



# **REPOSITIONING FOR GLOBAL RELEVANCE: OPPORTUNITIES AND REALITIES**

**Women in Management, Business  
and Public Service (WIMBIZ)  
Annual Lecture, 2014**

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# Outline

1 Opportunities in the Global Economy

2 Opportunities in Africa

3 Opportunities in Nigeria

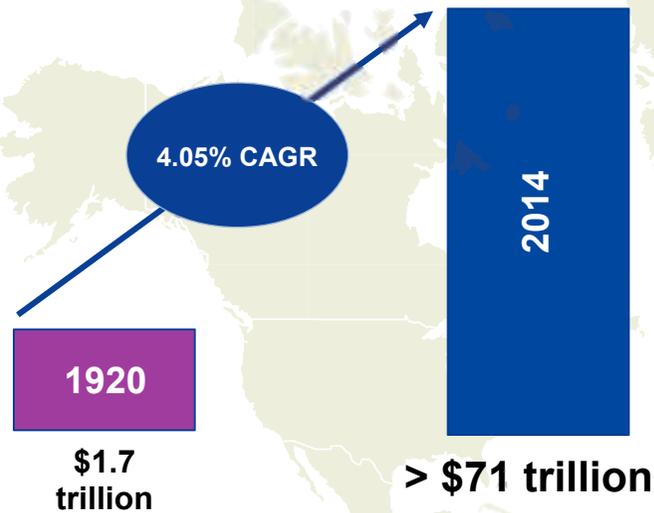
4 The Realities

5 Improving access to Opportunities

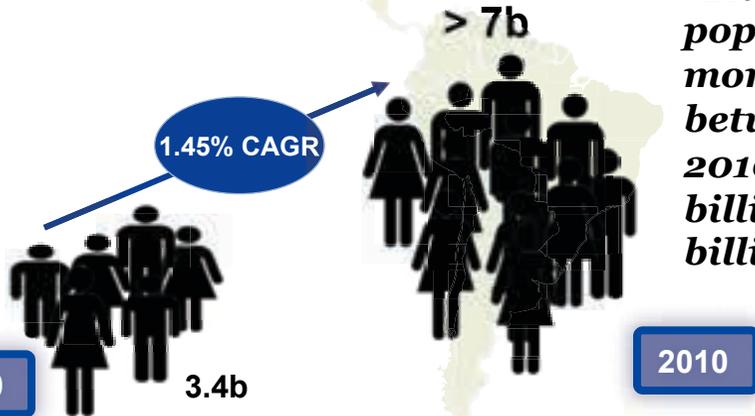


# Opportunities in the Global Economy...

*The world economy has enjoyed a century of unprecedented growth...*



*“Gross World Product has grown phenomenally from \$1.7 trillion in 1920 to over \$71 trillion today”*



*“The world’s population has more than doubled between 1960 and 2010; from 3.4 billion to over 7 billion presently”*

The middle class population has grown to about 2 billion from less than 700 million in 1960

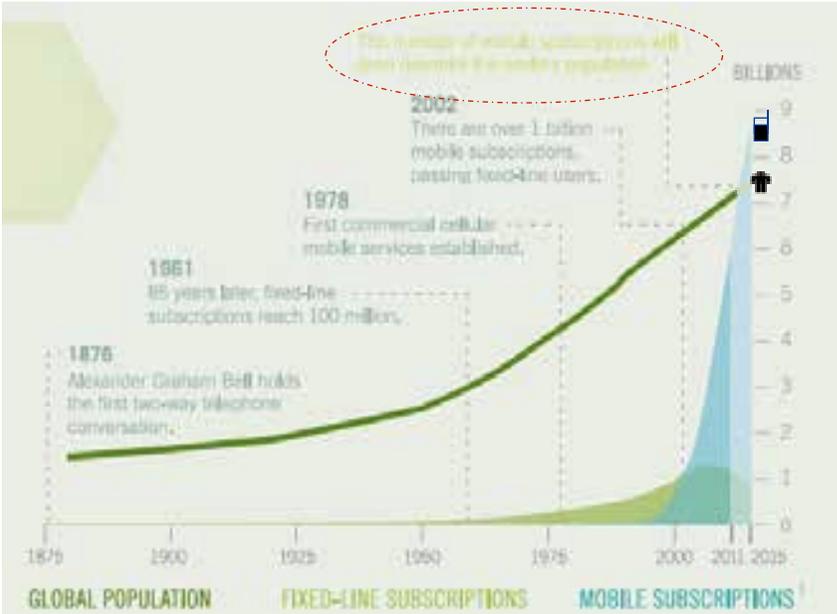
Businesses can tap markets overseas and partners from all over the Globe

Total global consumer spending was more than \$28 trillion in 2010 and is expected to hit \$40 trillion by 2020

Governments are reforming the business environment in a competitive bid to attract investors

Rapid development of ICT has not only lowered the cost of running a business; it has opened up new markets

