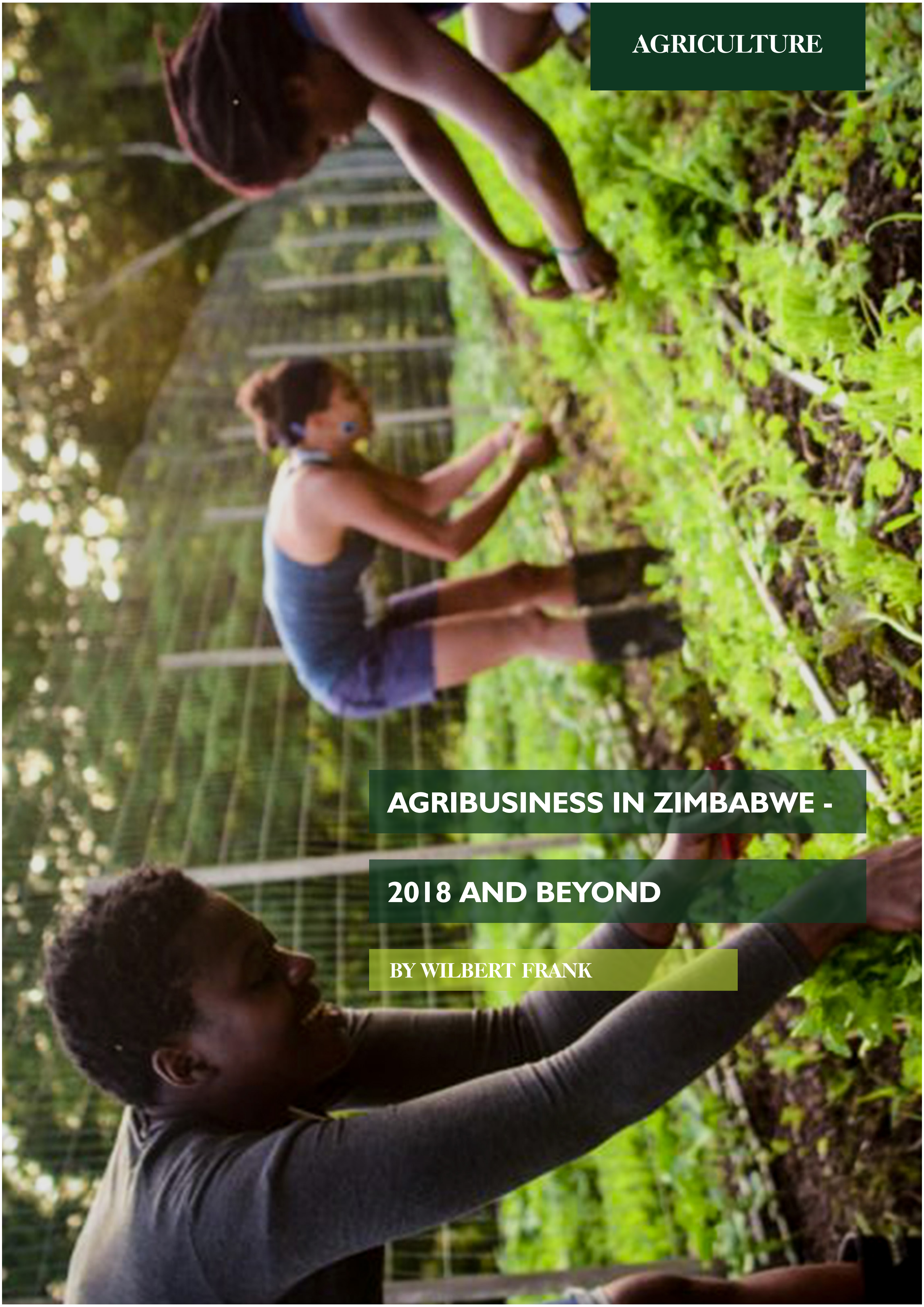
ECONOMIC OUTLOOK



AGRIBUSINESS IN ZIMBABWE - 2018 AND BEYOND

BY WILBERT FRANK

There is a new era in Zimbabwe! New Interim President, New Energy and Renewed Investor Interest. Everyone knows that it has been an investors ideal destination, but the political stronghold of the Former President Mugabe has always left Investors wary of the possibility of getting their returns and non-interference politically in the various sectors mainly due to the investor unfriendly Indigenization policies. Agriculture in particular was a very sensitive investment opportunity as it was riddled with Political Interference due to the Land Agenda that the Zimbabwe Government put in place in 1999. So what is the future of the Agricultural Sector with this new era in the history of Zimbabwe?

Africa is a farm lover's dream: abundant uncultivated arable land, roughly over half the global total; tropical climates that permit long growing seasons; a young labor force; and an expanding population that provides a readily available market for produce consumption.

Yet, African countries are yet to harness these opportunities to ensure sustainable food security and food production. The average age of farmers is about 60 years—in a continent where 60% of the population is under 24 years of age. Farmers are also less educated, while younger, more educated Africans are leaving rural areas, where farms are located, and moving to cities.

In 1980, Zimbabwe was the second most industrialized country in Sub-Saharan Africa (after South Africa) and GDP continued to grow well into the 1990s. Following Zimbabwe's independence, Julius Nyerere made the memorable comment to Prime Minister Robert Mugabe, that he had 'inherited the jewel of Africa' and yet, the government had also inherited a paradox: a majority of its population remained among the most impoverished in the world, virtually untouched by 'growth without development'.

Some 850,000 peasant families (about three-quarters of the population) still lived crowded on rocky or sandy, infertile and overgrazed lands. These contradictory features of Zimbabwe's inheritance played a part in the need for an urgent redistribution of land. The 'willing-buyer-willing-seller' market-led land reform programme during the 80s and 90s failed to adequately address rural poverty and resettle the targeted 162,000 families.

The recent history of land and agriculture in the country is one of conflict and falling production. In 2000, Zimbabwe embarked on the highly contested Fast Track Land Reform which redistributed over 4000 large scale commercial farms. The overall agricultural production declined by 50% between 2000 and 2007. Over 146,000 households received smallholder farms and over 23,000 beneficiaries received medium-scale commercial farms. From the early land invasions in late 1990s, accelerating in 2000 following the Constitutional referendum, there were major changes in land use across Zimbabwe, as people took the land. What later became the fast-track land reform programme (FTLRP), resulted in about 10 million hectares being transferred to about 220,000 households, within just a few years, involving both small-scale (A1) and medium scale (A2) farms.

It is widely agreed that land reform was necessary, the question is, how can Zimbabwe make progress without distributing blame, but learning from past mistakes?

Private-led contract farming arrangements appear to be growing in significance in Zimbabwe. Since 2009, following the dollarization of the economy and re-liberalization of markets, opportunities for small-scale farmers to engage in contract farming have increased markedly, and the government has expressed its enthusiasm for extending the practice as widely as possible. However, there has been very little research on the expansion of private-led contract farming during this period to date.

Over 17 years, there have been winners and losers from the land reform, and the net result of the wider political-economic impasse in Zimbabwe has been stagnation in the key economic sector of agriculture (although with a much vaunted bumper harvest this year of course). Generally, there's a deep lack of policy vision of what to do about rural development and agriculture in the post-land reform setting.

Unfortunately, the current debate about land and agriculture in Zimbabwe is hopelessly limited. All political parties repeat the same tired old rhetoric – whether ZANU-PF's nationalistic stance or the opposition's version of neoliberal policy prescriptions – while donors or others seem to have an extraordinarily limited grasp of the realities on the ground. None have got to grips with the big implications – technical, economic and above all political – of the new agrarian structure.

Now, with a political change (of some sort – in whatever permutation) there is expected to be a flood of capital from outside the country for investment in commercial farming. New joint ventures are to be established particularly in medium-scale A2 farms and estates (including on parastatal land), adding to a trend that has already begun. Pushed by international finance institutions, donors and global capital, this will lead to a process of consolidation, squeezing out small-scale production. Elite pacts will be struck between the state, connected land reform beneficiaries and external capital (including donors), around a narrative of economic growth and modernization. Selective accumulation will occur among those with A2 farms, and the result will be a reversion to a large-scale commercial farming trajectory, benefiting a few, but excluding many.

As the Zimbabwe Nigeria Chamber of Commerce, this is where we see a golden opportunity between these two countries that have what the other needs. Zimbabwe only needs Investors and Funding. "The commercial agriculture sub-sector was founded on, and developed because farmers were able to mortgage their fixed properties and raise finance by providing financiers with mortgage bonds. This system of providing security for credit was fundamental to being able to carry out farming operations, and governed investment and output. It was the cornerstone to stimulating the entrepreneurial spirit that developed this sub-sector."

