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• Identify and create “fit for purpose” solutions for our clients.
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Hurrying to an uncertain destiny

Beset by security problems and governance issues, Nigeria continues to confound its critics, with an economy that posts handsome growth – and a football team that can deliver satisfying results

Antony Goldman in Abuja

When a constitutional furore threatened to rip Nigeria apart in 1964, the country’s leading newspaper observed that, just four years after independence from Britain, “we have perfected the art of staring into the abyss without toppling in”. This talent for escapology has been sharpened through 50 years of emergency and crisis management, marked by a civil war, several coups and today a pattern of violence that begs questions as old as Nigeria itself: who is the country for – and what will it take for it to remain as one?

The challenges Nigeria faces today are more severe than at any time since its disparate regions in the old Islamic empires of the North, the oil-rich swamps of the Niger Delta, Yoruba kingdoms in the west and feisty republicans in the east were fenced together for colonial convenience by the British in 1914. The population is now estimated at 160 million, infrastructure is at breaking point or beyond in at least a dozen teeming cities and the ranks of the unemployed and underemployed continue to swell. Tensions have been greatest in the most marginalised regions. In the Niger Delta, which produces for export more than 2 million barrels a day and generates more than 90 percent of foreign exchange earnings, violence remains ever present, despite the adoption of amnesty in 2009 by many militia groups fighting for a greater share of the region’s oil wealth. International oil companies estimate that up to 20 percent of Nigeria’s production from fields on shore, or in shallow water, is regularly stolen by organised criminal networks, often with the complicity of officials in those same oil companies and partners in the military and government. It is a trade worth billions of dollars, supplemented by sidelines in piracy from Cameroon to Ivory Coast – and the abduction of expatriates or prominent locals, including in 2012 the octogenarian mother of the finance minister, Ngozi Okonjo-Iweala.

A sustainable peace will come not simply from a military victory over extremists, but with substantial investment to rebuild the battered legacy of government.
The Ministry of Petroleum Resources notes that Nigerian output has climbed significantly since the 2009 amnesty and is presently at record levels. But delays over the adoption of reforms first presented to parliament nearly four years ago have put a brake on new investment in oil exploration, while technological advances in the exploitation of shale gas mean that interest in Nigeria’s prodigious reserves of natural gas has dwindled. While thousands of former militants have undergone training in a diverse range of skills, signs of opportunity and jobs generated by a confident and expanding private sector are few and far between.

In the North, the situation is potentially more explosive still: an Islamist insurgency threatens to place Nigeria on a new frontline in a War on Terror that the USA and its allies in Europe had hoped was fizzling out. Boko Haram (Western education is a sin) began life as a fringe religious cult in Borno State in the early 2000s. The administration of Olusegun Obasanjo (1999-2007) saw it morph into a more militant force with links to the political establishment – and a military strike ordered in 2009 by his successor Umaru Yar’Adua provided only a brief respite as Boko Haram went underground and forged links with jihadist groups in other parts of Africa.

Boko Haram has engaged in assassinations and suicide bomb attacks against a range of targets including police headquarters in Abuja, army barracks, police stations, banks and churches. But in 2012 a separate faction, known as Ansaru, emerged with closer links to Al Qaeda in the Mahgreb (AQIM). It attacked a maximum security police station in Abuja in November, kidnapped a French national in Katsina in December and ambushed an army convoy in January. Pledging retaliation against international interests, in protest at the French-led military coalition deployed against Islamists in Mali, it kidnapped and killed foreigners in Bauchi State and in neighbouring Cameroon during February, transforming the security environment in northern Nigeria into an international issue.

Security sources inside Nigeria say there has been a huge improvement in the capacity to combat terror, but that it is a regional rather than a national issue. While efforts to defeat Islamists in Mali are critical for the long term security in the region, in the short-term the fall-out from the intervention in Mali could further destabilise Nigeria itself. They also claim that while Ansaru has no real constituency in Nigeria, Boko Haram has been able to tap into a sense of alienation from the secular state in one of Nigeria’s impoverished regions – and that a sustainable peace will come not simply from a military victory over extremists but needs substantial investment to create jobs and new initiatives to rebuild the battered legitimacy of government.

