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THE ALP REVIEW

Q2 2024

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Introduction

Welcome to our quarterly newsletter. In this quarter, we focus on the dynamic landscapes of banking, finance, capital markets, energy, natural resources, transportation, technology, media, and telecommunications sectors in Nigeria and across the African continent. As the heartbeat of innovation and progress, these sectors play pivotal roles in shaping the economic, social, and technological fabric of our societies.

Through insightful analysis, industry updates, and expert commentary, our newsletter aims to provide you with a comprehensive overview of the latest trends, developments, and opportunities in these vital sectors.

Banking and Finance

Under this part, we have compiled the major circulars, letters, guidelines, rules and regulations, exposure drafts, etc., released in the banking and finance sector in Nigeria and across the African continent in Q2 2024. We have also included links for further reading.

Capital Markets

Under this part, we have compiled the major happenings, notices, and guidelines in the capital markets sector in Nigeria and across the African continent in Q2 2024. We have also included links for further reading.

Energy and Natural Resources

Under this part, we share updates on the major happenings in the energy and natural resources sector in Nigeria and across the African continent in Q2 2024. We have also included links for further reading.

Transportation, Technology, and Telecommunications

Under this part, we share updates on the major happenings in the transportation, technology, and telecommunications sectors in Nigeria and across the African continent in Q2 2024. We have also included links for further reading.

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BANKING AND FINANCE

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(1) South African Reserve Bank Sanctions Centriq Life Insurance Company Limited

On 5 April 2024, the South African Reserve Bank (SARB) imposed administrative sanctions on Centriq Life Insurance Company Limited (Centriq) for non-compliance with Directive 4 of 2022 under the Financial Intelligence Centre Act 38 of 2001 (FIC Act).

This action follows Centriq's late submission of its biannual risk return for the fourth quarter of 2022. The Prudential Authority (PA), which supervises and enforces compliance by accountable institutions with the provisions of the FIC Act or any order determination, or directive made in terms thereof, issued the directive requiring periodic risk returns to ensure appropriate anti-money laundering and counter-financing of terrorism measures.

As a result of this non-compliance, Centriq received a caution and a financial penalty of R200,000, which is suspended for 36 months starting from 27 February 2024, provided Centriq remains compliant with the directive during the period of suspension.

Centriq has taken necessary remedial actions to address the compliance deficiencies and control weaknesses. SARB however reiterated that the sanctions are not related to any involvement in or facilitation of transactions involving money laundering or terrorism financing.

Comment

The "carrot and stick approach" adopted by SARB against Centriq is highly commendable.

It reflects a balanced approach, emphasising the need for ongoing compliance while allowing Centriq to correct its course without immediate financial burden.

For more information, please click here

(2) CBN Prohibits Use of Foreign-Currency-Denominated Collaterals for Naira Loans

On 8 April 2024, the Central Bank of Nigeria (CBN) issued a directive to all banks, prohibiting the use of foreign currency (FCY)-denominated collaterals for securing Naira loans.

The CBN however exempted Eurobonds issued by the Federal Government of Nigeria and Guarantees from foreign banks, including Standby Letters of Credit from this prohibition. By this directive, the CBN has now mandated that all existing loans secured with dollar-denominated collaterals, with the above exceptions, be wound down within 90 days.

Failure to comply with this directive will result in regulatory sanctions which include, but not limited to, such exposures being risk-weighted at 150% for Capital Adequacy Ratio computation.

Comment

This directive aims to reduce currency mismatch risks in the banking sector and ensure a more stable financial environment. Banks are therefore advised to review their loan portfolios to ensure compliance and mitigate potential regulatory penalties.

For more information, please click here

(3) CBN Adjusts Loan-to-Deposit Ratio to 50% Amid Contractionary Policy Shift

On 17 April 2024, the Central Bank of Nigeria (CBN) revised its regulatory measures to enhance lending to the real sector.

The updated directive reduces the Loan-to-Deposit Ratio (LDR) by 15 percentage points, lowering it to 50%. This adjustment aligns with the CBN's current contractionary monetary stance and the recent increase in the Cash Reserve Ratio (CRR).

The directive requires all Deposit Money Banks (DMBs) to maintain the new LDR level, with average daily figures being used to assess compliance.

Comment

This reduction in LDR reflects the CBN's efforts to tighten monetary conditions in response to prevailing economic challenges. Banks are to adjust their lending practices accordingly and maintain strong risk management frameworks.

For more information, please click here

(4) CBN Withdraws Cybersecurity Levy Amidst Public Outcry

On 6 May 2024, the Central Bank of Nigeria (CBN) issued a circular directing all Banks, other financial institutions, and payment service providers to implement a 0.5% (0.005) cybersecurity levy on electronic transactions, as mandated by the Cybercrimes (Prohibition, Prevention, etc.) (Amendment) Act 2024.

The levy was to be deducted at the point of electronic transfer origination and remitted to the National Cybersecurity Fund (NCF) administered by the Office of the National Security Adviser (ONSA).

However, following widespread public outcry, the CBN released a follow-up circular on 17 May 2024, announcing the suspension of the cybersecurity levy.

Comment

The swift withdrawal of the cybersecurity levy highlights the government's responsiveness to stakeholders' concerns. Financial institutions should remain vigilant to future regulatory changes and engage in proactive dialogue with regulatory bodies to balance cybersecurity funding needs with economic impact considerations.

For more information, please click here

(5) CBN Issues Further Clarifications on Cash Pooling of Repatriated Oil and Gas Export Proceeds

On 14 February 2024, the Central Bank of Nigeria (CBN) released a circular addressing the practice of "cash pooling" by International Oil Companies (IOCs) operating in Nigeria.[1]

The circular which aims to mitigate the impact of such transactions on the liquidity of the domestic foreign exchange market generated numerous enquiries to the CBN by banks and other stakeholders. On 6 May 2024, in response to these enquiries, the CBN released a circular providing additional guidance on the cash pooling of repatriated oil and gas export proceeds by IOCs.

1 Please read our report of this circular in our Q1 Newsletter here; On 6 May 2024, the Central Bank of Nigeria (CBN) issued a circular directing all Banks, ot

Key Clarifications:

- **Initial 50% Pooling:** Banks may pool 50% of the repatriated proceeds immediately or as needed and can request approval from the CBN for cash pooling in advance of the expected receipt date.

- **Use of Balance 50%:** The remaining 50% of the repatriated proceeds could be used to settle financial obligations within Nigeria during the prescribed 90-day period.

- **Eligible Expenses:** The eligible expenses for settlement from the balance 50% include:

    - Petroleum Profit Tax
    - Royalty
    - Domestic Contractor Invoices
    - Cash Call
    - Domestic Loan Principal & Interest Payment
    - Transaction Taxes (including Nigerian Content Development (NCD) Levy)
    - Education Tax
    - Forex Sales at the Nigerian Foreign Exchange Market

Comment

This further clarification from the CBN is highly commendable as it helps to clear all ambiguities attached to the earlier circular. Banks and other stakeholders can now effect CBN's instructions without hesitation

For more information, please click here

(6) CBN Extends Suspension of Processing Fees on Cash Deposits

On 6 May 2024, the Central Bank of Nigeria (CBN) issued a circular extending the suspension of processing fees on cash deposits. This decision prolongs the relief originally provided in December 2023, which halted the imposition of processing charges on cash deposits exceeding NGN 500,000 for individuals and NGN 3,000,000 for corporate entities.

The suspension of processing fees of 2% for individuals and 3% for corporate entities on cash deposits above the stated thresholds has now been extended until 30 September 2024. All financial institutions regulated by the CBN are therefore required to continue to accept cash deposits from the public without any charges until the specified date.

Comment

The extension of the suspension of these processing fees highlights CBN's efforts to ease the financial burden on individuals and businesses, particularly in challenging economic times.

For more information, please click here

(7) New Regulatory Guidelines for Bureau De Change Operations in Nigeria

On 23 February 2024, the Central Bank of Nigeria (CBN), via a circular issued to all Bureau de Change (BDC) operators and stakeholders in the financial services industry, invited stakeholders' comments on its issued exposure draft of revised Regulatory and Supervisory Guidelines for Bureau de Change Operations in Nigeria.

On 22 May 2024, following the conclusion of the stakeholders' consultation, the Central Bank of Nigeria (CBN) released the Regulatory and Supervisory Guidelines for Bureau De Change Operations in Nigeria 2024 (the Guidelines). This new directive is part of the broader reforms aimed at repositioning the BDC sub-sector to effectively contribute to the foreign exchange market in Nigeria.

Key Highlights:

- **Licensing Requirements:** The Guidelines introduce new licensing requirements and categories for BDCs. All existing BDCs must re-apply for a new licence under one of the newly defined tiers or licence category.

- **Minimum Capital Requirements:** All existing BDCs must meet the revised minimum capital requirements associated with their chosen licence category within six (6) months from the effective date of the Guidelines.

- **Permissible Activities, Corporate Governance, etc:** The Guidelines revise the permissible activities, financial requirements, corporate governance requirements, and AML/CFT/CPF provisions for BDC operations.

- **Application Process for New BDCs:** Prospective BDC operators must meet the conditions for the grant of licence under their chosen licence category

- **Receipt and Processing of Application:** All applications for licence are to be submitted electronically starting from the Guidelines' effective date of 3 June 2024.

- **Supremacy of the Guidelines:** The Guidelines supersedes:

    - the Revised Operational Guidelines for Bureau De Change in Nigeria issued in November 2015; and

    - all related circulars and directives.

Comment

The Guidelines aim to enhance the regulatory framework governing BDC operations in Nigeria by ensuring effective compliance and risk management. We envisage that the re-licencing requirement and tiered structure will streamline the sub-sector, promote transparency, and strengthen the overall integrity of Nigeria's foreign exchange market. Stakeholders in the financial services industry should closely review these Guidelines to ensure compliance and leverage potential opportunities.

For more information, please click here

(8) CBN Revokes the Banking Licence of Heritage Bank Plc

On 3 June 2024, the Central Bank of Nigeria (CBN), announced the revocation of the banking licence of Heritage Bank Plc (Heritage Bank).

This decisive action was taken in line with the CBN's mandate to promote a sound financial system in Nigeria and in exercise of its powers under Section 12 of the Banks and Other Financial Institutions Act (BOFIA) 2020.