# The expanded use of ICT is evidence of growing prosperity around the world...

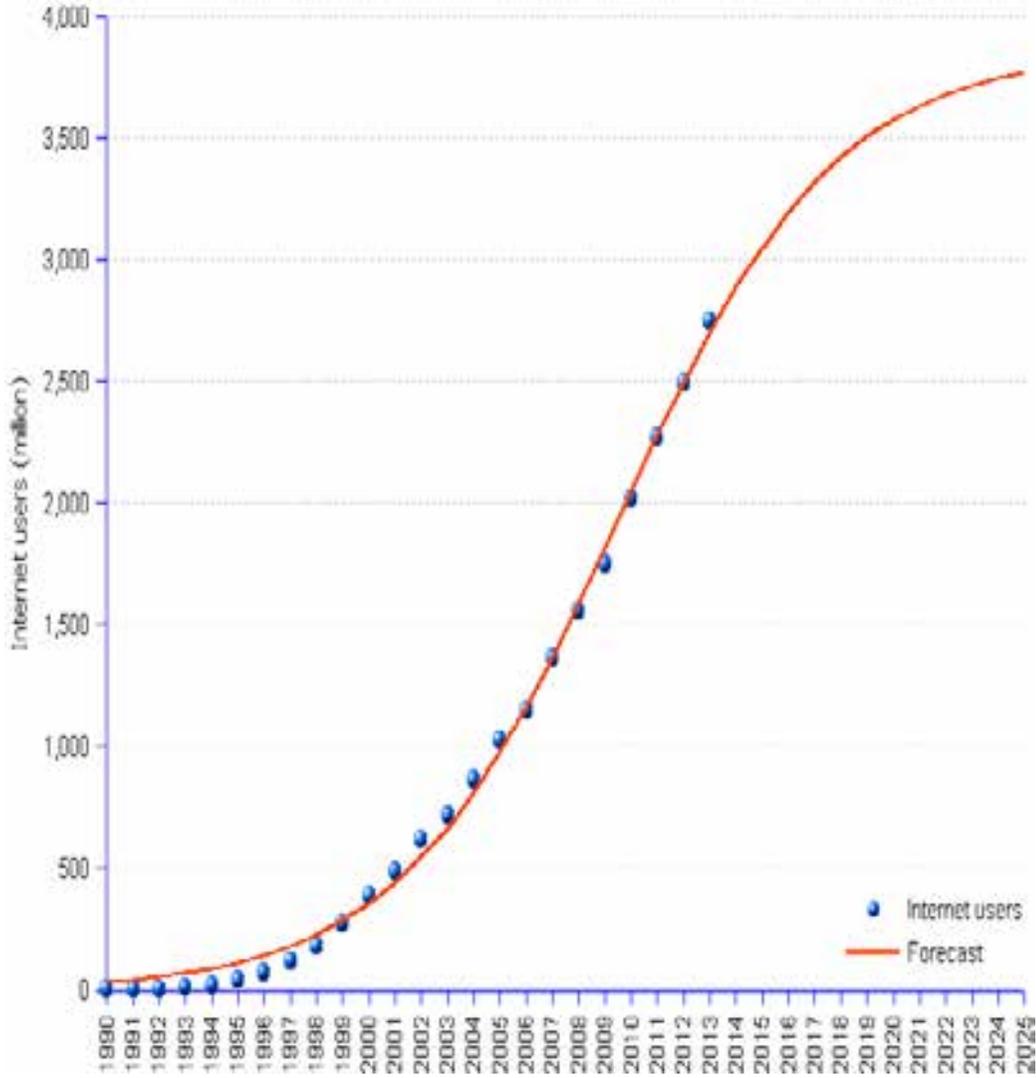


Source: internetworldstats.com



**Mobile phone subscriptions are expected to top 7 billion this year. It is estimated that mobile phone subscriptions will overtake the world's population as soon as 2015!**

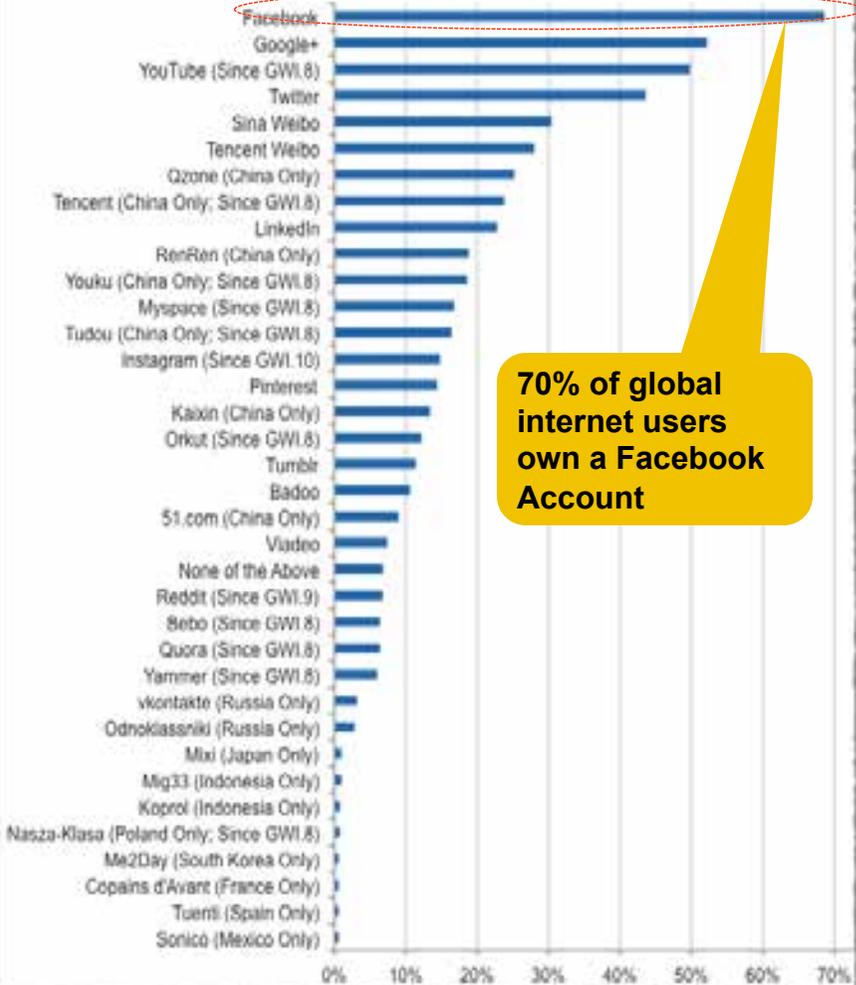
**There are currently 2.8 billion internet users in the world. By 2020, more than half of the world's population will be internet users**



