



The Nigerian

First Published: May 1980

# Banker

Journal of The Chartered Institute of Bankers of Nigeria, January - March, 2020. ISSN 0197-6679 N500.00



## Remembering a Banking Legend

### Other Features

- Entrepreneurship for Inclusive Growth: Opportunities and Sustainability Strategies
- 54<sup>th</sup> Annual Bankers' Dinner
- 6th National Economic Outlook: Implications for Businesses in Nigeria in 2020
- Cases and Notes on Law of Banking: A Book Review

# THE BANKERS CREED

## Hugh McCulloch's Advice to Bankers of 1863

(Hugh McCulloch (1808 – 1895) was an American Banker who helped launch the American National Banking System and was Secretary of the Treasury during the civil war and reconstruction)

Let no loans be made that are not secured beyond a reasonable contingency. Do nothing to foster and encourage speculation. Make your loans on as short term as the business of your customers will permit, and insist upon the payment of all paper at maturity, no matter whether you need the money or not. Give credit facilities only to legitimate and prudent transactions. Never renew a note merely because you may not know where to place the money with equal advantage if the note is paid.

Distribute your loans rather than concentrate them in a few hands. Large loans to a single individual or firm, although sometimes proper and necessary, are generally injudicious, and frequently unsafe. Large borrowers are apt to control the bank; and when this is the relation between a bank and its customers, it is not difficult to decide which in the end will suffer. Every dollar that a bank loans above its capital and surplus it owes for, and its managers are therefore under the strongest obligations to its creditors, as well as to its stockholders, to keep its loans under its control.

Treat your customers liberally, bearing in mind the fact that bank prospers as its customers prosper, but never permit them to dictate your policy.

If you have reasons to distrust the integrity of a customer, close his account. Never deal with a rascal under the impression that you can prevent him from cheating you. The risk in such cases is greater than the profits.

Pay your officers such salaries as will enable them to live comfortably and respectably without stealing; and require of them their entire services. If an officer lives beyond his income, dismiss him; even if his excess of expenditures can be explained consistently with his integrity, still dismiss him. Extravagance, if not a crime, very naturally leads to crime. A man cannot be a safe officer of a bank who spends more than he earns.

The capital of a bank should be a reality, not fiction; and it should be owned by those who have money to lend, and not by borrowers.

Pursue a straightforward, upright, legitimate banking business. Never be tempted by the prospect of large returns to do anything but what may be properly done under the National Currency Act. "Splendid financiering" is not legitimate banking, and "splendid financiers" in banking are generally either humbugs or rascals.



**THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA**

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1. The Nigerian Banker Journal welcomes original scholarly research articles from practising professionals, academics, financial consultants/analysts, book reviewers, researchers and policy review analysts, etc in the area of banking and related subjects.

Research Department, ABC International Plc.
2. Submission of an article for publication in The Nigerian Banker Journal presupposes that the article has never been published, nor is it being submitted for publication elsewhere.
3. Articles should be typed double spaced on A4 size paper and should not exceed 15 pages, bibliography and footnotes inclusive. Long articles should be divided into logical parts so that they can be published in parts, if found publishable.
4. Articles previously presented at Seminars/Workshops/Conferences/Lectures etc may be adopted for publication in The Nigerian Banker Journal provided it is acknowledged at the bottom of the cover page of the article, e.g. "The original version of this article was presented at a seminar on ..... organised by ..... on .....".
5. The cover page should contain the following information:
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9. Check tables and figures (rows, columns and totals) properly. Explanatory paragraphs should be as near as possible to the relevant tables and figures, which should be appropriately numbered.
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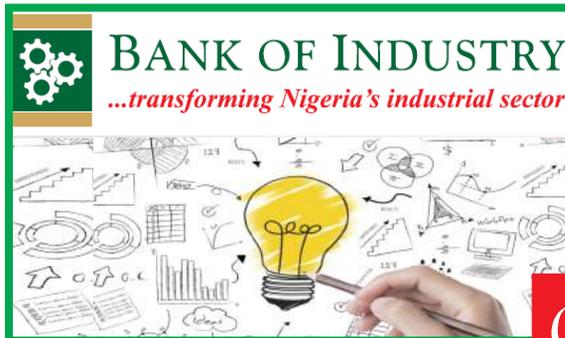
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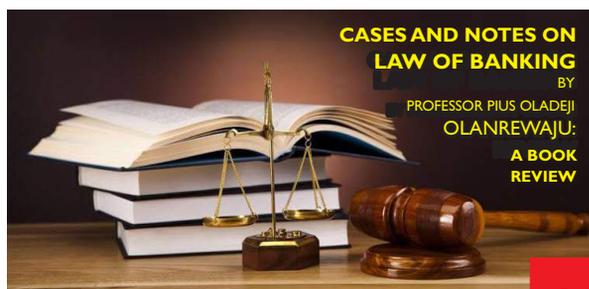
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The Nigerian Banker  
(ISSN:0189-6679)

