



# LEASING FOCUS

A QUARTERLY PUBLICATION OF THE EQUIPMENT LEASING ASSOCIATION OF NIGERIA LTD/GTE, APRIL 2022

## The Nigerian Leasing Industry in the Post COVID-19 Economy

ELAN



**SOVEREIGN INVESTMENTS LIMITED** RC 196701

## MICRO/SME FINANCING



Plot 1707A, Olugbosi Close, off Bishop Oluwole Street, Victoria Island, Lagos.  
P. O. Box 74798 Victoria Island  
Tel: +234 - 906 997 9855  
[Info@sovereigninvestments.ng](mailto:Info@sovereigninvestments.ng)  
[www.sovereigninvestments.ng](http://www.sovereigninvestments.ng)

# Contents

**02**

**From the Editor's Desk**

**03**

**Review of Global Leasing Market**

**06**

**The Nigerian Leasing Industry:  
More than a Decade of Growth and Resilience**

**10**

**The Nigerian Leasing Industry in  
the Post Covid-19 Economy**

**21**

**Leasing Titbits**

**23**

**Extra**

**Published by:**

Equipment Leasing Association of Nigeria Ltd/Gte

**Editor:**

Olayemi Eniolawun

**Correspondences:**

No 25B, Fola Jinadu Crescent, Gbagada Phase 1, Lagos

**Tel: 08023176691, 08023179048,**

**Email:**

elan\_nigeria@yahoo.com, info@elannigeria.org  
www.elannigeria.org

**ISSN: 1119-3387**

## From the Editor's Desk

It is our pleasure to present to you the first edition of the Leasing Focus Journal, the quarterly journal of the Equipment Leasing Association of Nigeria (ELAN) Ltd/Gte. The Journal is intended to provide succinct information on the current trends and developments in the Nigerian and global leasing industry. Over the past five years, the journal has been contributing to the professional discourse on leasing and has become an important source of research and documentation.

Our focus for this edition is **“The Nigerian Leasing Industry in the Post Covid-19 Economy”**. Indeed, the Covid -19 pandemic has dealt a devastating blow on the global socio-economic environment and continues to impact socio-economic development, across the world. The leasing industry is not insulated from this impact – increase in default, arising from instability of cashflow of customers, and consequential cost of repossession, possible business collapse due to incessant credit losses and low liquidity, decline in new business origination, owing to the fear of portfolio risks, difficulty in planning resulting from uncertainties, are some of the impacting variables on the leasing industry.

As the economy emerges from the pandemic, Leasing Focus takes an in-depth analysis into the continued impact of the pandemic, the new challenges and emerging opportunities including the critical success factors to navigate the storm and cash in on various opportunities thrown up by the pandemic.

Also included in the menu are review of the global leasing industry, the Nigerian leasing market review, leasing tit bits and other relevant leasing information to bring you up to speed on contemporary issues affecting leasing development and the economy at large.

As we journey through the year, we wish to reassure you of our commitment to constantly improve on the quality of “The Leasing Focus Journal” to meet the growing needs for leasing information and provide a platform for you to reach your target market through advert placement and corporate supplement.

We hope you find this edition more insightful.



**Yemi Eniolawun**



## GLOBAL LEASING INDUSTRY REMAINS RESOLUTE IN THE FACE OF ECONOMIC TURBULENCE

Following a decade of uninterrupted growth, the global leasing industry reported a slight decline in new business volumes in 2020. According to World Leasing Yearbook, the slight decline of 1.8% in new business is less than forecast as the Covid-19 pandemic transformed global economies and put equipment investment on hold. Despite the global turbulence, the equipment leasing business showed remarkable resilience in the light of the challenges it faced through 2020. The top 50 countries reported new business volume of US\$1,338.19bn in 2020, which is down from US\$1,362.38bn in 2019. The Report shows that the global leasing industry has grown 125% in the past decade.



Three regions, North America, Europe and Asia, continued to account for more than 96.5% of world volume. However, North America experienced a reduction in new business of 6.7%, Europe was down 7.5%. Business in Asia though was up an impressive 13.0%, mainly due to growth in the China, Taiwan and Korean markets. Elsewhere, South America grew by 10.5%. Australia/New Zealand was down 3.4%. Africa was down 39.9%.

**North America.** The North American region consists of the US, Canada and Mexico. The sector maintains its position as the world's biggest leasing market, with new business volume of US\$475.4bn, representing 35.5% of the total global market share in equipment leased.

**Europe.** Europe reported a decline in new business of 7.5% in 2020 when expressed in US dollars, bringing total new business to US\$414.4bn and it maintains its position as the second largest region in the world. Europe accounts for 31% of total world volume. The leading five European countries (UK, Germany, France, Italy and Russia) feature in the world's top 10 countries for new business, contributing 65% of the total European volume.

**Asia.** The performance of the Asian leasing market was strong in 2020 and new business volume in Asia increased by 13% to US\$402.1bn. Asia now occupies a 30% share of the world market. China remains the second largest leasing market in the world by a considerable margin. New business stood at US\$300.4bn in 2020 with growth of almost 12% over 2019, which reflects the overall strength of the Chinese economy in 2020 while the rest of the world was in economic turmoil.

**Africa** accounts for only 0.3% of the world market in leasing with five African countries achieving a placing within the Top 50: South Africa, Morocco, Egypt, Kenya and Nigeria. The region accounted for US\$4.5bn new business in 2020.

**Table 1: Volume and growth by region (2019-20)**

Rank by volume	Region	Annual Volume (US\$bn)	Growth 2019-20 (%)	Percentage of world market volume 2019	Percentage of world market volume 2020	Change in market share 2019-20
1	N. America	475.4	-6.7	37.4	35.5	-1.9
2	Europe	414.4	-7.5	32.9	31.0	-1.9
3	Asia	402.1	13.0	26.1	30.0	3.9
4	Aus/NZ	26.4	-3.4	2.0	2.0	0.0
5	S. America	15.3	10.5	1.0	1.1	0.1
6	Africa	4.5	-39.9	0.6	0.3	-0.2
	Total	1,338.19				

*Culled from World Leasing Yearbook 2022*

**Table 2: Global Leasing Report 2021**

Ranking	Continent code	Country	Annual Volume (US\$bn)	% Growth 2019-20	% Market Penetration	Source
1	NA	United State	440.38	-7.00	22.0	(8)
2	A	China	300.21	11.94	9.4	(9)
3	E	United Kingdom	83.42	-19.65	28.4	(2)
4	E	Germany	79.78	n/a	16.2	(2)
5	A	Japan	66.49	-14.20	5.1	(1)
6	E	France	56.97	-9.72	17.5	(2)
7	E	Italy	29.46	-18.04	13.4	(2)
8	NA	Canada	28.45	-6.80	42.0	(1)
9	ANT	Australia	26.42	-11.76	n/a	(1)
10	E	Russia	21.01	-10.53	n/a	(2)
11	E	Sweden	20.38	-5.55	22.3	(2)
12	E	Poland	19.29	-9.95	22.8	(2)
13	A	Taiwan	18.40	11.13	11.0	(1)
14	E	Switzerland	15.40	-6.32	13.9	(2)
15	A	Korea	14.13	11.65	9.0	(1)
16	E	Denmark	11.87	-2.62	23.8	(2)
17	E	Austria	10.08	-7.59	14.3	(2)
18	E	Spain	9.52	-25.68	6.1	(2)