Opponents of President Goodluck Jonathan maintain that security issues are symptoms of a deeper malaise, and that his administration has shown little will or capacity to deal with longstanding governance and infrastructure issues. Opposition parties in February pledged to work together to overcome personal rivalries between their leaders to create a political merger that could challenge the hegemony of the People’s Democratic Party (PDP), which has lasted since the restoration of civilian rule in 1999.

Within the PDP, powerful forces are lobbying quietly to ditch Jonathan in favour of a northern candidate who might prove more electable in 2015. Jonathan’s supporters maintain he is in a stronger position now than when he defeated a northern rival for the PDP nomination before the last elections, and are confident that the opposition will again splinter over personal ambition.

The government is proud of the record of strong economic growth, averaging more than six percent a year since Jonathan came to office in 2010, and there is new interest by international funds in Nigeria. A tangible increase in services such as power supply would be a further boost but, with pre-2015 campaigning already gathering pace, the window for effecting change is beginning to narrow.

It was for this reason that Jonathan so warmly embraced Nigeria’s victory in the African Cup of Nations football tournament in February, a triumph for one of the country’s few truly national institutions that was celebrated in all parts of the country. “Our enemies blame us even for natural disasters like floods,” one close advisor to the President said, “so the least we can do is take the credit when something goes right.”

Antony Goldman, a regular commentator on Nigerian affairs for international media outlets, is director of Promedia Consulting, which specialises in business risk analysis and due diligence in Africa.
Understanding the democratic deficit

The way in which the return to civilian rule was organised in 1999 means that the democratic process is still falling short of delivering the expected benefits for Nigerian citizens

Sylvester Odion Akhaine

After many years of authoritarian rule, Nigerians expected a better deal from the return of democratic rule in May 1999. The nation’s oil wealth would have seemed to make that practicable. However, after 14 years of civil rule, its democracy is still grossly inhibited.

The ‘pacted’ nature of the country’s transition to democracy has turned out to be its Achilles’ heel. Authoritarian rule had left Nigeria badly divided and also splintered the solidarity of the powerful military, which, in the words of one of its former chiefs, had become an “army of anything is possible”. After the death of the dictator Sani Abacha in May 1998, the military leaders were at last ready to look for a way out of the problems they themselves had created and so ordered the transition to civil rule as the solution.

The northern region had, for the most part, exerted central authority ever since Nigeria’s independence in 1960. And in 1993, the military, largely led by northern officers, had annulled a free and fair presidential election won by Chief M.K.O. Abiola, a Yoruba man from the south-west region.

A pact between the major regional power brokers had, in effect, become essential to restore stability. The one that emerged in 1998 did reduce the uncertainties of the transition process itself but it simultaneously underlined its deficit – the narrowing of democratic space in terms of participation and inclusivity. The transition process produced only two presidential candidates: General Olusegun Obasanjo, a former military head of state, and Chief Olu Falae, a one-time Finance Minister and Secretary to the Federal Government. Both were from the south-west, but it was only Obasanjo who could be trusted to guarantee the interests of the military. The transition arrangement managed to assuage the people of the south-west on the issue of the earlier annulment, while the military were indemnified by the constitution they themselves had approved.

The pact was, at best, a temporary solution in that it did not tackle the problems of skewed federalism, the fiscal emasculation of resource-bearing states and the issue of corruption. It was democracy by undemocratic means. Democracy, even of the authoritarian hue, does not run well without political parties, which should be the engine of the process. But Nigeria’s ‘political parties’ do not operate as elsewhere. They lack ideological content and are highly idiosyncratic. A discerning commentator, Dr Edwin Madunagu, captured this point when he said: “In Nigeria, most of the people who aspire to high-profile elective positions first announce their ambitions, and then seek political platforms on which to realise them.”

The shortcomings have brought a new phenomenon – the emergence of state governors as powerful players. With control over state resources, they have blocked any democratic deepening in the country.

