

Pedabo urges govt to restructure tax multiplicity to grow revenue

ENDURANCE OKAFOR

Pedabo, an indigenous accounting, audit, tax and business consulting firm, has stressed the need for Nigerian government to restructure the tax policy of the country in order to increase its tax-to-Gross Domestic Product (GDP) ratio.

On the areas to be considered, the Lagos-based firm cited tax rate, tax base and restricting the number of taxes paid by companies and individuals in order to increase tax revenue in a country where its tax only contributes about 6 percent to the economy.

"I think we need to restrict the number of taxes that people are expected to pay; taxes and levies. Nigerians complain about multiplicity of tax and that is not the same in other countries where their tax to GDP ratio is high. In the UK there is only one tax authority; His Majesty Revenue and Custom (HMRC) and they collect tax from everybody," Albert Folorunsho, the Managing

Consultant of Pedabo said.

He cited also that "other countries are reducing their income tax but in Nigeria it is 30 percent which is too high but VAT is 5 percent which on the other hand is too low, so we need some structural adjustment on the tax base and rate, just like in the new national tax policy, it emphasizes on the increase of indirect tax because it is the only way to bring in the informal sector."

Meanwhile, financial analyst have described tax as a vital aspect of a nation's economy, especially as a source of Internally Generated Revenue (IGR) and a way by which government finance social activities for citizens.

Nigeria's tax to GDP ratio at less than two digit, is one of the poorest in Africa considering the figure is significantly lower than Egypt at 16 percent, Morocco at 22 percent and South Africa at 27 percent, this is despite having the largest economy in the continent.

"In Nigeria, we have FIRS, state internal revenue service,

local government revenue committee, and all sorts of other government agencies going after taxes, including those who are not supposed to do so, even the ministry of justice. So you really do not know who the tax authorities are any more," Folorunsho explained.

This was disclosed to Businessday at Pedabo Lagos office, yesterday, where the firm celebrated its 20th anniversary. The company also suggested the way to go for Nigeria in order to grow its revenue through tax remittances.

"I suggest that tax authority should either be the FIRS or the state internal revenue, and FIRS can be collecting tax from companies while state can take from individuals. But if they can synchronize and have one payment identification number, that will increase the level of compliance and as a result increase revenue because that has worked in other countries and as it is the kind of programme they practice," the firm's managing consultant added.

NPDC/Neconde JV begins production, gas delivery to domestic market

DIPO OLADEHINDE

Neconde Energy Limited and its Joint Venture Partner - the National Petroleum Development Company (NPDC) in Oil Mining Lease (OML) 42 have begun production and delivery of gas to the domestic market through the Nigeria Gas Marketing Company.

This is in fulfilment of the commitment made by the Group Managing Director of Nestoil Group and Chairman of Neconde Energy Limited, Ernest Azudialu-Obiejesi, during the last Nigeria Gas Association Conference.

Obiejesi had promised that the NPDC/Neconde JV will deliver about 40MMScf per day to the domestic gas supply network. This is now being fulfilled with the successful startup and operation of Main Compressor

Module 1 (MCM1) of the Odidi Gas Processing Facility. He said the development is a milestone for indigenous companies operating in the Oil and Gas sector. He recalled that OML 42 from which gas is now being produced was acquired in 2011 but was fraught with a lot of challenges at the time it was sold by the IOCs. "The fact that a wholly indigenous Joint Venture (JV) has progressively revived this asset speaks to the capacity of indigenous companies in the Oil & Gas sector if given the right opportunities," said Obiejesi.

OML 42 is located onshore West Delta covering an estimated area of 814 square kilometres. OML 42 has 7 fields which have produced hydrocarbons and 5 undeveloped discoveries. The existing assets, infrastructure and support facilities in OML 42 include

flow stations at Jones Creek, Egwa, Odidi and Batan. Neconde, a subsidiary of the Nestoil Group is an indigenous Nigerian company with offices in Lagos, Warri, Port Harcourt and Abuja.

Neconde is an independent Nigeria oil and gas company serving as a special purpose vehicle for the acquisition and development of petroleum assets. In January 2011, the company participated and emerged successful in the bid for the acquisition of 45 percent stake in OML 42 previously held by Shell Petroleum Development Company Limited. Neconde's status as an indigenous company with an excellent management team offers a viable option through which the currently under developed reserves of the Niger Delta could be brought into production with attendant economic benefits for the country.

