

INVESTORS SHUN
CHEAP BANK STOCKS
ON ANTICIPATED FOGGY
EARNINGS

in crude oil prices as well as foreign exchange restrictions in the country, it is believed that Nigerian banks are facing significant asset quality risks that could crystallise in the near term. A report by Renaissance Capital (RenCap), which gave this verdict, also predicted that if the difficult conditions persist, there might be need for some banks to recapitalise or face forced mergers, with the regulator stepping in to coordinate the process.

However, the report listed these signs to include increased regulation and the recent revision of Basel 2 guidelines, which takes off 24 percentage points on average from the capital adequacy ratio (CAR) of some banks; the low interest rate environment, and what they described as the highly uncertain economic management direction.

Meanwhile, Lagos-based CSL Stockbrokers Limited in an analysis report titled, "Search for Safety," urged investors to attempt bottom-of-the-cycle investments in Nigerian banks, given that their valuations either are, or have recently been, at six-year lows.

NEED INVESTORS TO REPAIR
CREDIT RISK THROUGH
Q3/16

industry through the establishment of its own intervention fund at a single digit interest rate. Last month the Minister of Industry, Trade and Investment, Okechukwu Enelamah, reiterated that policies geared towards boosting textile and garment industries are being developed," analysts at FBN Capital said.

They added: "The annual global output of textile firms is estimated at \$400 billion. China's production accounts for half of this figure. According to the CBN's 2014 Statistical Bulletin, the value of cotton production contracted by 11 per cent y/y in 2014 and accounted for 5.1 per cent of crop production GDP in the same quarter.

THE BUSINESS TEAM

Group Business Editor
Chika Amanze-Awachuku

Maritime Editor
John Iwaro

Agribusiness/Industry Editor
Crusoe Osagie

Comms/e-Business Editor
Emma Okonji

Capital Market Editor
Goddy Egene

Senior Correspondent
Raheem Akingbolu (Advertising)

Correspondents
Chinedu Eze (Aviation)

Linda Erakle (Labour)

Eromosele Abiodun (Cap/Mkt)

Ejiofor Alike (Energy)

James Emeje (Nations/Capital)

Obinna Chima (Money/Mkt)

Reporters
Nana Ekeighe (Money/Market)

Nosa Alekhungbe (Agribusiness)

El-Rufai Canvasses Favourable Policies to Uplift Local Airlines

Chinedu Eze

Kaduna State Governor, Mallam Nasir El-Rufai has called on the federal government to adopt policies geared towards boosting the growth of indigenous airlines.

Specifically, the governor said such policies should be favourable to the local operators by reducing heavy financial burden on them and enabling them to operate profitably.

He noted that the aviation sector is a key aspect of the transportation system that requires all the support of government.

El-Rufai made the call at the weekend during an inspection tour of Arik Air facilities at the Murtala Muhammed International Airport (MMA) Lagos.

The governor said he was in Kaduna to thank the management for operating in Kaduna state and to request that the airline increases its flights frequency to the state.

He said the state has a huge traffic as many businessmen and government officials are always stranded because of non-availability of enough flights connecting people from the state to other parts of the country, adding that his administration was trying to improve the business environment that would lead to creation of more jobs for

the state.

"Transportation is important. The federal government is aware of that and we need to all advocate for the creation of appropriate policy environment for the growth of the transportation industry and aviation is a key part of that inter-modal system of transportation. The government is aware and it would do the right thing," El-Rufai said.

The governor, who expressed satisfaction with the facilities at Arik, said: "I did not know that things were very organised like this. It is giving a bit of confidence that when I am flying Arik, I'm in good hands."

Deputy Managing Director of Arik Air, Capt. Ado Sanusi, who received the governor, promised that the airline would soon increase the number of

flight on the Kaduna route.

He said the challenge facing the airlines was infrastructural decay at most of the airports and urged government to provide landing aids to enable flights operate in the night to some airports, including Kaduna.

Sanusi said the aim of Arik was to connect every part of the country by providing efficient, safe and effective flight

connections across the airports, adding that the airline was dedicated to serving Nigeria and Nigerians.

With over 100 flights a day on the domestic routes and many operations on the West and Central Africa along with flights to international destinations, Sanusi said Arik Air is contributing significantly to the development of the country as a national flag carrier.