Most elections held under the country’s fourth republic have not met minimum electoral standards. The 2003 electoral exercise was dismissed as a charade by Justice Sylvester Nsofor in a dissenting judgment at the Presidential Election Petition Tribunal. The 2007 elections were so tainted that the Commonwealth Observers Group said that Nigeria fell below the standard it set for itself. And the 2011 elections were not without drawbacks, being characterised by process-rigging, under-age voting, ballot-stuffing and violence which left several members of the National Youth Service Corps dead.

In spite of their disenfranchisement, citizens have continued to clamour for a share of the ‘dividends of democracy’. But how much of a democracy dividend is possible in a rentier economy where the informal sector preponderates and corruption holds rational planning to ransom? The country’s neighbours, like Ghana and Niger, have smaller reserves of crude oil but at least they have functioning refineries, while Nigeria’s four refineries are comatose and subjected to perpetual maintenance, which is often a conduit for siphoning public funds. The venality of politicians is deeply rooted and politics has become the only game in town. Public funds are misappropriated and misapplied with impunity. At best, those who steal public funds are either set free through plea-bargaining or given a soft landing with a conviction that involves the option of a fine.

Optimists would like to see the current setbacks as typical of a learning curve. With time, the rule of law will improve, politicians will take to politics with spirit of sportsmanship and the dividends of democracy will trickle down. Yet, the errors of Nigeria’s democracy are a deliberate subversion of a known path for self-indulgence. It will take more than optimism to transform the country that most Africans look up to for leadership.
Nourishing and Building a Great Nation

For over 5 decades, Flour Mills of Nigeria and its iconic Golden Penny brand have been part of the lives of Nigerians at home and abroad with annual turnover in the region of N258bn in 2012 and a workforce of over 3000. The company’s vision is to be a leading Food Group in Africa; providing an ever expanding portfolio of high quality and affordable products to consumers in the most convenient ways; delivered currently through a range of world class flour, semolina, pasta, noodles and rice products supported by the Golden Penny brand heritage and values.

Flour Mills is also increasing its focus on backward integration in the Agro allied sector with investments being made in two farms in Nigeria which will extend in order to support its sugar, rice and edible oil interests. These plans would be supported by fertilizer division which is the clear market leader in distribution of fertilizer within Nigeria.

FMN would continue to have significant presence in cement with increasing focus on local production. It also has a number of support businesses providing critically important packaging, transport and logistics service to the whole Group.
The energy sector powers up

Millions of Nigerians who have for decades endured epileptic electricity supplies, or none at all, are hoping for a brighter future as government reform of the country’s troubled power sector enters a crucial stage

Tunde Obadina

The privatisation of the power sector is expected to lead to one of the biggest advancements in the Nigerian economy since Africa’s most populous nation first embarked on its structural adjustment programme in the mid-1980s.

“Today is a very significant day for Nigeria, significant because this is the issue of public-private partnership in action,” Tony Elumelu, the chief executive officer of Transcorp/Woodrock, the preferred bidder for the Ughelli Power Plc generating plant, said in February 2013 at the signing of agreements between power companies and the state-owned Nigerian Bulk Electricity Trading Plc.

President Goodluck Jonathan’s administration last year appointed the Canadian firm, Manitoba Hydro International, to manage the national grid under a three-year contract to operate the state-owned Transmission Company of Nigeria (TCN). And now, the government is in the final stages of concluding the sales of five power generation plants and ten distribution companies to private investors. Officials expect that these utilities, unbundled from the notoriously inefficient Power Holding Company of Nigeria (PHCN), will be in the hands of the foreign and local companies approved by the National Privatisation Council as the preferred bidders for the assets by mid-2013.

Although Nigeria is Africa’s second biggest economy and its leading oil producer, more than half the population have no access to electricity. For households and businesses connected to the grid the experience has been an endurance of frequent and often long daily power outages. Most companies and wealthy households must rely on private electricity generators for backup, which can be expensive in fuel costs.

Despite spending, on average, US$2 billion annually on the power sector, successive federal governments have struggled to find a lasting solution to the underperformance of the PHCN, which until recently did not produce much above 3,000 MW for a nation with an estimated demand of more than 10,000 MW. But since President Jonathan launched his administration’s Roadmap for the Power Sector reform in August 2010, on-grid generation is now above 4,000 MW. There has been more gas to fuel thermal generation plants as well as additional output from four new plants under the National Integrated Power Project (NIPP).