19	E	Netherlands	8.53	-14.36	7.5	(2)
20	E	Belgium	7.96	-8.14	9.9	(2)
21	E	Norway	7.63	-12.09	10.5	(2)
22	NA	Mexico	6.61	-25.00	n/a	(4)
23	SA	Colombia	6.41	87.00	n/a	(4)
24	E	Czech Republic	4.60	-19.98	9.6	(2)
25	E	Finland	4.30	-16.00	12.0	(8)
26	E	Turkey	4.06	47.39	n/a	(2)
27	E	Portugal	3.70	-24.42	11.7	(2)
28	SA	Chile	3.60	-23.00	n/a	(4)
29	SA	Brazil	3.44	-30.00	n/a	(4)
30	E	Slovakia	2.85	-17.89	17.3	(2)
31	E	Hungary	2.62	-13.67	6.5	(2)
32	AF	South Africa	1.95	-39.06	n/a	(8)
33	A	India	1.87	9.68	0.7	(9)
34	E	Lithuania	1.73	-26.21	17.7	(2)
35	E	Slovenia	1.72	-18.95	15.7	(2)
36	AF	Morocco	1.29	-31.15	n/a	(1)
37	E	Bulgaria	1.26	-16.65	12.0	(2)
38	SA	Peru	1.26	-22.00	n/a	(4)
39	E	Belarus	1.17	-23.50	1.8	(1)
40	E	Ukraine	1.13	46.29	n/a	(2)
41	E	Estonia	1.08	-25.15	19.2	(2)
42	E	Croatia	1.07	-35.39	n/a	(2)
43	A	Malaysia	0.98	-36.96	n/a	(1)
44	E	Latvia	0.68	-34.45	9.7	(2)
45	E	Greece	0.65	15.42	4.1	(2)
46	AF	Egypt	0.65	n/a	n/a	(8)
47	SA	Puerto Rico	0.61	42.00	n/a	(4)
48	E	Serbia	0.50	-20.10	n/a	(1)
49	AF	Kenya	0.40	-14.00	25.0	(8)
50	AF	Nigeria	0.22	-77.28	n/a	(1)
		<b>Total</b>	<b>1,338.19</b>			

Market penetration rates quoted by Leaseurope appear as those reported and defined in Leaseurope's 2020 Annual Survey.

Country growth figures display the figure reported by each country i.e. it is unaffected by the vagaries of currency fluctuations. It is intended to display true growth as experienced on the ground.

#### Key to Sources:

(1) National Leasing Association

(2) Leaseurope

(3) Asian Leasing Association

(4) Alta Group

(5) Other Trade Associations

(6) Government Statistics

(7) Central Bank Data

(8) Author's Estimate

(9) Others' Data

The Global Leasing Report is prepared by Solifi, in association with the World Leasing Yearbook. No information may be reproduced without the prior permission of Solifi and the publishers (World Leasing Yearbook).

*Culled from World Leasing Yearbook 2022*

## THE NIGERIAN LEASING INDUSTRY: MORE THAN A DECADE OF GROWTH AND RESILIENCE

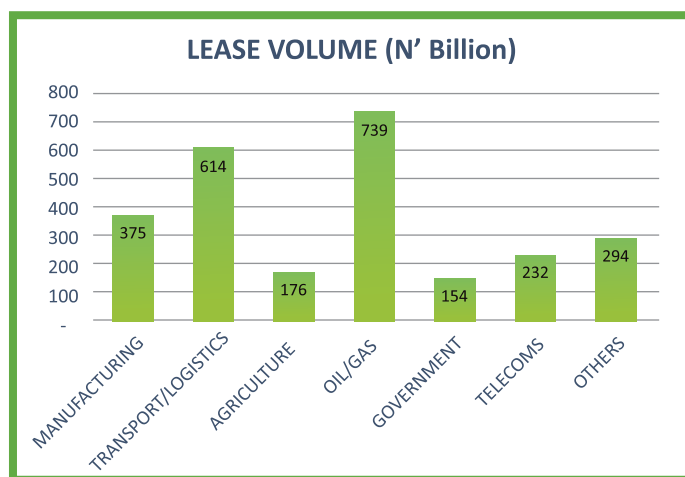
For over a decade, Nigerian Leasing Industry has consecutively and consistently recorded growth in business transactions. The industry has further displayed its resilience and ability to support economic investment and development, either in times of boom or challenges. After recording a sharp decline in growth from 14.5% in 2019 to 4.3% in 2020, (the year of high prevalence of the covid 19 pandemic), the industry recovered with a 28.65% growth in 2021.

Available statistics show that outstanding lease volume as at 2021 stood at N2.58trillion as against N2.01trillion in 2020. As usual, the oil and gas sector grew by 23.8% being the lion share with N739bn of the outstanding leases; followed by Transportation & Logistics sector

which grew by 21.4% recording N614bn; Manufacturing 16.7% - N375%; Telecoms taking 9.5% of the total volume arriving at N232bn. Others (including Healthcare and Education accounted for N294bn (19%), with Agriculture and Government recording considerable growth.

This growth can be well attributed to the business momentum that slightly picked up in the year under review, despite the continued adverse impact of the pandemic on socio-economic fundamentals. Obviously, the growth was driven mainly by the resumption of economic activities, stable environment and demand, as businesses tried to do catch up.

**Fig. 1: Distribution of Lease Volume by Sector (2021)**



Finance lease maintained its lead position with 55% of the total transaction, while operating lease took 45%. In the recent times, operating lease is increasing its share in the market place, owing to the dictates of the market - preference of corporate bodies to focus more on their core activities, and outsource other operational functions such as transportation and other logistics services. Also, as a risk mitigant and niche market for several lessors in the industry.



Globally, vehicles constitutes the most leased assets in the market. This is not different for the Nigerian market, as vehicles took 50% of leased assets in 2021. This includes heavy duty trucks for haulage and distribution; buses for inter-state commercial transportation and staff shuttle, the need to continuously meet corporate and individual's appetite for new modelled vehicles, across the nation.

Projecting into the future of leasing in Nigeria, it is expected that the industry will continue to make improved impacts on Nigeria's economic development. Essentially, with the plans of government to bring the economy out of the woods, in the post covid 19 environment. Also, the continued inflation in the economy, will no

doubt, make leasing more relevant as an alternative option especially to the MSMEs.

What is of utmost importance is for all stakeholders in the leasing ecosystem, including government, to continue in their support for the industry, to make it more responsive to economic development. The government for instance, should consider the full implementation of the Equipment Leasing Act 2015, by inaugurating the Equipment Leasing Registration Authority, the body established by the Act, to give full effect to the intent and purport of the legislation, and on funding, channeling some of the intervention funds for the development of priority sectors, through the leasing industry.

