

Benchmac & Ince

Corporate Newsletter

Benchmac& Ince – Lagos, Abuja – www.benchmacince.net– info@benchmacince.net
Tel: +234 1 270 5895 09 291 8426

INSIDE THIS ISSUE.

1. Getting Started.
2. The Economy
3. Infrastructure
4. Corporate
5. Energy
6. Corporate News
7. Startups and Technology
8. Regulator Watch.
9. IP Update
10. Covid-19 Update.

Getting Started.

By Tochukwu Onuora (Editor).

Welcome to another publication of our Newsletter.

Before you relish this carefully selected quarterly developments in the corporate world, here is a quick rundown of what to anticipate.

There is ‘Hope rising’ for Nigerians with respect o local refining of petroleum products and huge forex savings therein- have a look at our PPP & Infrastructure section. We are glad to have played a pivotal role in this regard.

Nigerian economy is once more recording growth reminiscent of its pre-covid era as the GDP grew by 5% in Q2. Also, a generally disruptive State-backed Twitter ban, couldn’t prevent Nigerians and Nigerian-led startups from dominating the Google for Starters Acceleration Africa and the Google Black Founders Fund for Africa.

However, it is not all “bliss and blush”, Nigeria total public debt increased to a record high and the Naira still fluctuates.

Do have a happy read..

2. The Economy;

Nigeria's Gross Domestic Product (GDP) grew by 5% in Q2.

Nigeria's Gross Domestic Product (GDP) grew by 0.51% year-on-year(y-o-y) in real terms in the first quarter of 2021, marking two consecutive quarters of growth following the negative growth rates recorded in the second and third quarters of 2020.

In Q2 2021, the GDP further grew by 5% y-o-y, much faster than the 0.51% rise in the prior period. It is the third consecutive quarterly growth since Nigeria's economy dipped into recession in Q3 of 2020 and the strongest since the last quarter of 2014, indicating the return of business and economic activity near levels seen prior to the nationwide implementation of COVID-19 related restrictions.

[Read more](#)

Nigeria's Total Public Debt Jumps to ₦35.46 Trillion - DMO

According to Debt Management Office (DMO), Nigeria's total public debt stock jumped year on year by 15.64% to N33.11 trillion as at the end of Q1 2021 (from N28.63 trillion as at March 2020).

In Q2 2021, there was a N2.3 trillion increase in the total debt leading to a total public debt of N35.46 trillion naira.

The y-o-y increase in the country's total public debt stock was chiefly due to a 24.86% rise in external debt to N12.47 trillion (or USD32.86 billion at N379.50/USD) as at March 2021 from N9.99 trillion (or USD27.67 billion at N361.00/USD) in March 2020.

Nigeria paid part of its Multilateral (USD81.05 million), Bilateral (USD61.38 million) and Commercial loans (USD500

million) which amounted to USD642 million.
[Read More...](#)

Nigeria has been borrowing from recovered Loot, says Finance Minister.

The Minister of Finance and National Planning, Zainab Ahmed has revealed that the Nigerian government has been borrowing from recovered loot to fund the budget. The Minister also revealed that the government has not been able to repay back the loans taken so far. The Minister stated this while appearing before the House of Representatives committee investigation on recovered loot.

[Read more...](#)

Naira fluctuates at the parallel market following CBN cap.

After the Central Bank of Nigeria devalued the official rate of the currency, the naira has continued to fluctuate in the parallel market trading at N500 in the 2nd Quarter. At the end of the 3rd Quarter 2021, it traded at N413 to the dollar at the official NAFEX rate and about N578/dollar at the parallel market.

The apex bank officially devalued the naira to N410/dollar on May 20, 2021, bowing partially to months of pressure by the International Monetary Fund to allow the forces of demand and supply to determine the country's foreign exchange market.

The N578 parallel market rate is the highest rate the naira fell since July 2020 when it traded N490. The bank had struggled with maintaining a single foreign exchange window.