Published by  
The Chartered Institute of Bankers of Nigeria

Letters to the Editor should be sent to:  
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Shegun Shokunbi  
Graphic Design

Printed by  
The CIBN Press Ltd



Printed by  
The CIBN Press Limited  
7, Turton Street, Sabo-Yaba, Lagos.  
E-Mail: cibnpress@yahoo.com

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## From The Editor's Desk

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**D**istinguished reader, we warmly welcome you to the year 2020 and a special edition of the Nigerian Banker publication.

This edition is particularly special as it is the first edition for the year and indeed a new decade. It is our strong belief that this new era marks the beginning of greater innovations and achievements for our Institute and banking industry at large. We look forward to the journey ahead and the great opportunities to come.

This edition of the Nigerian Banker is also special as it has been dedicated to the late Alhaji Oladimeji Gbadamosi (A.O.G) Otit. Pa A. O. G Otit was a revolutionary who made invaluable contributions to the banking industry. In our own small way, we use this medium to honor his legacy and keep his memory alive. We hope that this publication and the featured articles in particular would serve as an inspiration for professionals as well as the younger generation of bankers.

As is our usual practice, the Nigerian Banker provides content to enlighten our readers. This edition is no different as we feature content from trail blazers in the banking and allied industries on topical issues of interest. Featured in this edition is the keynote address delivered by Mr. Olukayode Pitan, Managing Director/CEO, Bank of Industry during the Entrepreneurship Development Programme held on December 4, 2019 at the Bankers House. The address had as its theme **Entrepreneurship for Inclusive Growth: Opportunities and Sustainability Strategies**. We have no doubt that this thought piece would serve as a valuable source of information.

This edition also features the Institute's statutory events such as the 6<sup>th</sup> National Economic Outlook programme as well as the glitz and glamour of the 2019 Annual Bankers Dinner. Regarding the former event, a presentation delivered by Dr Abiodun Adedipe, Chief Consultant, B. Adedipe Associates is featured; as for the latter event, the often highly anticipated address of Mr Godwin Emefiele, Governor, Central Bank of Nigeria is also featured.

Finally, as you may be aware, Professor Pius Olanrewaju, the distinguished National Treasurer of our revered Institute, released a book titled "**Cases and Notes on Law of Banking**" in November, 2019. Featured in this edition of the Nigerian Banker is a comprehensive review of the book made by Professor Olusesan Oliyide, Department of Business and Industrial Law, Olabisi Onabanjo University, Ago Iwoye, Ogun State. This would surely make an interesting read.

Once again, our distinguished reader, we wish you a happy new year and a prosperous decade ahead.

**Mr. 'Seye Awojobi**

Chairman, Editorial Board,  
Nigerian Banker

DECEMBER 2019 – MARCH 2020 CIBN STAKEHOLDER ENGAGEMENTS



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Dr. Uche Olowu, FCIB, President/Chairman of Council, The Chartered Institute of Bankers of Nigeria presenting the Institute's crest to President Muhammadu Buhari, GCFR, President/Commander of Chief of Armed Forces, Federal Republic of Nigeria during the CIBN Stakeholders engagement with the Presidency at State House, Abuja on December 6, 2019

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L-R: Mr. Ralph Osayameh, FCIB, Vice Chairman, Body of Past Presidents, CIBN; Otunba (Mrs) Debola Osibogun, FCIB, Former President, CIBN; Prof. Deji Olanrewaju, FCIB, National Treasurer, CIBN; Mrs. Habibab Balogun, Director, Accion MFB; Mr. Bayo Olugbemi, FCIB, 1st Vice President, CIBN; Mrs. Mojisola Bakare, ACIB, HCIB, General Manager, Sterling Bank Plc; Dr. Uche Olowu, President/Chairman of Council, CIBN; Mr. Sam Egube, Commissioner for Economic Planning & Budget, Lagos State; HE. Mr. Babajide Sanwo-Olu, Governor, Lagos State; Mr. Rabiu Olowo, Hon. Commissioner for Finance, Lagos State; Dr. Obafemi Hamzat, Deputy Governor, Lagos State; Mr. Oladele Ajayi, Special Adviser on Commerce and Industry, Lagos State; Dr. Ken Opara, FCIB, 2nd Vice President, CIBN; Mr. Seye Awojobi, FCIB, Registrar/Chief Executive, CIBN; Mr. Patrick Akinwuntan, FCIB, MD/CEO, Ecobank Nigeria Ltd and Mr. Tokunbo Abiru, FCIB, MD/CEO, Polaris Bank Ltd during the CIBN Stakeholders engagement with the Lagos State Government at his office on Tuesday, December 2, 2019.

