

Benchmac & Ince

Corporate Newsletter.

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Getting Started.

By Christian Onuora
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Finally, we are off to a new start!

The global pandemic and series of lockdowns summed the year 2020. These unfortunate events were equally matched by a generally poor market performance. Nigerians anticipate a last quarter of 2020 and a first quarter of 2021 that will bring in a much-needed respite.

Investors and indeed the global community, will be on the lookout on the grim economic forecasts of the year and how they play out in a post-vaccine first quarter of 2021.

Thankfully, there are many news to celebrate from Nigeria. Flutterwave made a wonderful consolidation in Nigeria Fintech Space at a time Nigeria is recording a growth in its international trade when compared to the previous quarters of 2020.

We have captured for your delight, most of the market shaping events of this period opening up to a phase of recovery.

2. The Economy

Nigeria Exits Recession, Real GDP Rose by 0.11% in Q4 and -1.92% in FY 2020.

Nigeria's Gross Domestic Product (GDP) grew by 0.11% (year-on-year) in real terms in the fourth quarter of 2020, representing the first positive quarterly growth in the last three quarters.

Though weak, positive growth reflects the gradual return of economic activities following the easing of restricted movement and limited local and international commercial activities in the preceding quarters.

As a result, while the Q4 2020 growth rate was lower than the growth rate recorded the previous year by -2.44% points, it was higher by 3.74% points compared to Q3 2020. On a quarter-on-quarter basis, real GDP growth was 9.68% indicating a second positive consecutive quarter on quarter real growth rate in 2020 after two negative quarters.

Overall, in 2020, the annual growth of real GDP was estimated at -1.92%, a decline of -4.20% points when compared to the 2.27% recorded in 2019. [Read more here](#)

Nigeria's Foreign Trade Increases to N9.12 Trillion in Q4 2020.

Nigeria's foreign trade for the fourth quarter (Q4) of 2020 grew by N9.12 trillion, showing an increase of 8.88% as compared to N8.38 trillion marked in the previous quarter.

This is according to the foreign trade report, recently released by the National Bureau of Statistics (NBS).

According to the report, total imports stood at N5.93 trillion, a 10.1% increase compared to N5.38 trillion recorded in Q3 2020, while total export rose by 6.72% from N2.99 trillion to N3.19 trillion.

Nigeria's trade balance fell further by 14.3% from N2.39 trillion deficit recorded in the third quarter of 2020 to N2.73 trillion deficit in Q4 2020.

Of the total goods traded, the value of exports increased quarter-on-quarter (q-o-q) by 34.85% (but decreased year-on-year, y-o-y, by 43.41%) to N2.99 trillion in Q3 2020, while the value of imports rose q-o-q by 33.77% (and surged y-o-y by 38.02%) to N5.38 trillion in Q3 2020. This resulted in the higher trade deficit of N2.39 trillion in Q3 2020 (from N0.42 trillion trade deficit in Q2 2020); a complete reversal from N1.39 trillion trade surplus printed in Q3 2019). According to the report, crude oil exports which increased q-o-q by 56.04% (but fell y-o-y by 35.30%) to N2.42 trillion, constituted 81.02% of the total export value in Q3 2020. [Read More Here](#)

Nigeria Inflation Jumps to 17.33% year-on-year.

The Nigeria consumer price index, (CPI) which measures inflation increased by 17.33 percent (year-on-year) in February 2021. This represents a 0.86 percent higher rate of inflation than that recorded in January 2021 (16.47) percent.

On a month-on-month basis, the Headline index increased by 1.54 percent in February 2021, this is 0.05 percent rate higher than the rate recorded in January 2021 (1.49 percent).

The twelve-months year-on-year average percentage change for urban index is 14.66 percent in February 2021. This is higher than 14.23 percent reported in January 2021, while the corresponding rural inflation rate in February 2021 is 13.48 percent compared to 13.04 percent recorded in January 2021.