The bank had devalued the naira from N305 per dollar to N360/ dollar and N379 per dollar. In 2020, the CBN admitted the

country had a foreign exchange backlog of over \$2bn, according to the apex bank. [Read more...](#)

[Lagos Contributed N428.98 Billion Naira into the Federal Purse in 2020.](#)

The Commissioner for Economic Planning and Budget, Sam Egube, disclosed that Lagos contributed N428.98 billion naira into the federal purse in 2020 quoting an April 16, 2021 report of the National Bureau of Statistics (NBS). The Commissioner disclosed this during a ministerial press briefing to mark the second anniversary of Governor Babajide Sanwo-Olu-led administration in the state, held in Alausa, Ikeja. [Read more](#)

[IMF: Nigeria's Economy to Improve but Unemployment Likely to Remain.](#)

The International Monetary Fund (IMF) has projected that Nigeria's economy could reach 2.5 percent in 2021 as incipient recovery in the economic activity takes root.

"Inflation is expected to remain elevated in 2021, but likely to decelerate in the second half of the year to reach about 15.5 percent, following the removal of border controls and the elimination of base effects from elevated food price levels," the IMF said. [Read more](#)

[World Bank: Nigeria's Growth Lags Africa as Inflation, Poverty, Crime Rises.](#)

Surging inflation is undermining the recovery of Africa's biggest economy, pushing 7 million Nigerians into poverty and encouraging criminality as rising prices deplete already meager incomes, the World Bank says.

In its Nigeria Development Update report, the Washington-based lender projects economic growth of 1.8% this year, compared with a previous estimate of 1.2%. But it warned that without deep reforms, the economy will continue to grow slower than the pace of population expansion of about 2.6% a year.

"Policy decisions related to exchange rate, trade and monetary and fiscal factors are driving inflation, especially during 2021, more so than exogenous factors related to conflict and weather shocks," said Marco Hernandez, the World Bank's chief economist for the country [Read more](#)

[Headline Inflation rate drops to 17.01% In August 2021, 0.37% Lower than July 2021 Rate.](#)

The National Bureau of Statistics, NBS, said headline inflation dropped to 17.01 per cent in August. This represents a 0.37 percentage points decline when compared to 17.38 per cent recorded in July.

In June 2021, the headline Inflation Increased by 17.75%, 0.18% Lower Than May 2021 Rate

On a month-on-month basis, the Headline index increased by 1.01 percent in May 2021. This is 0.04 percentage points higher than the rate recorded in April 2021 (0.97 percent).

The percentage change in the average composite CPI for the twelve months period ending May 2021 over the average of the CPI for the previous twelve months period was 15.50 percent, showing a 0.46 percent point rise from 15.04 percent recorded in April 2021. [Read more](#)

[Finance Minister: FG Exceeding Borrowing Threshold For 2021.](#)

The Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, has stated that the Federal Government is exceeding its borrowing plan for 2021, blaming the development on the COVID-19 pandemic and the fall in oil prices.

The Minister stated this in an interview with France 24, agreeing that inflation has continued to heighten, worsened by an inadequate supply of foreign exchange, adding that the problems have a lot of multiplier effects on the economy. [Read more..](#)

2. Infrastructure update.

[Benchmac & Ince takes leading role as Legal Transaction Advisers in the consortium on the Rehabilitation of NNPC's Downstream Critical Pipelines Network and Associated Depot /Terminal Infrastructure.](#)

Benchmac & Ince, has taken a key role as the lead legal advisor in the Transaction Advisory consortium for the rehabilitation of NNPC's Downstream Critical Pipelines Network and Associated Depot /Terminal Infrastructure.

Benchmac & Ince's array of experience and expertise in the concession of critical public infrastructure over the years, will be brought to bear as the project's Transaction Advisers work with the Project Delivery team to deliver this project in record time to enable transportation of feedstock for the ongoing state-owned refineries revamp that will lead to huge foreign exchange savings for the country.

