

# INSIGHT

## Africa faces worst economic shock since 1970s, says IMF chief

**A**frica will need more financial help to avoid “long-lasting, terrible consequences” from the coronavirus pandemic, Kristalina Georgieva, managing director of the IMF, said as the fund predicted a region-wide contraction of 3.2 per cent this year, far worse than it had forecast just 10 weeks ago.

“This is the heaviest hit on Africa at least since the 1970s,” Ms Georgieva said in an interview. Without tens of billions of dollars in additional support, she warned, “there can be very significant scarring that will have long-lasting, terrible consequences”.

Africa had been a “continent on the move”, she said, referring to several of the region’s economies — such as Ghana, Ethiopia, Ivory Coast, Rwanda and Senegal — that had been among the world’s fastest-growing in recent years.

“This momentum is now dramatically interrupted.” Given the rising population in sub-Saharan Africa, the region would be hit harder still in per capita terms, she said, with an expected 5.4 per cent fall in incomes that could push millions back into extreme poverty.

Oil-dependent and tourism-dependent economies in sub-Saharan Africa would shrink by 4.9 per cent and 9.7 per cent respectively, she said.

“When we look at the devastation this crisis is causing everywhere, we have to recognise that it is particularly hard on Africa,” Ms Georgieva said.

Many African governments have been credited with acting swiftly to stem the spread of the virus, which has so far infected a relatively low 400,000 people and killed 6,500 people.

But the economic impact has been severe because of falling commodity prices, suppressed remittance flows and a collapse in tourism and investment. The IMF also remains concerned that the virus could “spread aggressively”.

Ms Georgieva said the IMF was already in the process of increasing annual average disbursements to Africa 16-fold to \$16bn. “We have no intention to stop there,” she said.

This year alone, the international community still had to find an additional



Kristalina Georgieva

\$44bn for Africa, either through debt write-offs, grants or concessionary funding, she said.

Ken Ofori-Atta, Ghana’s finance minister, is one of many African officials to complain that while richer countries have taken massive and unorthodox measures to stave off economic collapse, African countries are expected by creditors to stick by the rules.

“You really feel like shouting: ‘I can’t breathe,’” he said. Without naming the US, Ms Georgieva called on countries to reconsider their opposition to a new issuance of \$1tn in Special Drawing Rights that would provide a liquidity boost to countries facing a sudden depletion of foreign reserves.

Steven Mnuchin, US treasury secretary, has voiced Washington’s opposition to an SDR issuance,

akin to “printing” money, on the grounds that some funds would go to the likes of China and Iran and not enough to poor countries with low IMF quotas.

“We have not been able to gather sufficient support for a new SDR issuance at this point,” Ms Georgieva conceded.

“I would not say this is off the table, but we need 85 per cent voting and we don’t have it at this moment,” she said, adding that those countries with strong economic fundamentals had been able to issue bonds to bridge the liquidity gap.

“For weak economies, for poor countries, it continues to be a very pressing issue.” In the meantime, she said, the IMF was negotiating to reallocate some of the roughly \$260bn of existing unused SDRs from rich countries to poor ones, a proposal she described as “progressing”.

However, African Union envoys appointed to press the continent’s case say this will not be enough because African countries are eligible for only 6.8 per cent of these funds. Ms Georgieva also called on private sector lenders to African countries, such as banks and pension funds, to join in a debt moratorium.

“We are asking everybody to look in the mirror,” she said, adding that rating agencies should not penalise countries that agreed debt standstills with creditors.

“We are not talking about a debt reduction and it is voluntary,” she said, referring to a possible private sector debt standstill. “We are in this together. If there is anyone that hasn’t quite gotten it, please wake up.”

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**Mutual Benefits Assurance Plc.**  
RC 269837

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 24th Annual General Meeting of **Mutual Benefits Assurance Plc.** will be held at **Radisson Blu Hotel, Ikeja, Lagos** on **Wednesday 29th July 2020** at **11.00am** to transact the following business:

#### ORDINARY BUSINESS

- To lay before the Members, the Audited Financial Statements of the Company for the year ended 31st December 2019 together with the Reports of Directors, Auditors and Audit Committee thereon.
- To approve the appointment of Mr Olufemi Asenuga as an Executive Director.
- To re-elect the following Directors retiring by rotation:
  - Dr Akin Ogunbiyi
  - Mr Soye Olatunji
  - Dr Eze Ebube
- To authorize the Directors to fix the remuneration of the Auditors.
- To elect members of the Audit Committee.

#### NOTES

##### 1. Compliance with COVID-19 Related Directives and Guidelines

In view of the ravaging COVID-19 pandemic, the curtailment measures and the guidelines put in place by the Federal Government, Lagos State Government, Health Authorities and Regulatory Agencies, particularly, the Lagos State Government prohibition of gathering of more than 20 people, and the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

##### 2. Proxy

A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. To be valid, a proxy form must be completed and duly stamped by the Commissioner of Stamp Duties and returned to the Registrar, Meristem Registrars & Probate Services Limited, 213, Herbert Macaulay Way, Adekunle, Yaba Lagos, not less than 48 hours before the time of the meeting.

##### 3. Attendance by Proxy

In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

- Dr. Akin Ogunbiyi
- Mr. Olufemi Asenuga
- Mr. Biyi Ashiru-Mobolaji

##### 4. Stamping of Proxy

The Company has made arrangements, at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company’s Registrars within the stipulated time.

##### 5. Broadcast of the AGM

The AGM will be recorded and broadcast online. This will enable shareholders and other stakeholders who will not be attending physically to view the proceedings. The link for the AGM broadcast will be made available on the Company’s website at [www.mutualng.com](http://www.mutualng.com)

##### 7. Closure of Register of Members

The Register of Members will be closed from Monday, 13th July, 2020 to Friday, 17th July, 2020, to enable the Registrar prepare for the Annual General Meeting.

##### 8. Biographical details of Directors for Election/Re-election

Biographical details of Directors seeking election/re-election are provided in the Annual Report.

##### 9. Questions from Shareholders

Shareholders and other holders of the Company’s securities reserve the right to ask questions not only at the meeting, but also in writing prior to and after the meeting on any item contained in the Annual Report and Accounts. Please send all questions to [investorrelations@mutualng.com](mailto:investorrelations@mutualng.com)

##### 10. Audit Committee

In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004, any shareholder may nominate another shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

##### 11. E-Dividend

Pursuant to the directive of the Securities and Exchange Commission, notice is hereby given to shareholders to provide account for the purpose of e-dividend/bonus. A form is included in this Annual Report & Accounts for completion by all shareholders to furnish the particulars of their accounts to the Registrars (Meristem Registrars & Probate Services Limited, 213, Herbert Macaulay Way, Adekunle, Yaba Lagos).

##### 12. Website

A copy of this Notice and other information relating to the Annual General meeting can be found on our website [www.mutualng.com](http://www.mutualng.com)

By Order of the Board

**JIDE IBITAYO**  
Company Secretary  
FRC/2013/NBA/000003123  
Dated the 22ND Day of June, 2020

*...creating and protecting wealth*