The composite food index rose by 21.79 percent in February 2021 compared to 20.57 percent in January 2021. The core inflation, which excludes the prices of volatile agricultural produce, stood at 12.38 percent in February 2021, up by 0.53 percent when compared with 11.85 percent recorded in January 2021. This is the highest rate recorded in Nigeria since October 2005, exactly 15 years and 4 months ago. [Read More Here](#)

Nigeria Public Debt Rose to N32.9tn in Q4 2020.

Nigeria's total public debt rose to N32.9tn at the end of 4th Quarter of 2020, the Debt Management Office has said. This figure includes the Debt stock of the Federal and State Government as well as the Federal Capital Territory.

From its last report on public debt, the figure stood at N32.2tn as at the end of September 2020, which showed an increase of N700bn.

The DMO disclosed that the total public debt to the Gross Domestic Product was 21.61 per cent, adding that it was within Nigeria's new limit of 40 per cent.

In February, the Federal Executive Council at a meeting approved a new Medium-Term Debt Management Strategy for Nigeria, for the period of 2020-2023, when the government disclosed its plan to increase

domestic borrowings in its debt profile from 2021 to 2023.

"Borrowing will be from domestic and external sources but a larger proportion of new borrowing will be from domestic sources using long-term instruments while for external borrowing, concessional funding from multilateral and bilateral sources will be prioritized," it stated. [Read More Here](#)

Nigeria Unemployment Rate Jumps From 27.1% to 33.3% in Q4 of 2020.

The Nigerian National Bureau of Statistics has released its Labour force statistics for the 2020 Q4 which shows that Nigeria's labour force (unemployment rate) increased by 33.3% in Q4 2020 from 27.1% in Q2 2020.

Only 46,488,079 were employed at the time of the survey, while the number of people in the labour force was estimated to be 69,675,468. Of this number, females represent 50.49%, while males account for 49.5%.

While females are more dominant under the active population, albeit marginal, the reverse holds for the labour force, where males are more dominant with 56.72%, with females accounting for 43.28%.

Applying the International Labour Organisation's standard of 1-hour work per week, Nigeria's recent unemployment rate is 17.5%. Comparing this rate internationally, out of 181 countries with a rate published within the last 2 years, Nigeria currently ranks as the 19th country with the highest unemployment rate. [Read more here](#)

3. POWER AND INFRASTRUCTURE.

Nigeria to Construct Largest Solar PV in West Africa which is 5x Cheaper Than Hydro Electricity.

The Nigerian Government will be partnering with Singapore based renewable energy firm B&S Power and Sunnyfred Global, to design and construct a 200 MW Solar Photovoltaic System to combat the country's age-long electricity problems.

Arrangement and agreement have progressed past the preliminary stages and the FG have also secured collaboration with other stakeholders and technical partners to begin construction developments on the Ashama 200MW/HR Solar PV Farm which is the largest Solar Photovoltaic Farm in West Africa.

The farm sits on about 304 hectares of land in Ashama Village, Aniocha South LGA of Delta State. [Read More here.](#)

Nigeria to Sell Refineries, ICC, 34 others.

The Nigerian government proposed to sell or concession no fewer than 36 of its properties to raise funds, largely to finance the 2021 budget.

These properties cut across energy, industries, communication and infrastructural sectors. They are expected to be sold or concessioned between January 2021 and November 2022.

The document was submitted to the National Assembly by the Executive and titled "NCP Approved 2021 Work Plan." It shows the names of the "projects" (as

described by the document), the sale strategy, the duration of the process as well as the cost of the properties.

Top among these properties are the Abuja Environmental Protection Board (AEPB), the Abuja International Conference Centre (ICC), some unnamed refineries, the Transmission Company of Nigeria (TCN), Abuja Water Board, Nigerian Film Corporation, among others. [Read more here](#)

Buhari Approves Establishment of Firm to Tackle Infrastructure Deficit.

The President, Muhammadu Buhari, has approved the establishment of a company, Infra-Co, saddled with the responsibility of tackling the nation's infrastructure deficit.

The Senior Special Assistant to the Vice President on Media and Publicity, Laolu Akande, disclosed this in a statement titled "President Buhari approves formation of a trillion-naira company to address infrastructure deficit."