This measure has become imperative due to Heritage Bank's violation of Section 12 (1) of BOFIA, 2020. The Bank's financial performance remained poor, posing a serious threat to financial stability.

The CBN had engage with Heritage Bank's Board and Management, prescribing various steps to halt the financial decline. However, Heritage Bank's continued underperformance and lack of recovery prospects necessitated the licence revocation.

In accordance with Section 12 (2) of BOFIA, 2020, the Nigeria Deposit Insurance Corporation (NDIC) has been appointed liquidator of Heritage Bank.

NDIC in a press release dated 4 June 2024, stated that the Corporation has begun Heritage Bank's liquidation process, and outlined how depositors will be compensated, and the procedures involved:

- **Insurance Coverage:** NDIC insures deposits up to N5,000,000 (Five Million Naira) per depositor in Heritage Bank.

- **Depositors with Alternate Bank Accounts:** Depositors with alternate bank accounts will be compensated up to the insured sum upon providing their Bank Verification Number (BVN).

- **Depositors without Alternate Bank Accounts:** Depositors without alternate bank accounts must either visit the nearest bank branch with proof of account ownership, valid identification, alternate bank account details, and BVN, or file an online claim on the NDIC website with necessary document uploads.

- **Excess Balances:** Depositors with balances exceeding N5,000,000 (Five Million Naira) will receive liquidation dividends after the realisation of all Heritage Bank's assets. Liquidation dividends represent the proceeds from the sale of assets and recovery of debts owed to Heritage Bank.

Comment

The revocation of Heritage Bank licence emphasises the CBN's commitment to safeguarding the integrity of the Nigerian financial system. It is our believe that this bold step taken by the apex bank will give the general public every confidence in the reliability of the Nigerian financial system.

For more information, please click here

You can read our Client Alert on this update here

(9) South African Reserve Bank Imposes Sanctions on Bank of China Limited, Johannesburg Branch

On 7 June 2024, the South African Reserve Bank (SARB) announced administrative sanctions against the Johannesburg branch of Bank of China Limited (BOC Jhb) for non-compliance with the Financial Intelligence Centre Act 38 of 2001 (FIC Act).

Following an inspection conducted in 2021, the Prudential Authority (PA) found several breaches related to customer due diligence, suspicious transaction reporting, and transaction monitoring.

BOC Jhb has been penalised with a total financial penalty of R30.5 million, of which R15.25 million is conditionally suspended for 36 months.

The sanctions include four cautions, a reprimand, and a substantial financial penalty. Despite these penalties, SARB emphasised that BOC Jhb was not involved in money laundering or terrorism financing.

Comment

SARB's enforcement actions against BOC Jhb highlight the critical importance of strict adherence to financial regulations and the ongoing efforts to uphold the integrity of the financial system. This serves as a reminder for all financial institutions to maintain rigorous compliance programmes and to promptly address any deficiencies.

For more information, please click here

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CAPITAL MARKETS

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(1) NGX Group's Investment in Ethiopian Securities Exchange (ESX)

Nigerian Exchange Group Plc (NGX Group) has made a significant investment in the Ethiopian Securities Exchange (ESX), marking its entry into East Africa. This move, supported by FSD Africa and Trade and Development Bank Group (TDB), aims to foster growth and innovation in the African capital markets.

By this investment, NGX Group not only aim to contribute to robust regulatory frameworks and foster best practices within the ESX ecosystem but also provide technical assistance and capability enhancements to support ESX's operations and development.

Important stakeholders of the NGX have highlighted the strategic importance of this investment in promoting economic development and transparency in the region. The investment has also led to Mr. Temi Popoola, Group Managing Director/CEO of NGX joining the ESX's board as an NGX Group nominee. Following the capital raise, the Ethiopian Government will retain a 25% of the ESX, with private sector players holding 75%.

Comment

The NGX Group's investment in the Ethiopian Securities Exchange (ESX) is a strategic move that highlights the Group's commitment to fostering growth and innovation within African capital markets. We believe that the collaboration is capable of facilitating cross-border investment flows, enhance liquidity, and promote economic development across Africa.

For more information, please click here

(2) Fund TLcom Capital Raises $154 Million for African Start-Ups

On 22 April 2024, TLcom Capital announced the completion of a $154 million fundraising round aimed at investing in African technology start-ups.

This new raise nearly doubles their previous fund, signaling a potential resurgence in dealmaking within the continent's tech sector. The Africa-focused venture capital firm, which has supported numerous tech start-ups in East and West Africa over the past seven years, attracted significant investments from the US and Europe.

This milestone highlights growing global confidence in Africa's tech industry, even as the sector has faced a global downturn in funding. TLcom's strategic expansion into Southern Africa and Egypt aims to solidify its presence in Africa's largest markets.

Comment

TLcom's substantial raise reflects a positive shift in global investor sentiment towards African tech. As the sector navigates funding challenges, this investment provides critical support to start-ups, fostering growth and innovation.

For more information, please click here

(3) SEC to Delist Naira from Peer-to-Peer Platforms

In a communication dated 7 May 2024, the Director-General of Securities and Exchange Commission (SEC), Emomotimi Agama, disclosed Nigeria's intentions to remove the Naira from all peer-to-peer crypto platforms to mitigate manipulative practices affecting the local currency in the foreign exchange market.

The decision to delist the Naira from P2P platforms aims to address ongoing manipulation concerns. The SEC also expressed plans to update its guidelines to ensure best practices.

Several fintech companies, including OPay, Palmpay, Kuda, Moniepoint, and Paga, have notified their customers of their intention to, in addition to sharing such customer's details with relevant authorities, close the accounts of any customer found to have engaged in crypto or other virtual asset transactions. These fintech firms emphasised their lack of licence to trade cryptocurrency or facilitate P2P transactions.

Comment

We believe that this decision may lead to heightened pressure on the Naira, as there will be high demand for dollars for trading purposes.

For more information, please click here

(4) SEC Releases Exposure Draft on New Rules for Issuance and Allotment of Private Companies' Securities

On 7 May 2024, the Securities and Exchange Commission (SEC) announced its Exposure Draft on the Proposed New Rules for the Issuance and Allotment of Private Companies' Securities.

The draft introduces significant changes, including eligibility requirements, detailed registration processes, and specific conditions for issuing debt securities such as plain vanilla bonds and debentures. It aims to ensure that only financially stable private companies can issue securities, thereby protecting investors and maintaining market integrity.

The proposed rules mandate private companies to have a minimum operational track record, undergo ratings by recognised agencies, and restrict offerings to qualified investors.

In addition, the rules set stringent reporting and compliance obligations to enhance transparency and accountability. The SEC has invited stakeholders to review the draft and provide feedback, reflecting its commitment to fostering a robust and regulated capital market.

Comment

Stakeholders are encouraged to engage with the draft to shape a balanced regulatory framework that supports both innovation and economic stability. We expect some changes to the exposure draft depending on feedback from stakeholders.

For more information, please click here

(5) Wema Bank Successfully Concludes N40bn Rights Issue

Wema Bank, Nigeria's pioneering innovative bank and the creator of Africa's first fully digital bank, ALAT, has successfully completed the first tranche of its recapitalisation exercise. This milestone achievement follows the approval of its N40 billion Rights Issue by the Central Bank of Nigeria (CBN) and the Securities and Exchange Commission (SEC). The Rights Issue, initiated in December 2023, was fully subscribed, reflecting strong confidence from shareholders.

This initiative is part of Wema Bank's ambitious two-year N150 billion capital raise exercise. It aligns with the CBN's recent directive for commercial banks to raise fresh capital within 24 months, aimed at boosting the Nigerian economy and fortifying the financial services sector. Wema Bank's successful N40 billion raise is a significant step toward meeting the CBN's capitalisation requirements.

In addition to this financial achievement, Wema Bank's corporate ratings were affirmed at BBB by Fitch and upgraded to BBB+ by Agusto & Co., showcasing the bank's robust financial health and strategic foresight. The next tranche of the capital raise is expected to commence in Q4 2024.

Comment

This early accomplishment of its capital arise not only highlights Wema Bank's robust financial planning but also signals a strong vote of confidence from its shareholders. The development, no doubt, presents Wema Bank as a forward-thinking bank.

For more information, please click here

(6) Guaranty Trust Holding Company Plc (GTCO) Announces Proposed Offering of Ordinary Shares to Raise N500 Billion

Guaranty Trust Holding Company Plc (GTCO), has filed a preliminary "red herring" prospectus with the Securities and Exchange Commission (SEC) for a proposed offering of ordinary shares to raise up to N500 billion.

This marks the first issuance under a newly established multi-currency securities issuance programme aimed at raising up to $750 million (or equivalent in Nigerian Naira) in the Nigerian/international capital markets during its validity period.

Key Highlights:

- **Proposed Offering:** Ordinary shares of 50 kobo each in GTCOPLC's share capital.
- **Objective:** To raise gross proceeds of up to N500 billion.
- **Use of Proceeds:** (i) For growth and expansion of GTCOPLC's Group businesses through investments in technology infrastructure, establishment of new subsidiaries, and selective acquisitions of non-banking businesses, and (ii) recapitalisation of Guaranty Trust Bank Limited (GTBank Nigeria).

- **Target Investors:** Eligible investors and a retail offering within Nigeria for the Nigerian Tranche and private placing to qualified institutional buyers outside Nigeria for the International Tranche.

- **Listing and Trading:** Application to be made for listing on the Nigerian Exchange Limited (NGX) Official List.

- **Anticipated Timing:** The offering is expected to open by July 2024.

Comment

Potential investors are advised to keep an eye on this upcoming opportunity, especially given GTCO's robust market presence and strong financial performance and engage the services of their financial and legal advisors should they choose to invest in the offering.

For more information, please click here

(7) SEC Directs Capital Market Operators to Implement Robust Risk Management Frameworks

In a decisive move to fortify the financial stability and transparency of Nigeria's capital market, the Securities & Exchange Commission (SEC) on 14 June 2024, has mandated all Capital Market Operators (CMOs) to implement a comprehensive Enterprise Risk Management (ERM) framework.

This framework must align with international standards such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the International Organization for Standardization (ISO 31000), and Financial Action Task Force (FATF) Recommendations.

The directive emphasises the development of an ERM framework that encompasses risk governance structure, systematic risk identification, mitigation strategies, amongst others.