"There have been moves to introduce lease agreements to replace the title deed system. The object is to put in place a system of tradable leases that financiers will accept as security for loans. So far, the government has not produced a standard lease document acceptable to financiers as security for credit advanced." Therefore, it is critical to get Equity and Low Interest Debt Partners to revive Equipment, Production and Capacity. Commercial Farmers Union estimates the government would need $3 billion to resuscitate the ailing agricultural sector, adding over $12 billion would also be required to compensate white farmers evicted from farms. "The government doesn't have that kind of money and are negotiating. It takes quite a while to build investor confidence, and by paying up that would show that it is serious about protecting property rights. The key to unlock the potential of the country's agricultural sector is huge cash injection to rejuvenate sagging fortunes of the once buoyant sector and mitigate the effects of perennial hunger, it has been learnt".

Nigeria on the other hand has 79 million hectares of fertile land of which only 46% of these have been cultivated. Fertilizer consumption of 7kg/ha is one of the lowest in the world. There is low livestock production and high fish imports of about 700,000MT annually. Unfortunately, there is one extension worker to every 25,000 farm families compared to best practice of one to every 500-1000. The country record reports 15% - 40% in losses due to inability to process agricultural products. The productive workforce in Nigeria's agriculture is aging and needs to be replaced with young educated farmers that will introduce innovation and modernity into agricultural practices. Education is essential as the supplier of trained manpower and a prerequisite to accomplishing entrepreneurial goals. Agricultural ventures must be attractive, profitable and sustainable to induce economic growth. These major attributes can be achieved through scientific research to develop quality inputs, improve agronomic practices and develop good management skills. Likewise, agricultural extension services ought to be upgraded to provide the education needed to modernize production practices and change our past ways and perception of agriculture as a provider of home food to a feasible business opportunity.

Nigeria has a population of over 150 million people, of which about 49.1 % are women. The total number of vulnerable groups (women, children, the aged and persons living with various forms of challenges and disabilities) constitute about 70 % of the entire population. To address the issue of training a youthful workforce, particularly in the agricultural sector, the Nigerian government is collaborating with many international organizations, agencies and institutions in running training programs to develop young farmers and replace the aging ones
It is imperative to provide professional development opportunities in order to enhance the capacity of Nigerians to develop entrepreneurial skills. Currently, Nigerian education is not functional or responsive to entrepreneurship development in agriculture. Executive capacity is low, as most of the employees have inadequate professional and requisite technical skills. The deplorable state of the nation's infrastructure has continued to rise and this is adversely affecting agricultural business in the country.

Despite the fall of the naira and plunge in crude oil prices,

Nigeria still boasts of at least 770 naira-millionaires whose wealth is valued above $10 million (N3 billion) each. On the other hand Zimbabwe has less than 30 millionaires.

It is clear that Nigeria needs additional skills to train Agribusiness players at all levels and Zimbabwe needs financial injection to jolt the Agricultural Sector to its previous position as the breadbasket of Africa. These two countries are both sleeping giants that need each other's strengths to get to the next level of optimizing Agriculture sector performance.

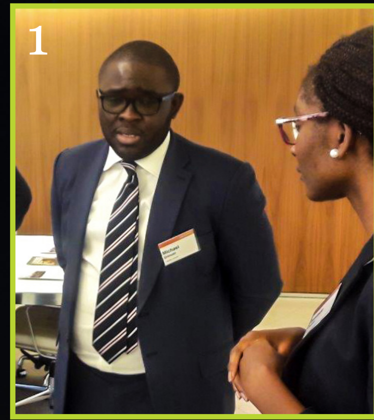
Meanwhile, in most of Sub-Saharan Africa, where farming systems were more complex across variable agro-ecological zones, quality seed and fertilizer were not backed by irrigation support or mechanization inputs. Sub-Saharan Africa was therefore largely bypassed by the Green Revolution that helped transform agriculture and reduce poverty in Asia and Latin America.

The evidence is incontrovertible: Higher levels of mechanization are linked to economic growth, improved farm productivity, higher incomes and greater food security. This is no different for Zimbabwe and Nigeria.

But mechanization is no panacea: If not done right, it can potentially burden small farmers with machines they can't afford or maintain and tools that eliminate jobs and disempower wage earners. It can also harm the environment by increasing pressure on fragile natural resources, driving soil erosion and compaction, prompting overuse of chemical inputs and encouraging farmers to farm lands that currently serve as valuable forest and rangelands. So any sort of move towards mechanization will have to be done in a careful, considered way to ensure that it brings positive, rather than negative outcomes.

Nonetheless, it is clear that Sub-Saharan Africa can no longer rely on human muscle power to feed its growing population. It is essential for decision-makers and the development community to take a new look at the opportunities available for mechanizing agriculture in Sub-Saharan Africa. 'Hello Tractor,' a Nigerian social enterprise that allows farmers to request affordable tractor services via text message is one promising and innovative approach. Indeed, there is much that can be done to make Sub-Saharan Africa's agricultural development and food security policies, strategies and programs "mechanization-smart" and promote interventions to support efficient, lean and environmentally-sound mechanization.

The future of Agriculture in Zimbabwe and Nigeria is mainly partnerships. Agribusiness minds need to collaborate and come together to raise funds, share skills, incorporate mechanization and technology and get young minds interested in the sector to keep the torch burning on a sector that is the solution to taking Africa above the poverty line.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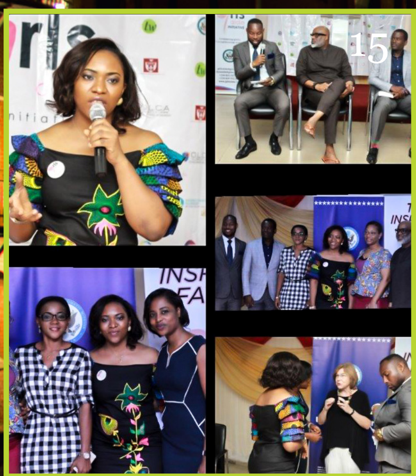
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1. Global Chairman, Tokunbo Orimobi with Temilade Ojuade, Analyst, Bank of America, Merril Lynch International Limited

2. Michael Orimobi, Global Chairman, Tokunbo Orimobi with Attendees (Doing Business in Nigeria Series, London)

3. (L-R) Jubril Enakele – MD/CEO, Zenith Capital Limited,
Michael Orimobi – Global Chairman, Tokunbo Orimobi
Adewale Ajibade – MD, Blackbit Limited,
Michael Harte – Director, Okapi Solutions,
Mayank Gupta – Partner, K&L Gates, London,
Peter O'Donnel – K&L Gates, London

4. (Panelists and the K&L Gates Partners) James Green – Partner, K&L Gates, London
Jubril Enakele – MD/CEO, Zenith Capital Limited
Michael Orimobi – Global Chairman, Tokunbo Orimobi,
Ike Chioke – GMD, Afrinvest (West Africa) Limited,
Mayank Gupta – Partner, K&L Gates, London

5. Michael Orimobi – Global Chairman, Tokunbo Orimobi & David Roemerman – Global Managing Partner, Tokunbo Orimobi

6. Amaka Amalu, Global Chief Operating Officer, Tokunbo Orimobi & Michael Orimobi, Global Chairman, Tokunbo Orimobi

7. Attendees (Doing Business in Nigeria Series, New York)

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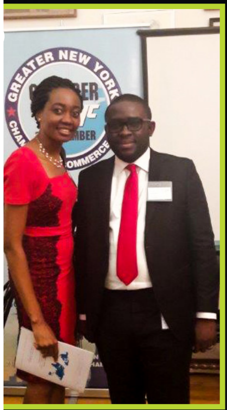
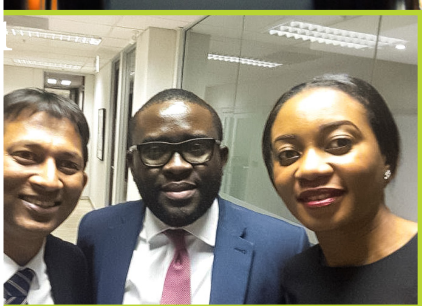




m, CEO, Tiger Trade flanked by Ilahi Uwemedimo, unbo Orimobi and a cross section of attendees at usiness in Nigeria Series, New York
Orimobi, Global Chairman, Tokunbo Orimobi ness in Nigeria, Johannesburg)
es at the Doing Business in Nigeria Series, g
Kalidass – CEO, TradeAfrica Investment Holdings, mobi – Global Chairman, Tokunbo Orimobi, alu – Global Chief Operating Officer, Tokunbo