Infra-Co will be a Public-Private Partnership styled Infrastructure company wholly dedicated to Nigeria's infrastructure development. The entity has been developed with concept designs from the National Economic Council and the Central Bank of Nigeria.

Akande said the company would take off with an initial seed capital of N1 Trillion which will come from the Central Bank of Nigeria, the Nigerian Sovereign Investment Authority and the Africa Finance Corporation.

He said Buhari has directed Vice-President Yemi Osinbajo to chair a Steering

Committee tasked with setting up the company. [Read more here](#)

Commercial Operations in Lekki Deep Sea Port to Commence 1st Quarter 2023.

Tolaram Group - the frontline investor handling the Lekki Deep Seaport in Lagos Free Trade Zone (LFZ) has assured the Governor of Lagos, Babajide Sanwo-olu that Commercial operations at the Lekki Deep Seaport in Lagos Free Zone (LFZ) will begin in the first quarter of 2023.

The Governor and members of the State's cabinet are currently on a two-day working tour of the three free trade zones established in Ibeju Lekki area of Lagos.

The port, which is being constructed by China Harbour Engineering firm, is occupying 90 hectares in the entire 830 hectares of land carved out for the Lagos Free Zone, created in 2012 to enhance the economic position of Lagos as a manufacturing and logistics hub in West Africa.

The obviously excited state Governor conveyed his confidence in the project. According to the Governor, "Since we signed a loan agreement less than 18 months ago, we have demonstrated strong capability in bringing the project to reality. This is the first quarter of 2021 and we have seen the project in about 48 per cent completion. The investors have given us the commitment on first quarter of 2023 completion date. We will fulfill all our parts to make sure this date becomes reality." [Read more here](#)

Power Grid Collapses, Plunges Lagos, others into Darkness.

The nation's power grid suffered its first collapse this quarter on Wednesday the 17th of February 2021, plunging parts of the country into a blackout.

Two of the electricity distribution companies in the country, Ikeja Electric Plc and Eko Electricity Distribution Company Plc, disclosed this in messages to their customers through their Twitter handles.

The grid, which is being managed by government-owned Transmission Company of Nigeria, has continued to suffer system collapse over the years amid a lack of spinning reserve that is meant to forestall such occurrences. [Read more here](#)

4. ENERGY.

Full Deregulation of Petrol Price Coming, Says Federal Government.

Petrol pricing will be fully deregulated before the end of this year, Minister of State (Petroleum) Timipre Sylva has said. He spoke amid controversy over whether a new price template of N206 per litre from N162 - N163 for March is about to be introduced.

The Minister spoke at the University of Ibadan during the opening of the 56th Annual International Conference and Exhibition of the Nigeria Mining and Geosciences Society (NMGS).

According to the Minister "We have been talking about deregulation for decades. Unfortunately, we have not succeeded. We have succeeded in deregulating some products. Kerosene has been fully deregulated; diesel has been fully deregulated. But deregulation of PMS (petrol) has continued to elude us. We expect that this year, we will be able to achieve that."

“But, before we do that, we want to apply the principle of tolling the roads. Before you toll a road, you are expected to give an alternative. So, what we want to do for Nigerians is to give a credible and cheaper fuel as an alternative before we fully deregulate and we believe we will be able to achieve this later this year.” [Read more here](#)

NNPC Can no Longer Bear the Cost of Fuel Subsidy

The Group Managing Director of Nigeria National Petroleum Corporation NNPC, Mele Kyari, said the corporation can no longer bear the over N120 billion monthly subsidies for Premium Motor Spirit (PMS). Kyari stated this during the weekly media briefing organized by the Presidential Communication Team at the State House, Abuja.

According to him, the actual cost of importation and handling charges amounts to N234 per litre, while the government is selling at N162 per litre. He added that the NNPC absorbs the cost differential, which is recorded in its financial books. Kyari, however, said that since NNPC could no longer bear the cost, sooner or later, Nigerians would have to pay the actual cost for the commodity.