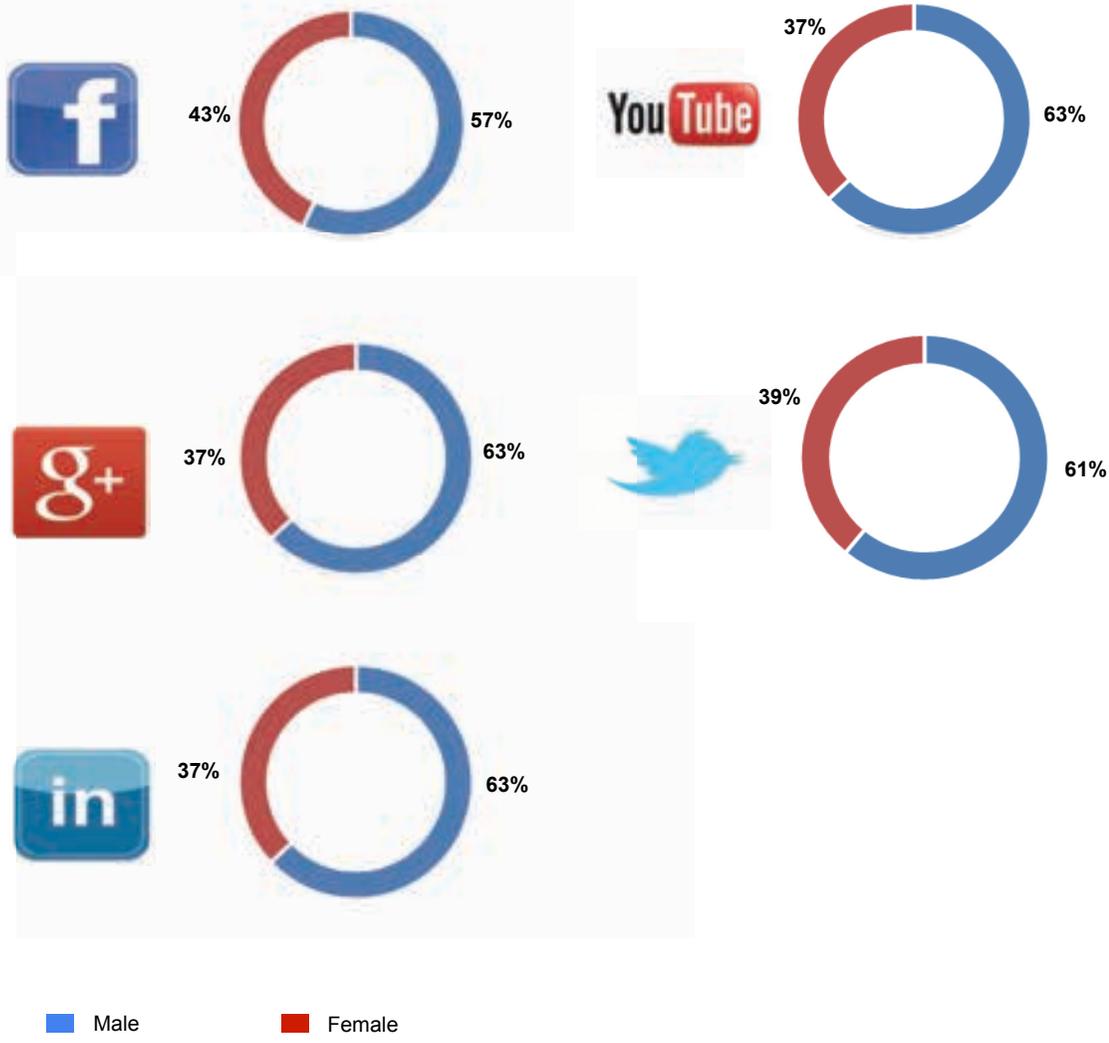
Source: internetworldstats.com

# The Social Media revolution has also changed the way we live and do business...

Global Penetration of Social Platform - Account Ownership, % of internet users globally, Q2 2013



**70% of global internet users own a Facebook Account**

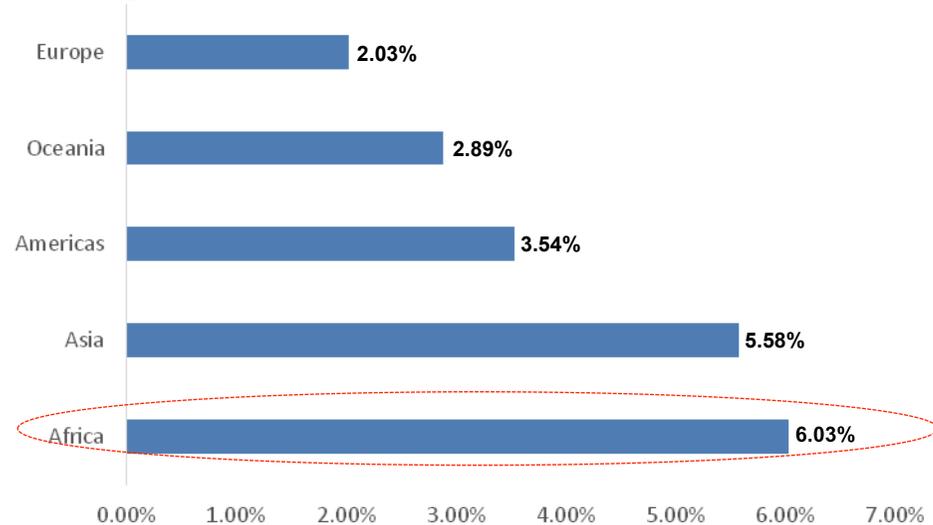


# Africa – the preferred investment destination...



*Africa remains the fastest growing continent in the world. In the last 13 years, 6 of the 10 fastest growing economies have been in Africa*

Average Economic Growth per continent (2001 – 2010)