The government hopes the reforms will boost supplies to 14,000 MW by the end of 2013 and 40,000 MW by 2020. This may seem over-ambitious, given current levels of production, but officials say it is feasible, given that more than 40 new electricity generation plants are currently under construction or have been licensed to be built. There are investment and financing agreements for the power sector with a number of major international companies and financial organisations, including USA’s General Electric and Germany’s Siemens, as well as the export-import banks of the US and China. Last year, South Korea’s Daewoo Engineering and Construction signed a memorandum of understanding to facilitate the production of 10,000 MW while China-based Sinohydro-CNEEC Corporation agreed to build a 700
The government has also taken steps to make the power sector more attractive to private investors by adjusting existing pricing regimes that hitherto limited the ability of producers to make a profit. In June 2012 the authorities launched a new Multi-Year Tariff Order (MYTO) that provides for a phased increase of electricity retail tariffs over the next five years. Sam Amadi, chief executive officer of the Nigerian Electricity Regulatory Commission, said: “The MYTO has restored confidence in the Nigerian electricity supply industry. This confidence is more important than the increase in generation because it is confidence in Nigerian electricity market that will spur investment in sustenance and sustainability of electricity supply.”

Disappointments are likely as the realities of transforming a sector that has been impaired by decades of neglect and mismanagement become more evident. The biggest challenge could arise in getting the available energy to consumers. Although existing power plants can produce about 6,000 MW, the poorly maintained transmission infrastructure struggles to deliver more than 4,000 MW. Unlike generation and distribution companies that will be partly privately owned, the transmission system will remain under state ownership. Officials are aware of the financial implications of this and are exploring ways to involve private investors in financing transmission infrastructure projects.

Economists remain sceptical about the prospects for the government’s objective of getting private investors to build refineries and turning Nigeria into a net fuel exporter. The failure to deregulate has stopped many private investors from building new refineries, despite the government having issued several licences to private companies in recent years.

The Minister of Petroleum Resources, Diezani Allison-Madueke, said in October 2012 that government plans to spend around $1.6 billion on the turnaround maintenance and upgrade of its three refineries. It aims for the repairs to be completed by the fourth quarter of 2014. The state-owned Nigerian National Petroleum Corporation (NNPC) is also working on a $23 billion deal reached with the China State Construction Engineering Corporation in May 2010 to build three new refineries in Nigeria with total capacity of 750,000 barrels per day, as well as a petrochemical complex.

Nonetheless, many economists remain sceptical about the prospects of the government achieving its twin objectives of getting private investors to build refineries and turning Nigeria into a net fuel exporter. These changes are unlikely to occur without Nigeria’s rulers mustering the political will to push through controversial reform of the downstream sector. Deregulation and liberalisation of the sector is one of the objectives of the Petroleum Industry Bill (PIB) currently with the National Assembly. Initially introduced to parliament in 2008 and presented again in modified form in July 2012, the PIB also aims to restructure the NNPC into a profitable concern, raise taxes paid by international oil companies and increase development funding for petroleum host communities. This crucial and complex legislation has been delayed in parliament, largely as a result of differences between the various stakeholders vying for bigger slices of the nation’s oil profits.

Tunde Obadina is an economist and freelance writer
“I am very confident there will be a massive new wave of investment activity”

INTERVIEW

Atedo Peterside, member of the National Council on Privatisation and chairman of the NCP’s Technical Committee

Global: With the anticipated finalisation of the sale of power generation and distribution companies to private sector operators, are you confident that the management of Nigeria’s power sector can soon become sufficiently well harmonised for a new wave of investment in electric power to begin all across the country?

Atedo Peterside: Yes, I am very confident that there will be a massive new wave of investment activity. Many analysts overly emphasise insufficient power generation in Nigeria. They forget that 40-50 percent of the power we generate is traditionally lost on account of transmission and distribution inefficiencies. Of this total distribution losses alone account for 35-40 percent, while the transmission losses typically fluctuate between five and ten percent.

