

# REAL SECTOR WATCH

# 94% of CEOs say ports are biggest impediment to industries

## ...95% want harmonisation of taxes

ODINAKA ANUDU  
& GBEMI FAMINU

Ninety-four percent of chief executives of manufacturing companies across the country say congestion at the ports significantly affects productivity negatively, a 2019 second quarter CEOs Confidence Index shows.

In the survey, which was conducted by the Manufacturers Association of Nigeria (MAN), the CEOs complained that delays in clearing raw materials and machinery often result in high demurrages which increase production costs and slow down manufacturing operations.

The report taps inadequate space inside the ports, weak trade facilitation infrastruc-

ture, poor road network and the associated traffic gridlock as critical issues that require government attention.

A 2018 report by the Lagos Chamber of Commerce and Industry (LCCI) had supported the CEOs point. The report by the LCCI had disclosed that 5,000 trucks seek access to Apapa and Tin Can ports in Lagos every day even though they were originally meant to accommodate only 1,500 trucks.

The data utilised in the MAN's second quarter report was generated from the responses of over 400 CEOs of member-companies of MAN across the country as against 200 respondents engaged in the first quarter 2019.

Analyses of data collected focused principally on the positions of CEOs on macroeconomic and business op-

erating environments as well as perception on the diffusion factors.

In the first quarter survey, 92 percent of CEOs said multiple taxation was their biggest impediment. But in the second quarter, the number rose to 95 percent.

"This is substantiated by the numerous taxes, levies, fees and other charges that manufacturers pay to agencies of the federal, state and local governments," the report says.

"Consequently, there is the need to streamline multiplicity of taxes and ensure that only approved taxes/levies/fees are charged," it says.

Moreover, 76 percent of CEOs disagreed that the rate at which commercial banks lend to manufacturers encourage productivity in the sector.

"This is evident in the double-digit cost of borrowing

from the commercial banks, which obviously discourages investment," the report further says.

It calls for lower cost of borrowing to increase productivity in the manufacturing sector.

Access to credit remains a major problem, with lending rate to the manufacturing sector averaging 22.21 percent in 2018 and 22.84 percent in 2017, according to MAN.

Nigeria's benchmark interest rate is among the highest in Africa at 13.5 percent. Ethiopia's is 7 percent; Kenya is 9 percent; South Africa is 6.75 percent; Zambia is 10.25 percent, and Cameroon is 4.25 percent.

Similarly, Rwanda is 5 percent; Mauritius, 3.5 percent; Algeria is 8 percent, and Senegal is 4.5 percent.

Sixty-six percent of CEOs of manufacturing companies

in the new survey disagreed that the volume of commercial banks loans to the sector encourages productivity in the sector.

"This obviously indicates that the current Central Bank policy aimed at increasing loan to the real sector of the economy to stimulate production is a step in the right direction and should therefore be conscientiously implemented and improved upon," the report states.

Furthermore, half of the respondents disagreed that government capital expenditure implementation encourages productivity in the sector.

The CEOs' perception rested principally on the delay in budget approvals, low implementation of budgetary provisions, award of contracts to foreign firms and dearth of basic infrastructure such as

inefficient port infrastructure, inadequate electricity supply, deplorable road networks, and low patronage.

"This therefore confirms the need to review the infrastructure development plan to deliberately stimulate sustained productivity in the real sector," it adds.

The report shows that foreign exchange access is still a critical challenge for many manufacturers, as 46 percent disagreed that the rate at which the sector sources foreign exchange (forex) has improved.

While 36 percent agreed that there was more dollar access, 18 percent were not sure that forex has improved.

Out of those interviewed only 21 percent agreed that patronage of Nigerian manufactured products has improved as a result of the implementation of Executive Order 003.

# BETA GLASS PLC

RC No 13215


## NOTICE TO SHAREHOLDERS


STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND PERIOD ENDED 30 JUNE, 2019