**Table 1: Equipment Leasing Table by Sector (2012 – 2021) (N' 000)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Manufacturing</b>	375,965,188	279,725,073	269,254,555	245,432,614	217,167,991	180,569,189	158,871,170	124,712,434	115,008,806	104,080,367
<b>Transport/ Logistics</b>	614,046,637	490,720,981	469,779,945	421,909,188	355,958,400	319,359,598	289,912,286	227,578,528	213,640,589	184,491,010
<b>Agriculture</b>	176,227,151	148,565,322	145,130,992	133,106,584	96,618,887	89,299,126	73,800,541	57,932,758	52,775,849	50,119,515
<b>Oil/Gas</b>	739,276,602	602,120,031	577,828,429	518,160,139	449,853,966	398,615,644	361,419,039	283,710,683	255,834,867	202,561,256
<b>Government</b>	154,868,223	127,206,394	123,772,064	111,697,656	88,143,803	80,824,042	73,074,750	57,363,019	53,257,374	50,576,803
<b>Telecoms</b>	232,600,554	177,853,183	170,900,759	147,078,818	128,235,736	120,915,976	99,217,957	77,885,200	73,245,102	66,285,160
<b>Others</b>	294,780,581	185,285,839	171,045,935	123,175,178	109,042,866	72,444,064	50,746,048	39,835,190	16,899,342	13,380,318
<b>Total</b>	2,587,764,938	2,011,476,831	1,927,712,680	1,680,560,180	1,445,021,651	1,262,027,642	1,107,041,794	869,017,815	780,661,932	671,494,433

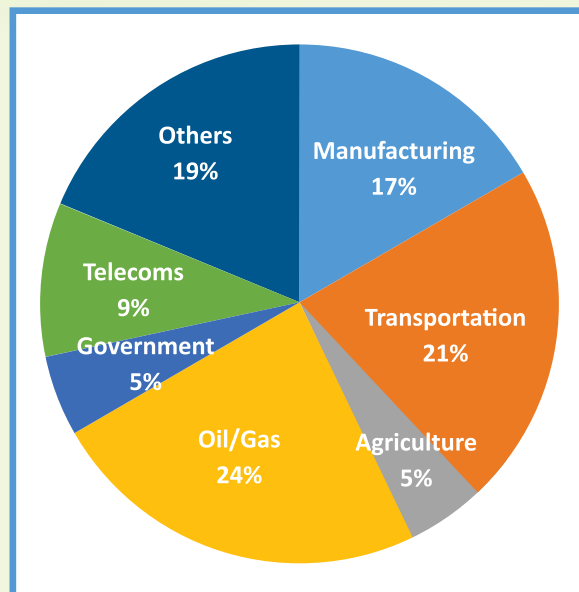
NB: Others include Education, Healthcare, Construction and Consumers sectors



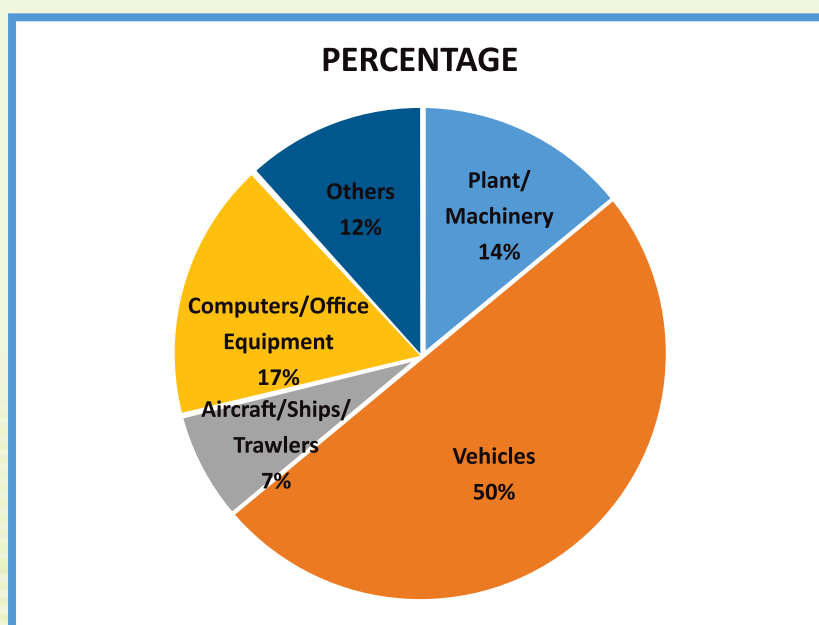
**Table 2: Trends in Nigerian Leasing Market (2007 – 2021) (N'000)**

Year	Leasing Volume ('000)	Growth (%)
2007	245,700,000.00	29
2008	348,894,000.00	42
2009	445,265,650.00	28
2010	537,907,637.75	21
2011	622,907,637.75	16
2012	671,494,433.53	8
2013	780,661,932.99	16
2014	869,017,875.10	11
2015	1,107,041,794.67	27
2016	1,262,027,642.73	14
2017	1,445,021,651.11	14.5
2018	1,680,560,180.25	16.3
2019	1,927,712,680.21	14.5
2020	2,011,476,831.90	4.3
2021	2,587,764,938.20	28.6

**Fig. 2: Distribution of Lease Volume by Sector (2021)**



**Fig. 3: Analysis by type of Asset (2021)**





Get the **vehicle, appliances, equipment,**  
and **furniture** of your dreams.  
***And pay small small***



... adding value Adeptly

   @adeptlessor

 [www.adeptlessor.com](http://www.adeptlessor.com)

 08060059559, 08080736212

## THE NIGERIAN LEASING INDUSTRY IN THE POST COVID-19 ECONOMY

### Background

Indeed, the global pandemic has not only claimed over 5.8 million lives globally as at 15<sup>th</sup> of February 2022, but also with associated unprecedented economic crisis. The lock down of over two - third of the world economy stretched the global economy to near total collapse, to the extent that many businesses were pushed into liquidation and countries into forced recession, leaving lasting scars through lower investments, erosion of human capital occasioned by job losses, as well as fragmentation of global trade and supply linkages.

This made governments of various countries rolling out stimulus packages to ameliorate its effects on the public and private sector operators. Of course, the scenario which has largely altered global economic predictions, equally took many back to the drawing board, while rush to take all sorts of revival loans from multilateral financial institutions, has become the dominating feature of the unending period.

### Covid- 19 and the Nigerian Economy

With the global economy reeling under covid-19 attack, the Nigerian economy which was on the slippery slope of recovery was not spared.

The Nigerian economy with its pre-existing conditions including, high inflation, high unemployment, poor infrastructure and overall economic contraction, was severely hit by the pandemic. For a largely import-dependent economy, the unprecedented fall in price of oil in the international market due to low demand, further exerted pressure on the economy. Government revenues were weakened substantially, driving increase in debt profile and service ratio. This also contributed to the considerable adjustment of the official exchange rate of Naira to N416.21 to \$1 from N360 to \$1, in furtherance of the exchange rates unification. The development however,



exposed Nigeria to spikes in risk aversion in the global capital market, with the possibility of putting more pressure on forex market, as foreign portfolio investors exit the Nigerian market.

As a result, the GDP growth rate fell below 4% in early 2020, to 1.87 and -6.10 percent in the first and second quarters respectively, reflecting a drop by 0.23 and 8.22 percentage points below the 2.10 and 2.12 percent recorded in 2019, Q1 and Q2. In third quarter the GDP recorded -3.62 percent.

The Central Bank of Nigeria (CBN), was at the vanguard of Government's efforts to ameliorate the adverse impact on key economic variables, taking a number of measures to mitigate the long-term effects on the growth prospects of the economy. These include cutting policy rates, supporting households that have been severely affected by the pandemic and targeted interventions to support critical sectors, such as agriculture, manufacturing, energy, and health. Cumulatively, according to the CBN, the bank's intervention efforts represented about 3.5% of the GDP.