12. Clinton Kalidass – CEO, TradeAfrica Investment Holdings flanked by Marius Erasmus - CEO, Clear Blue Technologies

13. NBA Conference (L-R): Adebayo Kazeem, Principal at the Carlyle Group; Munir Gwarzo, Director General, Securities and Exchange Commission (SEC); Colin Coleman, The keynote speaker and Managing Director, Goldman Sachs International; Oscar N. Onyema, Chief Executive Officer, The Nigerian Stock Exchange (NSE); Michael Orimobi,Global Chairman, Tokunbo Orimobi

14. Amaka Amalu, Global Chief Operating Officer, Tokunbo Orimobi & Michael Orimobi, Global Chairman, Tokunbo Orimobi at the 2016 career day celebration of Greensprings School

15. 2017 Girl's Aide Initiative Event - The Inspiring Father

16. Tokunbo Orimobi's Life After School Series at the University of Lagos

17. Staff Training at Tokunbo Orimobi, December 2017

18. Tokunbo Orimobi Christmas Party 2017

19. End of Dress Down Summer 2017 at Tokunbo Orimobi (A day at the Beach)

20. Michael Orimobi – Global Chairman, Tokunbo Orimobi interview at NTA

THE BUSINESS OF INSURANCE IN 2018

BY OLAOTAN SOYINKA

It is no longer news that the world business and cultures have gone through critical and ample transformation coupled with unpredictable technicalities as a result of technology and globalization. This change has therefore made risk more imminent and inevitable in every breadth of business ventures as well as human health and living. Business is daily faced with survival challenges due to some risk factors and this, has made strategic thinking inevitable. The African business story takes a stretch beyond other continent due to the prevalence of political instabilities, religious intolerance, high unemployment rate, low level of education and other socio-cultural imbalances that daily threatens survival mechanisms.

Insurance has always been one of the antidotes towards proper risk management and control and from all experiences, this has well been proven to be not only right but very unavoidable. It is a contract of trust that enables restoration of 'status quo' in the event of occurrence of unforeseen circumstances. Insurance is a promise by the insurer to provide relief for the insured against any unfortunate event to life and property of the latter upon the payment of the premium consideration.

Insurance as a culture and business over the years has not faired very encouragingly in Africa and Nigeria in particular. Its contribution to GDP growth has been perpetually below 1%, which is a huge cause for concern even as 2018 creeps in. Although, there have been various changes in policies by regulators to inject some level of sanity into the insurance industry but these are yet to amount to concrete results.

Over time, Insurance practitioners in Nigeria have been jokingly apprised as poor cousins of their counterparts in the banking industry.

Sadly to note is the fact that the Pension and Workmen Compensation Insurance Policy that could have been a money-spinner for the Industry but hijacked by the so-called rich cousins in the Banking Sector have now astronomically grown considering the fund pooled thereon. It was an opportunity lost by the insurance industry on the strength that it was not strategically proactive, talk less of being innovative in responding to the dynamics in the marketplace as compared to their counterparts in the Banking league. On this premise, operators should begin to brace up to the challenges of the future which the market will definitely throw up in a not-too-distant-time from now. Another way to go is for practitioners in the industry to adopt the corporate entrepreneurship model which most bankers have used successfully to achieve some good turn around.

GROWTH DRIVERS IN THE INSURANCE SECTOR FOR 2018

Achieving greater growth in 2018 takes a totally different approach and strategy as well as innovative agenda from the industry's traditional conservatism and dizzying pace of technological change. It is highly imperative that concerted efforts both from insurance practitioners and regulator must be made to fully unlock the potentials that is embedded in the sector.

A review of Price Waterhouse Cooper, (PWC) survey highlighted key growth issues which are considered very major propellers for insurance business in 2018:

Being active in 'InsurTech' can help discover emerging coverage needs and risks that require new insurance products and services. As a result, this can improve the product portfolio strategy and design of new risk models. Going forward, there is the need to create technology-based products and services in changing the fortunes of the industry as we approach 2018.

Market Exploration and Discovery: Proactive Insurers monitor new trends and innovation and some have even established ideas-incubating hotspots where they can directly learn about the latest development in real-time and initiate innovative programs.

Partnerships That Drives New Solutions: Experimentation typically leads to the development of test-cases that address specific business challenges. In this regard, insurers can partner with start-ups to build pilots to test and deploy in the market. This will go a long way in giving the direction on how to play in 2018 and beyond. In addition to this, The Nigerian Insurance Industry would equally be driven by some of the under-listed factors come 2018:

1. Government Infrastructural Spending - the activities of the federal government and those of their state tiers would experience a sporadic improvement in capital expenditure which would be awarded in form of contracts to contracting firms bidding for it. The insurance implication is that there would be a wider space for the sale of bid bonds, advance payment bonds, performance bond, contractor all risks/ erection all risk insurances which would signify premium growth opportunity from this angle.

2. CBN policy of sustaining the ban of 41 items from accessing FOREX is a tightening agenda to reduce importation of goods which the government has placed adequate attention on its

replacement with home-made goods that would be driven by the agricultural value chain growth. By implication, import and marine insurances may be on the decline for these items, while the growth of new domestic industries would witness a corresponding increase in the insurances of buildings/factories and work tools, stocks and eventual enlargement of the agricultural sector. Insurances for agricultural stocks/ animals and weather risks. Operators in the insurance industry should be willing to exploit this window of opportunity provided thereon.

3. Investors' attitude- huge capital influx has entered into the Nigerian economy through the insurance sector because more foreign players are willing to buy-into existing insurance companies through equity shareholdings which are tactically increasing the capital adequacy of concerned companies. The huge population and low penetration of insurance in the Nigerian market signaled the fact that there is an avalanche of opportunity that is untapped. In this instance also, the investment of insurance companies had grown from =N=137 billion in 2015 to =N=198 billion in 2016.

4. NAICOM activities – the continued sustenance of the no premium, no cover guideline as well as the growth envisaged from the MDRI initiatives would spur up a lot of compliance enforcement from concerned law enforcement agencies. We should be expecting a better motor portfolio for third party considering the harmonization model in the pipeline which would ultimately throw up a lot of off-competition rule for competitors in the strive for more premium from this quarter, while on group life, the enforcement on companies is also holding the growth of life companies, the growth of general businesses would be resting on motor third party, marine insurances, occupiers liability, builders liability & professional health insurances and increase in awareness of other conventional insurance products.

The image building efforts of the regulators and their partnership deals with state governments on the domestication of all compulsory insurances would come to bear with Lagos State at the forefront. This is already in the pipeline for buildings in Lagos under construction and those occupied for public/business purposes. Other states would join soon as NAICOM is building processes for enforcement.

CHALLENGES AHEAD OF 2018

The highlight of threats/combating forces that would militate against the insurance industry are stated below.

1. INFLATION

The inflation rate released by National Bureau of Statistics showed 17.6% for October 2016 and 15.91% in 2017. The projection for January 2018 is 14.8%. Implications for household and business firms and the effect on insurance business operations are stated below.

i. The naira in the hands of holders would lose its purchasing power and persons would pay more money for same quantity usually purchased. It depletes savings and investors suffer also from this economic threat.

Most sellers increase their selling prices thereby pushing the cost of the burden to the customers. This is practically unattainable in insurance industry as the premium (selling price for insurance products) is rather disobeying the norms of inflation which says, inflation increases the prices of goods, and suppliers of goods protect their bottom line by pushing the burden to the customers.

Therefore, it is advised that operators remain competitive by not lowering their prices/premium below those of the industry competitors but to devise measures to reduce operating cost of serving the customers.

ii. The disposable income of paid employees remains stiff as more money would be used to purchase little items. This chronic vice affects many and makes households to caution their spending and consumption pattern.

Therefore, Insurance tends to be affected negatively as patronage drops in a bid to cut down on spending on household items. Operators should devise a fruit-pull tactics to attract patronage at this time via product enhancement strategy.

iii. The earning capacity of self-employed persons as well as the revenue generated by corporate persons may be restrictive because of the existing galloping inflation which had reduced consumption of what they produced. Similarly, insurers are affected as most self-employed persons operated without cognizance to insurance protection. Operators need an aggressive retail line of approach to market this sector via their cohesive associations.

iv. It takes more naira to exchange for hard currency (usually dollar) and this increases the cost of importing items into the country which increases the insurable value of insurances on marine and this affects premium charges.