World's ten fastest-growing economies\*  
Annual average GDP growth, %

| 2001-2010†        |             | 2011-2015‡        |            |
|-------------------|-------------|-------------------|------------|
| <b>Angola</b>     | <b>11.1</b> | China             | 9.5        |
| China             | 10.5        | India             | 8.2        |
| Myanmar           | 10.3        | <b>Ethiopia</b>   | <b>8.1</b> |
| <b>Nigeria</b>    | <b>8.9</b>  | <b>Mozambique</b> | <b>7.7</b> |
| <b>Ethiopia</b>   | <b>8.4</b>  | <b>Tanzania</b>   | <b>7.2</b> |
| Kazakhstan        | 8.2         | Vietnam           | 7.2        |
| <b>Chad</b>       | <b>7.9</b>  | <b>Congo</b>      | <b>7.0</b> |
| <b>Mozambique</b> | <b>7.9</b>  | <b>Ghana</b>      | <b>7.0</b> |
| Cambodia          | 7.7         | <b>Zambia</b>     | <b>6.9</b> |
| <b>Rwanda</b>     | <b>7.6</b>  | <b>Nigeria</b>    | <b>6.8</b> |

Source: Financial Times

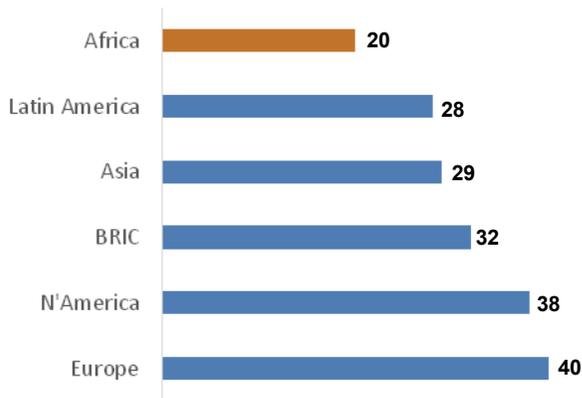
# Africa's Economic Promise...



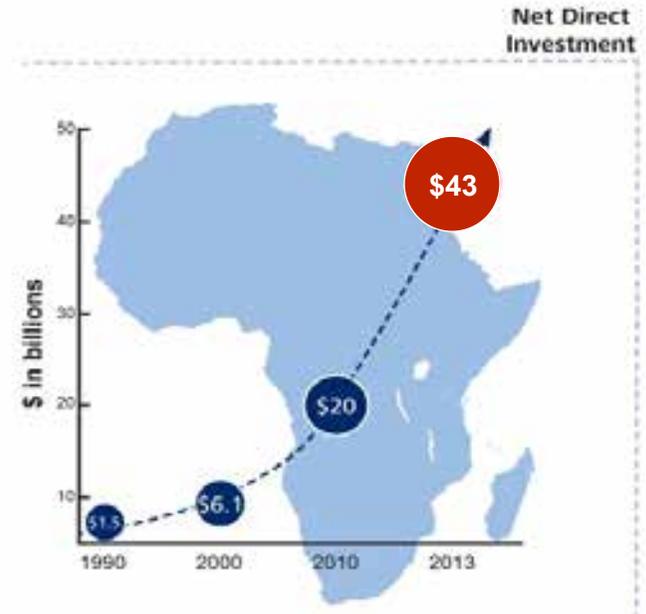
❖ *Africa's middle class has tripled since the 1980s to about **313 million** people according to the ADB*

❖ *Consumer spending is almost **\$1 trillion** presently and will top **\$1.4 trillion** by 2020 according to the McKinsey Global Institute*

Median Age by Region



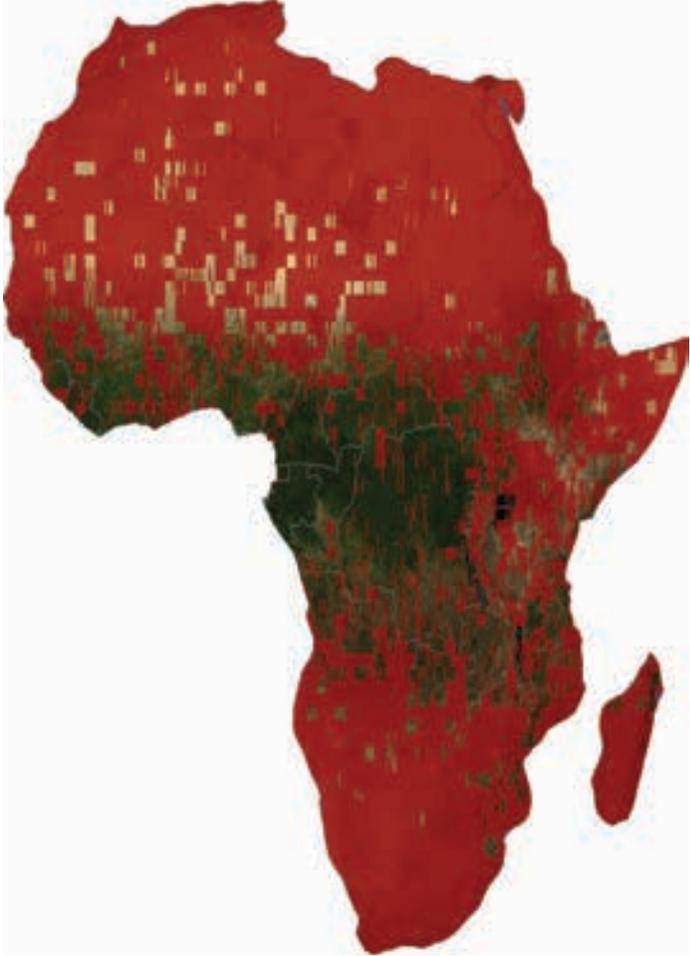
*Africa has the most attractive demographics, being dubbed the "**youngest continent**". By 2040, Africa's labour force should exceed 1.1 billion people with about half being women!*



*Last year, foreign direct investments (FDI) in Africa grew by 16.2% over the 2012 level hitting **\$43 billion***

# Africa's Mineral Wealth...

*Africa is home to some of the world's most coveted resources including 30% of the world's total hydrocarbons and mineral reserves...*



- 95%** of the world's vanadium
- 88%** of the world's diamonds
- 82%** of the world's manganese
- 73%** of the world's platinum
- 60%** of the world's uncultivated arable land
- 55%** of the world's cobalt
- 44%** of the world's chromites
- 42%** of the world's gold
- 42%** of the world's bauxite
- 38%** of the world's uranium
- 25%** of the world's arable land
- 12%** of the world's crude oil reserves