Privatisation of all the 11 Distribution Companies (Discos) is therefore the key. At present there is a very poor alignment of goals between staff of the Power Holding Company of Nigeria (PHCN) and the consumer. PHCN staff know that they will be paid their salaries in full whether or not they rectify a local distribution fault. With privatisation of the Distribution Companies, the new core investor pays out between NGN9.3 billion and NGN26.5 billion to acquire a 60 percent equity in a Disco. This is an upfront payment and a financial outflow. The core investor only receives financial inflows when there is electricity running through a consumer’s meter and so he has a vested interest in rectifying all reported faults/losses speedily, so that he can keep the inflows rolling in. Likewise, the private sector controlled Discos would accelerate new investment activity that will lead to a sharp reduction in power outage on account of distribution faults/losses.

The case for new investment activity in the Generation Companies (Gencos) and transmission is also very strong. New IPPs will spring forth as distribution becomes more efficient and electricity demand surges. I expect an entire sector awakening, similar to what the Nigerian telecommunication sector witnessed over the course of the last decade.

For new investment to be sustainable, the traditionally low customer tariff will clearly have to be increased over time. How difficult do you think it will be to establish a pace of increase that is acceptable to both customers and investors?

Tariffs were increased on 1 June 2012 and that went a long way towards making the entire value chain healthy. All things being equal, we expect privatised Discos to collect enough cash via the pre-paid meters of consumers to cover all their outgoings, while also leaving them with a healthy profit. Of course, a major outgoing for the Disco is payments for the power they are consuming as stipulated in the vesting contracts they signed with the Bulk Trader. The Bulk Trader will, in turn, pay the Generation Companies via Power Purchase Agreements.

The tariff regime that was established in June 2012 is anchored on a formula built into a Multi-Year Tariff Order. The tariffs will adjust naturally from then on because they are tied to various parameters such as the cost of fuel and the inflation rate. The tariffs are also progressive and so the unit cost of electricity jumps up as the usage increases. The poorest consumers enjoy a subsidy from the Federal Government and a cross-subsidy too. The intention is that the very rich should pay more than they need to pay for electricity so that the very poor can pay tariffs which are significantly less than the cost of providing electricity to them.

Will the regulator be seen to be truly independent of government and free from political interference?

Yes, the National Electricity Regulatory Commission (NERC – the Regulator) is sufficiently independent. The Chairman of NERC and its commissioners cannot be fired except via a Senate vote.

Do you expect the power plants that are currently being built by government to be privatised sooner or later?

The power plants currently being built by the Government are the National Integrated Power Project (NIPP) plants. These are owned by all three tiers of Government (Federal, State and Local). I expect these plants to be privatised eventually after a consensus emerges to dispose of them. The plants that we are privatising in 2013 (the Gencos) are the Federal Government plants which belonged to the old State Monopoly Power Company – the Power Holding Company of Nigeria (PHCN). These are four Thermal plants (Afam, Geregu, Sapele and Ughelli) and two Hydros (Kainji and Shiroro). In addition, there is the Egbin thermal Genco, which was sold to Kepco of Korea by a previous government, but the transaction did not progress because it got bogged down by a protracted stalemate. This transaction is being re-activated and I expect closure soon on the basis of modified/re-negotiated terms. There are two other thermal plants (Olorunsogo and Omotosho) which were in the process of being built for PHCN by Chinese contractors when a decision was taken to privatise PHCN. These plants should be disposed of by offering the Chinese contractors the first right of refusal to purchase them. I expect substantial progress in this area very soon.
Nigeria is acquiring the look of an economy in rapid transformation. Having grown at an average annual rate of 8.4 percent since 2000, according to IMF data, the economy is currently forecast by Nigeria’s National Bureau of Statistics to grow by 6.75 percent in 2013 and 7.27 percent in 2014, which should place it among the world’s better performing economies.

With such enviable growth prospects, as well as a rapidly expanding middle class and consumer markets, it is little wonder that Africa’s most populous nation has become an emerging market attracting the interest of local and international investors alike.

Officials in Abuja have lately been busy playing host to executives of international corporations that have visited the Nigerian capital to size up the nation’s market with a view to entering into investment deals with government and local business partners. In January this year alone, firms from the USA, Canada, the Netherlands and Turkey signed accords that held promises of investment in Nigeria totalling NGN800 billion (US$5.2 billion), according to reports in Lagos-based BusinessDay.

