

The 10th NSE Annual National Essay Competition



WELCOME ADDRESS BY THE CHIEF EXECUTIVE OFFICER OF THE NIGERIAN STOCK EXCHANGE, MR. OSCAR N. ONYEMA AT THE AWARDS PRESENTATION OF THE 10TH NIGERIAN STOCK EXCHANGE NATIONAL ESSAY COMPETITION FOR SECONDARY SCHOOLS AND TERTIARY INSTITUTIONS IN NIGERIA ON MONDAY, NOVEMBER 14, 2011

Observe Protocols

It is my pleasure to welcome you to the awards presentation of the 2011 edition of The Nigerian Stock Exchange National Essay Competition for Secondary Schools and Tertiary Institutions in Nigeria. This edition is a milestone because it marks the 10th anniversary of the competition. This competition, which was instituted in 1999, had its first award ceremony in 2000. It was introduced to address the need to expand individual shareholder base through a sustained public enlightenment programme. In addition, the programme aims at encouraging well-rounded students in academics and development of a savings culture through medium and long-term investments at a tender age. The capital market remains one of the best means of investing for the medium to long term. It is worthy to mention that this landmark initiative is hinged on the cardinal objectives of:

- Exposing the youth to the operations of the stock market
- Developing culture of medium and long-term investment among the youth
- Exposing students to careers in securities market and related professions
- Filling gaps between the school curriculum and practical lessons on investing in securities market, among others

The maiden edition, which was limited to Lagos State as a pilot case, had over 1,200 entries from over 100 secondary schools and four tertiary institutions in the state. The second edition (2001) had a national outlook as over 4,000 students participated from secondary schools nationwide, while 300 students participated in the tertiary institutions category.

Today, the competition attracts entries from all the States of the Federation and the Federal Capital Territory (FCT), Abuja. This symbolizes its national acceptability. This year's edition attracted over 9,000 entries from secondary schools and tertiary institutions across the country.

In line with the philosophy of the competition, winners are given Ordinary Shares of quoted companies instead of cash. They are also recognized with certificates, plaques and trophies (for the institutions of star winners only). Winners are categorized into: Star Winners, National Winners and State Winners.

At The Nigerian Stock Exchange, we know that while investor education is important to improving participation in capital market activities, there are other initiatives that require our attention if we are to reposition the Nigerian capital market as the gateway to African markets. These include: efforts at restoring investor confidence through firm but fair regulations with zero tolerance on infractions; implementing market structure enhancements to improve liquidity in the market; revising our listing standards to drive listings of a diversified set of companies; articulating minimum operational and technical requirements for broker-dealers to operate in our market; introducing new complementary products to enable investors achieve portfolio targets in a risk managed manner; amongst others.

The need to deepen the market from both the demand and supply side cannot be overemphasized. The Exchange in driving the introduction of new products that will give investors exposure to an array of asset classes.

That is why we have promised that our market will have five products in five years. In addition to Equities and Bonds, we will introduce Exchange Traded Funds (ETFs), Options and Financial Futures. As a matter of fact, the first ETF in our market will be launched before the end of this month.

5 Products in 5 Years” (Equities, Bonds, ETFs, Options, Financial Futures)

Despite these efforts, for the Nigerian Stock Exchange to have the desired depth and liquidity, as well as to become more attractive to local and foreign investors, companies in major sectors of the economy such as Agriculture, Telecommunication, Power, and Oil and Gas should be listed on The Exchange. Agriculture accounts for 42 percent of the nation’s Gross Domestic Product (GDP), but has 0.3 percent of our market capitalization. Telecoms Sector has 4.5 percent of GDP with 0.7 percent market capitalization. Power companies are still government owned and we anticipate that they will be listed once they are privatized. Oil and Gas has 15.9 percent of the nation’s GDP with only 5 percent market capitalization representing downstream oil and gas. This trend needs to change if the market is to perform its role as a barometer of the economy. We believe that with our revised listing standards and new value added services, companies in these and other sectors will find the Nigerian Stock Exchange an attractive listing destination.

I thank our sponsors for been such gracious partners. I wish to congratulate all those who took part in this year’s competition, because your understanding about stock market investment has been enriched. To this end, The Nigerian Stock Exchange sees you all as winners. I say well done to all of you, and encourage you to sustain your interest in the Nigerian Capital market.

Thank you.