In addition, CMOs are required to submit a board-approved risk management policy on or before 30 September 2024 to obtain a "No Objection" and provide annual risk profiles not later than 31 January of each year.

This initiative is part of SEC's broader strategy to implement Risk-Based Supervision (RBS) and enhance Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT)/Countering Proliferation Financing (CPF) measures in the capital market.

Comment

The SEC's directive is a significant step towards bolstering investor confidence and ensuring the resilience of the Nigerian capital market. CMOs are advised to proactively embrace these guidelines to enhance their operational integrity and risk management capabilities.

For more information, please click here

(8) Investor Alert – $Davido Meme Coin Disclaimer

On 14 June 2024, the Securities and Exchange Commission (SEC) Nigeria issued a warning regarding the $Davido meme coin, purportedly associated with the famous Nigerian artist, David Adedeji Adeleke, popularly known as Davido.

According to the SEC, meme coins, often promoted through social media and celebrity endorsements, are cryptocurrencies inspired by internet memes and jokes. They are not designed to function as a legitimate medium of exchange or represent traditional financial instruments like shares or debentures.

The SEC cautions the public that meme coins like $Davido have no fundamental value and are purely speculative. Investing in such coins carries significant risk, and individuals should proceed with full awareness of these risks.

Capital Market Operators are also advised to steer clear of instruments outside the SEC's regulatory scope, including meme coins.

Comment

It is expedient to exercise caution when considering investments in meme coins. While they might seem appealing due to celebrity endorsements and social media hype, their speculative nature poses substantial risks. Investors are encouraged to seek regulated and stable investment opportunities. In addition, since the promoters of, and, the meme coins are not regulated by the relevant authorities, it may be difficult for the relevant authorities to issue and enforce any sanctions against such promoters, leaving investors without protection.

For more information, please click here

(9) SEC Releases Framework on Accelerated Regulatory Incubation Programme (ARIP) for the Onboarding of Virtual Assets Service Providers (VASPs)

On 21 June 2024, the Securities and Exchange Commission (SEC) announced the introduction of the Accelerated Regulatory Incubation Program (ARIP) to facilitate the onboarding of Virtual Assets Service Providers (VASPs).

This initiative comes as part of the ongoing amendments to the Rules on Digital Assets Issuance, Offering Platforms, Exchange, and Custody to better align with the current market realities.

SEC has provided a special window for the onboarding of VASPs and directs all current and prospective VASPs to visit the SEC ePortal to complete the application process within 30 days of the announcement.

Key Highlights of the Framework

- **Applicability:** The framework applies to Virtual Assets Service Providers (VASPs) and other digital investment service providers seeking the Commission's registration or have approached the commission for registration.

- **Eligibility:** Entities that can apply into the ARIP shall be incorporated and have an office in Nigeria with the CEO/managing director resident in Nigeria, the entity must be performing investment and securities business and be seeking registration or have pending virtual asset related applications with the commission.

- **Application Step:** The applicant shall first complete and submit an initial assessment form via SEC ePortal and complete the other application steps.

- **Application Requirements:** The Applicant shall meet the necessary application requirements provided in the framework.

- **Operation Fees:** The applicant shall pay a non-refundable fee of N2,000,000,000(Two Million Naira), show evidence of required shareholder fund and Current Fidelity Bond covering at least 25% of the required shareholder fund.

- **Termination/Removal:** The Commission may terminate participation in ARIP where the participant is no longer fit to participate or there has been a breach of any conditions imposed or the participant has deviated from the operational plan.

- **Penalties/Sanctions:** Failure of the ARIP Participants to comply with any requirements in the framework shall make them liable to a penalty of not less than N5,000,000 (Five Million Naira) at first instance and further N200,000(Two hundred Thousand Naira) for every day of default.

Comment

All operating and prospective VASPs are advised to complete the application process not later than 21 July 2024 and file their application through a registered solicitor or adviser.

For more information, please click here

(10) SEC Directs Fund Managers to Declare Exposures to Heritage Bank

In a communication dated 14 June 2024, the Securities and Exchange Commission (SEC) has directed all Nigerian fund managers to furnish detailed reports regarding their investments in the recently liquidated Heritage Bank via email. SEC has set a deadline of 30 June 2024 for this exercise.

By this exercise, SEC is particularly concerned with assessing the potential impact on the capital market and understanding the extent of proprietary and client funds tied to the bank. Consequently, fund managers have been asked to provide thorough information on their exposure levels to Heritage Bank concerning both proprietary and client funds.

Comment

All fund managers with investments in Heritage Bank are hereby advised to furnish comprehensive details regarding their exposure levels to Heritage Bank not later than 30 June 2024.

For more information, please click here

(11) Federal High Court Sentence Famzhi Boss to Five Years Imprisonment for Ponzi Investment Scam

On 19 June 2024, the Securities and Exchange Commission (SEC) reported that the Managing Director of Famzhi Interbiz Ltd, Mariam Suleiman, has been sentenced to five years imprisonment without the option of a fine for defrauding investors of over N2 billion.

This significant judgement, delivered by Justice Inyang Ekwo of the Federal High Court in Abuja, comes as a major boost to the enforcement activities of the SEC. Suleiman and Famzhi Interbiz Ltd were found guilty on counts one and two of the charges brought against them by the Federal Government and the court ordered that all properties belonging to the defendants be sold, with the proceeds used to compensate the victims of the crime.

This development follows an earlier public notice issued by the SEC disclaiming the activities of Famzhi Interbiz Ltd.

Comment

This landmark development serves as a stern warning to unregulated entities and highlights the SEC's commitment to protecting investors in the capital markets.

For more information, please click here

(12) SEC Releases Disclaimer on Alpha Trust Investment Club (ATIC) Activities

In a communication dated 26 June 2024, the Securities and Exchange Commission (SEC) has notified the general public that Alpha Trust Investment Club and its investment schemes are not registered or authorised with the SEC.

The SEC further issued a warning to the public and investment promoters that any person or entity that engages in investment and securities business without prior registration with the SEC is in contravention of the Investment and Securities Act 2007.

The SEC strongly advises the public to verify the registration status of any investment promoters or entities and their products before engaging with them.

Comment

This disclaimer from the SEC highlights the importance of due diligence in making investment decisions. Investors are therefore advised to always confirm the legitimacy of investment opportunities to avoid falling victim of unregulated schemes.

For more information, please click here

(13) UK Government Backs Nigeria's Capital Market Development Through MOBILIST Programme

On 22 May 2024, the United Kingdom Government reaffirmed its commitment to supporting Nigeria's capital market through the Mobilising Institutional Capital Through Listed Product Structures (MOBILIST) programme. This initiative aims to drive economic growth by mobilising institutional capital via innovative financial products.

The programme aims to channel private capital towards companies addressing development issues and climate change, aligning with the UK's conviction.

Comment

The UK's MOBILIST programme represents a strategic effort to bolster Nigeria's capital market, enabling sustainable development and economic resilience. It is our believe that the programme would bring about crucial development, job opportunities, and improved incomes.

For more information, please click here

(14) SEC Releases Framework on Banking Sector Recapitalisation Programme

On 28 March 2024, the Central Bank of Nigeria (CBN) via a circular mandated a recapitalisation programme for banks to strengthen their asset base and support economic growth in line with the Federal Government of Nigeria's target of achieving a US$1 trillion economy by 2030.[2]

Following this development, the Securities and Exchange Commission (SEC), as the regulatory institution mandated to regulate and develop the Nigerian capital market, has issued a framework dated 21 June 2024 which outlines the guidelines and procedures banks are required to follow to raise the required capital (the Framework).

The objective of the Framework is, amongst others, to serve as a comprehensive guide for Banks/Holding Companies and market participants to navigate the recapitalisation programme effectively.

The Framework highlights the following capital raising options; rights issue, public offer, private placements, and mergers and acquisitions.

Key Highlights of the Framework

Capital Raising Options: Banks can raise capital through rights issues, public offers, private placements, and mergers and acquisitions.

Steps/Procedure for Registration: Applications should be submitted electronically to offerapplications@sec.gov.ng. Subsequently, the submitted documents will undergo review. Where deficiencies are observed, they will be communicated electronically to the applicants. Upon receiving communication about deficiencies, the timeline for processing the application resets. In the absence of any deficiencies, approval will be granted and communicated accordingly.

- **Documentation Requirements and Applicable Fees:** The Framework highlights specific documents and fees required for various capital raising methods in compliance with the Investments and Securities Act 2007 and SEC's Rules and Regulations.

- **Penalty:** Where an application is returned as being incomplete, a penalty of N1,000,000 and a re-filing fee of N100,000, payable exclusively by the Issuing House, shall apply.

Comment

Although the framework is a comprehensive guide to effectively navigating the recapitalisation programme, it must however be read in conjunction with the relevant provisions of the Investment and Securities Act 2007 and the SEC's Rules and Regulations.

For more detailed information, banks and market participants can refer to the full framework document, which includes step-by-step procedures, applicable fees, and documentation requirements necessary for different capital-raising activities.

For more information, please click here

2. Please read our Q1 2024 report and article on this development here

ENERGY AND NATURAL RESOURCES

For more information, please contact CorporateCommercial@alp.company

(1) Trident Energy Secures Agreements: Multinational Energy Companies; Chevron and Total Energies to Obtain Stakes in the Republic of Congo's Oil Fields

Trident Energy has secured agreements with Chevron and TotalEnergies to acquire stakes in Congo's oil fields.

The company acquired Chevron Overseas (Congo) Limited and interests in the Moho-Bilondo, Nkossa, Nsoko II, and Lianzi fields. It will hold 85% of the interest in Nkossa and Nsoko II, a 15.75% interest in Lianzi, and a 21.5% interest in Moho-Bilondo. The transactions are expected to be completed by the end of 2024.

The Republic of Congo has proven crude oil reserves totalling 1,800,000,000 barrels, and Trident Energy's recent agreements, combined with the country's substantial oil production capacity signal a promising trajectory for resource utilisation. As development initiatives advance, there is a potential for increased production, job creation, and enhanced economic stability.

Comment

The announcement of Trident Energy's partnerships with Chevron and Total Energies to acquire stakes in the Congo's oil fields is likely to lead to increased investment confidence in the country's oil sector. Although there is no limitation on the quantum of shareholding that may be held in Congolese oil industry, the transaction is still subject to the approval of the Autorité de Régulation de la Concurrence.

