



**THE Nigerian  
STOCK EXCHANGE**  
RC: 2321

**19th ANNUAL STOCKBROKERS CONFERENCE**

**Chartered Institute of Stockbrokers**

**October 29, 2015**

**AFRICAPITALISM, SOCIAL CAPITALISM & IMPACT INVESTING:**

**OPTIONS AND STRATEGIES FOR AFRICA**

**By: Oscar N. Onyema, OON**

**His Excellences**

- **Prof. Yemi Osinbajo GCON, SAN, Vice President, Federal Republic of Nigeria**
- **Mr. Akinwunmi Ambode, FCA, Executive Governor, Lagos State**

**Mr. Mounir Gwarzo, FCS, DG, Securities & Exchange Commission (SEC)**

**Chief Promoter of Africapitalism in Africa and beyond, Mr. Tony Elumelu, Chairman Heirs Holdings**

**Distinguished Ladies and Gentlemen**

I am greatly honoured to give the keynote speech at the 19th Annual Stockbrokers Conference. Let me start by expressing my sincere gratitude to the Chartered Institute of Stockbrokers and the members of the Annual Workshop Planning sub-committee for providing me with the opportunity to address this constituency with whom the Exchange shares a common vision for the growth and development of the Nigerian capital market and Africa at large.

Over the last decade, the main driver of economic growth across the African continent has been growth supported by private sector activities. However, many African countries are struggling with poverty, homelessness, crime, unemployment and non-inclusive growth. This increase in the levels of social inequality and environmental degradation has accentuated the importance of a more inclusive model of progress.

With the growing understanding that these societal problems cannot be solved or prevented only by the Government or development organizations, some businesses, business leaders and



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talented individuals have tried to transform capitalism, to use the market to solve social problems. The business community has come to realize that, rather than being burden, social responsibility needs to be embraced and driven by an intrinsic incentive rather than an external compulsion. This shift has materialized in what the Chairman, UBA Group, Mr. Tony Elumelu, CON, called Africapitalism.

Africapitalism argues that all economic activity should be value-adding and have a social impact that creates wealth. Through long-term investment and the creation of social wealth, the private sector can solve Africa's development challenges more effectively and with greater sustainability than either the philanthropic or public sector. As homegrown businesses meet social and economic needs by creating goods and services with an innate understanding of the local environment, they can bring private capital to vital infrastructure like road transport and power generation. And they can create jobs for Africans, which will in turn create an African middle class—a new generation of African consumers.

The Nigerian Stock Exchange recognizes its crucial role in supporting economic growth by providing an efficient and sustainable capital market. This responsibility drives everything we do. Internally, we have put in place a strong corporate governance regime that guides management and employees toward promoting a fair, equitable and just market. We are championing responsible financial and investment services, sustainable business practices, engaged and talented people, community contributions and environmental stewardship.

Leveraging our unique position as the biggest Exchange in West Africa, we are championing sustainability along four key impact areas of Marketplace, our platform for promoting market-based approach to Environmental, Social and Governance (ESG) imperatives; Community, where we make contributions to positively impact lives; Workplace, through which we facilitate diversity, wellbeing and harness the talent and skills of our people; and the Environment as we focus on reducing its environmental impact.

Over the past year, we signed on to the United Nations' Sustainable Stock Exchanges (SSE) Initiative in 2013 to promote responsible investment leveraging global best practices. This membership has placed on us increased requirement for disclosure as well as guiding our listed companies to embrace sustainability reporting. We produced our maiden sustainability report for 2014 and plan to organize a conference to develop sustainability disclosure guidelines for listed companies by November this year.



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We have also launched the Corporate Governance Rating System where we rate listed companies on the level of their corporate integrity, corporate compliance with governance rules; understanding of fiduciary responsibilities by directors and corporate reputation. This rating system was a major requirement for companies that were recently migrated to our Premium Board.

The SME sector is crucial to Africa's growth, contributing more than 45% to employment and 33% to GDP. SMEs continue to face significant challenges. Studies indicate that more than 70% of SMEs lack access to medium-/longer-term finance, creating an SME funding gap of more than US \$140 billion in Africa alone. In recognition of these factors, we launched the Alternative Securities Market (ASeM), a specialist board for the listing of SMEs. We remain committed in our vision of promoting and supporting SMEs and are confident that someday, we shall see some of them become globally recognized corporations.

In recognition of our game changing initiatives to promote the development of the Nigerian economy through the capital market, we continue to receive awards and commendation. Last year, we received an award for "Best Initiative in support of SMEs & the Millennium Development Goals" by Africa Investor Investment & Business Leader Awards.

This year, we have been honoured with the African Regulator of the Year Award at the 6<sup>th</sup> African Business Award, the Lagos Chamber of Commerce and Industry also presented us the award for promoting best practice reporting and corporate disclosure. The Oil & gas Year Nigerian awarded us the financial Institution of the year award in recognition of our dual efforts that saw Seplat, a Nigerian company raised \$500million on the London Stock Exchange. Only recently, we received the award for best Corporate Social Responsibility company from the African Business Magazine. The NSE was presented the "Best Corporate Social Responsibility Award by African Business Magazine and was awarded

As a responsible organization and leveraging our unique platform, we see a future where funding to address social issues such as health care, education amongst others can be raised from the market.



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As we look out at the challenges facing Africa and the limits of the current resources addressing them, we see Africapitalism playing a central role in bringing forward real solutions. We believe Africapitalism can create social good at scale and begin to address some of Africa's most pressing problems where commercial markets and donor-based programs have not. Africans, must promote Africa through sustainable investment.

Thank you for your attention and wish you all a great conference.