According to the GMD, the NNPC pays between N100 billion and N120 billion a month to keep the pump price at the current levels. He said that market forces must be allowed to determine the pump price of petrol in the country. [Read more here](#)

NNPC Subsidiaries Received N1.45 Trillion in Credit Sales in 2019 – Report

The Nigerian National Petroleum Corporation shelled out at least N1.45 trillion to its subsidiaries in credit sales in 2019, and there is yet no evidence the amount has been repaid more than a year after, a Dataphyte analysis has shown.

In all, 12 of NNPC’s 22 subsidiaries owed trillions of naira to the parent company, an examination of their financial records show.

The monies were given for oil and gas supply, Dataphyte found

A breakdown of the credit sales showed that the loss-making Kaduna refinery and National Petroleum Investment Management Services (NAPIMS), a subsidiary managing the Nigerian government’s investments in the upstream sector, owed NNPC in unpaid bills to the tune of ₦470.08 billion and ₦534.8 billion, respectively.

Furthermore, Warri refinery (₦169.93 billion) and Nigerian Gas Company Limited (₦157.63 billion) trailed them in unpaid bills. The other subsidiaries are owing less than ₦10 billion each. [Read more here](#)

Nigerian Government Awards 57 Oilfields to 161 Bidders, Hides Identities of Companies

The Nigerian government has announced the conclusion of the bid round for the award of 57 marginal oil fields, won by 161 of the bidding companies.

The 161 successful bidders emerged from a pool of over 600 indigenous oil companies that jostled for the 57 marginal fields in the process that commenced in June 2020.

The Minister of State for Petroleum Resources, Chief Timipre Sylva, stated this in Lagos on the sidelines of the 2021 first quarter ministerial meeting of the chief executives of agencies under the Ministry of

Petroleum Resources informing the winners of the outcome that letters had gone out.

He, however, did not disclose the identities of the winners of the bid. He stated that the Nigerian government had received almost 50 per cent of the signature bonuses. [Read more here](#)

5. CORPORATE NEWS.

Shoprite confirms Exit from Nigeria.

Shoprite Group has announced it will be exiting Nigeria after a disposal of its 100% stake in its outlets in the West African Country.

The Group confirms that the terms of sale have been concluded for the disposal of a 100% equity stake in its Retail Supermarkets Nigeria Ltd subsidiary. The transaction has been lodged with the Nigerian Federal Competition and Consumer Protection Commission (FCCPC) for approval.

Management expects the transaction to be approved by the end of the 2021 financial year. The Shoprite Management is making arrangement for a franchise agreement for the Shoprite brand to remain in Nigeria as well as an administration and services agreement to provide support to the new shareholders with operating the outlets.

[Read More Here](#)

Naira-4-dollar scheme Ends May 8, Banks tell customers.

Deposit Money Banks have informed customers that the Central Bank of Nigeria's 'Naira-4-dollar scheme' will end on May 8.

This is as they continued to woo their customers to take advantage of the incentive introduced by the regulator, which took effect on March 8. Under the

scheme, all recipients of diaspora remittances through licensed International Money Transfer Operators will be paid N5 for every \$1 received as remittance inflows.

The new initiative tagged 'Naira-4-dollar scheme' is part of the Central Bank of Nigeria's efforts to incentivise senders and recipients of international money transfer. [Read more here](#)

6. STARTUPS AND TECHNOLOGY.

International Funds Transfer- Flutterwave partners with Paypal.

Flutterwave, Africa's leading payments technology company, has announced a new collaboration with global payment leader PayPal to enable PayPal customers globally to pay African merchants in the continent through Flutterwave's platform. The collaboration will be instrumental in supporting SMEs and freelancers to overcome the many challenges presented by the highly fragmented and complex payment and banking infrastructure.

This collaboration is said to eliminate significant barriers that have previously hindered African consumers and businesses from the untapped potential of cross-border ecommerce.