Therefore, operators should hunt for

more marine businesses at this time. In the same vein, the cost of exporting goods outside Nigeria would be cheaper because inflation is not treated here; rather, goods sold out of the country get exchanged for the dollar or other currency in tune with the export trade.

v. The stock market stiffens as share values dropped when inflation rises.

In a nutshell, inflation is a bigger challenge for the insurance sector as it affects pricing, cost of operations and profitability as well as share pricing.

2. DEFICIT BUDGET FINANCING

The Nigeria market/economy is the largest in Africa with the largest population which suggest huge consumption pattern that may propel a higher circulation of money and its velocity and other productive activity in the long run.

Since the FGN 2017 budget was approved, implementation had been slow because of the cut back on government spending caused by drastic reduction of oil price - global threat which is a major determinant of the oil revenue that sustains our monolithic economy. This would persist in the funding of the proposed =N=8.612 trillion budget for 2018 by FGN as the government has a plan to use the revenue made from oil sector to boost the non-oil sectors in order to drive the economy with non-oil sectors which in turn would reduce the debt service charge in the long run. However, key capital spending allocations in the 2018 Budget include the under noted:

- Power, Works and Housing: N555.88 billion
- Transportation: N263.10 billion
- Special Intervention Programmes: N150.00 billion
- Defence: N145.00 billion
- Agriculture and Rural Development N118.98 billion
- Water Resources: N95.11 billion
- Industry, Trade and Investment: N82.92 billion
- Interior: N63.26 billion
- Education N61.73 billion
- Universal Basic Education Commission: N109.06 billion
- Health: N71.11 billion
- Federal Capital Territory: N40.30 billion
- Zonal Intervention Projects N100.00 billion
- North East Intervention Fund N45.00 billion
- Niger Delta Ministry: N53.89 billion
- Niger Delta Development Commission: N71.20 billion.

The greatest challenge for the insurance sector is to ensure that the budgeted premium in the budget for government infrastructural spending are actually earned by the operators severally including the group life insurance premium. In addition, state tiers should not be left out of this arrangement by operators, while NAICOM should intensify their role of advising the FGN on insurance matters that all contracts awarded must be accompanied compulsorily by bid bonds, advance payment bonds, performance bonds and construction all risks insurances so as to protect government funds.

3. 40 ITEMS BANNED BY CBN TO REGULATE FOREIGN EXCHANGE INBALANCE

The under listed items have been banned from gaining valid access to FX to buy imported goods in the normal market. By implication, Nigerian importers cannot buy foreign currency from the official window of CBN to fund import; instead, they may opt for the black market or bureau de change for the purchase of the hard currency at a relatively higher rate which causes the imports to be at higher cost. The under noted items were not banned outrightly or prohibited, but no seller can access the CBN or other banks for procurement of dollar for its importation, but may exploit any other alternative sources for dollar.

The insurance implication is that, imports of these items are discouraged with the CBN policy in order to stimulate its local production and enhance growth of GDP and in the long run regulate positively the balance of trade. operators may press hard for marine import businesses, whilst also searching for the local entrepreneurs springing up for these productive activities involving these 40 items and their local production as they would serve as new prospects to any insurance firm.

This could be done on a sectorial basis approach. This situation would remain unchanged till May 2019, as the body language of the Nigerian President supports this new guideline of CBN as a measure to regulate the economy.

The 40 banned items include the following:

1. Rice;
2. Cement;
3. Margarine;
4. Palm kernel/Palm oil products/vegetables oils;
5. Meat and processed meat products;
6. Vegetables and processed vegetable products;
7. Poultry chicken, eggs, turkey;
8. Private airplanes/jets;
9. Indian incense;
10. Tinned fish in sauce(Geisha)/sardines;

11. Cold rolled steel sheets;
12. Galvanized steel sheets;
13. Roofing sheets;
14. Wheelbarrows;
15. Head pans;
16. Metal boxes and containers;
17. Enamelware;
18. Steel drums;
19. Steel pipes;
20. Wire rods(deformed and not deformed);
21. Iron rods and reinforcing bard;
22. Wire mesh;
23. Steel nails;
24. Security and razor wine;
25. Wood particle boards and panels;
26. Wood Fibre Boards and Panels;
27. Plywood boards and panels;
28. Wooden doors;
29. Toothpicks;
30. Glass and Glassware;
31. Kitchen utensils;
32. Tableware;
33. Tiles-vitrified and ceramic;
34. Textiles;
35. Woven fabrics;
36. Clothes;
37. Plastic and rubber products, polypropylene granules , cellophane wrappers;
38. Soap and cosmetics;
39. Tomatoes/tomato pastes; and
40. Eurobond/foreign currency bond/ share purchases.

4. INVESTORS SENTIMENT TO THE NIGERIAN ECONOMY

Market sentiment (or investor's attention) is the general prevailing attitude of investors as to anticipating price development in a market of their interest. This attitude is the accumulation of a variety of fundamental and technical factors, including price history, economic reports, seasonal factors, and national and world events.

In Nigeria, the government has made a lot of trips and campaign to foreign partners to invest in Nigeria, but there seems to be despair in preventing their huge influx.

Surely, we have the population that is attractive but lack of infrastructure (and poor performance of the few existing ones vis-a-vis power, roads, etc.) is responsible for any one firm to operate with ease and at low operating cost.

The alternative cost of running business without adequate infrastructure is killing the bottom line of firms, while the topline is being threatened by the political instability which had turned the Northern part of Nigeria to a-no-go area for business firms that wish to embark on expansionary policy or growth strategy.

That of the Niger Delta area is the hostility from the natives which had also made business firms to start fleeing from their once-profitable environment. Even the uncertainty of government policies and the various pronouncements is an issue that investors are not comfortable with.

The implication for insurance industry is that, businesses are being threatened by this national cum regional threats and insurance companies are also affected. Firms are closing branches in turbulent areas and insurance marketers too are finding it hard to cash-in on any business from these troubled areas.

This situation would remain till end of 2017 as the Niger Delta Avengers and the Boko Haram terrorist activities have been curtailed to a point at which government have started thinking of rebuilding damaged structures which may spur up good insurance opportunities for the insurance sector come 2018.

5. CORRUPTION TACKLING AND WASTE ELIMINATION

The government is persistent also in fighting corrupt oriented persons and processes as well as blocking wasteful spending in government expenditure. The introduction of the TSA (Treasury Single Account) had been successful and the payroll was audited first which revealed over 23,000 ghost workers and then another 11,000. The government hopes to extend this to other types of government spending across all Ministries and Departments. Similarly, some states of the federation are already toeing this line of approach as well.

The implication of this is that, insurance premium for group life and workmen compensation would be hampered as the number of staff on the list of schedule would be reduced as a result of the ghost workers detected which of course is premium erosion for the insurance industry. There is the likelihood that there will be a continuous audit of the TSA till 2019.

6. NAICOM MOVES

The National Insurance Commission had continued to wax stronger on the implementation of the no premium, no cover provision of the Insurance Act 2003 which had helped to shapen the premium collection drive for most insurance companies and this would not be relaxed in any manner thereon till 2019.

NAICOM is also helping the Federal Government to collate all government assets in a specified template as circulated to all Ministries following the Presidency's directive to the Head of Service to initiate a proper protection of government assets using insurance risk coping mechanism. A pool for this government risks is intended to be created soon with the guideline for underwriters' participation released ahead of 2018 insurances for government assets like buildings and others.

It is no longer news that NAICOM had transited the financial reporting system for all insurance companies from the Nigerian Accounting Standards to the International Financial Reporting Standards which is one of the strategies being implemented to embrace the Risk Based Supervision style of regulation which employed the Solvency Margin 2 principles; thereby moving away gradually from the present Compliance/ Rules Based Supervision style running on Solvency Margin 1 principles.

Meanwhile, other strategies implemented to aid the Risk Based Supervision style intended to be introduced is the implementation of the tenure period stated in the new Corporate Governance Code for insurance companies. The minimum capital base for all types of operators would remain unchanged, while the insurance operators would be classified into different levels based on the Solvency margin model that permit underwriters to undertake risks based on their financial capacity only and not on capital base only.

The implication is that companies with low capital base may need to brace up in order to partake in Aviation, Marine hull, Energy, Space and other special Insurances that may emanate thereon. The micro insurance operators would not be left out as there is plan to classify them also into local, state, regional and national based on their risks portfolios. The financial inclusion strategies spur up the establishment of micro insurance banks in the banking industry and micro insurance departments or company for the insurance industry. Companies are beginning to go retail with micro insurance line of business development.