Some of these measures include; provision of N1trillion in loans to boost local production and manufacturing across critical sectors, one-year extension of moratorium on principal repayment on CBN intervention facilities, reduction on interest and intervention loans from 9% to 5%. The package also included N50 billion targeted credit facilities for households and Small and Medium Enterprises (SMEs), N100 billion Healthcare loans to pharmaceutical companies, healthcare practitioners to expand capacity.

Also, the Federal Government developed the Nigeria Economic Sustainability Plan (NESP) involving a stimulus package of N2.3trillion in response to the health and economic emergencies. Under the plan, the key projects focused on mass agriculture, public works and road construction, support for MSMEs and digital technology etc., expected to sustain economic activity, boost production, create jobs and save foreign exchange.

With the relaxation of restrictions, the economy came alive again and there were dotted gains as Nigeria's economy wiggled itself out of recession in Q4 2020 (0.11percent) and achieved GDP growth of 5.01 percent year-on-year recorded in Q2 2021 and 4.03 percent in third quarter 2021 while consumer price index (CPI), has been on the downward swing for ten consecutive months, reaching 15.6 percent as at January, 2022, although prices of goods and services are still on the high side.

While Government is trying to take the economy out of the woods, there are still continued and fresh challenges coming up. One of such is the increased inflation especially in developed economies such as United States (US), with threats of interest rates going up in the global market. This will certainly have some negative impacts on emerging markets, the key one being a declining capital inflow, thereby exerting pressure on businesses as it concerns raising funds - tightened global funds in flow and increased interest rates on local funds.

Another of the emerging indices is the ongoing war between Ukraine and Russia which has incredibly increased the global oil price between \$100 and \$107 per barrel in the last two weeks. Some schools of thought are projecting that the oil price might be increased to \$300 per barrel if the war lingers. This is greatly contributing to unwarranted global tensions and growth inhibitions of the world economy, after the unpalatable effects of covid 19 pandemic. This has led to trade restrictions,



supply chain disruptions of the global economy and impact directly on inflation.

The Nation's debt profile which stood at N38trillion as at September 2021, according to the Debt Management Office (DMO), is equally a cause for concern, as it pertains to its sustainability. This is expected to increase more as the 2022 budget with a deficit of about N7.35trillion, is expected to be financed essentially by new borrowings. Amid weak revenue mobilisation, debt servicing gulped an average of 61% of revenues pre-pandemic and skyrocketed to 83% in 2020. The DMO had raised the debt-to-GDP limit from 25% to 40% in its medium-term debt strategy for 2020–2024. While Nigeria's debt-to-GDP, is lower than those of its peers, its debt-to-revenue is too low to sustain the country, forcing huge percentage of the country's revenue on debt servicing, leaving the development of critical sectors to lag behind.

The 2022 budget of N17.1tn signed into law, on a benchmark oil price of \$57/barrel has started receiving boosts as a result of the increase in prices of crude oil in the global market. No doubt, more revenue will accrue to the government which will facilitate some stability in the foreign exchange, as government will be able to mop up more forex from the sale of the crude oil. However, this will be eroded by the subsidy that will be paid to the importers of fuel for sale locally, since government has put on hold the removal of fuel subsidy.

Also, on the list of factors to be considered, is the upcoming general elections, which might hamper investment in the economy. The fear of violence pre and post elections, might elicit capital flight as investors might withdraw their capital to where they perceived as more stable and investment friendly economic environment.

However, it is imperative to continue to ensure policy initiatives for economic recovery and take the economy out of the woods. This will require a big push in capital formation to fill the wide financing gaps in various sectors of the economy and this is where equipment leasing is very relevant. Globally, as a creative financing alternative, leasing has been facilitating easy and convenient access to capital equipment, with an estimated total annual lease volume of \$1.5 trillion, accounting for 20% of total investment in equipment and contributing about 1.5% to GDP. The whole essence of leasing is to enhance the planning, improvement and development of any economy by building and supporting productive ventures.

### **Nigerian Leasing Industry in Covid-19 Economy**

Since inception in Nigeria, leasing has been supporting economic development. Today, the impact of leasing is pronounced in all sectors of the economy, enhancing capital formation, generating employment and creating wealth. The industry remains resilient, maintaining its growth trajectory notwithstanding the prevailing challenging environment. Recent

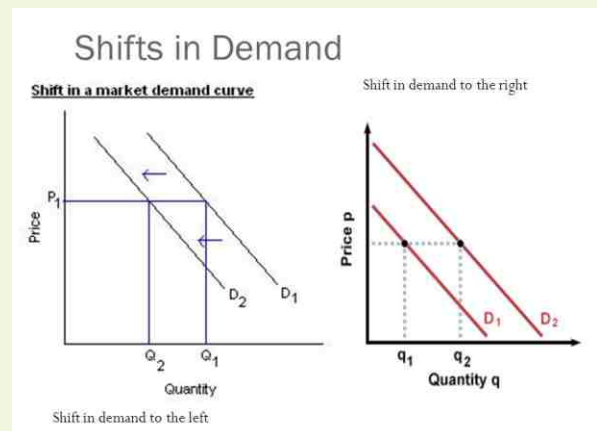


statistics, show that new business volume grew by 28.63 percent at N2.58trillion in 2021, from outstanding lease volume of N2.01trillion in 2021. The industry's contribution in the past ten years is over of N14trillion and leasing is becoming more relevant in our prevailing economic situation with the incessant rise in prices, which makes outright purchase of productive assets increasingly difficult, especially to the Small and Medium Scale Enterprises (SMEs).

Indeed, the leasing industry was not insulated from the impact of the pandemic as it affects business volume and operations. While it is hard to accurately capture the impact due to uncertainties, there are certain headwinds that become glaring in the leasing industry including:

- Delayed rental payment, arising from instability of cashflow of customers, and consequential cost of repossession, due to slow business activities;
- Increased cost of assets and operations, resulting from the "adjustment" of the Naira, and other impacting variables. This affected the capacity to finance more lease transactions;
- Possible business collapse due to incessant credit losses and low liquidity;
- Tight liquidity, as a consequence of delayed rentals,

- Decline in new business origination, owing to the fear of portfolio risks;
- Access to funds for leases became tighter, given the risk appetite and liquidity profile of financiers.
- Demand shift to more productive and essential assets as non-essential commodities were less sought after.



Indeed, leasing can play a major role in driving the developmental agenda of government at all levels. Many countries across the globe have been utilising leasing in this regard, especially in this challenging time. For instance, recently the Indian Government under its National Monetisation Pipeline Approach, is leasing out specific national assets to private investors for four years, projected to generate US\$81billion. The fund raised from the project will be channelled to boosting public finances battered by the pandemic and fund new infrastructure. Based on the resilience and viability of leasing industry, it has the capacity to facilitate the

various policy initiatives of government, aimed at bringing the economy out of the woods.

## **It is not all bad news, there are still Emerging Opportunities**

A major lesson learnt on Government's decision process in recent times, has been to highlight the imperative of economic diversification from the monotonic oil and gas economic base, to multi - sector based economy, for enhanced revenue streams. This realisation has prompted the government to take proactive measures to develop policies aimed at improving a variety of other economic sectors including agriculture, Information Technology and innovation, Telecommunications, Social infrastructure and so on. There are opportunities in the new year to initialise critical reforms to achieve a paradigm shift in governance and policy design in Nigeria. The extent and duration of time, which the economy will need to fully recover from the effects of the pandemic is unpredictable. What is certain however is that, if the country's economy continues on its current trajectory, then it is very well on its way to strong recovery.

