

**PROGRESS REPORT ON SMALL AND MEDIUM INDUSTRIES EQUITY  
INVESTMENT SCHEME (SMIEIS)**

**APRIL 2004**

# 1 TABLE OF CONTENTS

1	TABLE OF CONTENTS.....	2
2	HIGHLIGHTS.....	3
3	THE SMALL AND MEDIUM INDUSTRIES EQUITY INVESTMENT SCHEME (SMIEIS) .....	4
3.1	Fund Set Aside .....	4
3.2	Investment by Banks.....	4
3.3	Sectoral Distribution of Investments .....	5
3.4	Geographical Spread Of Investments .....	6
3.5	Report on SMIEIS Fund Withdrawn From Banks as At 19 <sup>th</sup> April 2004 .....	9
3.6	Channel of Investment.....	9
3.7	Project Verification .....	9
3.8	Promotional Activities on SMIEIS .....	10
3.8.1	Workshop.....	10
3.8.2	Meetings.....	10
3.8.3	Progress on SMIEIS implementation.... <b>Error! Bookmark not defined.</b>	
4	REFINANCING AND REDISCOUNTING FACILITY (RRF) .....	10
5	SMALL AND MEDIUM ENTERPRISES (SME) II SCHEME ACCOUNT ...	11
5.1	Local Accounts Balances as at April 30, 2004.....	11
5.2	Foreign Accounts Balances as at April 30, 2004.....	11

## 2 HIGHLIGHTS

- ◆ The total funds set aside by banks under the Scheme have continued to increase far ahead of investments made by banks.
- ◆ The cumulative investments reported by 53 banks in 185 projects as at April 2004, amounted to N9.71billion. This represents 63.86% participation by banks and 44.00% by value of investments made by banks.
- ◆ As at April 30, 2004, a total of N22.29billion was set aside by 83 banks.
- ◆ The real sector recorded investments of N6.5billion (67.43%) in 133 projects under the Scheme while the service-related enterprises sector recorded N3.17b (32.57%) in 52 projects during the period under review.
- ◆ As at April 30, 2004, N2.19billion has been withdrawn from banks as un-invested funds under the Scheme. Of this amount, N1.84b was invested in the Nigerian Treasury Bill (NTB) on 11<sup>th</sup> March 2004.

### **3 THE SMALL AND MEDIUM INDUSTRIES EQUITY INVESTMENT SCHEME (SMIEIS)**

The total fund set aside by banks under the Small and Medium Industries Equity Investment Scheme (SMIEIS) has continued to significantly progress in terms of growth far ahead of investments by banks.

#### **3.1 Fund Set Aside**

As at 30th April 2004, a total of N22, 290,785,848.00 (Twenty two billion, two hundred and ninety million, seven hundred and eighty-five thousand eight hundred and forty eight naira only) was set aside by eighty-three (83) banks under the Scheme.

#### **3.2 Investment by Banks**

During the period under review, a cumulative investment in 185 projects was reported by 53 banks. This amounted to N9,753,194,327.36 (Nine billion, seven hundred and fifty-three million, one hundred and ninety-four thousand, three hundred and twenty seven naira, thirty six Kobo). The value of investments made represent 42.57 per cent of the total fund set aside and 63.86 per cent participation by number of banks.

In comparison with the preceding month when a cumulative of 167 projects worth N8,711,658,124.34 (Eight billion, seven hundred and eleven million, six hundred and

fifty eight thousand, one hundred and twenty four Naira, thirty six kobo) was a net increase of eighteen(18) projects after netting off the disallowed projects. The increase amounted to N1,041,536,203.00 (One billion, forty one million, five hundred and thirty-six thousand, two hundred and three naira) in terms of value.

It should be noted that the reported level of investments as at April 30, 2004 included some investments that are yet to be verified.

### 3.3 Sectoral Distribution of Investments

Table 1 below shows a breakdown of investments by sectors. A total investments valued at N6,576,252,351.40 (i.e. 67.43 per cent) in 133 projects or enterprises was recorded by the real sector. The service-related enterprises sector accounted for investments valued at N3,176,941,975.96 (i. e. 32.57 percent) in 52 projects.

The Micro- enterprises sub-sector is yet to record any investment.

TABLE 1: SECTORAL DISTRIBUTION OF INVESTMENTS BY BANKS AS AT APRIL, 2004

S/NO	SECTOR	ENTERPRISE	INVESTMENT		% TOTAL	% TOTAL
			NO. OF PROJECTS	AMOUNT	NUMBER	AMOUNT
1	REAL SECTOR	Agro-allied (including wood-work & water bottling)	36	1,069,526,670.80	19.46	10.97
		Manufacturing (including Printing & publishing)	84		45.41	44.42

				4,332,664,101.85		
		Construction (Including quarrying)	11	1,144,621,578.75	5.95	11.74
		Solid Minerals	2	29,440,000.00	1.08	0.30
		SUB-TOTAL	133	6,576,252,351.40	71.89	67.34
2	SERVICE-RELATED ENTERPRISES	Information Technology & Telecommunications	15	1,186,119,345.00	8.11	12.16
		Educational Establishment	2	34,980,000.00	1.08	0.36
		Services	28	1,309,164,630.96	15.14	13.42
		Tourism & Leisure	7	646,678,000.00	3.78	6.63
		SUB TOTAL	52	3,176,941,975.96	28.11	32.57
3	OTHERS	Micro Enterprises	0	0.00	0.00	0.00
		GRAND TOTAL	185	9,753,194,327.36	100.00	100.00

### 3.4 Geographical Spread of Investments

Table 2 below shows the geographical spread of investments. Investments valued N5,470,719,536.71 (56.09 percent) in 107 projects or enterprises recorded in Lagos.