Osun stimulates economy, disburses N4.5bn to MSMEs operators

BOLADALE BAMIGBOLA, Osogbo

Ismaila Jayeoba-Alagbada, Osun state Commissioner of Commerce, Industries and Cooperatives, on Monday, listed gains of outgoing administration of Rauf Aregbesola in the area of empowering small scale business owners, saying the state government has so far disbursed N4.5 billion to 27,352 beneficiaries under combined scheme.

The commissioner stated that Governor Aregbesola's administration also provided the initial sum of N100 million disbursable fund while the Central Bank of Nigeria added N2 billion.

He noted that the scheme tagged 'Micro, Small and Medium Enterprises Development Fund' was sponsored

by the state government and the Central Bank of Nigeria (CBN), adding that the state government gave good attention to SME in order to keep this vital segment of the economy in active operation for the purposes of growing into the formal sector.

The commissioner added that government established Osun Micro-credit Agency and structured it to effectively and efficiently render micro credit delivery services to all small scale business operators.

He further explained that, the State Government has through its Microcredit Agency undertaken another major step towards tackling the issue of MSME financing, stressing that the agency has implemented a digital transformation project.



L-R: Mitchell Elegbe, GMD/founder, Interswitch Group; Prasanna Kumar Burri, group chief information officer, Dangote Group; Akin Banuso, country manager, Microsoft Nigeria, and Akeem Lawal, divisional chief executive officer, payments processing, Interswitch Group at the launch of Interswitch Blockchain Service (Supply Chain Financing Module) in Lagos.

Foreign airlines may operate in Nigeria during strike

IFEOMA OKEKE

There are strong indications that foreign airlines coming into Nigeria may not be affected adversely by the planned grounding of activities in the country following agitations for wage increase by the nation's labour unions.

This is as aviation unions said they empathised with the domestic operators and other business organisations in the industry that would be affected by the action, saying that as affiliated members of labour centres, they had to comply with their directives.

Illitrus Ahmadu, President of Air Transport Services Senior Staff Association of Nigeria (ATSSSAN) said that if the tripartite meeting with the Federal Government

failed, the unions would obey the directive of the labour centres and shut down the airspace.

Ahmadu, however, said that the industry unions were not unmindful of existing Bilateral Air Services Agreement (BASA) Nigeria has with foreign countries whose airlines operate into the country, stressing that the issue at hand was a domestic one, which should not be allowed to affect international airline operators.

He recalled that during the fuel pump price hike of January 2012, the unions allowed international airline operators to reschedule their flights from 6am to 6pm, stressing that if the strike went on as planned, such treatment may recur.

Ahmadu stated that the

unions had allowed international carriers to operate into the country in the past because some Nigerians caught in the web had travelled into the country for holidays and needed to return to their respective countries to resume work, adding that some were equally travelling on scheduled medical attention.

He said: "The fact is that we are affiliated to labour centres and we are under obligation to comply with directives. So, from the strike notice issued so far, we are to shut down by mid-night of today. However, as we speak, the tripartite discussions have resumed; they are in a meeting and our hope is that something good will come out of the meeting so that we will no longer embark on the strike.

Focus on product formation studies, science minister tells research institutes

SEYI JOHN SALAU

The minister of Science and Technology, Ogbonnaya Onu, in his bid to promote educational research as a driver of sustainable economic growth, especially in the field of nanotechnology, has urged researchers and research institutes in the country to focus more on studies that can lead to product formation.

The minister stated this at the just concluded 3-day conference on nanotechnology organised by the Ladoke Akintola University of Technology (LAUTECH) Nanotechnology Research Group (NANO+), adding that a research center that

caters for nanotechnology research has been established in the country.

Represented by Mohammed Umar, the director of science infrastructure, National Agency for Science and Engineering Infrastructure (NASENI), the minister said the ministry is willing to support Nano+ in its research efforts.

The keynote address titled "Nanomaterials Research: A wonderful world of great opportunities in Africa" was delivered by Aremu Olajire Adegoke, a professor from the department of Pharmaceutical Chemistry, University of Ibadan. He noted that nanomaterials were fast becoming a wonderful world of research in science and technology.

According to him, governments in developed countries have hugely invested in nanotechnology because the products have great economic potentials and offer possible solutions to natural problems ranging from energy efficacy to detection of infectious agents in water.

Agbaje Lateef, the head of the Nano+ group, in his welcome address said the theme of the conference "Nanotechnology for Sustainable Development: Prospects for Africa" was to reflect on how nanotechnology could be used to solve problems in the continent, as he calls for funding from both private and public sectors for nanotechnology-based researches.