Government is planning to expend more on infrastructure development. For instance, the capital expenditure of N4.89trn, will be spent on Transportation, Agriculture, Power. Others are Health, Works and Housing - these are areas to watch out for investment, while taking into cognisance the necessary strategies to put in place in order to be successful in the sectors.

With the lifting of lock down and restriction, the leasing industry picked up its momentum in

2021, despite the continued adverse impact of the pandemic on socio-economic fundamentals. The industry has keyed into pre- pandemic growth prospect with its momentous performance in 2021. The industry has further displayed its resilience and ability to support the economic investment and development either in times of boom or challenges. After recording a sharp decline in growth from 14.5% in 2019 to 4.5% in 2020 ( the year of high prevalence of covid-19 pandemic), the industry rebounded with a 28.68% growth in 2021. The growth was driven mainly by the resumption of economic activities, stable environment and demand, as businesses tried to do catch up.

## **More business opportunities abound but where will the business come from?**

**The Economy - Essentially, the existing huge financing gap in the economy is being exacerbated with the advent of the Covid-19 pandemic, increasingly harsh economic conditions, unavailable and/or inadequate infrastructure and inflation. These throw up several opportunities for lessors and enhance their capacity to impact the economy.** The opportunities cut across several facets of the economy both the traditional and emerging sectors including:

- **Oil and Gas**, where the enactment of the Petroleum Industry Act (PIA) is expected to overhaul and transform the Nigerian oil and gas industry, to make it more attractive to investors, (though there are skepticisms whether it will be a game changer at a time where major oil producers are seeking to transit to clean energy). The “Decade of Gas” initiative is equally being implemented, aimed at bringing to focus the utilisation of the nation's huge gas resources. Already, ELAN members are being approached to finance conversion kits for vehicles. Also, the Dangote refinery is expected to commence operation this year. The further boost of activities in the sector, will equally expand leasing demand in the sector, where leasing culture is already entrenched.



- **Healthcare**: The Nigerian healthcare market is large and diverse with a potential of over \$5bn USD. Its value

chain comprises: Manufacturers, Health Service Providers, Medical Insurance, Retailers, Distributors, Health Financing Entities, and Medical Education Providers. A myriad of investment opportunities exists, especially in replacing outdated healthcare technology and addressing the deficiency in infrastructure.



- **Construction**: The industry is expected to post an average growth rate of 3.2% in real terms between 2022 - 2025. The demand for construction equipment and technology is huge as various projects are being undertaken across the nation. ELAN Secretariat in recent times, has been receiving increased request in this direction.
- **Agriculture**, despite interventions from government, agriculture remains constrained by poor infrastructure. There are financing gaps across the



value chain: Production, Processing, Packaging, Storage and Distribution.

- **Mining:** With mineral resources being discovered and exploited in various states and the active support of the Federal Government, this sector is an ever-growing one. Mining activities require the use of specialised and general equipment, which the mining firm, especially artisan miners may not have the capacity to acquire on their own.
- **Information and Communication Technology (ICT):** Developing Nigeria's Digital Economy has positively impacted the contribution of the ICT sector to National GDP. The sector has grown from less than 1% in 2001 to 17.92% of GDP in Q2 2021. The provision of telecom infrastructure and ancillary equipment provides a viable market for leasing.



- **Consumer/retail market** is where the most rapid transformations in the economy are taking place, everybody is generally involved - the consumer wants to participate, so also are SMEs, Banks, FINTECHs, HMOs, insurance, MFBs.
- **MSMEs Leasing** - although Nigeria's vibrant private sector has several large firms in all sectors. MSMEs, numbering more than 40 million, dominate Nigeria's enterprise landscape and production in key sectors of the Nigerian economy is driven by them. However, the requirement for equipment is difficult to finance through conventional sources like bank-loans, particularly, due to the stringent formalities and collateral requirements.

**Public sector** - Government policy thrust and its developmental focus coupled with economic dictates based on current realities, further widens the role and scope for leasing. The expansive spending of government starting with this year's budget and the focus of the MTNDP 2022-2025 are, key areas of interest to watch. The pre-election spending for the 2023, is also significant to consider. For instance, huge investment is being made in infrastructure to address the gap, which the government alone cannot meet. Government

intends strengthening the frameworks for concessions and public private partnerships (PPPs), to encourage private sector participation in capital projects. The Federal government's (and even some states like Lagos) intervention programs and investment in priority areas - infrastructure, power, food, security, works and housing, job creation, Information and Telecommunications (ICT) and the diversification efforts of the economy, with the persistent increase in the non-oil sector contribution to GDP, added together to underscore the scope of demand for capital asset.

**While the opportunities are real, the leasing industry must position itself with the active support of other stakeholders to tap and exploit these opportunities to enhance its contribution to national economic growth. Government on its part should deepen its support for the industry, improving the regulatory and operating environment.** This will involve: full implementation of Equipment Leasing Act 2015 to strengthen the capacity of the industry; facilitation of long-term financing including: access to intervention funds and establishment of a National Lease Fund, deepening the utilisation of leasing in public sector to achieve efficiency and cost savings, incentivising lease investments in critical sectors such as agriculture, health and mining, through access to funds and tax rebates and more importantly, checking the spate of

insecurity across the country as no meaningful economic activities can be achieved without adequate security.

### **Positioning for these Opportunities - Critical success factors**

**Generally, the macro-economic and industry situations, will continue to determine the level of performance of the leasing industry in 2022 and beyond. However, it is imperative for the leasing industry to sustain its resilience to sail through these testing times** and this requires continued realignment of strategies and adoption of innovative approach. Specifically, these success factors should be considered:

- **Broad and deeper funding structure** that would strengthen the capacity of lessors to expand their leasing activities and take advantage of emerging opportunities. "Money is the raw material for leasing" and the ability to attract adequate and cheaper funds will determine the extent of participation in the leasing industry. ELAN, has been advocating for lessors to gain access to potentially idle funds such as the National Pension Fund (NPF) and establishment of National Leasing Fund, in addition to engaging private financiers (local and international), to support the industry



with necessary funds. While this is being done, non-bank/financial institution lessors especially, should adopt proactive approach in addressing the funding challenges, which include trade finance from their vendors and funding from their insurers. Vendor financing has proven to be a sure way to solving funding issues, especially for high tech assets. Also, lessors can collaborate for syndicate funding of lease equipment for large projects, such as the provision of transportation and logistics for the Oil and Gas sector, Mining etc. Collaboration also has the effect of mitigating risks.

- **Prioritising risk management and processes.** This will involve monitoring in-house vulnerabilities - assessing financial, operational risk and transaction risks. Lessors for instance by bringing risk management to fore as part of the strategic planning process, they can routinely simulate how interrupting events as well as other variables could disrupt their businesses and use those insights to design their operations and resource distribution. It is also helpful to have regular customer - risk profiling in place, to fully understand their needs and expected reactions.

- **Enhancing internal capacity to improve processes and performance** through constant staff development; proper alignment into the organisation's goals and objectives; participating in capacity building programmes and ensuring adequate working infrastructure including right technology. Leveraging for instance on technology, can greatly improve processes in various areas of operation, including customers on-boarding, risk assessment and lease structuring as well as asset management functions and financials. Essentially, to reinvent processes, technology must be seen as a core factor in the business model.

- **Sound Corporate Governance,** has always been a major hall mark of any organisation that desires success. Embracing sound corporate governance, will enhance the profile, visibility and patronage of the organisation and endear it to potential investors.