## Opportunities across sectors in Nigeria...



- ◀ ***Average GDP growth of more than 7%***
- ◀ ***Most populous African country with a growing middle class creating opportunities across sectors***
- ◀ ***Listed by Jim O'Neill on the N-11 list***
- ◀ ***Listed along with Mexico, Indonesia and Turkey (MINT) as countries deserving investors' attention***
- ◀ ***Would become Africa's biggest economy when GDP is rebased***

## The Petroleum Sector...



- ❖ *The sector still accounts for 80% of government revenues and almost 95% of Nigeria's foreign exchange earnings*
- ❖ *The Petroleum Industry Bill (PIB) once passed, is expected to increase investments in the sector*
- ❖ *Opportunities exist for indigenous firms in the operation of marginal oil fields. 31 fields have been listed for auctioning in 2014*
- ❖ *A few Nigerian women such as **Folorunsho Alakija** and **Catherine Uju Ifejika** have been able to tap into opportunities in the sector*

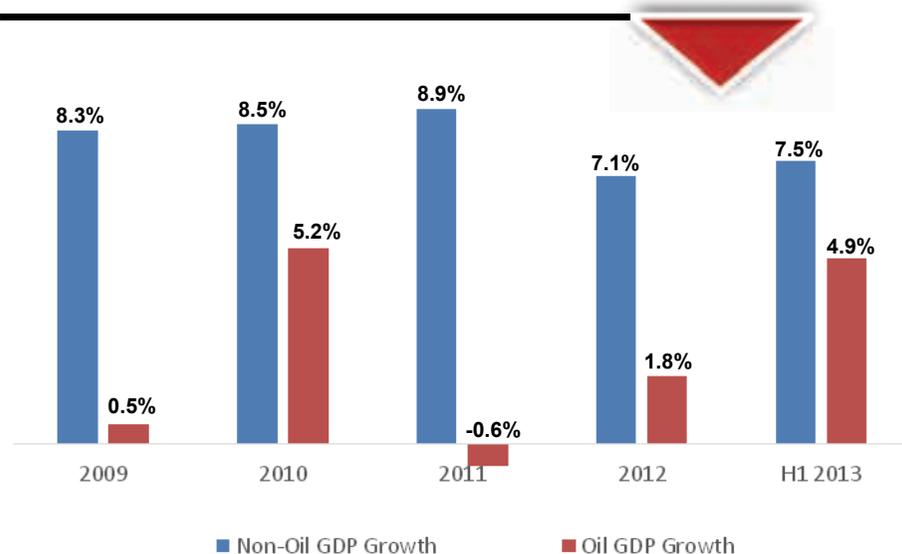


- ❖ ***The recent privatization of power generation and distribution has created immense opportunities in the sector***
- ❖ ***Government has earned \$2.32 billion from the sale of the GENCOs and DISCOs. An additional \$5.8 billion is expected to be realized from the sale of 10 NIPP plants***
- ❖ ***With this privatization exercise, the sector is now fully liberalized and businesses can apply for licenses to build plants or set up distribution outfits***
- ❖ ***Women can also participate through the capital market when these utility companies list on the NSE***

## Agriculture...



***Agriculture has consistently dominated Nigeria's non-oil sector growth and accounts for over 50% of non-oil earnings...***



- ❖ ***Opportunities available to women in the sector include rice and cassava processing with Nigeria being the world's largest producer of cassava***
- ❖ ***Despite poor processing capacity, opportunities exist for cassava bread production and over \$2 billion demand for dried cassava chips from Europe and China***
- ❖ ***In 2013, \$1.2 billion financing was received from China's Exim Bank to fund private investors intending to set up large scale rice processing plants***
- ❖ ***Government's plans to set up staple crop processing zones will also create business opportunities women can tap into***

## Information & Communication Technology...



- ✧ *With average annual growth rates of 32% since 2005, ICT has been the country's fastest growing sector since the liberalization of telecommunications in the early 2000s*
- ✧ ***Funke Opeke**, through her company, MainOne Cable Company has obtained \$240 million investment from the AFC and ADB to lay out a 7,000km submarine cable from Portugal to Ghana with Data Centres in Ghana and Nigeria. Another 7,000km will be covered in Phase 2*
- ✧ *Such efforts have significantly reduced cost and quality of internet services for West Africans.*
- ✧ *Opportunities also exist within the \$15 million venture capital fund for software developers launched by the Ministry of Communications Technology*

## Financial Services...



- ❖ *The financial services sector is still significantly dominated by men, although women have demonstrated the capacity to deliver at the highest levels*
- ❖ *Outstanding women such as **Sola David-Borha** (CEO of StanbicIBTC) and **Bola Adesola** (CEO of Standard Chartered Bank) have built distinguished careers in the sector*
- ❖ *Others such as **Nimi Akinkugbe** and **Ononuju Irukwu** have focused on using their experience to teach Nigerians the virtues of personal finance and wealth management. Nimi recently won the franchise for Monopoly® in Sub-Saharan Africa*

## Arts, Sports and Entertainment...



✧ *The Nigerian film industry – Nollywood has produced actresses of international repute such as **Omotola Jalade Ekeinde**, **Genevieve Nnaji** and **Patience Ozokwor***

✧ ***Chimamanda Ngozi Adichie's** award-winning second novel “Half of a Yellow Sun” was adapted into screenplay and premiered in London and Toronto in 2013. The production was financed by experienced investment banker, **Yewande Sadiku***

✧ *Following in the steps of established names like **Deola Sagoe** and **Folake Folarin-Coker** (Tiffany Amber), rising designer label, Maki Oh by young designer, **Amaka Osakwe** has been gaining celebrity clientele since Michelle Obama appeared in a Maki Oh print in 2013.*

✧ *The history of Nigeria's participation at the Olympics cannot be complete without the mention of Nigeria's first gold medal winner – **Chioma Ajunwa***

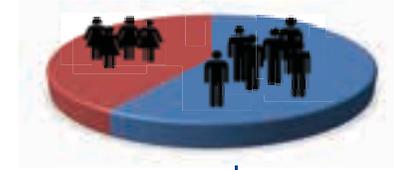
# Evolution of the Female Gender...