RECOMMENDATIONS OF HOW THE INSURANCE SECTOR SHOULD SURMOUNT THE CHALLENGES AHEAD OF 2018

The insurance sector needs to embark on some clinical arrangements which would bail out a lot and cause improvement on premium growth come 2018.

i. The galloping inflation rate which is currently at 15.1% as at September 2017 would still keep the cost of operations so high, but the cost of insurance products may not correspondingly increase because of poor rating monitoring and bad competition. This would affect imports and marine insurances thereon. Insurance operators are advised to embark on collaborations and pool establishment for all MDRI products whereby insurers participate at an agreed proportion and lead status may be on a rotatory basis so as to check the impact of bad competition on industry premium growth. For instance, motor third party insurance or builders liability insurance pool can be established whereby one insurer would be appointed as the lead and his office would do all and dictate the ratings of clients and packaging of policy documents/claims handling while others only serve as sales outlets and would participate on agreed proportions.

ii. The FGN deficit budget financing would still persist for 2018 and this may help resuscitate a lot of abandoned projects nationwide. The multiplier effect is that other economic activities would boost and insurance needs of prospects would become another greener pasture for insurers to exploit. This is an uncontrollable force which operators should react to by advising the insuring public to adopt insurance product purchase as a risk coping mechanism to protect businesses, whilst creating image building potentials and opportunities for exploitation.

iii. The 40 banned items by CBN may remain till year 2019. The importation of such items would reduce, but their local production would bring about a lot of productive activities. Operators may need to search for the new agribusiness and other investors thereon for insurance marketing, especially ahead of 2018. The insurance industry should organize a workshop to deliberately identify this chain of opportunities for exploitation thereon come 2018.

iv. Investors' influx into Nigeria may increase as the fight against Boko Haram and Niger Delta Avengers seem to be tactically won as at date; and both regions may start experiencing partial rehabilitation by various stakeholders including government and United Nations. Relocation of IDPs may start before end of 2018. This may open up the good wind of business transactions for all kinds of organizations including insurance marketing activities. The insurance operators should cultivate the habit of visitations to IDP camps to deliberately understand the risks inherent for product innovations thereon.

v. The fight against corruption by FGN and the change from wasteful habits to a more productive one may continue till 2019. Many companies owned by corrupt persons are operating in fear, likewise debtors to various banks. This is tactically shrinking the economy and insurance patronage is being affected too. The public liability aspect of insurance operators' role should be intensified with the strict observance of the KYC model which would help handle the politically exposed persons and their corporate customer entities presented for insurance patronage.

vi. NAICOM is head bent on keying into the financial inclusion strategy to increase insurance penetration through the MDRI products, micro insurance growth, transiting from the compliance based supervision to risk based supervision, tighter regulations on brokers and insurers, reduction of claims process especially that of payment etc, and waking up to their regulatory role of serving as advisor to FGN and other government on insurance matters. NAICOM should establish a strong alliance between insurance operators and all law enforcement agencies nationwide.

CONCLUSION

The Corporate Entrepreneurship Model (CEM) is a suitable one for adoption as it enables insurance companies to permit and allow their employees the free chance to initiate new products, services, processes, strategies, structures and business models which change from time to time.

It also allow diversification of business resources into some other profitable ventures which is premised on risk taking capability of organizations and their proactive nature.

Come 2018, insurance operators should embrace the various dimensions of corporate entrepreneurship which in turn is capable of changing the situation and statement of people who say 'insurers are poor cousins of bankers'

NOLLYWOOD - AFRICA'S ROUGH DIAMOND?

BY DEYEMI OKANLAWON

By way of introduction, my name is 'Deyemi Okanlawon and I am, to most people, an actor. This short write up is about my most recent "entrepreneurial" foray into the world of movie making, the successes, learnings and opportunities that exist in the 20 plus year industry better known to the world as Nollywood.

In 2013 I resigned by position as the head of marketing for a global internet start-up, one of the top 3 internet companies in Nigeria. I had featured in a few short films and movies and decided to take a year off work to do some acting work as well as some much needed personal development. In the past few years however, I have observed that the Nigerian film industry, aka Nollywood, has huge gaps across the main segments of the film industry; Distribution, Marketing, Production and Talent..

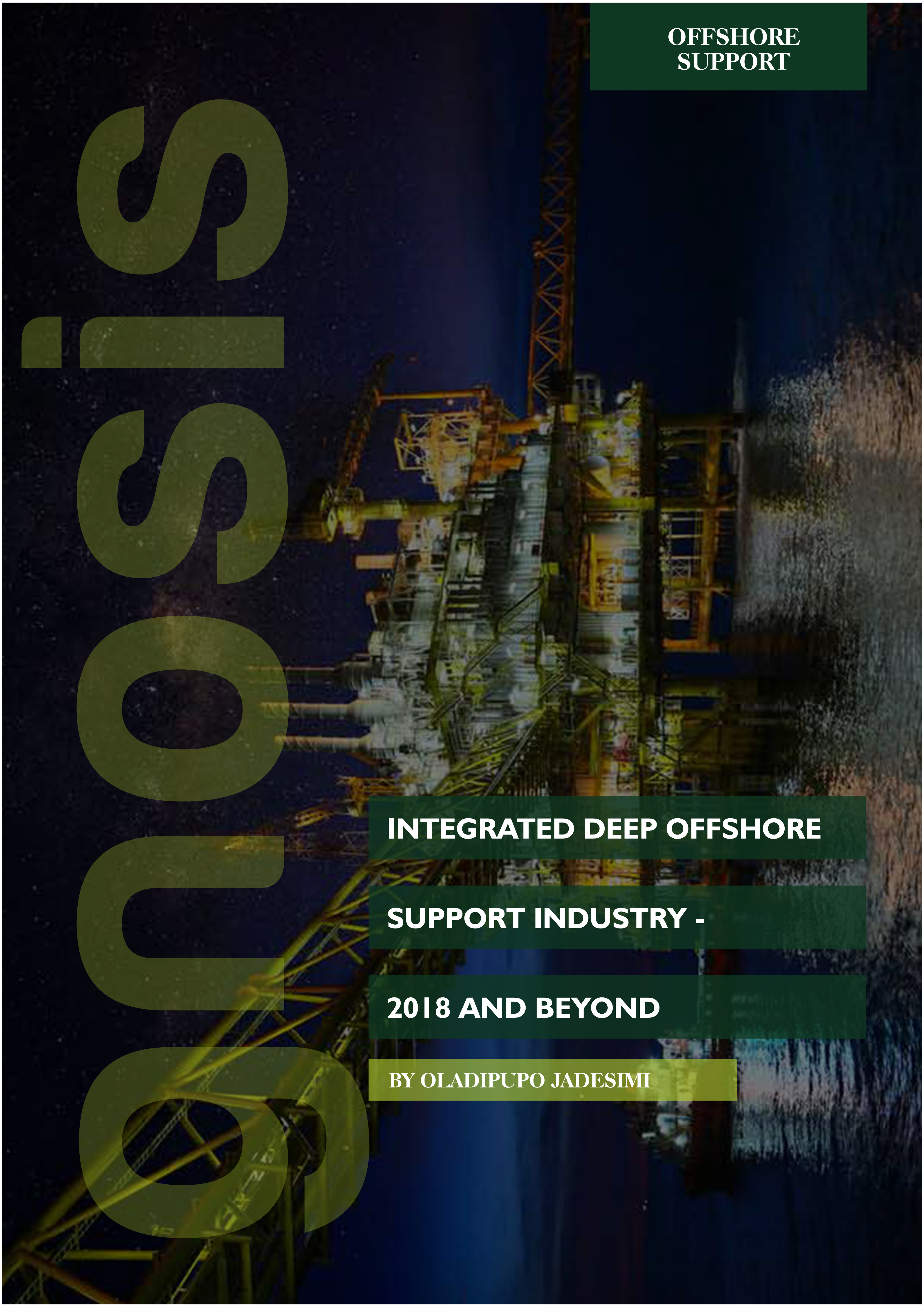
In Nollywood, there seems to be no formal structure that captures and details its varying levels of responsibility with an accompanying value and reward system There are huge skill and infrastructure gaps in the value chain - from idea development all the way through to consumer satisfaction.

Distribution - divided into different platforms from cinema to TV, VCD and DVD, this highly capital intensive segment has huge gaps meeting up with consumer demand of one hundred and eighty million (180,000,000) Nigerians as well as a teeming number of Nollywood content consumers across the world. Using Nigerian cinema as an example, with its 30 cinemas and 150 screens sitting approximately 120 occupants per screen across Nigeria there is obviously an unbelievably wide gap in this sub-segment alone. Filmhouse cinemas is currently leading with its aggressive plan to launch multiplex cinemas across the country while others smaller community cinemas are being opened.
Marketing - Nollywood, brands and marketing communications agencies are yet to fully understand and capitalise on the reach of Nollywood films. From product placement (which can be expanded into TV commercials) to franchising (selling movie branded household, office and fashion items) to actual brand stories (an example is The Baker's Daughter, a movie I wrote and co-produced with African Magic Original Film, which essentially is a 1hr 30 min advert for my mother's company; Baker's World).