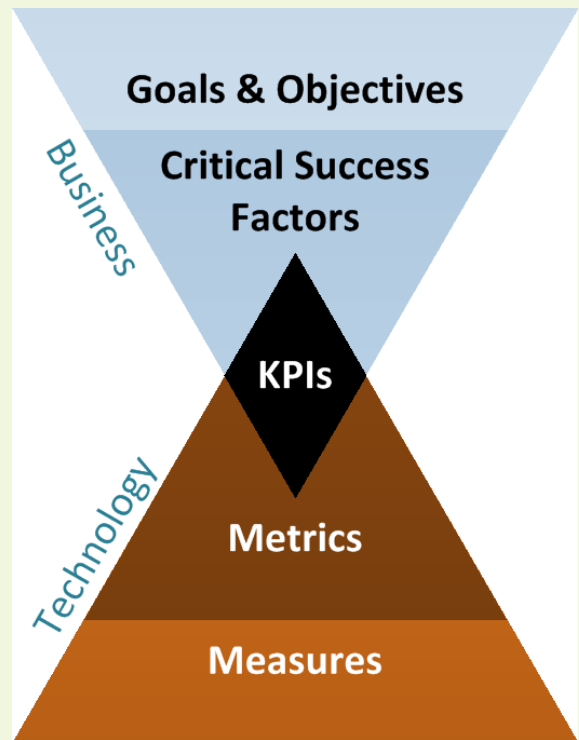
- **Improved leasing infrastructure,** a favourable regulatory environment will create more visibility for the industry, support the promotion of the ideals of leasing, and more effective

participation and contribution of the leasing industry. The ELRA, will be a major booster to leasing activities this year, when it comes into operation. ELAN, has been strengthening its advocacy - engaging with Government and other relevant stakeholders to achieve a healthier leasing environment.

- **Maintaining and improving portfolio quality while keeping the balance:** This requires understanding of the market dynamics, market intelligence, development of product and niche market, competitive pricing and adapting to market shifts, to grow portfolio within acceptable risk appetite. A total knowledge of your assets is also required, this will guide your reactions in times of eventualities.
- **Constructive engagement with market and relevant stakeholders** is necessary to secure support from customers, employees, suppliers, creditors, investors and regulatory authorities. It is particularly imperative, that lessors constantly engage with their customers, understand their challenges and reassuring them of having them in mind during whatever times. This will endear the customers

to them and sustain the business relationship.

- **Continuous review of value propositions to customers,** to facilitate a win-win relationship at all times. Endeavour to be seen as problem solvers - this will help to retain their loyalty.



- **Controlled back-office costs.** Financial discipline and adopting cost saving mechanism to achieve a low back-office cost, will enhance profitability. This has been the main strategy in the industry over the past two years, cutting down on discretionary costs.

- **Strategic/Financial Planning** - Set smart goals and objectives, constantly monitor and track your budgets, within the context of the business environment while measuring performance from time to time.
- **Pricing:** set your profitability line, and structure your leases with the right pricing. Also of importance is the consideration of non-financial benefits, lessors should not only cancel relationships based on pricing, but should look at other benefits that may generate from such engagements. For instance, engaging blue chip companies may relate to long standing business relationships.
- **Specialisation** - players should develop their niche product for the market segment of their choice, however, adequate knowledge of managing these assets is key, to buffer against loss in eventualities.

Indeed, the Nigerian leasing industry in post covid economy, will continue to be resilient, sustaining its growth and contributions to capital formation. Essentially, the catalytic role of leasing in economic development and especially at Nigeria's efforts to revamp the economy remains critical. While the opportunities the economy present for the leasing

industry are real, the capacity of the industry to fully exploit and meet the huge demand for capital assets appears limited. Overcoming this will require the collective engagements of stakeholders. With the leasing industry redefining its course, developing and adopting appropriate strategies supported by Government policies and goodwill from development partners and other stakeholders, achieving the growth potential and full developmental impact of leasing, is guaranteed into the future.

“

***While the opportunities are real, the leasing industry must position itself with the active support of other stakeholders to tap and exploit these opportunities to enhance its contribution to national economic growth. Government on its part should deepen its support for the industry, improving the regulatory and operating environment.***

”

### Lease Product Development

These steps are vital in developing and selling your lease products:

- Developing a Marketing Strategy
- Do we want to be in the leasing business?
- What type of leasing entity does the lessor want to be?
- What are our target markets?
- What is the wants and needs of the market?
- What is our competitive advantage?
- What is required to develop competitive advantage?

### Product Development

Products tailored to market in which the lessors have a competitive advantage

- Targeted leasing products based on industries or transaction size
- Credit officers and sales managers must be an integral part of the Product development process.
- Leasing product prequalifies potential lessees & limits potential lessees





### 8 Pillars of Selling & Customer Relationship Management

#### Empowerment

The steps a sales professional take to develop self and build competence with the right knowledge, skills and attitude so as to position self as a professional, capable of exercising Initiative, and solve customer problems

#### Customer Prospecting

all the various means employed in business to track, locate and attract potential customers

#### Interactive Management

all actions designed to transform the prospects who enter into contact with the sales professional, into an active and effective customer



#### Relations with Customer

extent to which firms initiate, develop, maintain and improve relationships with customers

#### Understanding Customer Expectations

identifying customers' desires and supplying to those customers, products and services that meet their expectations

#### Pesonalisation

the extent to which a firm appears to assign one representative to each customer and develops or prepares specific products for specific customers

#### Loyalty

The development of loyalty involves building and sustaining a relationship with a customer, which leads to the repeated purchase of products or services over a given period of time. A loyal customer base, allows companies to devote their energies to other business matters

#### Advocacy

The process of using existing customers to win and attract other customers through referral and a strong advocacy.



## DEVELOPING PASSION FOR WORK

*"The only way to do great work is to love what you do." – Steve Jobs*

**P**assion is a strong feeling of enthusiasm or excitement for something or about doing something. Passion brings out true happiness and a high level of anticipation for the task at hand. Passion is the most powerful tool in your arsenal.

There is no greater thing you can do with your life and your work than follow your passions in a way that serves the world and you. Doing the work you love is energising and creates a positive feedback loop that fuels productivity. Your passion for the work energises you and vice versa, giving you more fuel to put towards success. The trick is figuring out how to make yourself love your work, even the most tedious of tasks.

Individuals should, therefore, do things that make them stay happy at work as passion at work can reawaken and reconnect with what is

meaningful for you. At present, the maximum number of individuals do the job, just to earn money. In reality, they are not passionate about it.

**Maybe you are also one of them! But this is not correct. You spend most of your daily hours working, and if you are not passionate about what you do the entire day, then surely you will not secure results that you desire. You want a promotion, a salary hike, a bonus, but you are not at all passionate about your job, then definitely you will not gain what you wish.**

*"Pleasure in the job puts perfection in the work." - Aristotle*

Usually, the terms of passion and work are two parallel things. Your work is what you do to get paid and for a living, whereas passion is something which you practice for pleasure or for the joy you get in doing it. If you could combine your passion as your work, then you will be doing your best in terms of work performance and you will enjoy doing work like never before.