Research Firm Statista estimates that the total value of e-commerce in Africa generated \$16.5 billion in 2017 and is expected to reach \$29 billion by 2022. This growth potential will provide many opportunities for SMEs and freelancers worldwide, subsequently increasing Africa's share of global trade. [Read more here.](#)

CBN's NIBSS Launches a Payment Solution NQR for the Financial Service Sector.

Nigeria Inter-Bank Settlement System Plc (NIBSS) has announced the launch of the NQR payment solution; an innovative payment platform implemented on behalf of all financial service providers. The New Quick Response code solution offers a robust platform that delivers instant value for P2B and P2P transactions by simply scanning to pay. It will unify the available closed QR Code schemes in the country for consistent user experience and accelerated digital adoption.

This Payment Solution designed to be "low cost" for merchants would see shoppers scan a QR code generated by a seller to pay for an item. Each code will have unique details containing the information relating to the transaction and would link with a customer's Banking App, already enabled on their smartphone.

According to the CEO of NIBSS, Mr. Premier Oiwoh,- "with more people being able to pay for goods and services with just their smartphones, the 'NQR Payment is about re-creating the Nigerian payment experience whilst deepening financial inclusion in the country", "Digital transactions supported through the NQR code payments will promote and enhance consumer payment experience while driving growth for business owners," Oiwoh added.

Nigeria Inter-Bank Settlement System Plc (NIBSS) was incorporated in 1993 and is owned by all licensed banks including the Central Bank of Nigeria (CBN). It commenced operations in June 1994.[Read more here](#)

CBN: Nigerians are free to use Cryptocurrencies.

The Central Bank of Nigeria (CBN) said there was no time the bank banned the activities of Cryptocurrencies in the country.

The Governor of the Bank, Godwin Emefiele, disclosed this in Abuja at the 30th seminar for Finance Correspondents and Business Editors organised by the Bank. Emefiele, who was represented by Adamu Lamtek, Deputy Governor, Corporates Services, said what the bank did was to protect the banking sector from the activities of Cryptocurrencies and not a ban on its activities.

Recall that the CBN had warned banks to close all accounts dealing with Cryptocurrencies. [Read more here](#)

USSD: CBN Imposes Mobile Banking Charge.

The Central Bank of Nigeria and the Nigerian Communications Commission have imposed a new charge for mobile banking services in the country, in a bid to end a row between banks and telecoms operators.

From Wednesday, March 16, phone users using their devices for mobile banking will be charged a flat rate of N6.98 per transaction, the regulators announced Tuesday, a move likely to hurt gains made in expanding financial inclusion in the country.

Recall that on the 14th of March, the Federal Government acting through the Minister of Communication directed the group to suspend the proposed disconnection. The Minister of Communication, Isa Pantami, gave the directives.

Telephone companies in Nigeria had threatened to suspend USSD services over indebtedness by banks.

Millions of Nigerians use the short code platform to access banking services daily through their phones, but the Telecommunication companies say they were being owed by the banks. The

Association of Licensed Telecommunication Operators of Nigeria (ALTON) said it would disconnect the banks from the service by March 15.

“It has been more than eight (8) months since the Nigerian Communications Commission (NCC) issued an updated pricing methodology for USSD services for financial transactions in Nigeria,” the group said. The methodology explicitly restricts Mobile Network Operators (MNO’s) from charging the end user for the services and mandates the banking sector to enter into negotiations to settle outstanding obligations and agree individual pricing mechanisms to be applied going forwards.

“During this time, Mobile Network Operators (MNO’s) have continued to provide access to USSD infrastructure and our members have continued to pay all Bank charges and fees to access the Banking industries assets and customers, despite the fact that obligations due from banks to telecoms companies for USSD services has reached over Forty-Two Billion (N42B) Naira.” The group maintained. [Read more here](#)

7. REGULATOR WATCH.

The Federal Government Issues a Date for Reopening of 3 Airports for International flights.

The Federal Government has announced dates for the reopening of Kano, Enugu, and Port Harcourt airports, for international flights.

Speaking at the weekly briefing of the Presidential Task Force (PTF) on COVID-19 on Monday, Hadi Sirika, Minister of Aviation, said Kano, Port Harcourt and Enugu airports will reopen for international flights on April 5, April 15 and May 3 respectively.