Production - with the advancement of technology of equipment and the filming (preproduction to postproduction) process there has been significant improvements in the quality of Nollywood movies. Availability of film equipment, studio space, short-let locations, set design furniture, costumes, etc. for rental in the hands of skilled technicians will give even better production quality. DSTV's Africa Magic and EbonyLife are two production companies currently set up to meet such requirements while there are a few other smaller companies providing services to meet one of more of the production needs.

Talent - on-screen and behind camera talent need constant training but there are too few institutions that provide comprehensive and industry-recognised trainings (an example is Royal Arts Academy). Also bearing in mind the recognition Nigerian actors are now gaining globally, there is a need for management agencies to guide talent careers, connecting them with corporate brands and also exporting these talents across Africa and the rest of the world.

As daunting as these challenges seemed at first, as the industry grew, I began to realise that within these same problems lay huge potential for value as evidenced by the few concerned individuals and companies, who have taken the bold step to face these challenges and are now reaping the benefits. It is my wish that those reading this article do a bit more research into the segments of the blossoming Nigerian film industry outlined above and look towards exploring how best they can invest in one or more parts of the value chain before the market becomes saturated.
By way of re-introducing myself, my name is Deyemi Okanlawon and to my primary clients - content producers and distributors - I am better known as a solution provider.



INTEGRATED DEEP OFFSHORE SUPPORT INDUSTRY - 2018 AND BEYOND

BY OLADIPUPO JADESIMI

For any country that has offshore oil and gas resources within its exclusive maritime economic zone, a shore base or specialised port is essential to the efficient exploitation of these resources. A semi-submersible rig or an FPSO (Floating, production, storage and off-take) vessel operating some 100 miles or more, offshore, clearly has to be supplied, resupplied and generally wholly supported and maintained from the nearest suitable dedicated port or some such similar facility on land. The producing asset itself will be constructed on land in the first place and subsequently transported and installed in the offshore acreage. Now for developing countries like Nigeria, a shore base is of far greater significance than in developed regions like the North Sea, the US gulf coast, Mexico, Brazil and others. This is because, virtually all the requirements for exploration and production of hydrocarbons offshore, are imported from elsewhere in the world and accordingly need, at the very least, to be prepositioned, tested and stored well in advance of deployment and use, as close to the respective offshore acreage as possible, not least because the various offshore vessels that shuttle between the producing asset and the land based support infrastructure can cost up to $500,000.00 (five hundred thousand US Dollars) or even higher to lease daily.

"It is the ability and capacity to add value to any raw material that creates real wealth."

The only sensible approach is to reduce this total dependence on importation by adopting an aggressive but systematic programme of ramping up local knowledge, skills and capacity to facilitate increasing local input and participation in the production of both the hardware, like fabrication, as well as the software, including engineering design, research and technological development, in the industry. Indeed, as in much else, intellectual property and possession of technology are immeasurably more valuable than oil and gas reserves. It is the ability and capacity to add value to any raw material that creates real wealth. For example, Singapore does not produce a single barrel of crude oil. However, it has one of the largest refining and petrochemical complexes to be found anywhere. When Norway first discovered oil and gas in the North Sea, there was a relatively low level of Norwegian indigenous expertise in the business. Today Norway possesses some of the most advanced proprietary deep offshore technology. This knowledge based approach is the case, not surprisingly, in the developed and other seriously organized economics. By way of very sharp contrast, Nigeria produces around two million barrels of crude oil daily only to turn round and import most of the products consumed in the country – the perfect obverse of economic logic. In addition to this, development of Nigerian expertise and capacity in the industry remain relatively low. Nothing is clearer than the fact that this must change as a matter of urgency. Given the fact that the cost of production and of capital investment offshore is significantly higher than on shore - for example, Total's Egina field, would have gulped some $16 billion (sixteen billion US Dollars) by the time oil production commences in the 3rd/4th quarter of 2018 – targeting enhancement of local content component of this sort of investment needs to be made a top micro economic goal. It seems to be quite clear that in order to benefit maximally from our offshore oil and gas endowment, Nigeria must focus on the increasing domestication of the investment phase of projects like this, by emphasising the growth of local capacity in design, engineering, fabrication, specialized welding and other skills. This will facilitate far more significant dollar inflows as well as create jobs directly and indirectly in the hundreds of thousands, possibly in the millions over time, together with opportunities for skills acquisition. In comparison to this, government take from its share of proceeds of sale both of LNG and crude oil and from petroleum profits tax pales into insignificance in addition to making minimal contribution to sustainable economic growth. In point of fact, Nigeria must have as a main objective, exportation not of crude oil, but of refined products and other high end manufactured goods, services and skills.

The role offshore bases is critical to this effort because they are the principal location for these activities. However, using the Total Egina field again as an example, the fact that Ladol has developed the first and thus far, the only FPSO integration facility in Africa, has created jobs and opportunities for other fabrication yards and sub-contractors, to participate in the local completion of the Egina FPSO, thus significantly raising the bar in terms of achievable goals. We estimate that for every job created in Ladol between five to ten other jobs are facilitated up and down the value chain.

All the other countries in the sub-region that have offshore oil and gas acreages are very well aware of the imperative of the development and growth
of local content within their respective borders. In other words, competition in this industry is regional. For Nigeria to maintain and indeed increase our share of this multi-billion dollar industry, we need a vibrant, and competitive shore base industry in the country.
Well, as the saying goes, better late than never. Nigerians are some of the most talented people to be found anywhere in the world and all that is needed are the right policies that are faithfully and consistently implemented.

In my view, the Nigerian shore base industry is now being re-positioned to play it's pivotal role in terms of facilitation of local content and capacity building in the oil and gas industry, especially in the offshore acreages. The contribution to local content goes well beyond the hydrocarbon industry because the skills, knowledge and technologies involved are applicable and transferable to virtually every industry and enterprise.

For 2018, the price of crude oil will remain unpredictable, to state the obvious. Fundamentals like supply and demand, are only a part of the determinant factors. Geopolitics are of far greater significance and in this regard, things are really and truly very much in the laps of the gods.

However, regardless of the price of crude oil, what is doubtless is the fact that, our salvation as a nation lies not in the export of crude oil and liquefied natural gas but rather in how rapidly we can grow local value addition and capacity building. The future lies in petroleum refining, in the rapid development of petrochemical industry to fuel industrial production and in the development of our gas resources to, inter alia, power and energise the economy. Every support and encouragement should be given to the various indigenous companies engaged in endeavours focused on local value addition. There will be resistance from those being pushed aside by growing local production and this makes it critically important that those charged with the task of monitoring the development and growth of local capacity be enjoined to carry out their supervisory role with steadfast integrity, determination and wholly in the National interest.

As much in 2018 as in the following years, what the industry and indeed the country needs is a paradigm shift away from the essentially nonproductive past to a future characterised by knowledge, technology and innovation. A vibrant competitive and efficient shore base industry is set to play a major role as Nigeria races towards a regime of productive, and sustainable socio-economic growth and development. Ladol is hosting the first integration of an FPSO in Continental Africa.

INVESTING IN AFRICAN TECH - THE 10 COMMANDMENTS

BY MAYA HORGAN FAMODU

Ingressive was founded to ensure brilliant minds on the African continent have the resources they need to build wildly scalable businesses.

I led our first market entry trip in 2015. We had about 10 travelers whom I had to convince for half a year preceding to join me in Nigeria and diversify from Silicon Valley to West African tech.

The appeal was there: lower valuations than Western markets with equal and sometimes greater upside, fastest growing consumer classes in the world, 6 of the 10 fastest growing economies, distinctively youthful demographic distribution and exponential increase in internet and mobile penetration.

But so was the fear.

"Will there be armed guards?"

"Will we have bullet proof vehicles? How close is Boko Haram to Lagos?

No, we won't need guards or bullet proof anything. And concern of Boko Haram in Lagos is as relevant as concern of South Side Chicago in San Francisco.

I eventually got the guards, and the cars. But within 48 hours on-ground, our visiting investors were ordering their own ubers to lunch with their new Africans portfolio companies. Two joint ventures were started and investments made from that first trip.

From there, I realized investing is about exposure.