*"The only way to do great work is to love what you do." - Steve Jobs*





Being a passionate worker is a boon in itself. If you love your job, then you will not experience stress or strain in doing it. Moreover, you will be improving in terms of skills and knowledge. There is a gigantic difference between doing work that you are passionate about and doing work that bores you. The experiences are night and day. Time passes a little faster, when we are enjoying what we are doing, and we are more creative and productive, too. Passion encourages our professional success as well as our enjoyment of our lives in general. There are so many good reasons to cultivate this mindset when it comes to work.

## HERE ARE A FEW TIPS FOR STAYING PASSIONATE

**Understand your impact** - If you are feeling like you did like to be more passionate about your job, it might help to understand the larger positive impact your work is having. Think about how what you do positively impacts the community, or even society at large. It helps to connect with the purpose of what you do and to see the difference that you are making. Try to keep these ideas at the forefront of your mind.

**Embrace the adventure and do not be afraid to take risks** - You just need to be willing to do the things that others are not. The things that are a little too hard, take a little too long, or are a little too uncertain.

**Do not label yourself an expert – Keep learning** – You can still learn new things about your line of work, no matter how much experience you have on the job. Make an effort to stay current and to engage with the latest information pertaining to your field. It is tough to feel excited when you feel like you know everything there is to know. Instead, remain inquisitive and open to learning new ideas throughout every stage of your career.

**Always have integrity** - Sometimes, we have to do the right thing first and let the inspiration hit us second. Regardless of how you are feeling about your work, never lose an ounce of integrity. Keep doing your best. Starting to back down would not make you feel any better. Doing what you love and feeling passionate about your work only goes so far. Back up that passion with characteristics that will get you farther. “Integrity is everything”. If you commit to something, follow through on that promise. Protecting your accountability is a keystone to prolonged success.



**Relinquish perfectionist** – It is really not good things to be a perfectionist. They definitely are not having more fun at work. Pursuing excellence is different than suffering for it. Instead of taking yourself to task for every misstep or imperfection, try to simply learn from mistakes and move forward. Learn to take pleasure in doing your best rather than agonising over work or outcomes that are never quite good enough.

**Change things up** - A change of pace often goes a long way toward reviving excitement and enthusiasm. So, if you are feeling like you might benefit from a change, try asking for one. It is perfectly alright to tell a boss or manager that you feel comfortable with, that you want to stay passionate about your work. Explain that you think a little shift will get you there. Maybe working with a new team would help. Or, you might want to try being assigned to a different project for a time. The change does not have to be major to give you a fresh perspective and a little mood boost.

Your passion for work can position you to achieve your career, your goals quicker and not having it would make your career journey less fulfilling. No wonder the great Nelson Mandela said: *“there is no passion to be found playing small - in settling for a life that is less than the one you are capable of living.”*

Whether you come to it by the love of what you do or currently doing what you love, the opportunities it presents you or just a decision to be passionate, one certain thing is that passion for work makes a world of difference for your career and productivity.

**Few things your passion for work can help you achieve**

- **Passion for work sets your attitude straight and right** - Your passion for work would set your attitude at work as well as your attitude to work. This helps you align yourself with work, career goals regardless of the challenges. A straight attitude would make you see the wins that lie beyond the challenges to be surmounted.
- **It sets you apart and defines your path** - Passion for work will set you apart and aflame with an intense pursuit of your key performance indicators (KPIs) and goals. Struggling most times on a job can be linked to no definiteness of purpose. Passion sets you on a better path to building a career rather than being at a job.
- **It intensifies your personal development** - Getting the job done is largely dependent on your skills-set. The more developed they are, the more you are likely to get the job done. Your passion for work will spur you to seek personal development and training opportunities to enhance your skills which positively impacts performance and results.
- **Feeds your creativity and innovate spirit** - When you are passionate about the job that you do for a company, you are bound to have loads of happy and pleasing

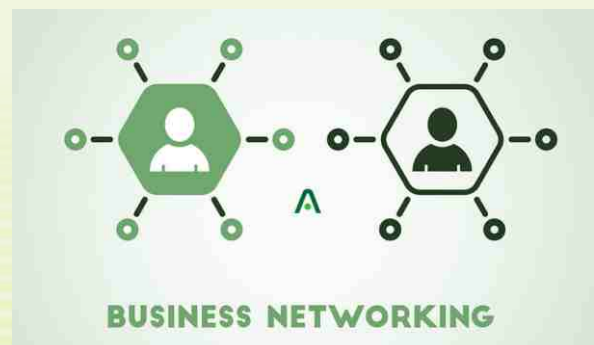


experiences. The more passionate you are about your job, the more creative and innovative it drives you to become. You will come up with more interesting ideas and ways to get your job done. Nothing kills creativity and innovation faster than doing a job you consider dull, boring and uninteresting. This is very crucial for career growth.

- **A spike in productivity** - A genuine passion for what you do at work will spur you to be more productive than if you were just doing the job to earn a living and nothing more. Passion for work spurs you to do more at all times and it should not come as a surprise if this has a positive impact on your productivity. The more productive you are at work, the more it will impact your career development and career growth.
- **You voluntarily put in extra hours or extra work** - Most workers will only put in extra hours at their jobs for two reasons – The first is when they have been threatened with sanctions by a manager. The second reason is when they have a natural passion for work. For the second category of workers, you find them putting in extra hours because they are passionate about something about their job. It could be the job itself. Being passionate about your work does not make you see the extra hours you put in at work as a

burden of any kind, and this is because you naturally find your work enjoyable. Without passion for your work, every extra minute you spend at work is something you silently considered a prolongation of your misery. This does not mean you have to work extra hours all the time but whenever duty calls, you attend to it with a smile on your face. Not many things are as depressing as battling an obstacle at a job that you have no passion whatsoever for. The work place is bound to throw up challenges from time to time and the more passionate about your job, the easier it will be to face and overcome these challenges. Your passion for your work has the capacity to accelerate your abilities and the mindset you need to accept and win over all obstacles with creative solutions.

- **Putting in extra effort** - The reverse is the case when you are passionate about your job and what you do. You take up those extra responsibilities with a pinch of salt. Your co-workers





will see you as a reliable pillar they can always lean on when they need that extra shot of motivation or inspiration.

- **Your positive energy becomes infectious** - The mood at work is not completely reliant on having a beautiful office or having coloured walls and plants. The mood in the workplace can be transformed by the level of passion shown by you and other employees who work in it.
- **You feel less stressed** - Passion takes a chunk of what would have otherwise constituted stress in the course of doing your job. When you do a job that you like, your mind and body leave you with a feeling of being pleased and happy. The day does not end with a feeling of finally getting out of prison like some experience. Rather, you feel happy and this makes you feel less stressed.

In conclusion, passion for work is rewarding for your career. If you are currently not passionate about what you do, this might be a good time to reflect on what changes you need to make. If you look within your organisation, identifying people who have a burning passion for what they do for the organisation is usually not difficult. This also helps management recognise those who can hold leadership positions and grow within the organisation's ranks, with the right training.