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Particularly, the regulator will have to confirm that the transaction does not negatively impact market competition in addition to approval by the Ministry of Hydrocarbons.

Evidently, thorough supervision and extensive management will be necessary to mitigate potential environmental and social impacts associated with increased oil production.

For more details on this circular, please click here

(2) Invictus Energy Signs Agreement to Power Zimbabwe's Mines

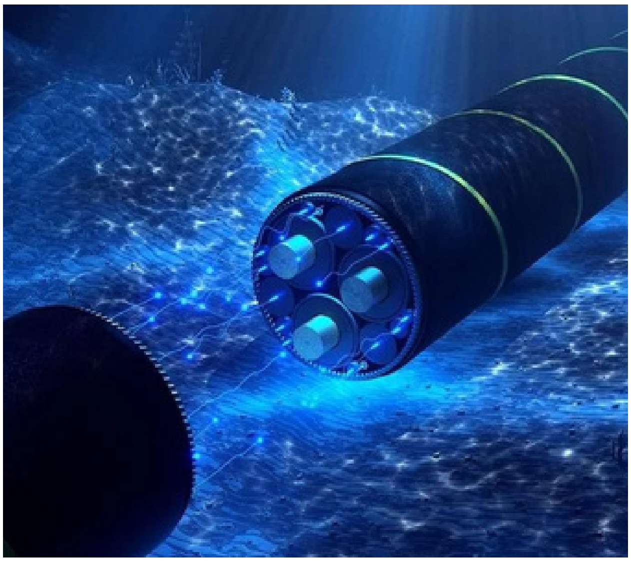
Invictus Energy Limited has signed a Memorandum of Understanding (MoU) with Dallaglio Investments (Pvt) Limited and Himoinsa Southern Africa Proprietary Ltd to develop Cabora Bassa Project, a gas-to-power project in Zimbabwe. This initiative will generate electricity for the Eureka Gold Mine using natural gas from the project. The project will initially provide 12 MW of power, with plans to expand to 50 MW. This shift from diesel to gas-fired power aims to enhance reliability and environmental sustainability. Feasibility studies are underway to determine the best method for power delivery, either on-site or via existing grid infrastructure. The project aligns with Zimbabwe's goals for sustainable energy development and economic growth, with potential benefits for other regions through the Southern Africa Power Pool.

Comment

This partnership amongst Invictus Energy, Dallaglio Investments, and Himoinsa Southern Africa to develop a gas-to-power project in Zimbabwe presents many benefits. By providing a stable and eco-friendly energy source for the Eureka Gold Mine, the initiative is set to boost mining productivity, support economic growth, and enhance regional energy security. In addition, it underscores the potential of leveraging local resources for sustainable development while creating jobs and fostering skill development in the region.It is expected that feasibility studies have been conducted and Environmental Impact Assessments will be underway before the parties proceed with the project.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company



(3) Morocco-UK Power Project: AFC Invests $14.1M in Transcontinental Clean Energy Initiative

Africa Finance Corporation (AFC) has invested about $14,100,000 in the Morocco-UK Power Project, aiming to supply clean energy from Morocco to the UK using renewable sources like wind and solar. This project, which is capable of powering 7,000,000 British homes, supports Europe's green transition programme while creating jobs and fostering Morocco's renewable energy sector.

AFC's Chief Executive Officer, Samaila Zubairu, commented on Africa's role in global carbon net-zero goals, emphasising the project's potential to boost Morocco's economy and position it as a clean energy hub. With support from major supporters like Abu Dhabi National Energy Company and Total Energies, the project could set a precedent for future transcontinental clean energy collaborations, highlighting the power of cross-border infrastructure in addressing climate change.

For more information, please contact CorporateCommercial@alp.company

Comment

The $14,1000,000 investment by AFC in the Morocco-UK Power Project should contribute to progress towards supplying clean energy from Morocco to the UK. This initiative not only supports Europe's green energy transition but also promises to create jobs and stimulate Morocco's renewable energy sector. With potential to power 7,000,000 British homes, it highlights Africa's crucial role in global net-zero targets. In addition, the collaboration would set a precedent for future transcontinental clean energy partnerships, demonstrating the potentials of cross-border infrastructure in combating climate change.

For more information, please click here

(4) Niger Signs Agreement with Mali for Supply Of Diesel

Niger has agreed to supply affordable diesel to Mali with the aim of bolstering Mali's energy security. Under the agreement, Niger will provide diesel to Mali's national energy company, Énergie du Mali SA (EDM-SA), at a reduced price.

This initiative is expected to reduce Mali's persistent power shortages, which largely stems from inability to purchase diesel due to EDM-SA's financial challenges. The agreement ties in with Niger's broader strategy to boost oil production and exports and follows Niger's recent inauguration of a pipeline for crude oil transportation to Benin. It is apparent that Niger is expanding its business relations as it intends to fulfil diesel supply commitments to Burkina Faso and Chad as part of its obligations to the Alliance of Sahel States.

Comment

The agreement between Niger and Mali to supply affordable diesel creates expectations for improved energy security for Mali, potentially strengthening bilateral relations and fostering regional stability. Niger stands to benefit economically through increased exports and enhanced geopolitical influence, particularly with Chinese involvement in the region's energy sector. The deal may also influence energy prices and market dynamics in the Sahel region, while highlighting the importance of regional cooperation in addressing shared challenges.

For more information on this directive, please click here

(5) Halliburton Secures a Deep-Water Well Construction Contract with Rhino Resources for Namibian Energy Exploration

Halliburton has been contracted by Rhino Resources Ltd., a company involved in energy exploration in Namibia and other parts of Africa, to construct multiple deep-water wells and provide testing services in Namibia's Block 2914A (PEL 85) within the Orange Basin. The collaboration is expected to maximise asset value, foster innovation, and support local economic growth.

Operations are expected to commence in the fourth quarter of 2024, prioritising the integration of global expertise with local resources for the benefit of Namibia's energy sector and its communities.

Comment

The collaboration between Halliburton and Rhino Resources in Namibia's energy sector is poised to enhance exploration and appraisal efforts in Block 2914A (PEL 85) of the Orange Basin. This partnership aims to maximise asset value, foster innovation, and support local economic growth. With operations set to begin in late 2024, the news suggest a positive impact on Namibia's energy industry, potentially leading to increased exploration activity, economic development, and job creation within the region.

For more information on this directive, please click here

(6) World Bank and African Development Bank Partner to Bring Electricity to 300,000,000 Africans by 2030

The World Bank Group and the African Development Bank (AfDB) are partnering to provide electricity access to 300,000,000 people in Africa by 2030. This ambitious plan involves the World Bank connecting 250,000,000 people through renewable energy systems, while the remaining 50,000,000 will be supported by the AfDB. The project requires $30,000,000in investment, with the World Bank's International Development Association contributing $20,000,000.

Comment

The partnership between the World Bank Group and the African Development Bank to provide electricity access to 300,000,000 people in Africa will have a positive effect on economic development, healthcare, education, and job creation in the region. It signals a substantial investment opportunity in renewable energy and highlights the importance of policy reforms to attract private sector involvement. It is expected that the World Bank and the African Development Bank will share information on the funding and implementation of the program as it proceeds.

For more information, please click here

(7) Schneider Electric Launches Villaya Flex Microgrid to Tackle Africa's Energy Crisis

Schneider Electric has launched Villaya Flex, a microgrid solution aimed at addressing Africa's energy crisis. This initiative was unveiled at the Energy Access Investment Forum Conference in Lagos. Villaya Flex is designed to enhance sustainability and resilience in off-grid communities across Africa by maximising solar energy and minimising reliance on generators.

Schneider Electric aims to connect millions to clean electricity, with a commitment to sustainability and carbon neutrality by 2050. The company's Access to Energy programme is intended to have immense impact in Nigeria and beyond, emphasising reliable energy access for rural communities and fostering economic productivity.

Comment

The launch of Schneider Electric's Villaya Flex microgrid solution in Africa is expected to have a transformative impact on addressing the continent's energy challenges.

By maximising solar energy and reducing dependence on polluting generators, the initiative promises to provide sustainable and reliable electricity to off-grid communities. This could lead to improved living standards, economic growth through enhanced productivity, and progress towards achieving global sustainability goals.

For more information, please click here

(8) FirstBank Partners with Proparco to Advance Climate Initiatives in Nigeria

FirstBank of Nigeria Limited has partnered with Proparco, a development finance institution, to integrate climate initiatives into its business operations and strategy. The partnership aims to reduce greenhouse gas emissions and position the bank as an African Climate Bank. FirstBank is implementing mechanisms to calculate its operational emissions and identify opportunities for reduction. As a signatory to the Africa Business Leaders' Climate Statement, the bank is committed to achieving Nigeria's emission reduction targets. Acting Chief Risk Officer, Patrick Akhidenor, indicated that the bank's focus is currently on climate finance opportunities and reducing carbon emissions.

Comment

The partnership between FirstBank and Proparco to integrate climate initiatives into operations is likely to enhance the bank's environmental impact, business positioning, regulatory compliance, and innovation potential, contributing to both sustainability and growth goals.

For more information, please click here

(9) Namibia Is Making Its Move to Become Sub-Saharan Africa's Leader In The Race To Produce Green Energy

Namibia is positioning itself as a leader in green hydrogen production in sub-Saharan Africa. Namibia's desert region is becoming a hub for green energy, with Belgium's King Philippe and Namibian President Nangolo Mbumba recently inaugurating a hydrogen-powered truck by Compagnie Maritime Belge.

Commercial hydrogen production will start this year, with plans for a $3,500,000,000 project to deploy solar energy to produce ammonia from water. The Port of Antwerp, in collaboration with the Namibian Ports Authority, will develop storage and shipping facilities for hydrogen and ammonia. Namibia's abundant sun and wind make it an ideal location for producing green hydrogen, which could play a key role in decarbonising global shipping and heavy industry.

James Mnyupe, Namibia's green hydrogen commissioner, has been actively promoting the project internationally. Agreements with Belgium, the European Union, Germany, and the Netherlands are expected to bring in over $10,000,000,000 for a major project in southern Namibia.