SUCCOUR TO VVF VICTIMS

L-R: Commissioner for Women Affairs, Kano State, Hajia Zubaida Damakka Abubakar; Executive Director, North Fidelity Bank Plc, Mohammed Balarabe; Executive Governor, Kano State, Dr. Abdullahi Umar Ganduje; and Regional Bank Head, North West Bank, Fidelity Bank Plc Mannir Ringim at the unveiling of the Vesico Vaginal Fistula (VVF) Hostel, Kano State, renovated and equipped by Fidelity Bank Plc...recently

IG Orders Police to Stop Closure of Telecoms Sites

Emma Okonji

The Inspector General of Police (IGP), Mr. Solomon Arase has directed all State Police Commissioners to caution officers and men of their various commands from allowing themselves to be used by government agencies in shutting down telecoms sites across the nation. The police boss noted that the effect of the closure is already affecting police operations the same way it is affecting other telecoms subscribers.

Arase gave the order, when members of the Association of Licensed Telecoms Operators of Nigeria (ALTON), paid him a courtesy visit at the Force Headquarters, Abuja recently. He said: "Policing has passed the stage of physical points, where you see Police-men everywhere." The IGP decried the illegal use of police by government agencies to indiscriminately close down telecoms sites and called on the IGP to quickly rise up to the challenge and put a stop to it.

As a response to the appeal, the IG has directed the police control unit, to immediately send signals to all the State Police Commands, warning them to desist from such act without genuine court order and clearance from the office of the Inspector General of

Police.

He promised that the police high command will continue to educate officers and rank and file on how important telecoms infrastructures are to the security of the country.

Arase, who also promised to upgrade the police operations from its current analogue level to a digital to enable them combat crimes successfully without necessarily being physically present at the scene of the crime, also called for collaboration between the Police and the telecommunications operators.

He also urged the operators to give the Police the necessary support to enable them operate digitally.

Arase said: "Policing has passed the stage of physical points, where you see Police-men everywhere." The IGP decried the illegal use of police by government agencies to indiscriminately close down telecoms sites and called on the IGP to quickly rise up to the challenge and put a stop to it.

"I am therefore passionate in bringing the Nigerian Police Force out of analogue to digital platform. For instance, character certificate process has been made easy and every citizen of good behavior should endeavour to process it online and submit

to the appropriate quarter for processing and it will be out within 24 hours. Anywhere you go once you have it on your phones and show the certificate whenever you are stop for checking, you will be passed."

The IGP also sought the cooperation of the Association in the fight against Kidnaping. ALTON also requested that the police boss to instruct all Police Commands to strictly enforce taxation demands pursuant to court orders only. Adebayo noted that in the case of telecommunications companies, such order should only be orders of the federal high court since telecommunications is on the exclusive legislative list.

He said: "Unless we have first level of protection by government and the security agencies, it will be difficult to continue to provide uninterrupted services with the type of vulnerability of our members and their infrastructure."

Responding to the issue, Arase urged the operators to report any issues of unlawful interference or shutting down of Base Transceiver Stations (BTS) sites otherwise known as base stations, without clearance from the Force Headquarters, to his office.

SEC to Implement Judge's Recommendations on Dispute Resolution

Goddy Egene

The Securities and Exchange Commission (SEC) is making moves to implement the decision reached at the recent 2016 Judges workshop on effective dispute resolution. The 2016 edition of the SEC Judges workshop was held from 24th to 25th of February, in Abuja 2016. It was attended by an array of luminaries from the legal field and the capital market as well as top government functionaries.

At the end of the workshop, a communique was issued. THISDAY gathered that in order to implement the decisions contained in the communique, a Technical Committee will be set up. The composition of the committee will include: Senior Advocates of Nigeria (SAN), who are very familiar with issues in the capital, operators who are not lawyers, SEC representative, Investment and Securities Tribunal (IST) representative and a judge of the Federal High Court.

"Unlike in the last when decisions at workshops are left, the commission and other stakeholders want to take action on the various suggestions raised at the workshop. Hence, the plan to put together an implementation committee," a market source told THISDAY at the weekend. Participants at the workshop had said judicial pronouncements

and decisions on capital market issues should be progressive, taking into consideration the overriding wellbeing of the market and the protection of investors.

According to the communique, in the quest to develop a vibrant capital market, the central role of the Judiciary in the maintenance of market integrity cannot be overlooked. The workshop should be an annual calendar event.

It added that the current market wide returns by the SEC are ground breaking initiatives that would revolutionise the Nigerian capital market.

Judicial review of decisions of SEC's Administrative Proceeding Committee (APC) by the IST and the Federal High Court need to preserve and enhance the integrity of dispute resolution mechanism in the capital market. A comprehensive reform agenda for the IST needs to be urgently instituted," it added.

The communique noted that the adoption of the doctrine of judicial deference in capital market matters should be encouraged.

"The investor protection and dispute resolution mechanism in the market must be supported by an equally robust enforcement framework. The controversies with respect to the jurisdiction of the IST need to be conclusively tackled via a Constitutional amendment," it said.