The Nigeria National Petroleum Company (NNPC) has consequent to this project, published a pre-qualification request. The Corporation plans to select duly qualified

limited liability companies that it will execute the Concession Agreements. The investors will be expected to finance the project and recover their cost through pipelines and depot throughput tariff under a Build, Operate and Transfer (BOT) PPP arrangement.

[FG Commissions 450 metric tons of Cassava Plant in Rivers.](#)

The former Minister of Agriculture and Rural Development, Alhaji Sabo Nanono, commissioned the cassava plant at Afam in Oyigbo Local Government Area of Rivers State.

He stated that the processing plant will address the challenges of value addition of the crop in the value chain sub sector.

The Minister added that "the processing plant will also cultivate thousands of hectares of cassava to ensure uninterrupted supplies of raw materials. In all these arrangements, massive jobs will be created and over 20,000 farm families will earn income for enhanced livelihood and improved standard of living [Read more...](#)

[The Federal Government has released a total sum of N7 billion for the completion of the East-West highway dualization projects.](#)

The government, while releasing the money to the contractors handling the projects, urged them to comply with the directives in order to complete and hand over the project to the people of the region before the end of the First Quarter 2022. [Read more...](#)

Standard Chartered To Replace China Loans For Rail Projects In Nigeria.

Nigeria's government is in talks with Standard Chartered Plc about arranging funding for two rail projects expected to cost as much as \$14.4 billion, replacing earlier plans to source the loans from Chinese banks, Transport Minister Rotimi Amaechi said.

"We've moved away from China in some of our projects," Amaechi said on June 5 in the capital, Abuja. Finance Minister Zainab Ahmed is overseeing the talks with the emerging markets-focused financial institution about arranging the infrastructure loans, he said, without providing any further details. [Read more...](#)

USAID, UNICEF spends \$10 Million on Water Sanitation in Nigeria.

The United States Agency International Development has awarded \$10m (N4.1bn) over three years to United Nations Children's Emergency Fund to support the Nigerian government's initiative to improve water, sanitation, and hygiene (WASH) services in Kebbi, Sokoto and Zamfara states in the Northwest.

Mission Director, USAID, Dr Anne Patterson, said such would help reduce water borne diseases, especially among children. [Read more...](#)

ICRC incorporates 158 projects into PPP pipeline in 2020 – Report

According to the 2020 Annual Report and Accounts of the Infrastructure Concession Regulatory Commission (ICRC), the Commission reported that 158 projects from different sectors were incorporated into the Public Private Partnership (PPP) project pipeline in 2020. The report also stated that

the FEC has given approvals for some vital projects, which were earlier granted the Full Business Case (FBC) Compliance Certificates by the commission to pave way for eventual contract signing and commercial close. The projects included development of the Bonny Deep Seaport in Rivers, development of Ibom Deep Sea Port in Akwa Ibom and automated ticketing portal for the Nigerian Railway Corporation. It also said that Outline Business Case (OBC) Compliance Certificates were granted for some key projects in the transport sector of the economy, adding that some of them had proceeded to the procurement stage while others would soon follow.

[Read more...](#)

3. Corporate update.

FG to acquire 20% Stake in Dangote Refinery.

The Nigerian National Petroleum Corporation (NNPC) has said that it plans to acquire a 20% minority equity stake in Africa's biggest oil refining facility, Dangote Refinery, Lagos.

The NNPC Chief Operating Officer, Refining and Petrochemicals, Mr Mustapha Yakubu, disclosed this while speaking at the end of a 2-day Nigeria Oil and Gas Opportunity Fair (NOGOF), 2021, tagged: "Leveraging Opportunities and Synergies for Post Pandemic Recovery of the Nigerian Oil and Gas Industry." [Read more...](#)

Dangote Refinery commences the production and sale of Fertilizers.

Dangote Industries Limited's three million metric tons granulated urea fertilizer plant is now completed and its products expected

to flood the Nigerian market from Monday the 7th of June 2021.