This development represents an economic opportunity for Namibia, a nation of 3,000,000 people, potentially transforming its economy alongside potential offshore oil discoveries. While green hydrogen technology is still emerging and may face viability challenges, Namibia is optimistic about its future. President Mbumba reflected on the progress since Namibia gained independence, highlighting the country's ambitious advancements.

Comment

Namibia's push into green hydrogen is set to transform its economy with over $10,000,000,000 in investments, creating jobs and boosting GDP. This development positions Namibia as a renewable energy leader in Africa, attracting global partnerships and contributing to global decarbonisation efforts. With abundant solar and wind resources, Namibia is poised for economic growth and technological advancements, though ensuring the benefits are widely shared will be key. This development could improve living standards and strengthen Namibia's international influence.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

(10) Nigerian Navy Arrests Oil Thieves in Bayelsa

The Nigerian Navy seized three barges transporting suspected stolen petroleum products, including crude oil and refined Automotive Gas Oil, in the Tunu Community Creek in the Ekeremor Local Government Area of Bayelsa State. Seven individuals onboard claimed to be security personnel but were detained pending investigations.

The operation followed intelligence reports on oil theft activities in the area, with Shell Petroleum Development Company reporting daily production losses. Each barge had a capacity of hundreds of thousands of litres. Investigations are ongoing to determine ownership and intended discharge locations. The navy commander warned against illegal oil theft activities, emphasising continued enforcement efforts by the Nigerian government to protect its resources.

Comment

The apprehension of oil thieves and seizure of barges by the Nigerian Navy in Bayelsa is likely to have several effects. Firstly, it serves as a deterrent to illegal activities in the oil industry, potentially reducing production losses reported by companies like Shell Petroleum. Secondly, it highlights the government's commitment to combating oil theft and enforcing maritime security, which could improve investor confidence in Nigeria's oil sector. In addition, it underscores the ongoing challenges of oil theft in the region, prompting calls for enhanced security measures and stricter enforcement.

For more information, please click here

(11) President Tinubu Inaugurates Nigeria's Largest Lithium Processing Plant in Nasarawa State

Nigeria's largest lithium processing plant in Nasarawa State, which was built by the Chinese firm, Avatar, has been commissioned. With a capacity of 4,000 metric tonnes daily, the plant signifies Nigeria's appeal to foreign investors. Additionally, Canmax Technologies announced a $200,000,000 investment for another plant in the region.

During a meeting with Governor Abdullahi Sule, the Governor of Nasarawa State, and Chinese executives, President Bola Tinubu highlighted Nigeria's potential in solar panel production, emphasising the country's skilled labour and vibrant economy. He urged the Chinese firms to focus on environmental protection, community engagement, and corporate social responsibility.

President Tinubu praised the efforts of the governor and Solid Minerals Minister, Dele Alake in ensuring sustainable mining practices. Governor Sule expressed gratitude for President Tinubu's support, and Mr. Alake outlined measures to address abandoned mines and enforce remediation plans for new mining licenses.

Chinese executives on their part committed to adhering to regulations and fulfilling their corporate social responsibilities, recognising Nigeria as a promising investment destination.

For more information, please contact CorporateCommercial@alp.company

Comment

The launch of Nigeria's largest lithium processing plant and the announcement of further investment by Chinese firms indicate remarkable foreign investment and economic growth potential for Nigeria. This development is likely to boost the country's mining sector, create jobs, and position Nigeria as a key player in the global lithium and solar panel markets. In addition, it emphasises the importance of sustainable practices and community engagement in the mining industry.

For more information, please click here

(12) Federal Government Bans Processing of Nigeria's Mineral Resources Abroad

The Federal Government now requires mining companies to process Nigeria's mineral resources within the country rather than abroad. Minister of Solid Minerals Development, Mr. Dele Alake, announced this policy shift alongside the revocation of mining licenses from dormant companies. The administration aims to boost the solid mineral sector's development, with over 10,000 new license applications received and 4,000 issued.

The government also approved $25,000,000 to revive the Ajaokuta Steel Plant, intending to produce iron rods for construction and potentially military hardware. Discussions are underway to engage private sector funding and possibly foreign firms to maximize the plant's output and establish an industrial park for further economic growth.

Comment

The Federal Government's decision to ban the processing of Nigeria's mineral resources abroad may have a positive impact the country's mining sector. By mandating that mining companies set up processing plants within Nigeria, the government aims to stimulate local economic development, create employment opportunities, and enhance the nation's self-sufficiency in mineral processing.

For more information, please click here

(13) Senegal Begins Production at First Offshore Oil Project

Production has begun at Senegal's first offshore oil project, led by Australian company Woodside Energy, which described the day as historic. The project, located at the Sangomar oil fields 100 kilometres offshore, aims to produce 100,000 barrels of oil daily. The discovery of oil and gas in 2014 raised hopes for economic transformation in Senegal.

However, the new government, which took office earlier this year, plans to review existing oil and gas contracts, considering them unfavourable to Senegal. President Bassirou Diomaye Faye and Prime Minister Ousmane Sonko emphasised their commitment to ensuring fair revenue distribution from natural resources. Woodside holds an 82% stake in the project, with the state-owned Petrosen holding the rest. The project is expected to generate over $1,000,000,000 annually for the next three decades. In addition, Senegal is set to begin extraction at the Greater Tortue Ahmeyim LNG project, a joint venture involving BP and other international partners, by the end of the year.

Implication

The start of production at Senegal's first offshore oil project marks a milestone for the country's economic development. It promises substantial revenue generation and potential economic transformation. However, the government's plans to review and renegotiate contracts with foreign companies could lead to changes in how profits are distributed, potentially increasing Senegal's share of the benefits from its natural resources. This move could also impact relations with multinational corporations involved in the sector.

For more information, please click here

(14) Niger State Takes Steps Towards Conservation

Niger State Governor, Mohammed Bago, has committed to planting 1,000,000 trees as part of a campaign to green the environment and ensure a safer environment for residents. This initiative aligns with the New Niger Agenda, which aims to remodel the state for growth, development, and investment. The announcement was made during a visit by the Nigerian Institute of Public Relations (NIPR) to celebrate their Diamond Jubilee anniversary.

The Governor, represented by the Head of Service, Abubakar Salisu, also emphasised an agricultural revolution for food security. NIPR members participated in various activities, including planting sixty trees to mark their 60th anniversary and kickstart World Environment Day. The NIPR aims to plant sixty trees in each of Nigeria's 36 states and the Federal Capital Territory. The visit included tours of key infrastructure projects and discussions on future plans, such as establishing a Public Relations and Leadership University in Nasarawa State.

Comment

The commitment by Niger State Governor Mohammed Bago to plant 1,000,000 trees as part of an environmental campaign should enhance the region's ecological sustainability, promote environmental awareness, and contribute to combating deforestation. This initiative, along with the agricultural revolution for food security, could drive economic growth, improve public health, and make the state more attractive for investment. In addition, the collaboration with the Nigerian Institute of Public Relations (NIPR) highlights the importance of strategic communication and public engagement in achieving these environmental and developmental goals.

For more information, please click here

TRANSPORTATION, TECHNOLOGY, AND TELECOMMUNICATIONS

For more information, please contact CorporateCommercial@alp.company

(1) AD Ports Group Signs a 20-Year Concession Agreement to Upgrade And Manage Angola Port Terminal

AD Ports Group, headquartered in Abu Dhabi, has entered into agreements with Angolan logistics and transport firms, Unicargas and Multiparques, securing a 20-year concession (with a possible extension for another 10 years) from the Luanda Port Authority in Angola.

This agreement involves modernising and operating the Luanda multipurpose port terminal. AD Ports will invest $251,000,000 initially, potentially increasing to $379,000,000, to enhance infrastructure and IT systems. The redevelopment aims to increase container handling to 350,000 Twenty-foot Equivalent Units (TEUs) and Roll-on/Roll-off (Ro-Ro) volume to over 40,000 vehicles by Q3 2026. During redevelopment, container volumes will be redirected, and a joint venture with Unicargas will offer integrated logistics services.

This collaboration is expected to boost economic growth in Central-West Africa, leveraging Angola's position as a key transshipment hub for the region.

Comment

Under the agreement, AD Ports Group is required to upgrade the multipurpose Port at Luanda to contain an enlarged concession area, an upgraded quay wall, additional ship-to-shore cranes, gantry cranes, expanded draft, modernised IT systems etc. AD Ports Group will be required to comply with conditions under the concession agreement in addition to ensuring compliance with extant laws and extant regulatory compliance requirements.

For more information, please click here

(2) Bolt Launches Electric Motorcycles in Kenya, Pioneering Sustainable Transportation

Bolt has partnered with M-KOPA, a financing company, Roam Electric and Ampersand who are electric vehicle producers to introduce electric motorcycles in Kenya as part of its ride-hailing services. This initiative aligns with Bolt's sustainability strategy by reducing noise and carbon emissions.

They aim to onboard 1,000 electric bikes by year-end and 5,000 in the next 2 years. The partnership with M-KOPA enables Bolt access affordable financing while Ampersand and Roam Electric will manufacture the electric bikes. The collaboration aims to lower operational costs for riders, maximising their daily earnings.

For more information, please contact CorporateCommercial@alp.company

Comment

This move by Bolt and its partners to introduce electric motorcycles in Kenya is a step towards cleaner, more sustainable transportation. It not only reduces carbon emissions and noise pollution but could have a lasting positive impact on both the environment and livelihoods in Kenya.

New and existing riders will be allowed to lease the electric bikes at a discounted price, increasing driver earnings while reducing cost of operations such as purchase of fuel. With the financing from M-KOPA, it is expected that the cost of transportation will be positively affected as this project provides access to finance and creates jobs within the sector.

However, Bolt is required to comply with regulatory requirements such as the submission of the vehicles to the Kenya Bureau of Standards for examination to ensure safety for consumers.

For more information, please click here

(3) Nigeria and USA begin the Implementation of an Open Skies Air Transport Agreement

The United States and Nigeria have commenced the implementation of an 'open skies' air transport agreement, 24 years after its provisional application. The agreement establishes a modern civil aviation relationship and aligns with the US Open Skies international aviation policy, emphasising aviation safety and security standards. It allows for unrestricted capacity and frequency of flights, open route rights, liberal charter regulations, and code-sharing opportunities.