Most remarkably, the attraction is now more towards the non-oil sector, rather than the country’s lucrative hydrocarbon industry – the main magnet for foreign investors in the past. In January, the USA’s General Electric signed a memorandum of understanding with the Federal Government to invest $1 billion in the next five years, with an initial commitment of $250 million to build a factory in the free trade zone in Calabar in the south east. Last year, Swiss-based Glencore International signed an MOU to invest $1 billion in mining, energy and infrastructure.

Although not all investment pledges materialise, some significant progress has been recorded in the past decade in the scale and scope of private investment in agriculture, telecommunications and retail business. According to the UN Conference on Trade and Development, foreign direct investment (FDI) flows into Nigeria rose from $6.1 billion in 2010 to $8.9 billion in 2011, making it Africa’s biggest FDI recipient and accounting for a fifth of all flows into the continent. Local businesses and multinationals already established in the country are leading the new push. An obvious example of the former is the expansion of the industrial empire of the Dangote conglomerate, owned by Aliko Dangote, Africa’s wealthiest man. In June 2012 the industrialist opened an extension of his company’s Obajana plant in Kogi State, raising its capacity to 10.25 million tonnes, making it one of the world’s biggest cement factories. The Dangote group, which has cement plants in other parts of Nigeria and in other African states, has invested some $6.5 billion in its cement business in recent years in a drive to become one of the world’s top eight cement companies by 2015. Dangote has also taken steps to expand sugar production in Nigeria, including recently acquiring a 95 percent stake in Savannah Sugar Company.

Companies are expanding to take advantage of the growing purchasing power of Nigeria’s fast expanding middle class. Guinness Nigeria hopes to complete a US$372 million investment to expand its beer production by 50 percent, by November 2013. Nestle Nigeria, part of the Swiss food processing multinational, plans to invest $635 million over the next ten years, with a view to tripling its sales in Nigeria over the period.

Government officials say there is growing investor confidence in the administration’s economic reforms, especially in its policies geared to achieving macroeconomic stability and providing incentives to support private enterprise. In his budget speech in October 2012, President Goodluck Jonathan boasted that his administration’s reforms to involve the private sector in agribusiness had so far succeeded in attracting $7.8 billion in commitments to the agricultural sector, with the prospect of creating 3.5 million new jobs by 2015. He said the latest fiscal measures had resulted in the establishment of 13 new private rice mills, with total capacity of about 240,000 tonnes.

The growth in private investment could yet help Nigeria realise its ambition to become one of the world’s 20 largest economies by the year 2020. Officials point to evidence of a more friendly business environment in a country where economic nationalism used to be prevalent. “There has been a change of attitude to investors among officials and ordinary people in Nigeria. They now know that investors are coming to add value to the economy, not to cheat the nation,” said Amos Y. Sakaba, chief operating officer of the One Stop Investment Centre at the Nigerian Investment Promotion Commission. “Now local communities are willing to defend foreign and domestic investments in their areas because they see it as helping to improve their lives.”

But some observers worry that the rise in economic growth and investment in Nigeria may not herald the fundamental transformation of the economy needed to lift the majority of the country’s population out of poverty. “It is hard to say if more investment in Nigeria is a reflection of growing confidence in the country’s economy or if it is just a reaffirmation of the fact that no matter what, there are some sectors in Nigeria where the profit yield is just too tempting to be ignored,” said Soji Akinrinade, a journalist and director of Mayfive Media in Lagos. “The problem is that the increase in the level of investment hasn’t brought down poverty rates or tackled the biggest problem of Nigeria today: unemployment.”

The Dangote group has invested $6.5 billion in its cement business.
Security challenges: the Islamist threat

Islamist insurgency in parts of the north has been in the news headlines, but is just one of several issues threatening Nigeria’s security in difficult times

Sola Tayo

With an Islamist insurgency in the north, sectarian violence in the Middle Belt and a costly amnesty programme failing to end militant activity in the Niger Delta, Nigeria’s government is battling against several threats to the nation’s security.