Other states, namely, Abuja (FCT), Akwa Ibom, Anambra, Abia, Bauchi, Cross River, Delta, Edo, Ekiti, Gombe, Kaduna Kano, Nasarawa, Ogun, Oyo, Ondo, Plateau, Rivers, and Sokoto states accounted for the remaining investments worth N4,282,474,790.65 (43.91 percent) in 78 projects or enterprises.

**TABLE 2:**

**GEOGRAPHICAL DISTRIBUTION OF INVESTMENTS BY BANKS AS AT APRIL 2004**

STATE	NUMBER	AMOUNT(N'MILLION)	% TOTAL NUMBER	% TOTAL AMOUNT
ABUJA FCT	1	21,000,000.00	0.54	0.22
ABIA	7	554,000,000.00	3.78	5.68
ADAMAWA	-	-	-	-
AKWA IBOM	1	45,000,000.00	0.54	0.46
ANAMBRA	5	209,440,776.20	2.70	2.15
BAUCHI	1	55,000,000.00	0.54	0.56
BAYELSA	-	-	-	-
BENUE	1	30,000,000.00	0.54	0.31
BORNO	-	-	-	-
CROSS RIVER	3	187,520,906.55	1.62	1.92
DELTA	5	222,190,000.00	2.70	2.28
EBONYI	-	-	-	-
EDO	6	888,909,105.90	3.24	9.11

EKITI	1	6,300,000.00	0.54	0.06
ENUGU	1	24,770,000.00	0.5	0.3
GOMBE	1	11,700,000.00	0.54	0.12
IMO	1	66,600,000.00	0.54	0.68
JIGAWA	-	-	-	-
KADUNA	7	407,060,000.00	3.78	4.17
KANO	6	253,100,000.00	3.24	2.60
KATSINA	-	-	-	-
KEBBI	-	-	-	-
KOGI	-	-	-	-
KWARA	1	24,140,000.00	0.54	0.25
LAGOS	107	5,470,719,536.71	57.84	56.09
NASARAWA	1	24,000,000.00	0.54	0.25
NIGER	-	-	-	-
OGUN	13	474,540,000.00	7.03	4.87
ONDO	2	48,200,000.00	1.08	0.49
OSUN	-	-	-	-
OYO	4	106,600,000.00	2.16	1.09
PLATEAU	3	73,845,154.00	1.62	0.76
RIVERS	6	524,120,000.00	3.24	5.37
SOKOTO	1	24,438,848.00	0.54	0.25
TARABA	-	-	-	-
YOBE	-	-	-	-
ZAMFARA	-	-	-	-
<b>TOTAL</b>	<b>185.00</b>	<b>9,753,194,327.36</b>	<b>100.00</b>	<b>100.00</b>

### **3.5 Report on SMIEIS Fund Withdrawn From Banks as At 19<sup>th</sup> April 2004**

The amount withdrawn from banks as at April 6, 2004 was N2,191,036,597.00 out of which N1,839,646,000.00 was invested in NTB on 11/03/2004 on rollover basis.

The sum of N336,857,000.00 had been refunded to four banks after verifying their investments. Four banks are yet to be debited due to insufficient funds in their accounts with CBN. The banks are: IMB, MIDAS, Trust Bank of Africa and New Africa Bank.

### **3.6 Channel of Investment**

Banks investment pattern remain the same as previously reported, i.e. either directly, through their wholly owned subsidiaries or Venture Capital Companies (VCC).

### **3.7 Project Verification**

Verification of the backlogs of banks investments in projects under SMIEIS is still on. It is expected that by the second quarter of the year, the backlog would have been cleared and only verified and confirmed investments will be reported.

## **3.8 Promotional Activities on SMIEIS**

### **3.8.1 Workshop**

There was no workshop organized during the period under review

### **3.8.2 Meetings**

The monthly meeting of the Bankers' Sub-Committee on SMIEIS was held on April 7, 2004 to deliberate on issues affecting SMIEIS implementation. The major issues brought to the attention of the 272<sup>nd</sup> Bankers' Committee on April 20, 2004 included the following:

- (1) The tempo of investment by banks under the SMIEIS has increased with more States benefiting.
- (2) The uninvested SMIEIS funds withdrawn from banks in February were invested on March 11, 2004 in Nigerian Treasury Bills (NTBs).
- (3) SMIEIS funds are to be applied solely to investments in the Sub-sectors stipulated under the section 6 of the Guidelines. Service charges and costs relating to institutional establishments were excluded.

In addition, the Bankers' Committee was requested to note that all Venture Capital Companies (VCC) and Micro-finance Institutions (MFIs) operating under SMIEIS should register with Security and Exchange Commission (SEC) in compliance with the Capital Market regulation.

The submissions were adopted for implementation.

## **4 REFINANCING AND REDISCOUNTING FACILITY (RRF)**

During the month under review, one new application was received and is being processed.

## **5 SMALL AND MEDIUM ENTERPRISES (SME) II SCHEME ACCOUNT**

The SME accounts balances as at April 30, 2004 is as shown below:

### **5.1 Local Accounts Balances as at April 30, 2004**

SME Funds Awaiting Transfer to World Bank Account	6,385,442.02 Cr
SME Current Account	(2.00)

The balance shown in SME current Account does not reflect the actual position, due to wrong transfer of the balance to Errors & Omission Account (E & O) by Finance Department. However, the Office concerned has been contacted for necessary correction.

### **5.2 Foreign Accounts Balances as at April 30, 2004**

The position of foreign accounts balances is as shown below:

Balance on 7 -days Call Deposit Account	\$1,500,000.00 Cr
Interest Account	\$219,330.79 Cr

**DEVELOPMENT FINANCE DEPARTMENT  
MAY 2004.**