This bilateral agreement is hailed as a giant leap towards the liberalisation of the international civil aviation sector in Africa, strengthening economic and commercial partnerships between the two countries, and creating new opportunities for airlines, travel companies, and customers. It aims to provide more affordable, convenient, and efficient air services, promoting tourism and commerce while fostering a competitive and consumer-friendly aviation environment.

Comment

The implementation of the 'open skies' air transport agreement between the United States and Nigeria is likely to have a positive impact on both countries' aviation sectors. It will foster stronger economic and commercial partnerships, promote tourism and commerce by providing more affordable and convenient air services, and create new opportunities for airlines, travel companies, and customers. In addition, the agreement aligns with international aviation safety and security standards, contributing to a competitive and consumer-friendly aviation environment.

For more information, please click here

(4) President Tinubu Inaugurates Lagos-Calabar Coastal Highway

President Bola Tinubu described the Lagos-Calabar Coastal Highway as a symbol of hope, unity, and prosperity for Nigerians during the flag off the 700 km project on 19 May 2024. President Tinubu emphasised its role in enhancing connectivity, fostering economic growth, and improving lives and its potential for trade, commerce, and tourism. He lauded the dedication of stakeholders and emphasises safety, sustainability, and social responsibility.

Despite criticism, Works Minister, Dave Umahi insists the project serves the country's best interests. The project is seen as a legacy initiative that will open neglected areas, boost port capacity, and stimulate business and investment along its route, connecting regions of the country.

Comment

The inauguration of the Lagos-Calabar Coastal Highway by President Tinubu is a step towards enhanced connectivity, economic growth, and improved quality of life for Nigerians. It is expected to foster trade, boost tourism, and create new opportunities across nine states.

For more information, please click here

(5) Alternative Bank and UK Launch Electric Tricycle Program for Women in Kano, Promoting Economic Empowerment and Environmental Sustainability

The Alternative Bank, in collaboration with the UK's FCDO and Qoray Mobility, has introduced an electric tricycle programme for women in Kano State. This initiative aims to enhance women's security by providing them with electric tricycles and comprehensive training. Around 120 women from cooperatives in Mata Zalla and Yar Baiwa have undergone training to become tricycle drivers and mechanics. The programme not only empowers women economically but also promotes environmental sustainability by reducing carbon emissions.

This partnership showcases the effectiveness of collaboration in achieving common goals, with support from the UK government's FCDO-funded LINKS programme. Qoray Mobility, the provider of electric vehicles, expresses optimism about expanding the initiative and improving its electric vehicles.

Comment

The introduction of electric tricycles for women in Kano State is likely to have a positive impact on both the economic empowerment of women and environmental sustainability. By providing women with opportunities to generate income through transportation services and small delivery businesses, while also reducing carbon emissions, this initiative fosters social and environmental progress in the region. In addition, the partnership between The Alternative Bank, the UK's FCDO, and Qoray Mobility demonstrates the effectiveness of collaboration in addressing societal challenges.

For more information, please click here

(6) Green Revolution in Ghana: Plans to Introduce 200 Electric Buses

Ghanian Vice President, Dr. Mahamudu Bawumia, announced plans to introduce 200 electric buses in Ghana as part of efforts to reduce the cost of public transportation. Speaking during his campaign tour in Greater Accra, he highlighted that switching to electric buses aims to lower reliance on fluctuating fuel prices, potentially reducing transport fares by up to 40%. While the project's timeline remains uncertain, discussions with various transport operators like State Transport Company, Metro Mass Transit Limited, and VVIP Jeoun Transport Company Limited are underway to advance Ghana's adoption of e-mobility.

Comment

The implementation of Ghana's plan to introduce 200 electric buses could potentially lead to strong benefits for its transportation sector. By reducing reliance on fuel and stabilising transport costs, the initiative aims to lower public transportation fares by up to 40%. This move not only aligns with global trends towards sustainable mobility but also signals Ghana's commitment to modernising its transport sector while addressing environmental concerns.

For more information, please click here

(7) Glovo Partners with Siltech to Launch EV-Powered Food Delivery in Lagos

Glovo, a food delivery company, has partnered with Lagos-based Electric Vehicle (EV) company Siltech to utilize EV products and services for food delivery in certain areas of Lagos. This collaboration aims to reduce fuel and maintenance costs for Glovo. Although Glovo has not yet started using EVs, Siltech has been providing EV services for years. The recent hike in petrol prices in Nigeria has prompted many businesses, including Glovo, to switch to EV solutions. Tolu William, CEO of Siltech, confirmed that the partnership includes providing Glovo with charging stations, after-sales services, technical assistance, and battery swapping options at discounted rates. The pilot programme will begin at charging and battery stations in Ikate, Lekki, and Victoria Island in Lagos

Comment

The partnership between Glovo and Siltech is likely to lead to reduced operational costs for Glovo due to lower fuel and maintenance expenses. It also signifies a shift towards more sustainable business practices in response to rising petrol prices in Nigeria. This move may encourage other companies to adopt electric vehicles, promoting the growth of the EV market in Lagos and potentially improving air quality and reducing carbon emissions in the region.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

(8) Federal Government unveils Nigeria's First Multilingual AI Model, paving way for AI Leadership in Africa

In a move to advance Nigeria's position in Artificial Intelligence (AI) development across Africa, the Federal Government through the Ministry of Communications, Innovation, and Digital Economy, has launched the country's first Multilingual Large Language Model (LLM).

The LLM was developed collaboratively by the Nigerian AI company, Awarritech; global tech firm, DataDotOrg; the National Information Technology Development Agency (NITDA); and the National Centre for AI and Robotics (NCAIR). It will be trained on five low-resource languages and accented English, enhancing language representation in AI datasets. The project is supported by over 7,000 fellows from the 3 Million Technical Talent (3MTT).

In addition, the Communications Minister revealed several developments aimed at accelerating Nigeria's AI journey. An initial draft of the National AI Strategy was formulated during the National Artificial Intelligence Strategy workshop with input from over 120 AI experts, providing a roadmap for AI development. A partnership between 21st Century Technologies, Galaxy Backbone, and NCAIR was also announced to accelerate AI projects of national interest. As part of this collaboration, 21st Century Technologies is funding the acquisition of Graphic Processing Units (GPUs) to boost Nigeria's computing capacity, housed at the Galaxy Backbone Data Centre in the Federal Capital Territory (FCT), which will be accessible to local researchers, startups, and government entities working on critical AI projects

Comment

The unveiling of Nigeria's first Multilingual Large Language Model (LLM) and the accompanying developments in AI strategy and partnerships are likely to accelerate the country's advancement in AI technology. This initiative could bolster Nigeria's position as a leader in AI development in Africa, stimulate innovation and investment in the domestic AI ecosystem, and foster collaborations with local and international stakeholders. In addition, the enhanced computing capacity and strategic partnerships may drive progress in critical AI projects of national interest, ultimately contributing to economic growth, technological innovation, and improved societal outcomes in Nigeria.

For more information, please click here

(9) Microsoft Invests $70 Million in South Africa for Job Creation and AI Advancement

Microsoft South Africa is investing $70,000,000 in the South African economy over 10 years in collaboration with the Department of Trade, Industry, and Competition (DTIC). This investment aims to support small, micro, and medium-sized enterprises (SMMEs), create local jobs, and prepare the country for AI transformation.

The investment will specifically target an enterprise development initiative for technology startups owned by black South African entrepreneurs, skills development through certification courses, and research programme. South Africa is also focusing on AI adoption to drive economic growth, efficiency, and societal advancement, evidenced by recent efforts such as unveiling a draft national AI plan and establishing AI research institutes.

Microsoft South Africa MD, Kalane Rampai highlighted the importance of AI skills for individuals and the potential for AI to empower organisations and attract talent. This investment is expected to benefit SMMEs, which play an important role in South Africa's economy, contributing nearly 40% of GDP and employing around half of the workforce.

Comment

Microsoft's $70,000,000 investment in South Africa holds strong implications for the country's economy and technological advancement. By focusing on supporting SMMEs, creating jobs, and fostering AI development, the investment has the potential to stimulate economic growth, enhance innovation, and address societal challenges. In addition, South Africa's increased efforts in AI adoption, coupled with the establishment of AI research institutes, underscore its commitment to leveraging technology for economic and social progress. This initiative signals a collaborative approach between the private sector and government to drive digital transformation and position South Africa as a leader in AI development within the African continent.

For more information, please click here

(10) MTN and Huawei launch Joint Technology Innovation Lab to drive Africa's Digital transformation.

MTN Group and Huawei have launched a Technology Innovation Lab at MTN Group's headquarters in Johannesburg, South Africa. This collaboration, initially announced during Mobile World Congress (MWC) 2024, aims to accelerate digital transformation and sustainable development across Africa.

The lab will focus on areas such as 5G, artificial intelligence, big data analytics, cloud computing, and digital financial services. Through cross-regional collaboration, it will stimulate the African digital ecosystem and promote the rapid development and adoption of innovative solutions.

The lab signifies MTN's evolution into a provider of comprehensive technology services and enhance a strategic investment in Africa's future. It will serve as a platform for collaboration, experimentation, and skill-building, fostering innovation, digital inclusion, and economic progress across the continent.

Comment

The launch of the Technology Innovation Lab by MTN Group and Huawei in Africa signifies a concerted effort to accelerate digital transformation across the continent.

For more information, please contact CorporateCommercial@alp.company

By focusing on areas such as 5G, artificial intelligence, and cloud computing, the collaboration aims to enhance technological capabilities and promote innovation within the African tech ecosystem. This strategic investment reflects a commitment to Africa's long-term development and prosperity, potentially leading to greater digital inclusion, innovation, and economic growth.

For more information, please click here

(11) AI Education Initiative Launched in Kaduna State to Empower Women and Drive Tech Innovation

The Kaduna State Government, in partnership with Google and Data Science Nigeria, launched the AI for Beginners Learning Video Series on 30 April 2024. Delivered in Hausa, the programme aims to make AI education more inclusive and accessible in the state and Northern Nigeria. Governor Uba Sani emphasised the state's commitment to digital transformation and economic development through empowering women with AI skills, positioning Kaduna as a future tech hub.

Northern Nigeria faces challenges in tech education due to socio-cultural and language barriers, with a high rate of out-of-school children, especially girls.

This initiative seeks to address these obstacles using culturally relevant materials available on YouTube and in Kaduna schools to engage women in tech education. It is a step towards equipping women with essential digital skills and fostering economic growth and technological innovation in the region.