**Be Passionate!!!**

“

**The work place is bound to throw up challenges from time to time and the more passionate about your job, the easier it will be to face and overcome these challenges. Your passion for your work has the capacity to accelerate your abilities and the mindset you need to accept and win over all obstacles with creative solutions.**

”



Article by:

**Ifeyinwa Anderson**

Team Lead, Business Development  
Equipment Leasing Association  
of Nigeria Ltd/Gte

### 2022 LEASE TRAINING CALENDAR

**FEBRUARY**

17<sup>TH</sup> - 18<sup>TH</sup>

**MODERN MARKETING SOLUTIONS &  
NEGOTIATION SKILL IN LEASING BUSINESS**

**N59,500.00**

**MARCH**

24<sup>TH</sup> - 25<sup>TH</sup>

**LEASING PRICING AND  
STRUCTURING TECHNIQUES**

**N59,500.00**

**APRIL**

27<sup>TH</sup> - 29<sup>TH</sup>

**FLEET MANAGEMENT PROGRAMME**

**N89,500.00**

**MAY**

17<sup>TH</sup> - 20<sup>TH</sup>

**LEASING SCHOOL**

**N150,500.00**

**JUNE**

23<sup>RD</sup> - 24<sup>TH</sup>

**RISK MANAGEMENT IN LEASING**

**N59,500.00**

**JULY**

21<sup>ST</sup> - 22<sup>ND</sup>

**PROCUREMENT AND LOGISTICS MANAGEMENT**

**N59,500.00**

**AUGUST**

25<sup>TH</sup> - 26<sup>TH</sup>

**OPERATING LEASING**

**N59,500.00**

**SEPTEMBER**

20<sup>TH</sup> - 23<sup>RD</sup>

**MASTERING EQUIPMENT LEASING  
PRINCIPLES AND PRACTICE**

**N155,500.00**

**OCTOBER**

19<sup>TH</sup> - 21<sup>ST</sup>

**FACILITY MANAGEMENT PROGRAMME**

**N89,500.00**

**NOVEMBER**

17<sup>TH</sup>

**20TH NATIONAL LEASE CONFERENCE**

**N35,500.00**

**NOVEMBER**

24<sup>TH</sup> - 25<sup>TH</sup>

**LEASE ACCOUNTING AND TAXATION**

**N59,500.00**

**DECEMBER**

1<sup>ST</sup> - 2<sup>ND</sup>

**LEASE ADMINISTRATION:  
FROM ORIGINATION TO TERMINATION**

**N59,500.00**



Air Conditioner



Plasma TV



Photocopier Machine



Generator Set 20KVA



Water Dispenser



Furniture



KIA Picanto Car



Keke Napep



Washing Machine



Freezer



Washing Brick Machine



Toyota Corolla 1.8 Model

**IF YOU CAN USE IT, WE CAN LEASE IT**

Address: 62B Opebi Road, Ikeja, Lagos  
Tel: 081 503 757 42, 081 503 757 41, 080 773 909 51  
Email: [misslagos88@yahoo.com](mailto:misslagos88@yahoo.com)





**Our Business Model is To Provide Full Range Logistics Support Service, Procurement, Engineering, Security Support, Catering and Housekeeping, Marine & other Equipment leasing Delivered By Well Trained and Highly Motivated Personnel to Clients On Land, Swamp, Shallow and Deep Waters.**

### **HARD LEASING:**

- Car rental services
- Medium and heavy duty equipment leasing
- Air compressors and generators
- Lifting devices, Cranes, Forklifts, man lifts
- Fast patrol/Security vessels / Houseboats
- Crew boat and supply vessels/ Barges
- Workboats, workbarges
- Tug boat and swamp buggies
- Porta cabins for land and swamp locations

### **SOFT LEASING:**

- Catering services
- Housekeeping and laundry
- Facilities management
- Logistics support services
- Supply chain management
- Outsourcing services
- Secondment of professionals
- Back office management
- Manpower supply services

### **ENGINEERING:**

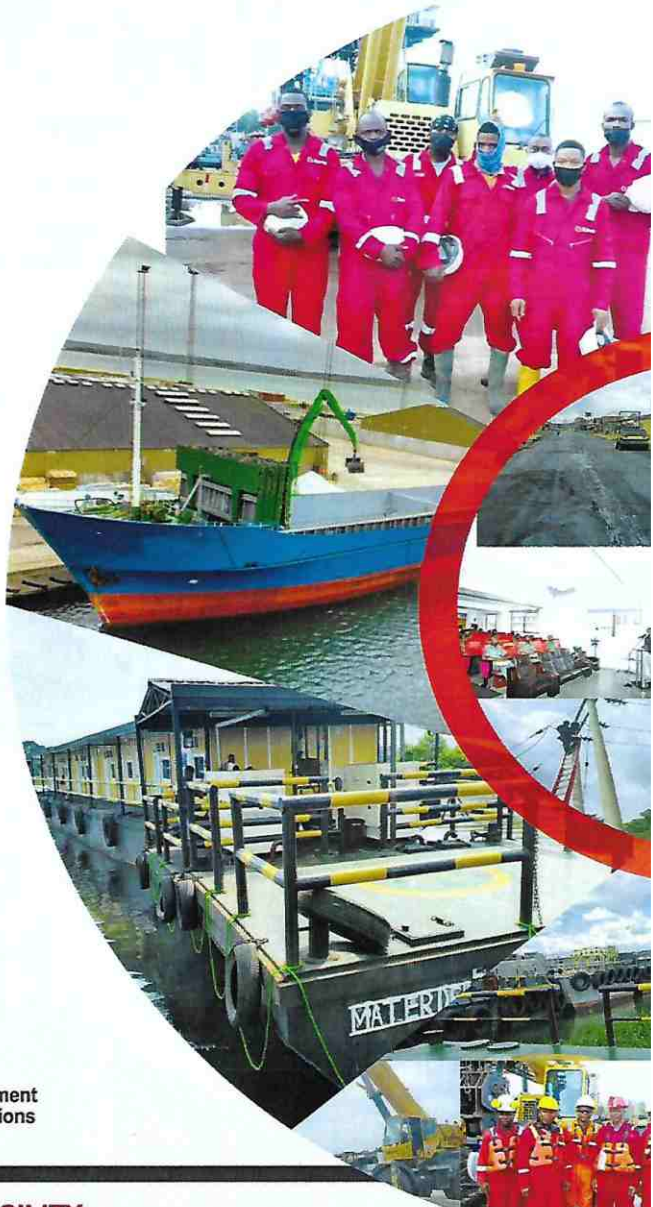
- Fabrication, laying and maintenance Of flow-line.
- Mechanical modification of platforms, wellhead and pipe networking
- Civil and electrical works
- Plumbing installation/ maintenance and materials services
- Solar energy product
- Road Construction Works
- Location Preparation for FLB's

### **SECURITY SERVICES:**

- Provision of security guards (armed and unarmed)
- Intelligence gathering
- Provision of escort services On land and water
- Provision of armoured vehicles
- Gunboat support in conjunction With the military
- Information and intelligence gathering

### **PROCUREMENT:**

- Various Valves, Tubing and Pipes etc.
- Procurement of Industrial and heavy duty equipment
- Offshore and onshore supplies of diesel to locations
- Safety, Laboratory equipment and Chemicals



### **HEAD OFFICE:**

No 6 Arochukwu Street, Rumuomasi,  
Port Harcourt, Rivers State.

Tel/fax: 08133502577

Email: [info@kevesgloballeasing.com](mailto:info@kevesgloballeasing.com)

Website: [www.kevesgloballeasing.com](http://www.kevesgloballeasing.com)

### **JETTY FACILITY:**

EL-TOTUMA JETTY  
Off ALCON Road, opp Creek View  
Hotel Woji town, Port Harcourt,  
Rivers State.  
Phone: +2348035458196

Email: [info@kevesgloballeasing.com](mailto:info@kevesgloballeasing.com)

Website: [www.kevesgloballeasing.com](http://www.kevesgloballeasing.com)