### STATEMENT FOR FINANCIAL POSITION AS AT

	30 June 2019	31-December 2018
<b>Non - Current assets:</b>	<b>N000</b>	<b>N000</b>
Property, Plant and Equipment	17,808,823	17,510,004
Intangible Assets	9,130	10,765
<b>Total Non - current assets</b>	<b>17,817,753</b>	<b>17,520,769</b>
<b>Current assets:</b>		
Inventories	5,779,117	6,238,740
Trade and other receivables	13,806,494	13,438,292
Cash and cash equivalents	9,979,713	8,872,793
<b>Total Current assets</b>	<b>28,964,324</b>	<b>28,550,825</b>
<b>Total assets</b>	<b>46,782,077</b>	<b>46,071,621</b>
<b>Liabilities:</b>		
<b>Non - current liabilities:</b>		
Employee Benefit Obligation		
Deferred taxation	2,728,744	2,728,744
<b>Total non-current liabilities</b>	<b>2,728,744</b>	<b>2,728,744</b>
<b>Current liabilities:</b>		
Short term borrowings	848,932	1,088,564
Trade and other payables	9,769,354	11,595,037
Current income tax liabilities	1,720,810	864,137
Dividend payable	62,554	62,554
<b>Total current liabilities</b>	<b>12,960,459</b>	<b>13,725,311</b>
<b>Total Liabilities</b>	<b>14,829,194</b>	<b>16,454,055</b>
<b>Equity:</b>		
Issued share capital	249,655	249,655
Share premium	312,847	312,847
Other reserves	2,428,942	2,428,942
Retained earnings	28,088,108	25,652,476
<b>Total equity</b>	<b>31,679,582</b>	<b>29,627,873</b>
<b>Total equity and liabilities</b>	<b>46,782,077</b>	<b>46,071,621</b>

Approved by the Board of Directors on 26th July 2019 and signed on its behalf by

  
**Darian Bennett-Voel**  
 FRC/2016/100N/0000005783  
 Managing Director

  
**Damilola Shanker**  
 FRC/2013/ANAN/00000002366  
 Chief Financial Officer

Visit our website: <https://www.frigoglass.com/beta-glass-investor> for detailed financials

	3 months ended April-June 2013		3 months ended April-June 2012	
	N'000	N'000	N'000	N'000
Revenue	7,277,199	14,469,888	6,939,988	13,137,869
Cost of sales	(8,973,929)	(11,516,062)	(5,179,086)	(10,050,292)
Gross Profit	1,548,361	2,953,771	1,482,922	3,103,745
Other income	327,644	446,870	324,135	493,486
Selling and distribution expenses	(21,347)	(42,087)	(22,255)	(49,792)
Administrative expenses	(254,203)	(489,547)	(304,882)	(730,897)
Operating Profit	1,388,855	2,850,779	1,469,120	2,816,832
Foreign exchange (loss)/gain	(34,876)	66,977	117,150	145,729
Net Finance (cost)/ Income	239,312	479,719	274,455	590,143
Profit before taxation	1,693,291	2,977,475	1,860,725	3,646,694
Income tax expense	(512,349)	(1,008,616)	(564,317)	(1,122,009)
Profit for the year	1,180,942	2,339,813	1,296,413	2,524,685
Other comprehensive income				
Remeasurement loss on employee benefits obligation				
Other comprehensive income (net of tax)				
Total comprehensive income	1,180,942	2,339,813	1,296,413	2,524,685
Basic and diluted EPS (Naira)	2.18	4.66	2.51	4.79

	30 June 2013	30 June 2012
<b>Cash flows from operating activities:</b>	<b>10000</b>	<b>10000</b>
Cash generated from operations	2,245,956	2,088,162
Tax paid	(339,944)	(1,019,000)
Employee benefits paid	(22,860)	(9,818)
<b>Net cash generated from operating activities</b>	<b>1,883,152</b>	<b>1,059,344</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(1,538,884)	(1,578,758)
Purchase of intangible assets	-	(1,538)
Proceeds from sale of property, plant and equipment	3,788	9,428
Interest received	63,631	63,619
<b>Net cash used in investing activities</b>	<b>(971,665)</b>	<b>(1,017,249)</b>
<b>Cash flows from financing activities:</b>		
Repayment of term borrowings	(1,028,881)	(512,487)
Proceeds from term borrowings	548,802	-
Interest paid	(140,452)	(61,487)
Dividend paid	-	-
Statute barred dividend returned	-	-
Non-statute barred dividend returned	-	-
<b>Net cash used in financing activities</b>	<b>(620,531)</b>	<b>(573,974)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>280,956</b>	<b>1,667,121</b>
Effect of exchange rate changes on cash and cash equivalents	127,214	354,825
<b>Cash, cash equivalents at 1 January</b>	<b>8,872,788</b>	<b>8,100,097</b>
<b>Cash, cash equivalents at 30 June</b>	<b>9,279,712</b>	<b>9,112,043</b>