Alhaji Aliko Dangote, Chairman, Dangote Group, made this disclosure as the Central Bank Governor, Mr Godwin Emefiele, visited on a final inspection tour of the facility in Ibeju-Lekki, Lagos. [Read more...](#)

[Kestron confirms completion of Shoprite acquisition](#)

Kestron Investment Company limited, a Nigerian company owned by a group of institutional investors led by Persiana Investment Limited disclosed in a statement released by its Chairman the acquisition of Shoprite Nigeria's assets after the approval from the Federal Competition and Consumer Protection Commission (FCCPC). With the acquisition, Shoprite, Africa's largest food retailer, has completed exiting the Nigerians market 16 years after it opened its first outlet.

[Read more...](#)

4. Energy update.

[Nigeria's President signs the Petroleum Industry Bill into law.](#)

President Muhammadu Buhari, in July 2021, assented to the Petroleum Industry Bill (PIB). The PIB is now referred to as the Petroleum Industry Act ('PIA' or 'the Act'). The Act, which was recently passed by the two houses of the National Assembly, has been in the works since the early 2000s.

The enactment of PIA is Nigeria's boldest attempt at revamping the fortune of the Nigerian Petroleum sector. The PIA either repeals or amends at least ten different legislations applicable to the Petroleum Industry. This legislation is expected to bolster the government's revenue and

create significant investment opportunities for local and international investors. [Read more...](#)

[Nigeria President directs incorporation of NNPC Ltd; Ararume is board Chairman.](#)

President Muhammadu Buhari has directed the incorporation of the Nigerian National Petroleum Company Limited.

This is pursuant to the recently passed Petroleum Industry Act. The act requires the Minister of Petroleum Resources to call for the incorporation of the NNPC Limited within six months of the commencement of the Act in consultation with the Minister of Finance on the nominal shares of the company.

According to the presidential aide, Sen. Ifeanyi Ararume will serve as the Chairman of the board, while Mele Kolo Kyari and Umar I. Ajiya are Chief Executive Officer, and Chief Financial Officer, respectively. [Read more...](#)

[Indigenous Firms Contribute 33% To Nigeria's Crude Oil Reserves.](#)

The Department of Petroleum Resources (DPR) has said that indigenous oil and gas companies are now contributing as much as 33% to the country's crude oil reserves and about 30% to its gas reserves.

This disclosure was made by the Director, Department of Petroleum Resources (DPR), Auwalu Sarki, while speaking at the Nigeria International Petroleum Summit, in Abuja. Auwalu Sarki noted that while these companies' contribution to the reserves was less than 10 million barrels in 2005, it has grown significantly to about 62 million barrels in 2020. [Read more...](#)

[Nigeria's President Muhammadu Buhari Conducts Ground-Breaking Ceremony of NLNG Train 7 Project.](#)

The Nigerian President conducted a ground-breaking ceremony of the NLNG train 7 project on the 15th of June 2021 where he delivered the keynote address for the ceremony.

In its address, the president noted that “NLNG as the pioneer LNG company in Nigeria, has conscientiously proven the viability of the gas sector over the years, currently contributing about one percent to our country's GDP; NLNG has generated \$114 billion in revenues over the years, paid \$9 billion in taxes; \$18 billion in dividends to the Federal Government and \$15 billion in feed gas purchase. These are commendable accomplishments by the company's 100 percent Nigerian Management Team”

[DPR Scrapped as Senate Confirms Upstream Regulatory Commission's Board Members](#)

The Department of Petroleum Resources (DPR) will soon cease to exist once the board members of the Nigerian Upstream Regulatory Commission (NURC) swings into action. Senate President Ahmad Lawan stated this after the Senate confirmed the appointment of board members of the commission. NURC is one of the creations of the Petroleum Industry Act (PIA) for the liberalisation of the oil and gas industry.