When the Islamist group Boko Haram announced a ceasefire in its campaign of violence in northern Nigeria earlier this year, the news was greeted with caution. The ceasefire was not recognised by some of the group indicating a split, with one half seemingly keen to lay down their arms and engage in dialogue while the other half continue to terrorise the region with shootings and suicide bombings.

Boko Haram has made headlines since the group launched its armed offensive in response to a government crackdown in 2009. The group’s then leader Mohammed Yusuf was killed along with dozens of members when they attempted to storm police and government buildings in Maiduguri, its base in Nigeria’s far north.

Opinion is divided on the sources of the group’s funding. The finger has been pointed at wealthy northern Nigerian businessmen and politicians. There is also speculation that they receive support from Salafist groups in the Gulf. The alleged links between Boko Haram and politicians makes for uncomfortable reading and, if true, is an indication of why the government is seemingly unable to put an end to the violence.

In April 2012, President Goodluck Jonathan said he believed that the government and security services had been infiltrated by the group and its sympathisers. In November 2011, a northern politician, Senator Ali Nduma was arrested and accused of being a sponsor of Boko Haram. His case is awaiting trial. In January 2012, it was reported that Ibrahim Shekarau, the former governor of Kano state, had been arrested and questioned over allegations that he had made regular payments to Boko Haram. These reports have been denied by his office.

There have been crackdowns by the police, army and intelligence services and emergency rule where necessary. The effectiveness of this is questionable. The Joint Task Force (JTF) has been accused of antagonising civilians in its zeal to root out militants. This has created antipathy towards the government and a reluctance for civilians to engage with security services about the whereabouts of suspected militants.

Regional intervention in Mali could further aggravate the crisis. While there is no conclusive evidence of its being an Al Qaeda franchise, more information is suggesting that Boko Haram operates with insurgents in the Sahel and Al Qaeda in the Islamic Maghreb. The foreign minister of neighbouring Niger recently warned that Nigerian militants were being trained in camps across the Sahara. As West Africa’s economic and military giant, Nigeria is traditionally the largest contributor of troops to regional conflicts. The French-led intervention in Mali is being supported by the Economic Community of West African States but, while Nigerian troops are fighting Islamists in the Sahel, opportunists are likely to capitalise on the security vacuum and further escalate attacks in the north.

A failure to establish security in the north will almost certainly see an increase in offshoots or splinter groups like Ansaru, who have claimed responsibility for the kidnapping of foreign workers in Bauchi. The group issued a statement claiming that it would avenge interventions in Afghanistan and Mali by western powers with more kidnappings of foreigners.

In addition to Boko Haram, the Nigerian government has to deal with other national security threats. Long held grievances between Muslims and Christians have resulted in sporadic and deadly acts of violence in the Middle Belt. With Boko Haram operating across the north the likelihood of revenge attacks or retaliation from angry Christians will increase.

Before Boko Haram came to prominence, militant activity in Nigeria was associated with groups in the Niger Delta, that waged war on the oil companies they accused of impoverishing the local people and profiteering from their misery. An amnesty programme in 2009 promised militants a monthly income of $400 in return for an end to the violence and kidnapping that had turned the area into a hotbed of lawlessness. Around 30,000 militants were signed up to the programme.

The amnesty programme has created resentment in the impoverished north with locals questioning the government’s reluctance to offer a similar deal to Islamist militants, and the winding up of the programme in 2015 could prove to be problematic for the government. At its peak, militant activity in the region resulted in almost halving the country’s oil production, costing Nigeria’s economy billions of dollars. Worryingly, as the amnesty programme will end during an election year we could see increased violence in the south during a traditionally volatile time.

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Crackdowns by the police are not always effective
Where Eagles dare to fly

Victory in the African Cup of Nations in Soweto in February brought glory and riches to Nigeria’s Super Eagles and their coach Stephen Keshi, who will now have a stadium named after him.

Regaining the African championship for the first time since 1994, the Super Eagles are now instant superstars, with millions of naira raining down on them from every possible source. Coach Stephen Keshi, who was previously derided by the Nigerian media for choosing too many “local boys” for his team, has emerged as a national hero.