We started scaling the Silicon Valley to Silicon Yaba market entry trips, and investments continued. Almost 20 investments, numerous businesses started and over 40 businesses entered West Africa through Ingressive services.

After a short period, it was obvious that investors, angels, and major corporations from around the world were interested in African tech investments, but needed support on building their own Africa strategy as well as more context on how to traverse the unique business landscape.

VCs, corporates and incubators like Y Combinator, 500 Startups, Techstars, GitHub and Facebook became clients, exploring and supporting Africa's fastest growing tech ecosystems through various Ingressive tech integration services, and most investing locally.

Entire investment strategies were changed to include Africa. No one wanted to be left behind…

Eventually, even we decided to launch a venture fund, and many of these clients became investors in Ingressive capital, our early stage VC investing in tech-enabled businesses in Africa's fastest growing markets.

Ingressive, recognising that every market and tech ecosystem has its nuances, compiled this guide of ten tips to consider when searching for the next billion dollar company in Africa.

#1 Identify suppliers and customers upon whom the target company is heavily reliant.

When participating in African-based and Africa-operating business, a savvy investor must identify and assess to whom the target company is reliant to produce and distribute product.

For example, who is the logistics, payment, cloud host and power source of your eCommerce prospect?

Focusing on one aspect of the value chain is a luxury rarely afforded to African businesses. When one builds in an emerging market with underdeveloped infrastructure, especially in emerging sectors, suppliers and distributors tend to be non-existent, produce below scale or with less regulation, and quality is inconsistent.

For that reason, many African founders own significant portions of their value chain.

For example, Nigeria's Jumia launched Jumia Pay, Jumia Services, and most recently, Jumia One to control their own payment and fulfillment.

West Africa's Dangote Group entered logistics not as a strategic play to take the market, but because unreliable transporters were affecting shipping and delivery of goods.

When executed poorly, it becomes a sloppy business lacking focus with founders spending investment to develop surrounding infrastructure rather than their business. When executed effectively, it becomes a market owner and industry leader with disruptively competitive pricing.

#2. Africa is a continent, not a country, and each region is highly nuanced.

For example, in general, South Africans in Cape Town are the most similar to Americans in their consumer preferences, buying power, GDP per capita, and technology adoption. But those in surrounding townships such as Khayelitsha hold less than half the buying power of their neighbors, as well as a different dialect and set of consumer preferences.

And Zimbabwe has 1/5 GDP per capita compared to her neighbor, South Africa, as well as a different political system.

This obviously impacts products and services relevance and adoption across the continent.

For example, immunization programs have failed in rural areas due to religious sentiments, yet thrived in major metropolises.

m-Pesa was easily adopted in Kenya, but Nigerian consumers are less trusting of electronic payments, which hinders market penetration in Africa's largest economy.

A startup's Pan-Africa strategy is powerful in theory, but there are 54 countries, over 1,500 languages, 1,000s of distinct cultures, and one billion people.

A savvy investor will assess product market fit and geographic and cultural nuances when conducting diligence.

#3. Be wary of companies with high cash burn rates or no clear horizon to profitability.

Companies in Africa make money faster than other markets. Without revenue, there is no business mainly because up until recently, there was a dearth of startup financing capital.

In our research, on average, West African companies reach profitability faster than companies in the US.

This is not the Valley. The venture financing ecosystem is nascent, and it is important to have a solution if fundraising lasts longer than anticipated, or does not happen. This year, we've added over a dozen funds investing in West African startups, and last year, even in a recession, venture capital inflows increased by 16.6% (DA 2016), but unlike Silicon Valley, the number of viable early stage investment opportunities still exceeds the accessible local capital.

A savvy investor will seek out companies that can withstand the financing challenges across Africa.

#4. Don't underestimate the bottom of the pyramid - low margin, high volume makes billion dollar businesses.

Take m-Pesa, the world's leading mobile money platform. m-Pesa solved the puzzle before traditional financial institutions: banking the unbanked. Launched 2006 in Kenya, m-Pesa's platform enables essential financial transactions such as deposits, withdrawals, money transfers and bill payment. It brought financial inclusion to bottom of the pyramid without the need for bank account ownership.

Less than a decade later, Kenyan's access to banking products jumped from 25% to 68% and over 40% of Kenya's GDP moved through this fintech platform (Quartz 2016), yet their user stands average Ksh. 153 per month (Maina 2017).

As savvy investor should know that this section of the consumer class can neutralize the effect of relatively lower GDP per capita.

#5. Experience living or working in Africa is key when selecting founders.

The business environment is unique. The team must be on-ground and have local talent--that means local equity holders and local managers.

A savvy investor seeks African-operating businesses built by local founders who have a deep understanding of the business terrain or have had sufficient exposure to the local ecosystem to navigate the relationship requirements to scale.

#6. Be mindful of foreign currency exposure and local currency volatility.

Seek companies that produce domestically and then export West.

Be mindful of exposure to foreign exchange when looking at businesses in the reverse, with any import component, or that sell to the local African markets. African currencies historical have been quite volatile. The Naira went from N200 per $1 to N500 and down to N350 in a matter of months. Essentially, costs doubled and revenue halved for those importing to sell locally.

A savvy investor should always include currency risk as a part of due diligence.

#7. This is a collaborative, not a competitive investment market.

Ensure three types of investors are on any portfolio company's cap table:

The African Investor: on-ground, connected locally, understands the nuances of African business and can bring that expertise to both diligence and advising.

This is a relationship-based market more than any other. Do not underestimate the importance of connections; it is fundamental to your startup's success.

The Technical Expert: Tech ecosystems across Africa are fairly nascent. Local advice on highly technical products is subsequently more difficult to find. Find this expert and get them invested.

The Next Check: the one who is tied to later stage sources of venture capital. The number of Africa-focused Series A and Series B, $5 Million to $20 Million investors, are extremely limited. Have this person invested from at least one or two rounds before you may actually need him or her.

The West African ecosystem is small and collaborative, not competitive. Prepare to co-invest with both local and international partners. Ingressive market entry services and co-investor networks can facilitate this as well.

#8. Understand the types of liquidity events that align with your investment strategy and then include this as a component of your diligence.

If you have a 7 year fund and your founder intends to become a conglomerate and return dividends, you must rethink your equity versus debt investment. Does debt or equity make sense, are you anticipating liquidity through secondary share sales, acquisition, IPO, dividends, or other?

Debt is still the dominant funding vehicle on the continent. There are also revenue-based returns that are becoming more popular locally.

And also, pay attention to regulatory differences and be weary of profit remittance and double taxation. And Pan-African rules and regulations are not, by any means, standardized. Just as wide-ranging and complex the languages, currencies, and consumer preferences, you will find the same when navigating tax and policy.

A savvy investor will think through potential exits and plan with the founder even when investing in early stage businesses.

#9. Combine Western and African numbers when assessing metrics.

Market transparency is low and data for investors is limited and frequently non-existent. There is no database to source highly accurate consumer preference information. There is no rule book referencing relative metrics and milestones for African companies from different sectors, and thus gauging the growth of your startup can be tricky and inaccurate. Especially when "tech-enabled" businesses incorporate both online and offline services.

Be data-driven in your approach to investing. Aggregate diligence data and relative metrics as you go on your journey—you'll get a sense for averages as you increase the number of startups you've vetted.

Also, do not solely use Western company metrics when observing your African company's growth. Especially with tech, though we in Africa have more mobile users than the US and UK combined, smartphone penetration is still below 40% across the continent.

A savvy investor with stay data-driven, creative and resourceful with diligence.

#10. If you're looking for scale, invest in data-lite products, and be mindful of power and data costs to both consumer and startup.

In an attempt to increase African adoption, Facebook launched a less than 1 MB version of their app, and "Free Basics" data-lite version, consequently seeing usership soar.
This is because, though there are more than 650 Million mobile users on the continent, the average data consumer uses a few hundred megabytes per month.

There are about 150 Million mobile users in Nigeria. 70% of these internet users spend up to N1000 per month on data (Adaramola 2017), that's not quite $3 a month.

Technology products that do well incorporate image and data-lite web browser versions as well as a lean application fit for the low data usage of the average African consumer.

And when it comes to the businesses themselves, calculate the cost of internet and power when assessing long term capital expenditure. Both are still extremely expensive on the continent.

For example, an African media company we work with spends over $15,000 a month to provide broadband and power to their office of 60 people.

A savvy investor will seek data-lite products and be mindful of power and internet costs and usage for both the startup and target consumers.

Investing in Africa is an adventure with immeasurable upside. Not only are we exploring emerging markets, building industries from scratch, and pioneering business and standard practices in Africa, we are changing a continent for the better.