[Read more...](#)

5. Energy update.

[House of Rep urges NERC to suspend Electricity tariff increase.](#)

The House of Representatives has urged the Nigerian Electricity Regulatory

Commission (NERC) to suspend the planned electricity tariff hike.

The resolution followed a motion moved by Aniekan Umanah on Thursday during plenary. According to the lawmaker, the hike is planned for June 1, 2021.

“Despite those increases, Nigerians have not enjoyed significant improvement in power generation, instead they daily grapple with epileptic services from the DISCOs and unilateral exploitation in the name of estimated billing arising from non-metering of over 50% of consumers.” Umanah argued. [Read more...](#)

[FG Borrowed ₦1.3 Trillion in Four Years to Subsidize Power Consumers - World Bank.](#)

The Federal Government has borrowed a total of N1.3tn since 2017 to ensure that generation companies and gas suppliers received enough payments to continue generating electricity, the World Bank has said.

The Bank said this in its ‘Resilience through Reforms’ report.

According to the report, the power sector in Nigeria will cost the Federal Government an additional N3.08tn through 2023, if current performance levels and low tariffs persist.

From 2015 through to 2019, the FG paid N1.68tn as cumulative tariff shortfall, it said, adding that because of foreign exchange depreciation and rising domestic inflation, tariff shortfalls had also been on the rise.

“However, 80 per cent of the spending on tariff shortfalls benefits the richest 40 per cent of the population; only eight per cent benefits the bottom 40 per cent, and of this, less than two per cent benefits the poorest 20 per cent. [Read more...](#)”

6. Tech and Startups update.

[Benchmac & Ince Partners with Founders Institute to mentor and onboard founders in Cohort V of the Founder Institute Accelerator programme.](#)

Benchmac & Ince has once again partnered with Founder Institute to mentor and onboard founders in the cohort V of Founder Institute Accelerator programme.

This will be the 4th collaboration with FI to provide market scaling advisory to founders in the accelerator programme.

Benchmac & Ince have been able to nurture, reinvent and leverage on the experience garnered from advising top-tier corporations and other clientele in providing consummate services to these budding companies Tech entrepreneurs.

[Nigerian Startups Dominate Sixth Google for Starters Acceleration Africa.](#)

Nigeria startups dominated the sixth Google for startup Acceleration Africa with six startups and joined by three from South Africa, two from Kenya and one startup from Ethiopia, Ghana, Tunisia and Rwanda.

Fifteen startups from across Africa have been selected to participate in the event and this year 47% of the 15 high-potential startups have women co-founders and are from across seven countries and seven sectors. Six are from Nigeria.

The Six startups are; Chekkit, Emergency Response Africa, GeroCare , Nguvu Health, OneHealth, Vittas International (Nigeria). [Read more...](#)

[Lagos Dethrones Nairobi as African Startup Capital as Ibadan Captures Nigeria's No 2 Spot.](#)

The Nigerian city of Lagos has become the top African startup ecosystem, ranking 122nd globally. The city is also ranked in the global top 50 cities for E-commerce & Retail Technology and in the global top 100 for both Transportation Technology and Education Technology.

This is contained in a ranking made by the Global Startup Ecosystem Index. The Global Startup Ecosystem Index by StartupBlink has been updated annually since 2017 and is the world's most comprehensive startup ecosystem ranking of 1000 cities and 100 countries.

Ibadan, western Nigeria, also saw a massive increase in ranking, jumping 601 spots to 353rd globally and 2nd in Nigeria, surpassing the Nigerian capital of Abuja. The latter, ranked 3rd nationally, fell 12 spots to 466th, while Port Harcourt decreased by 6 spots to 906th. The newest Nigerian city in the rankings, Enugu, ranks 978th globally and 5th nationally. Benin City has increased 9 spots to 979th, while Kano jumped 14 spots to 981st

In total, Nigeria has 7 cities in the global top 1000 and continues to have the highest number of ranked cities of any African nation. [Read more](#)

[Nigerian startups dominate the 2021 Google's Black Founders Fund for Africa](#)

26 out of the 50 technology startups across Africa selected by Google for the Black Founders Fund are Nigerian-led. The \$5 million Google for Startups Black Founders Fund that is designed to provide non-dilutive cash awards to Black led startups in the Africa, the United States and Europe.