There have been calls for the federal government to reopen the international wing of the airports, since it was shut in 2020 as part of efforts to curtail the spread of COVID-19.

The Minister had said the decision to suspend international flights in Kano – as is the case with the airports in Enugu and Port Harcourt – was for health and security reasons. [Read more here](#)

EFCC to Demand Bankers’ Asset Declaration Forms June 1

According to the Chairman of the Economic and Financial Crimes Commission, Abdulrasheed Bawa, the Economic and Financial Crimes Commission will from June 1 be demanding the asset declaration forms of bankers. The Chairman of the anti-graft Agency stated that this decision was in line with the provisions of the Bank, Employees Declaration of Asset Act. Bawa disclosed this in an interview with State House correspondents after a meeting he had with the President, Major General Muhammadu Buhari (retd.). [Read more here](#)

8. IP UPDATE.

Nigerian Copyright Commission and APCON Sign MOU on Copyright Best practices.

The Nigeria Copyright Commission (NCC) and the Advertising Practitioners Council of Nigeria have signed a Memorandum of Understanding to uphold Copyright best practices for sustainable development of creative industries.

NAFDAC Anti-Counterfeiting Intercept Counterfeits Goods.

The fight for anti-counterfeiting continues in Nigeria as the National Agency for Food and Drug Administration (NAFDAC) destroyed counterfeit drugs, cosmetics and food items worth over N613 million in Kano State. Some of the goods destroyed include anti-malaria drugs, herbal remedies, other products such as spaghetti, vegetable oil etc.

NAFDAC in collaboration with U.K. Medicines and Healthcare Products Regulatory Agency (MHRA) has recalled instanyl 100mcg nasal spray solution batch 447055. The agency said the batch is being recalled as a precautionary measure.

Nigeria Ratifies the International Treaty on Plant Genetic Resources for Food and Agriculture.

Nigeria has ratified the International Treaty on Plant Genetic Resources for Food and Agriculture (Plant Treaty). Further to the ratification of the treaty there is a new draft law in Nigeria known as the Plant Variety Protection Act. This new law is aimed at providing Intellectual Property rights for Nigerian farmers and plant breeders who develop new and improved seeds for increased crop and food protection.

Patent & Design Registry Commences Journal Publication

The Patent & Design Registry published the first ever Patent and Design Journal which was released on March 31, 2021. The two editions of the journals Vol 1, No. 1 of 17th March, 2021 and Vol 1, No. 2 of 26th March, 2021.

Trademark Registry publishes new Journals.

In the first quarter of 2021, the Trademark Registry published two journals. They are Trademark Journal Vol 1, No. 1(Online/IPAS) of January 29, 2021 and Trademark journal Vol 1, No. 1,(IPAS/Pre-IPAS) dated March 31, 2021. Any interested party can oppose the registration of any trademark that is published in the Journal by filing a Notice of Opposition within two months of advertising the trademark application

Nigeria's Apapa Customs Intercept Tramadol, used clothing, others worth 223 Million Naira.

The Customs Area Controller, Apapa Command, on Thursday disclosed the seizure of tramadol, used clothing and others with a duty paid value of N223m. Comptroller Malanta Yusuf, Area Controller of Apapa Command of Nigeria Customs Service, in a news conference in Lagos noted that the tramadol was concealed with 1000 cartons of ceramic tiles.

“The command intercepted a container with No. SEGU 1793504 manifested as ceramic tiles. “Upon 100 per cent physical examination to ascertain its true contents, it was found to contain 554 cartons of Tramadol capsules (120mg) concealed with 1000 cartons of ceramic tiles,” Malanta Yusuf Said. [Read more here](#)

9. COVID -19: NIGERIA UPDATE

COVID-19 UPDATE AS AT THE END OF Q4 2020
AND AS AT THE END OF Q1 2021.



For more information and up to date happenings in the Nigerian legal/corporate space kindly check our corporate blogs on our website.