*Globally, women have transited from a heavily dependent, largely domestic and voiceless demographic grouping, to key players in every segment of human endeavor...*



*Valentina Tereshkova of the Soviet Union became the first woman in space in 16<sup>th</sup> June, 1963*

1963



*Women currently account for over 40% of global workforce*

2013



1991



*During the Gulf War, women officially served in combat for the first time*

*...however, before we begin to jubilate, we must consider some of the realities that must be addressed if women are to attain their full potential...*



## Access to Finance...

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*Women-owned businesses are financially underserved*



**75%** *of women entrepreneurs in an IFC survey in the Middle-East and North African (MENA) region reported being denied bank loans*



*In Europe and Asia, women are **20%** more likely than men to be rejected by a bank*

## Access to Land...

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*Globally, women own less than 10% of the world's land according to the Food and Agriculture Organisation (FAO)...*



5%

*of registered land owners in Kenya are women*

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11%

*of land in Brazil is owned by women*

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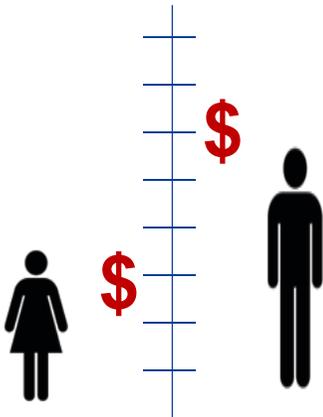
25%

*of privately held land in Ghana is owned by women*

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**“ Although, women make up between 60%-79% of rural workforce in Nigeria, they are five times less likely to own land than men ”**

## Assets



- *The richest woman in the world is worth **less than 50%** the net worth of the richest man*
- *Africa's richest woman is worth less than **15%** of the total wealth of the continent's richest man according to Forbes*

## Wages



*In the European Union, women earn **16%** less than men; in the U.S, a woman earns averagely **77%** of what a man earns*

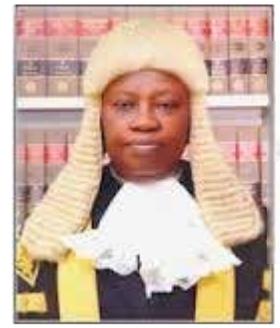
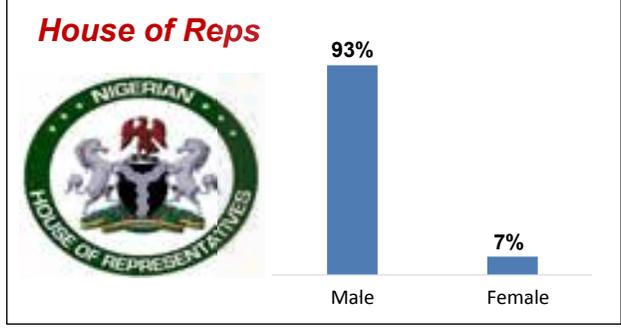
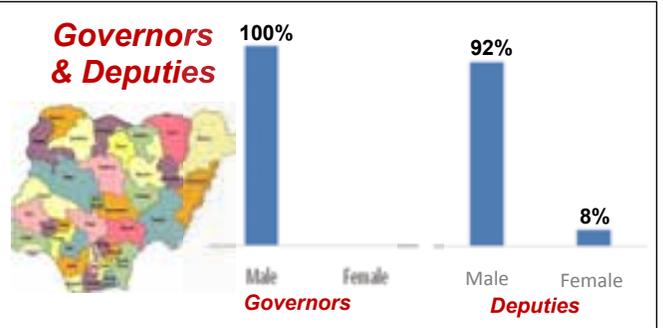
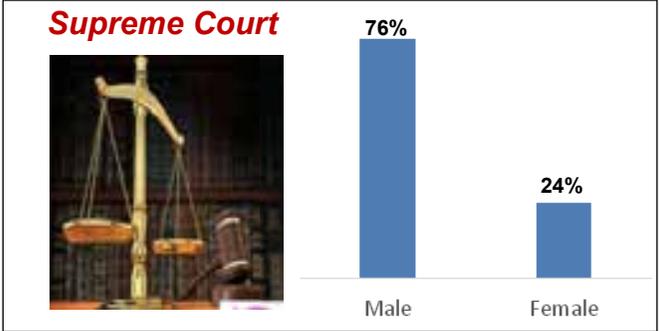
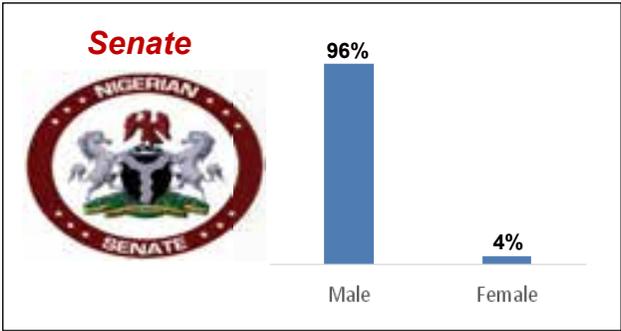
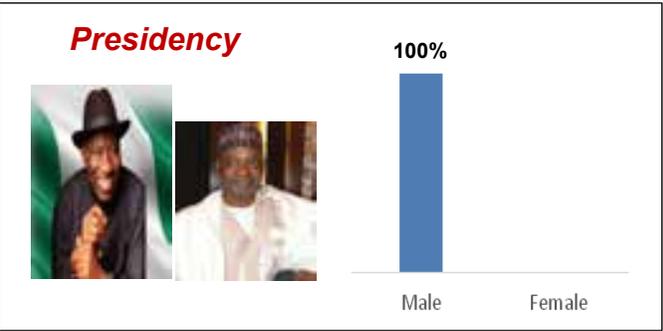