“Winning this tournament is mainly for my nation. I want to dedicate this to all Nigerian coaches,” Keshi told journalists in Soweto after the match. And the next day, following a meeting with Nigeria’s sports minister Bolaji Abdullahi, the coach withdrew his resignation (which had been prompted by a series of disagreements with the Nigerian Football Federation).

Keshi – who will now have a stadium named after him in Asaba, the capital of his home state, Delta – can now set about boosting the profile of the game in Nigeria at all levels.

“Often talents playing at home have been under-appreciated,” said Samuel Elumelu, a Lagos-based sports writer with Daily Newswatch. “It is because we run one of the worst leagues anywhere. How do you explain a league that plays 32 matches in 14 months and [whose] winners have emerged from the boardroom rather than from the points amassed?”

“Nigerian national coaches, because of such complications, prefer the ease of a foreign league,” Elumelu said. Reference: Daily Newswatch, February 23, 2013.
foreign-based player who plays [in a] regular league and trains with the best training facilities available,” Elumelu added. “But even with that, there are pockets of Sunday Mbas here and there, at home… I guess what Keshi is clamouring for is to look deeper and give true potentials a chance.”

Akin Ajanaku, a sports consultant and manager, said: “Nigerian local players are getting bolder and ready for the world, thanks to Stephen Keshi’s doggedness.”

Foreign clubs may have wasted no time in bidding to sign up Sunday Mba, but there will certainly be other players well able to take his place. Nigeria is not lacking in talent but the management of the abundant talent has usually turned out to be both inadequate and corrupt.

The prospect of brighter times for local teams should at least enhance football’s appeal for young Nigerians, who in recent years may have found themselves drawn more readily into the music scene, if not the booming Nollywood film business or even its emerging software industry.

Lagos State governor Babatunde Fashola, himself a football enthusiast, has urged sports administrators to sustain the momentum and to upgrade both the national league and the game at the grassroots level. After Nigeria’s unexpected triumph at the AFCON final, he approved the distribution of N59 million ($380,000) to be divided among the coaches, the captain, Joseph Yobo, and the rest of the team.

And the money has not stopped flowing since. Delta State governor Emmanuel Uduaghan gave Keshi a house in the state capital, Asaba, as well as a cheque for NGN8 million ($51,000), and he promised each Eagles player NGN2.5 million ($16,000). Other benefactors have included leading businessmen such as Aliko Dangote and Mike Adenuga.

Leonard Lawal is a Lagos-based writer

Younger generation makes a stylish mark

One of the performances before the Soweto final of the African Cup of Nations was that of Oliver Twist, a popular number by Nigeria’s Dapo Daniel Oyebanjo, better known as D’Banj. The whole stadium erupted as fans from across Africa sang along.

D’Banj is not the only Nigerian star on the rise in Africa. Another is 2Face Idibia, who had a hit with his song African Queen in 2006 and has gone on to win a series of international awards. As the entertainment industry expands, the swagger of Don Jazzy of Mo’ Hits records and other Nigerian stars has become funkier as the money rolls in.

Nigeria is now a top entertainment destination, with producers arriving to find and sign up new hip-hop talent, while popular American rappers come on the lookout for collaborations. Endorsement is ripe with mobile phone companies spending millions of dollars on adverts for local shows and artists. Serious money is also being made in the Nollywood film business, which turns out some 200 videos for the home video market every month. In short, Nigerians are making their mark across the continent.

Actress Genevieve Nnaji is well-known enough around the world to have appeared on Oprah Winfrey’s show, while CNN has interviewed her alongside other Nigerian stars such as Omotola Jalade Ekeinde, Tontoh Dikeh, Mercy Johnson, Desmond Elliot and Ramsey Noah. In Malawi, Kenya and Botswana, Nollywood star Rita Dominic is a household name, winning commercial endorsements as long as her legs.

In the swanky Eko Hotel in Lagos, fashion shows are held every weekend, all with locally made fabrics and local models – some of which, like Adaora Akubilo, have an international profile. The streets of Lagos turn into catwalks at the weekend as fashionistas dress to kill.

And this creative boom is all down to Nigerian youths staying and making their mark at home rather than seeking fame abroad.

Rita Dominic is a household name

D’Banj has won a series of international awards