With 26 startups, Nigeria tops the list, followed by 9 Kenyan-led, 5 from South Africa, 4 Ghanaian-led. Meanwhile, 2 out of the 50 startups are from Rwanda and one each from Zambia, Cote d'Ivoire, Ethiopia and Cameroon.

According to Google, out of the selected startups 40% are women-led startups from 12 sectors, including Nigeria's Shecluded – a financial service and business resource company driving inclusion for women on the continent. These 'startups have created 1053 jobs, of which 44% are women'

[Read more...](#)

7. IP Update.

[Nigeria Trademark Registry releases New Trademarks Journal.](#)

The Trademarks, Patent and Designs Registry in Nigeria has published a new Trademarks Journal Dated April 8, 2021. The Journal titled Trademarks Journal Vol. 1, No.2 (online) covers some trademark applications filed online using the registry's online system.

[Benchmac & Ince partners with Radio and Television Stations to sensitize SMEs on World IP Day.](#)

In this year's world IP day, Benchmac & Ince partnered with Wazobia radio and TV to sensitize SMEs in Lagos on the importance of IP to their business.



The World Intellectual Property Day -April 26 is a yearly celebration of IP's role in stimulating innovation and creativity.

The Topic for this year's celebration was-Taking Your Ideas to Market. The focus was on the role of IP to SMEs.

The Anti-Counterfeiting Commission in Nigeria (ACC) holds a joint online broadcast to commemorate the world Anti-counterfeiting day.

The World Anti- Counterfeiting Day is a yearly campaign which focuses on the particular problems of counterfeiting and piracy in the countries or regions involved. This year's commemoration fell on June 8 and the theme was IP and Design as Essential Factors of Innovation and Creativity.

On the 9th of June 2021, the ACC, Nigeria held a joint live Facebook session with the U.S. Mission, Nigeria, to educate the masses on IP protection, innovations, inventions, and creations. The ACC Nigeria representatives were also at the NTA24 live on the program “Nigeria Today”, on 17th June 2021, to share on the activities of the ACC Nigeria, the impact of counterfeiting to the nation, and the dangers of counterfeiting to all stakeholders, especially on the online space today [Read more...](#)

Ahmadu Bello University gets Patent certificates for covid-19 innovative solutions.

The Nigerian federal government has granted Ahmadu Bello University Zaria patent certificates for the use of two prototype patent equipment. The equipment, four- in- one hand sanitizing machine and the intensive care ventilator were invented in 2020 as part of the institution’s contribution to the Covid-19 Pandemic [Read more](#)

Anti-Counterfeiting Enforcements in Q2 2021.

This quarter has seen Customs Officials and other regulatory agencies confiscating and destroying counterfeits products all over Nigeria. The products destroyed range from finished agricultural products, pharmaceutical products, Books and dictionaries and cosmetics.

Nigeria Customs, in Port-Harcourt intercepted two containers of 80,882 pirated textbooks and dictionaries worth N80 million. The pirated books were from Learn Africa Plc, Lantern Books, African and first publishers.

The Comptroller-General, Strike Force Unit of the Nigeria Customs Services (NCS) Intercepted unregistered and fake drugs imported into the country. The ICT component of the Team recovered the sum of N426.4 million from Demand Notices (DM)

Standard Organization of Nigeria destroyed 434,000 expired and counterfeited goods. The goods include electrical cables and fair and white creams, food and beverages. [Read more](#)

8. COVID -19: NIGERIA UPDATE

COVID-19 UPDATE AS AT THE END OF Q1 2021 AND AS AT THE END OF Q2 AND Q3 2021.



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