*In Canada, full-time female workers earn **82.6%** of men's earnings, based on average weekly wages*

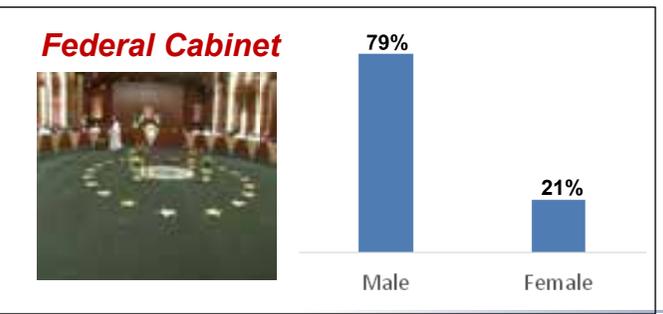
# Disparities in Female Representation in Decision Making...

Only 35 countries in the world, including 9 in Africa have attained 30% women representation in elective offices.

## Governance in Nigeria...



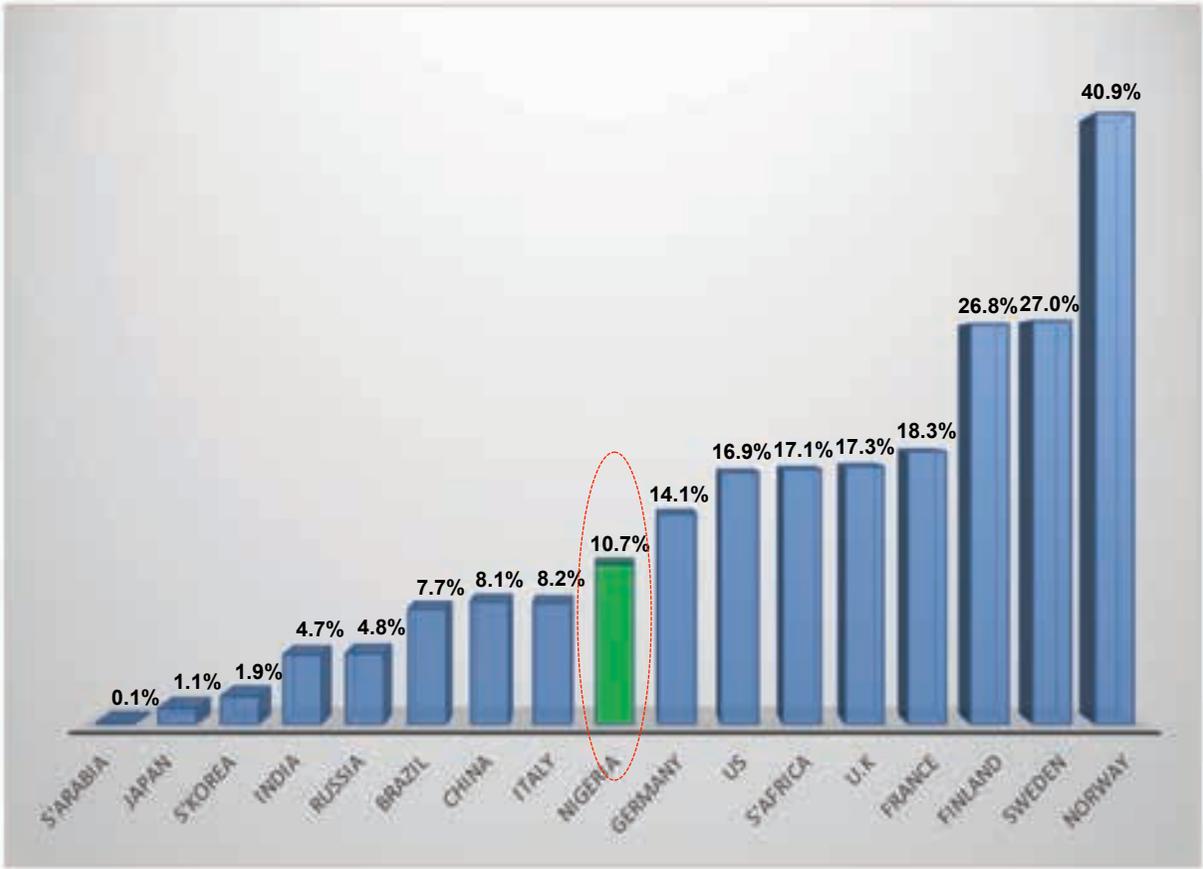
*Nigeria's first female Chief Justice of the Federation; the first woman to head an arm of government at the federal level*



# In Business – Women on Boards...

A 2011 survey by Catalyst found a **26%** increase in return on invested capital between companies where women make up at least **19%** of the board and those with no women at all!

Level of Women Representation on Boards



However...

Only **23** Fortune 500 companies are currently led by women

Only **15** Companies have female CEOs out of 190 listed companies in Nigeria



“What if Lehman brothers had been **Lehman Brothers & Sisters?**”



Sources: SEC, Catalyst.org

# Improving access to opportunities for women and closing the gender gaps...

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1

## *Access to Finance*



- ❖ *Government's reform of the investment climate and maintenance of macro-economic stability will improve access to finance for women entrepreneurs*
- ❖ *The 2<sup>nd</sup> phase of YouWin provided funding and coaching to about 1,200 young women*
- ❖ *The MSMEDF is a N220 billion fund with 60% dedicated to women-sponsored businesses at single-digit interest rates*

2

## *Asset Ownership*



- ❖ *The National Gender Policy aims to address the imbalance in access to economic resources including the right to inheritance and ownership of land and property*

3

## *Improving Women Education*



- ❖ *Our society must invest heavily in women's education and healthcare...older women who did not have the opportunity to go to school can be integrated through target programmes like vocational training and continuing education*

## Improving access to opportunities for women and closing the gender gaps...

4

### *Political Representation*

- ❖ *Increased participation of women in politics, public governance and policy-making should be encouraged as women are significantly able to the quality of governance*