Ingressive actively seeks to engage the tech community and drive resources to those who need it most, and Ingressive Capital is committed to backing the fastest growing businesses across the continent. I encourage anyone interested in how they can establish and build an Africa strategy, or impact the tech community to reach out. Together, we are better!

EMERGENCE OF TOKUNBO ORIMOBI

AS A GLOBAL BRAND

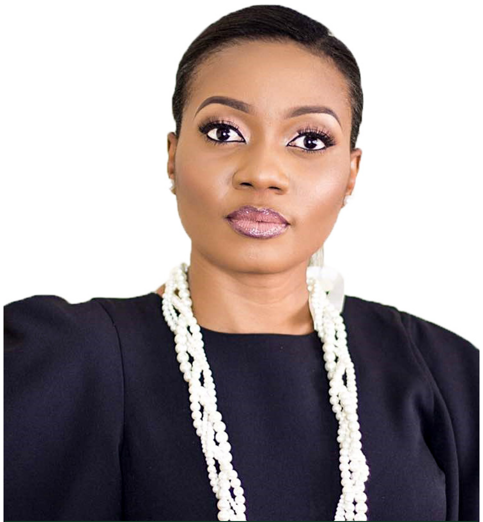
Tokunbo Orimobi, established in 1979, registered with the Securities and Exchange Commission of Nigeria as Capital Market Solicitors and accredited with the Corporate Affairs Commission of Nigeria, has evolved from being a boutique Nigerian law firm into an international legal practice with offices globally – Abuja, Ibadan, Lagos, London, New York, Port Louis and Pretoria.

With competent and adept lawyers with expertise and experience in several areas of practice, the firm has been recognized by several award bodies in recognition of her distinction in the legal industry. The Global Chairman, Michael Orimobi, is ranked as a Leading Lawyer for Capital Markets Deals in Nigeria by the IFLR1000, emerged as Lawyer of The Year, Nigeria and Leading Adviser, Nigeria in the ACQ Global Awards and was awarded Marketing Law with Accolades Award in the 2016 Dealmakers Country Awards; while the firm has gotten several accolades from reputable international bodies.

Just in time to be a part of the significant growth in Mauritius, which is one of the fastest growing economies in sub-Saharan African; Pretoria, which is a premier business destination in Africa; London and New York, which have always been the global financial centres, Tokunbo Orimobi is readily positioned to cater to the legal and business needs of existing and potential businesses in these locations which have been recognized as excellent business cities where most international and cross border deals are birth.

“We are thrilled at this achievement and the competitive edge it would give us in the international legal community,” said Michael Orimobi, the Global Chairman. “True to our vision to be primus inter pares, we feel this is a strategic move to achieve our mission to be the global firm of choice and benchmark for bespoke legal advisory services.”

Furthermore, Tokunbo Orimobi introduced the Private Clients Legal Coverage Scheme (PCLCS), a bespoke annual legal retainership scheme, which covers: Legal opinions & advice; General legal and administrative services e.g. liaising with law enforcement agencies/regulatory bodies etc; Attending meetings and providing legal support thereat; Drafting of wills and advisory services on estate administration; Drafting and reviewing simple contracts and agreements e.g. MOUs, NDAs, Tenancy Agreements; Tax Haven advisory services.



AMAKA AMALU

GLOBAL CHIEF OPERATING OFFICER
TOKUNBO ORIMOBI LEGAL GROUP

Amaka has a background in Human Resources and Customer Relationship Management but in the last three (3) years, transitioned fully into Business Strategy. She has a history and talent for developing processes that boost productivity and business development plans that increase revenue.

Membership: CIPMN, CIPD, SHRM, HRCI, ATD.

TOKUNBO ORIMOBI CULTURE

BY AMAKA AMALU

Culture can be defined as the character and personality of an organization. It is what makes an organization unique and is the sum of its values, traditions, beliefs, interactions, behaviors, and attitudes. Culture plays an important role in extracting the best out of employees. It is a system of shared assumptions, values and beliefs that governs how people behave in an organization.

Culture has visible components in the way a business looks and how its employees dress, but it really thrives in the attitude of employees, in the setting of goals and in the communication of business values to staff and clients.

- Work culture goes a long way in creating the brand image of the organization; it gives an identity to the organization;
- Work culture brings all the employees on a common platform especially regarding common organizational goals; and
- Work culture unites the employees who are otherwise from different backgrounds, families and have varied attitudes and mentality, thereby giving employees a sense of unity at the workplace.

The three components of our Culture at Tokunbo Orimobi are –

ENERGY

Energy is everything! Energy is powerful enough to create your success or promote your demise. Everything you involve yourself in is a result of the energy you contribute. How you contribute to your professional environment is as important as what you contribute. You may have the experience, knowledge, skill, and a long history of success; however, if you approach a new project, a meeting, a new job, an employee, your boss, or a client with infected/negative energy, the end result would be certainly unproductive.

This type of energy is not just one gotten from food but a type of energy that is contagious, that allows someone to walk into a meeting and lift the mood entirely. A type of energy that you want to be around, that pushes you to work harder and be better because, well, you want to. This type of energy is rare and more importantly, extremely valuable. People with this type of energy lift others up and initiate effective work from those they come in contact with. They are positive, fun, go-getters with a "can do" attitude and an obvious appetite for life.

At Tokunbo Orimobi, we have a team of young, highly/positively energetic and enthusiastic individuals with amazing speed and quick reflexes which help us get ahead of our peers and stand out in the legal industry.

We understand that a leader's energy

can determine the success of a meeting, a workday or even the overall organization so for our team heads who have been chosen and given the privilege and responsibility to supervise others, this is an important behavioral attribute.

Tied to our culture of energy is our reward system, which ensures that a staff's positive energy is adequately rewarded. For us at Tokunbo Orimobi, Money is not Reward. Money is just one of the several tools of our Reward System.

Good energy. Good work. Good life.

FUN

It seems counterintuitive to suggest that work should be fun, right? Our whole lives we have been taught the "work hard, play hard" dichotomy but why can work not be fun in and of itself?
A fun company culture is one of the best ways to keep your employees and attract new ones. While having fun perks like all-expense paid vacation, motivational material gifts is not a bad way to stimulate a fun culture, it does not always need to weigh down pockets. A fun culture stems from the energy and the vibe of your workplace, and usually, it is up to the management to set the tone for their team.

At Tokunbo Orimobi, we have periodic fun activities like our game nights where we have board games and also engage in interactive ones like charades and the concentration game (not for the faint hearted at all…whew!), our spontaneous TGIF sessions where we just want to bond and enjoy one another's company, the quarterly TGIF where the firm literally throws like a party and we have unlimited fun, our dress down winter and summer in July and December respectively, months when we breathe from our corporate casual dress code and rock our jeans and tees Mondays to Fridays, boat cruises, beach hang out, movie days out, cultural day fashion parade etc.

A fun, positive company culture is without a doubt good for business for the following reasons:

- It Helps Engage Our Employees

Engaged employees are more productive and having a great company culture is what makes employees want to show up to work every day, put in their best and sustain their enthusiasm about their tasks.

- It Helps Attract New Talents

When an employee loves where they work, they naturally become company ambassadors and help to organically promote your company, helping to attract new talent and promote the enterprise from the inside out.

This is why it is important for us to measure our company's Employee Net Promoter Score (eNPS). Finding out how likely they are to recommend the firm as a place to work, helps us understand what areas we can work on improving.

SOPHISTICATION

Whatever definition you choose to pick from: having, revealing, or involving a great deal of worldly experience and knowledge of fashion and culture; having a refined knowledge of the ways of the world cultivated especially through wide experience; finely experienced and aware; having a lot of experience of life, and good judgement about socially important things such as art, fashion etc; we are all about that at Tokunbo Orimobi.

An "affordable luxury brand" as we refer to ourselves, is a very rare combination of class and affordability.

From the quality of our staff, to the quality of our work, to our internal processes, to our work tools, to the quality of our clientele and professional affiliations, to our customer service model, even to the way we dress, where we socialize, how we speak etc, all oozes of premium class.

We place a high value on sophistication, because we have been trained to seek it out as a cue for what lies ahead.

At Tokunbo Orimobi, we understand the significance of Work Place Culture and have carefully, over the years communicated this to our people both verbally, in everyday acts and these have been internalized overtime to make up the "TO Person."

Our Culture is the foundation of our human capital philosophy. Tokunbo Orimobi is structured as a law firm that uses its Culture as the only tool to attract and retain human capital. Our Culture is why people want to work at Tokunbo Orimobi and it is also the reason why they stay at Tokunbo Orimobi long term.