Comment

The AI for Beginners Learning Video Series initiative in Kaduna State, launched by the government in collaboration with Google and Data Science Nigeria, will increase tech education and inclusivity, particularly for women, by offering AI training in Hausa. This effort addresses language barriers and promotes gender equality in tech education and employment. It is expected to drive economic growth by creating a skilled workforce and fostering technological innovation, positioning Kaduna as a potential tech hub in northern Nigeria. In addition, by providing alternative learning opportunities, it aims to improve overall educational attainment and make digital concepts more accessible and engaging through culturally relevant materials. Overall, the initiative is poised to enhance digital progress, economic prosperity, and technological advancement in the region.

For more information, please click here

(12) President Tinubu Suspends Controversial Cybersecurity Levy Amid Public Backlash

President Bola Tinubu has suspended the controversial 0.5% cybersecurity levy following a public outcry. The decision, announced by Minister of Information and National Orientation Mohammed Idris after a Federal Executive Council meeting, came via a directive to the Central Bank of Nigeria (CBN) to halt the levy's implementation and review its modalities.

The levy, mandated by the Cybercrime (Prohibition, Prevention, etc.) (Amendment) Act 2024, is a 0.5% charge imposed on electronic transactions to fund the National Cybersecurity Fund. President Tinubu's decision reflects sensitivity to public concerns, especially after mounting opposition led to a resolution by the House of Representatives to withdraw the CBN directive due to apprehension and ambiguity surrounding it.

For more information, please click here

Comment

The suspension of the cybersecurity levy by President Tinubu in response to public outcry is likely to alleviate financial burdens on the financial sector while enhancing public confidence in governance. This move signals a potential reassessment of cybersecurity funding mechanisms and regulatory frameworks, which could promote clearer regulations and foster technological advancement. Moreover, it underscores the importance of transparent and well-considered policies for promoting stability and public trust in governance processes.

In addition, the decision may carry political implications, shaping perceptions of leadership responsiveness, particularly within the political landscape. While the levy aimed to increase funding for cybersecurity projects and safeguard national security by protecting banking and telecommunications systems, its implementation at a time of economic recession and amidst calls for higher minimum wages was viewed as insensitive. Furthermore, it raises concerns about hindering financial inclusion and obstructing electronic transactions and digitalisation efforts, which have been promoted since the introduction of the 'cashless policy' era under Godwin Emefiele.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

(13) CBN Implements Mandatory CAC Registration for POS Operators in Nigeria

The Central Bank of Nigeria (CBN) has issued a directive requiring all point-of-sale (POS) operators in the country to register with the Corporate Affairs Commission (CAC) by 7 July 2024. This move aims to foster transparency and accountability within the financial sector and standardise operations across the industry. The mandate emerged from a meeting between the CAC's Registrar-General and fintech stakeholders and applies to all financial institutions offering POS services. It is framed as a means to align with existing legal frameworks, particularly section 863 of the Companies and Allied Matters Act (CAMA) 2020 and ensure compliance with CBN guidelines on agent banking.

Comment

The CBN's mandate for POS operators to register with the CAC is likely to enhance transparency and accountability in Nigeria's financial sector. It standardises *operations and ensures compliance with existing legal frameworks, potentially reducing fraud and enhancing consumer confidence in electronic payment systems. Non-compliance is an offence liable in conviction to a fine of NGN200 for everyday the offence persists as prescribed in CAC regulations and supported by section 863(2) of the Companies and Allied Matters Act (CAMA) 2020.*

For more information, please click here

(14) Rwanda Plans to Issue a Digital Currency By 2026

Rwanda plans to issue a Central Bank Digital Currency (CBDC) by 2026 to provide a safe, free, and convenient alternative to physical cash. The initiative aims to increase financial inclusion and integrate more unbanked citizens into the formal economy.

Deputy Governor of the National Bank of Rwanda Soraya Hakuziyaremye highlighted that Rwanda is motivated by similar developments in countries like Nigeria, Ghana, and South Africa, as well as Rwanda's own goals for Information and Communications Technology (ICT) and a cashless economy.

In November 2023, National Bank of Rwanda Governor, John Rwangombwa, announced the development of the CBDC during a presentation of the central bank's annual report. A feasibility study initiated in May 2024 examined the benefits, risks, and practicalities of a retail CBDC in Rwanda. The study, conducted in collaboration with the Ministry of Finance, ICT, and Innovation, found numerous opportunities for adoption.

Following a public consultation process addressing concerns such as data privacy and financial stability, Rwanda will begin a proof of concept to test the CBDC's technology, design, and speed on a small scale. This will include a six-month international test for cross-border payments. Rwanda prefers a retail CBDC distributed through banks and is considering options for offline accessibility in areas without internet access or during power outages.

Comment

Rwanda's plan to issue a Central Bank Digital Currency (CBDC) by 2026 is likely to enhance financial inclusion, modernise the country's financial system, and reduce reliance on physical cash. This move aligns Rwanda with other African nations adopting digital currencies and supports the country's ICT and cashless economy goals. The CBDC could provide safer, more convenient financial transactions, especially in areas lacking internet access or during power outages. However, addressing concerns such as data privacy and financial stability will be crucial for its successful implementation and adoption.

For more information, please click here

(15) Microsoft and G42 to Invest $1 Billion in Kenya's Digital Transformation

Microsoft and UAE-based technology group, G42, have announced an investment of $1,000,000,000 in Kenya's digital development in partnership with the Kenyan government. This investment will fund various initiatives, including the construction of a green data centre in Olkaria, powered by geothermal energy, which will offer access to Microsoft Azure via a new East Africa Cloud Region.

The initiative encompasses four additional pillars: developing AI models in Swahili and English, establishing an East Africa Innovation Lab with AI training, improving local and international connectivity, and ensuring secure cloud services in collaboration with the Kenyan government.

Key projects include Microsoft's AI for Good Lab in Nairobi to address regional challenges, expanding internet access to 20,000,000 people in Kenya and 50,000,000 across East Africa by 2025, and enhancing cybersecurity measures. A letter of intent for this partnership was signed during Kenyan President William Ruto's state visit to the USA.

Comment

The billion-dollar investment by Microsoft and G42 in Kenya's digital infrastructure is poised to boost the country's technological landscape. This initiative will likely enhance internet connectivity, promote AI and innovation, support local startups, and improve cybersecurity. The development of a green data centre and an East Africa Cloud Region could position Kenya as a key digital hub in East Africa, driving economic growth and technological advancement in the region.

However, there must be clarity on the data protection laws applicable on the operations of the data centre in addition to implementation of a framework to comply with these laws and regulations.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

(16) Federal Ministry of Science, Technology, and Innovation Partners with Afri-Tech United for Groundbreaking Cloud Migration Initiative

The Federal Ministry of Science, Technology, and Innovation has partnered with U.S.-based tech consulting firm Afri-Tech United to initiate a transformative cloud migration project in Nigeria. This collaboration aims to develop a Master Cloud Platform to elevate Nigeria's cyber capabilities and global tech leadership. Nigerian IT expert, Jacob Uwah, emphasised the strategic alliance's role in advancing technology in the country. The Minister, Uche Nnaji, highlighted the initiative's potential to modernise infrastructure, optimize sectors, and support President Bola Tinubu's goal of creating 2,000,000 tech jobs annually. The project also includes developing an Innovation Centre to provide Nigerian engineers with access to advanced technologies like AI and robotics.

Comment

This collaboration between the Nigerian government and Afri-Tech United could improve the country's technological landscape. By spearheading a cloud migration initiative and fostering innovation through strategic partnerships, Nigeria aims to modernise infrastructure, optimize sectors, and create millions of tech jobs annually. This initiative shows Nigeria's commitment to becoming a global leader in the cyber space and advancing its position in the technology sector.

For more information, please click here

(17) Zone Introduces Blockchain-Powered PoS Payment Gateway to Combat Fraud

Zone, a payment network infrastructure company in Africa, has introduced a blockchain-powered Point of Sale (PoS) payment gateway product to combat chargeback fraud.

This move aligns with Zone's broader payment objectives, following the success of its ATM transaction processing service. The PoS payment gateway is designed to enable banks and fintech companies deploying PoS terminals to process payments efficiently, with direct routing of transactions to issuers through Zone's decentralised payment switching network.

Zone is licenced by the Central Bank of Nigeria (CBN) as a payment service switch, as such it can implement direct transaction routing without breaching regulatory guidelines. This initiative marks Zone's expansion into the PoS market amid tightening regulations for PoS operators in Nigeria.

The product aims to enhance PoS transactions by offering same-day settlement, eliminating chargebacks and fraud through real-time auto-refunding and decline mechanisms. Obi Emetarom, CEO and co-founder of Zone, emphasised the product's commitment to financial inclusion and the digitalisation of payments in Africa. While other payment infrastructure providers offer PoS gateways, Zone distinguishes itself by utilising a decentralised architecture powered by blockchain technology, which it claims offers enhanced reliability and efficiency compared to centralised systems.

Comment

The launch of Zone's blockchain-powered PoS payment gateway in Africa may be an advancement in dealing with chargeback fraud and enhancing transaction efficiency.

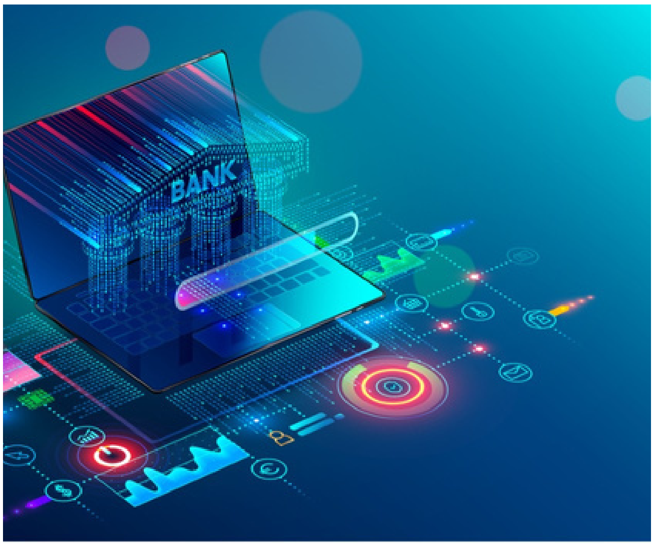
It reflects the evolving financial technology landscape in Nigeria, as PoS operators aim to be more efficient and reliable. By leveraging blockchain technology, Zone aims to provide a comparably better payment infrastructure, potentially setting a new standard for PoS services in the region.

