

WELCOME ADDRESS BY EHIGIAMUSOE ELIZABETH NGOZI (MRS), CHAIRMAN, BOARD OF DIRECTORS, EQUIPMENT LEASING ASSOCIATION OF NIGERIA (ELAN) AT THE 21ST NATIONAL LEASE CONFERENCE HELD ON THURSDAY, 16TH NOVEMBER 2023 AT RADISSON BLU HOTEL, IKEJA LAGOS

The Chairman and Members of the Equipment Leasing Registration Authority

Distinguished Special Guests

Esteemed Guest Speakers and Panellists

Directors and Members of ELAN

Gentlemen of the Press

Ladies and Gentlemen,

It gives me great pleasure to extend to you all a very warm welcome, on behalf of the Equipment Leasing Association of Nigeria, to the 21st Annual National Lease Conference organised by ELAN. I am especially honoured to welcome our Special Guests, esteemed Guest Speakers/Panellists and other dignitaries. We express our most sincere gratitude to you for creating time to honour our invitation in spite of your very busy schedules.

The Annual National Lease Conference remains the biggest gathering of stakeholders in the Nigerian leasing industry, providing a major platform for engagement on pertinent issues affecting the development of the leasing industry and economy, exploring opportunities and promoting business networking.

The theme for this year's event "***PROPELLING ECONOMIC RECOVERY AND GROWTH: THE LEASING INITIATIVE***" is informed by the need to highlight the beauty of leasing as a creative financing alternative to enhance productive capacity, create wealth and sustain economic development, especially at this challenging time in the life of our country.

Nigeria is faced with a barrage of challenges from insecurity to a depressed economy. Essentially, the impacts of the removal of petroleum subsidy and the devaluation of the Naira are major headwinds choking Nigerians and bringing immense economic hardship to the citizenry. The Federal Government under the new Administration has been under pressure to ease the economic hardship and is responding through palliatives and several measures to cushion the effects.

Perhaps in recognition of these challenges, the Government recently made a pronouncement of its eight priority areas for moving the Nigerian economy forward and for delivering to Nigerians and those are basically food security; poverty eradication, economic growth, job creation; access to capital, especially consumer credit, inclusivity in all its dimensions, particularly as regards youths and women; rule of law and fighting corruption.

These are positive initiatives not different from pronouncements made over the years by successive Governments. The country is at a critical stage and it is important for the Government not to tread the path of the past, of non-implementation. Government must take urgent actions, and develop new and improved implementation models and solutions that would ensure the attainment of the agenda and actually improve the quality of lives of Nigerians.

No doubt, equipment leasing is very significant to achieving the Government's economic agenda with direct bearing on all the eight priority areas. As a financing alternative, Leasing is unique as it facilitates easy and convenient access to desired equipment needed for productive purposes, contributing to capital formation in the economy. Leasing reaches out and meets the diverse equipment needs of various categories of customers, be it large corporate organisations or small venture owners, providing them with affordable and quality services tailored to their needs. The overall essence of leasing is to enhance the planning, improvement and development of any economy by building and supporting productive ventures.

Globally, equipment leasing has been established over the years as the creative financing alternative, generating a new business volume of over \$1.5 trillion annually in new leases and accounting for 20% of total investment in equipment, contributing about 1.5% to GDP. The beauty of leasing lies in the fact that it delivers a multiplicity of benefits to those who choose to lease. It helps all types and sizes of businesses to conveniently acquire the much-needed equipment to conduct their business operations and make profit. Governments are also utilising leasing in their developmental initiatives. The leasing industry supports investments in key sectors of the economy in many developing countries including, Egypt, South Africa, Morocco, Algeria, Ghana and Zambia.

Since its 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. Outstanding leases in Nigeria in 2022 amounted to N3.18.trn as against N2.58trn in 2021 representing 23.2% growth. In the last decade, leasing contribution to capital formation in the economy is in excess of N16.3 trillion. Leasing is becoming more relevant in our prevailing economic situation, especially to Micro Small and Medium Scale Enterprises (MSMEs) given the high cost of assets.

We therefore call on the Federal Government and indeed the states to utilise leasing in their various developmental initiatives aimed at bringing succour to the people. The leasing industry is willing to collaborate with government at all levels and build a strong partnership with other stakeholders to achieve the set out economic initiatives.

While the future of leasing appears bright, the continued support of stakeholders is important for the industry to fully realise its potential. On its part, the Government enacted in 2015, the Equipment Leasing Act, a significant development aimed at bringing certainty, sanity and promoting investment in the leasing industry. The Act established the Equipment Leasing Registration Authority under the Ministry of Finance and Coordinating Ministry of the Economy, which is expected to give effect to the intent and purport of the Act. It gladdens our hearts in the leasing community, that the Registration Authority has been inaugurated and set for operation. We pledge our commitment as major stakeholders, to work with the ELRA as the regulator of the leasing industry, to ensure a favourable regulatory environment that would sustain the continued growth of the Leasing industry and enhance its contribution to national development.

We equally seek support in addressing the perennial issue of funding. Money is the raw material for leasing and it is important to have an appropriate funding mechanism to finance lease transactions. The prevalence of short-term funding sources, which are usually expensive, limits the capacity of lessors to finance leases. This issue has been aggravated by the devaluation of the Naira, which increases the cost of assets, and the waning appetite of banks to lend. We continue to engage financiers on this issue as we continue to appeal to the government to include leasing in the various intervention funds for the development of targeted sectors of the economy. Also, the leasing industry should be given access to pension funds, which is one of the major sources of funds for leasing globally because of its long-term nature.

Distinguished Ladies and Gentlemen, I am very optimistic that with the quality of this gathering, the various issues highlighted will be given the utmost consideration. At the end of the day, we expect to come out with key resolutions and follow-up links that would create value for the diverse representation at this conference.

Also, this conference presents you with a great opportunity to create new contacts and expand your business networking. Delegates represent diverse sectors including the leasing industry, government and the business community. We therefore urge you to engage and maximise your benefits.

Before ending this address, permit me to say a few words about ELAN, especially to our guests. The Association was established in 1983, and is today the chief promoter of leasing business in Nigeria, with strong advocacy, capacity building, lease education and awareness, research, advisory as well as business networking and other promotional functions. Over the years, with the support of stakeholders, we have continued to pursue activities in these areas to the benefit of the Nigerian leasing industry and economy. For instance, it is to the credit of the Association, that today leasing is gaining more visibility and given a distinctive recognition from other financing options with a specific Law and regulator. We express our gratitude to the Government for making this happen and congratulate our esteemed members for this great stride even as I equally extend an invitation to corporate organisations, professional firms and individuals present here to be part of this dynamic industry by joining the membership fold of ELAN.

As the leasing industry enters a new dawn obviously, we are not where we should be. I, therefore, call all stakeholders especially the government and development partners to continue to support us in our collective efforts to contribute our quota to national development. On our part as practitioners, we must remain resilient in carrying out our business even in the midst of the difficult operating environment.

Finally, on behalf of ELAN, welcome once again to the 21st National Lease Conference and I wish us a fruitful session.

Thank you.

Ehigiamusoe Elizabeth Ngozi (Mrs)
CHAIRMAN, BOARD OF DIRECTORS, ELAN