5

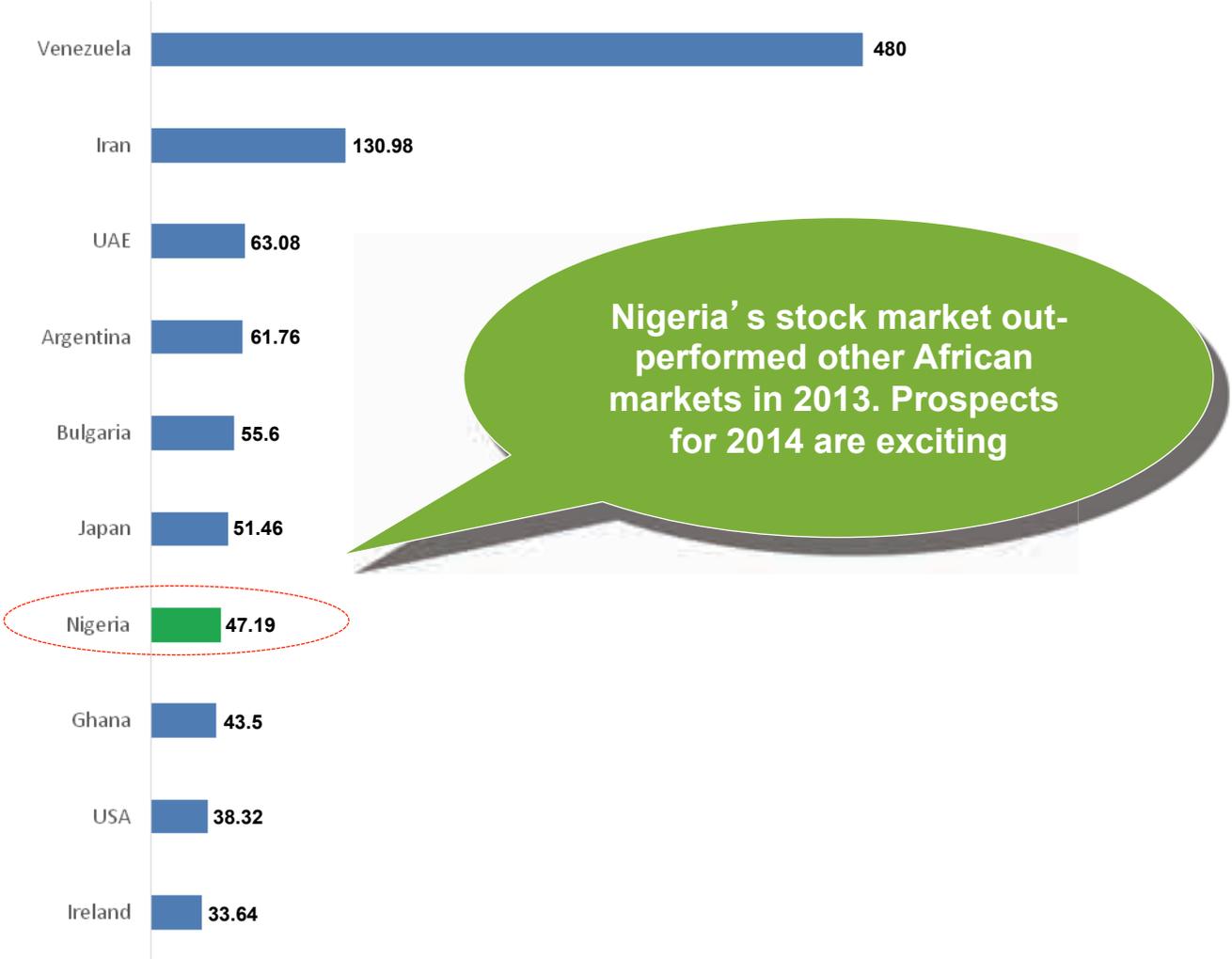
### *Board Representation*

- ❖ *SEC's analysis of board membership of listed companies shows that out of almost 200 quoted companies, 73 have no woman on their boards and only 33 have at least 20% of board seats occupied by women. No more than 5 have female CEOs*

*As the custodian of the Code of Corporate Governance in Nigeria, SEC is interested in seeing companies pay more attention to gender diversity at board and senior management levels*

# Capital Market Performance...

*Nigeria's Stock Market ranked among the top 10 performers in the world for 2013, and provides immense opportunities for women empowerment...*



# Opportunities for Women's Economic Empowerment in the Capital Market...

*The capital market is an important source of funding for women-owned businesses as the market does not discriminate on the basis of gender.*

## Funding Options...

1

### **Alternative Securities Market (ASeM)**

- ❖ *Similar to Egypt's Nile Exchange (Nilex) and the Bondm platform in Germany, the ASeM was established to facilitate listing by SMEs*
- ❖ *ASeM relaxes listing requirements to accept 2-year comprehensive business plans from companies without a track-record*
- ❖ *Designated Advisors (DAs) and Growth Ambassadors have also been introduced to mentor ASeM-listed business owners*

2

### **Angel Investing, Private Equity and Venture Capital**

- ❖ *Capital markets create avenues for vibrant angel investing, private equity (PE) and venture capital (VC) industry which help women entrepreneurs access patient seed and growth capital*
- ❖ *Africa currently has over 200 PE/VC funds with well over \$35 billion in capital closed since 2002*
- ❖ *In 2013, \$1.6 billion was invested across 74 deals in Africa, with two-thirds of these in Nigeria, Kenya and South Africa*

## 3

### Crowdfunding Platforms

- ❖ *This allows entrepreneurs with bright ideas to pitch online soliciting for investments beyond their networks*
- ❖ *There are currently over 500 crowdfunding websites globally, which have helped organisations and individuals raise about \$5.1 billion in 2013 alone*
- ❖ *SEC is currently working with the Federal Ministry of Industry, Trade and Investment to develop a framework for the safe regulation of this nascent industry*

**“The Capital Market does not discriminate on the basis of gender”**