Although, there is no requirement or description under the Approved Guidelines on Operations of Electronic Payment Channels in Nigeria for the specific technology to be used by a gateway service provider, it is expected that Zone had notified the CBN of its deployment of blockchain technology as described for Zone.

For more information, please click here

For more information, please contact CorporateCommercial@alp.company

(18) Nigerian Fintech Companies Experience Operational Restrictions by CBN



The Central Bank of Nigeria (CBN) has ordered fintech companies like Moniepoint, OPay, Kuda Bank, and PalmPay to stop opening new accounts due to a crackdown on fraud.

The CBN directive does not affect existing accounts as customers can still conduct transactions. However, 1,146 accounts have been frozen following their involvement in unauthorised forex transactions.

The Nigerian government is intensifying its efforts against financial crimes as it has implemented measures such as the freezing of accounts not linked to Bank Verification Numbers (BVNs) or National Identity Numbers (NINs) and requiring these IDs for wallet creation. However, the central bank lifted this ban on new account openings for fintech companies OPay, Moniepoint, Kuda, PalmPay, and Paga in June 2024.

Comment

The Central Bank of Nigeria's directive for fintech companies to halt new account openings was within its regulatory powers under the Banks and Other Financial Institutions Act. However, it has slowed the growth rate of these fintechs and caused customer inconvenience as potential users face difficulties accessing these services.

By enforcing stricter regulations and verification processes, the CBN aims to enhance financial security and reduce fraud, potentially boosting confidence in the financial system. Fintech companies will face operational challenges and increased costs due to the need for greater compliance measures, possibly altering their business models.

Traditional banks might benefit from an influx of new customers, shifting the competitive landscape. The regulatory environment will become tougher, potentially deterring some investors but leading to a more stable financial system. Overall, while there will be short-term disruptions, the long-term goal is to create a more secure and regulated financial environment in Nigeria.

For more information, please click here

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(19) MTN Nigeria Implements Strategy to Restore Profitability Amid Economic Challenges

MTN Nigeria is implementing a strategy to restore profitability in its Nigerian unit following a sharp currency devaluation. This plan includes raising tariff prices, cutting capital expenditures to the upper single digits in 2024, and improving operational efficiencies.

MTN revealed the challenges posed by elevated inflation and volatile foreign exchange rates but aims to sustain commercial momentum and enhance service revenue growth. The company is also focusing on reducing its exposure to US dollar volatility, having lowered its outstanding letters of credit obligations from about $416,600,000 in December 2023 to about $243,400,000 by March 2024.

In addition, negotiations are ongoing to modify tower lease conditions to mitigate macroeconomic risks. MTN Nigeria's Q1 2024 results showed a decline in subscribers due to a SIM registration programme, a 57.8% drop in profit after tax to about NGN47,100,000,000 and a rise in capital expenditures to about NGN179,700,000,000.

Comment

MTN's strategy to restore profitability in Nigeria by raising tariffs and cutting capital expenditures is likely to lead to higher costs for consumers but improved financial stability for the company. It is expected that there will be pushback from the consumers and the regulator which may lead to intervention by regulatory bodies. The focus on operational efficiencies and reducing foreign currency exposure could mitigate financial risks. However, the decline in subscriber numbers highlight ongoing challenges which is negatively impacting shareholder funds.

Overall, these proposed measures might stabilise MTN's financial performance but could also impact customer retention and market competitiveness. It will however, need to navigate the regulatory landscape (including obtaining approval of the Nigerian Communications Commission) to achieve the expected outcomes.

For more information, please click here

(20) MTN Rwanda Pioneers Paper-Based Biodegradable SIM Cards

MTN Rwanda has announced the introduction of paper-based biodegradable SIM cards, a step in its commitment to sustainable business practices. As the largest telecommunications company in Rwanda with 7,400,000 subscribers, MTN aims to reduce plastic waste and promote environmental sustainability.

The move aligns with both the MTN Group Environmental Strategy and Rwanda's Green Growth & Climate Resilience Strategy.

The paper SIM cards are made from materials that have been 100% certified by the Forest Stewardship Council (FSC), ensuring responsible forest management. This initiative is part of MTN Rwanda's broader efforts, which include the Project Zero campaign launched in 2021, featuring hybrid electric vehicle integration and solar panel installations at data centres. These efforts support MTN Group's goal of achieving zero net carbon emissions by 2040.

The telecom industry, which produced 4,500,000,000 plastic SIM cards in 2020, contributes 2% to global emissions. MTN Rwanda's biodegradable SIM cards aim to reduce this environmental impact. While the availability date for these bio-SIMs is not yet clear, this initiative follows similar efforts by other companies, such as Virgin Mobile Kuwait's introduction of biodegradable SIM cards in 2022.

Comment

MTN Rwanda's introduction of biodegradable SIM cards is likely to enhance its ESG profile and increase its value given the global trends towards ESG and sustainability. This initiative may also set a precedent in the telecom industry for adopting greener practices, potentially influencing other companies to follow suit. However, consumer adoption and the timeline for widespread availability remain uncertain.

For more information, please click here

(21) Google Announces Umoja Subsea Cable to Connect Africa and Australia, Boosting Digital Connectivity

Google has announced the construction of Umoja, a groundbreaking fibre-optic cable that will directly connect Africa and Australia. This project aims to enhance digital connectivity and economic integration between the continents.

The cable will run from Kenya, pass through several African countries, and cross the Indian Ocean to Australia. It will also support Google's cloud region in South Africa, ensuring strong cloud service connectivity. In collaboration with Liquid Technologies, the Umoja cable will offer a scalable network path with multiple access points to boost regional connectivity. This infrastructure is designed to provide reliable digital services and address network outages that have historically affected the region.

The project, which is part of Google's Africa Connect initiative, was made possible through partnerships with leaders across Africa and Australia. Google also announced a collaboration with Kenya's Ministry of Information Communications and The Digital Economy to advance cybersecurity, data-driven innovation, digital upskilling, and AI deployment. Since 2007, Google has been actively partnering with African governments on various digital initiatives, committing $1,000,000,000 over 5 years to support the continent's digital transformation.

Comment

The launch of Google's Umoja subsea cable, connecting Africa and Australia, is likely to significantly boost digital connectivity and economic integration between the continents. It will enhance internet reliability and access in several African countries, support cloud services, and reduce network outages. This initiative is expected to drive digital transformation, foster innovation, and create economic opportunities in the region. In addition, it will strengthen partnerships and improve cybersecurity efforts, marking an advancement in global digital infrastructure.

For more information, please click here

(22) ITU Launches $100 Billion Fund to Enhance Telecoms in Developing Nations

The International Telecommunications Union (ITU) is launching a fundraising initiative aimed at raising $100,000,000,000 to improve telecommunications in developing countries by 2026. In partnership with the United Nations' Sustainable Development Goals agenda, this initiative seeks to bridge the digital divide and accelerate global digitalisation.

With about 720,000,000 people in least developed countries still unconnected to the internet, the ITU recognises the need to reduce this number. ITU's Secretary-General, Doreen Bogdan-Martin, stressed the need for inclusive digital transformation, while UN Secretary-General António Guterres highlighted technology's potential for sustainable development but cautioned against widening digital divides.

Comment

The ITU's ambitious fundraising initiative to improve telecommunications in developing countries, particularly the least developed ones, could have significant implications. It has the potential to bridge the digital divide, accelerate global digitalisation, and empower marginalised communities. However, its success hinges on robust public and private sector involvement and effective implementation strategies to ensure meaningful connectivity and sustainable development.

For more information, please click here

(23) Telecom Operators in Nigeria Push for Tariff Hike Despite Regulatory Resistance

Telecom operators in Nigeria are intensifying efforts to increase tariffs, citing rising operational costs due to factors like high equipment prices, diesel costs, and electricity expenses.

The Association of Licensed Telecoms Operators of Nigeria (ALTON) and the Association of Telecommunications Companies of Nigeria (ATCON) are leading this charge, arguing that tariff adjustments are necessary to ensure sustainability in the face of economic challenges. Despite past resistance from regulators like the Nigerian Communications Commission (NCC), which prioritises consumer interests and cost-effective regulation, telecoms operators continue to push for tariff hikes to reflect current economic realities.

Comment

The intensified push by Nigerian telecom operators for tariff hikes, despite regulatory resistance, suggests potential implications for both consumers and the industry. Consumers may face increased costs for telecom services, impacting affordability. Meanwhile, operators seek to mitigate rising operational expenses and ensure sustainability.

The outcome hinges on regulatory decisions balancing consumer protection with industry viability amidst economic pressures. The NCC in exercising its statutory and regulatory powers under the Nigerian Communications Act and Telecommunications (Competition Practices) Regulations, 2007, has continued to show some resistance, in a bid to protect the telecom industry and the subscribers from any planned tariff hike, and to also make its position known to all that it is a consumer-protective regulator.

For more information, please click here

(24) Nigerian Communications Commission (NCC) Partners with Nokia

The Honourable Minister of Communications, Innovation and Digital Economy, Dr. Bosun Tijani, and the Executive Vice Chairman and Chief Executive of the Nigerian Communications Commission (NCC), Dr. Aminu Maida, signed a Memorandum of Understanding (MoU) with Nokia Solutions and Networks Nigeria.

This partnership aims to train young Nigerians in the latest 4G/5G radio and transmission technologies at the NCC's Digital Parks. Nokia Nigeria will establish a fully functional 5G/4G test lab and an Entrepreneur Learning Programme to provide high-quality vocational training to 200 Nigerian students from across the six geopolitical zones. This initiative supports the ministry's goal of driving digital literacy and building a pipeline of technical talent in Nigeria

Comment

The partnership between Nigeria's NCC and Nokia to train young Nigerians in 4G/5G technologies will likely enhance digital skills, boost employment opportunities, and advance the country's telecommunications industry. This initiative supports Nigeria's vision for increased digital literacy and technical talent development, and the NCC in participating in this collaborating is driving change and development of technology in the country.

However, it is expected that data privacy and intellectual property issues have been considered in view of the proposed collaboration.

For more information, please click here

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