

OPENING REMARKS BY THE PRESIDENT/CHAIRMAN OF COUNCIL, THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA, OTUNBA (MRS) 'DEBOLA OSIBOGUN, FCIB, ON THE OCCASION OF THE BUSINESS BREAKFAST SESSION ON ECONOMIC OUTLOOK 2016: IMPLICATIONS FOR BUSINESSES IN NIGERIA, ORGANISED BY THE CIBN, CENTRE FOR FINANCIAL STUDIES AND BIODUN ADEDIPE ASSOCIATES LIMITED ON JANUARY 28, 2016 AT ORIENTAL HOTEL, LEKKI, LAGOS.

Protocols

It is my pleasure to welcome you to the 2016 Business Breakfast Session organised by the CIBN Centre for Financial Studies (CIBNCFS) and Biodun Adedipe Associates Limited (BAA). The principal focus of this initiative in its 2nd year-run is to have a strategic x-ray of the Nigerian Economic Outlook for 2016 and its implications for businesses in Nigeria.

Let me specially thank Dr Joseph Nnanna, the Deputy Governor, Financial System Stability, Central Bank of Nigeria (CBN) who is here to deliver the Keynote Address. In addition to the enduring relationship that has existed between the CBN and the CIBN in supporting each other's initiatives over the years, Dr Nnanna's personal support to the Institute has been significant.

Over the last one year, apprehensions across all sectors concerning the future of the Nigerian economy have become very pervasive. This is worsened by the nose-diving global price of crude oil, our main source of revenue, the weakening of the

Naira at the exchange-rate market, and the rising youth unemployment. However, in periods of economic hardship, the role of the banking and finance sector is central to the survival of other sectors. Hence, the performance of the economy depends largely on how the financial sector is managed during such crises

As concerns on the state of the economy grow, the attention of various economic units is focusing on various quick-wins that can be deployed to resuscitate the economy. While expectations are turning to the banking industry, other productive sectors are also expected to chart feasible paths that will complement the policy thrusts of the banking and finance sector.

The most pressing national challenge is the N2.2trillion budget deficit recently presented by President Muhammadu Buhari, GCFR. The major worry this generates is where the shortfall will be raised from in the face of unabated fall in global oil prices which currently has fallen below \$30 per barrel. The implication of this is that the expected national revenue from oil will fall thereby increasing the projected deficit way beyond the projected N2.2trillion.

It is pertinent therefore, that alternatives to generate revenue must be devised to save the economy from crumbling and government should, as a matter of urgency, come up with detailed developmental programmes that can drive productivity especially

in the non-oil sectors. Also, while presenting a budget deficit is not peculiar to Nigeria, the distinctiveness lies in the poor implementation experienced over the years. This should, henceforth, be religiously addressed by government to ensure the full implementation of the budget.

Government should provide the enabling environment for critical sectors of the economy to channel investments for real development. Trillions of Naira have been stored away as a result of the implementation of the Treasury Single Account (TSA). Government should create a platform where these monies are ploughed back into critical sectors under a supervised regime to generate growth. Any attempt to make banks fund government expenses as a social responsibility measure should be discouraged forthwith.

We encourage government to consider the option of financing the deficits through the capital market as the stock exchange exists to provide a platform for financing the economy from equity and fixed income perspective and other asset class perspective.

The time is here for us as a nation to look beyond the present and make a strategic plan with actionable points to stimulate growth in all areas. The effort of the government should be increased in the area of mobilizing revenue by drawing more informal sector companies into the government tax net.

In conclusion, Ladies and gentlemen, let me assure you that the resource persons here today are men and women of repute. I implore you all to give us your undivided attention by fully engaging in today's discourse as the points raised here would be forwarded to relevant agencies for implementation.

God bless Nigeria

God bless you all!

**Otunba (Mrs) 'Debola Osibogun, FCIB
President/Chairman of Council
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