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L-R: Mr. Seye Awojobi, FCIB, Registrar/Chief Executive, The Chartered Institute of Bankers of Nigeria; Prof. Deji Olanrewaju, FCIB, National Treasurer, CIBN; Mr. Bayo Olugbemi, FCIB, 1<sup>st</sup> Vice President, CIBN; Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN and President Muhammadu Buhari, GCFR, President/Commander of Chief of Armed Forces, Federal Republic of Nigeria; Alhaji Abba Kyari, OON, Chief of Staff; Mr. Godwin Emeziele, CON, FCIB, Governor, Central Bank of Nigeria; Mr. Ben Akabueze, FCIB, Director General, Budget Office and Otunba Femi Pedro, FCIB, former Deputy Governor, Lagos State during the CIBN Stakeholders Engagement with the Presidency at State House, Abuja on December 6, 2019

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A cross section of participants during the 7th Day Fidu Prayer & Reception for Pa A.G. Oti.

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Group Photograph during the Special Governing Council Valedictory Session organized by the Institute in honour of late Alhaji (Chief) A.O.G Oti, OON, FCIB (founding father) held on Friday, January 10, 2020 at the Council Chambers, Banker House, Victoria Island, Lagos.

## 2019 STAKEHOLDER'S ENGAGEMENT



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Group Photograph during the Inauguration of the Consultative Committee of the 13th Annual Banking and Finance Conference held on February 10, 2020 at Council Chambers, Bankers House, Victoria Island, Lagos.

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Group Photograph during the 3rd Annual Workshop For Examiners, with Theme: "Master Class On Constructing Case Study/Scenario Questions With Acceptable Difficulty Level" Held at Conference Hotel, Ijebu Ode, Ogun State on Friday, February 7, 2020

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Group Photograph during the Nigerian Microfinance Platform (NMP) European Exposure Visit to The European Central Bank, Headquarters, Frankfurt, Germany, on February 25, 2020

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Cross- Section of participants at The Nigerian Microfinance Platform (NMP) European Exposure Visit At The European Central Bank, Headquarters, Frankfurt, Germany, On February 25, 2020



# BANK OF INDUSTRY

*...transforming Nigeria's industrial sector*

Keynote Address by

**Mr Olukayode Pitan**

Managing Director/CEO, Bank of Industry  
during the 2019 Entrepreneurship Development Programme.

Theme:

## Entrepreneurship for Inclusive Growth: Opportunities and Sustainability Strategies



**Dear Colleagues, Fellow Banking Professionals,  
Distinguished Ladies and Gentlemen,**

It is my distinct pleasure and privilege to be here today at this programme to give a keynote address on the theme “**Entrepreneurship for Inclusive Growth: Opportunities and Sustainability Strategies**”. I am particularly quite pleased about the additional emphasis on 'inclusive' as this represents a departure from the common discourse on entrepreneurship driving economic growth that may or may not be inclusive. With the emergence of the United Nation's sustainable development goals, it is my humble opinion that any focus on entrepreneurship should factor in inclusive growth.

Thus, the theme of this keynote address provides a good starting point in directing how the discourse about Entrepreneurship and Growth should be in Nigeria and by extension sub-saharan Africa going forward. ,

I want to start by focusing on the term “Inclusive growth”. Inclusive growth refers to economic growth that is distributed fairly across society and creates opportunities for all. This means equality of opportunity in terms of access to markets, resources and an unbiased regulatory environment for businesses and individuals. In a nutshell, it is not just about the quantity of growth within our economies, but also about its quality. To describe it simply,

inclusive growth focuses not just on an increasing gross domestic product (GDP) but also reducing poverty rate, increasing literacy level, and increasing economic opportunities for people.

The need for a discourse on inclusive growth is clear, widening inequality has been shown to lead to a range of social and economic challenges. These include both social and political instability, not to mention the sheer waste of potential when large proportions of a population do not have the opportunity to improve their social situation.

If we look at the Nigerian economy, indeed we have seen steady macroeconomic growth since the recession some few years back, averaging 2% annually. However, in a 2018 report by the World Poverty Clock, Nigeria was identified as being the poverty capital of the world with an estimated 86.9 million Nigerians now living in extreme poverty. That is nearly 50% of an estimated 180 million population. We have also seen rising national unemployment levels in the last 3 years, going from 18.8% in 2017 to 23.1% at the last count. In effect, we still have a majority of our citizens living below the poverty line in spite of the great potential and our steadily growing GDP. It would not be wrong to say that Nigeria is yet to achieve inclusive growth. This is also evidenced by the World Economic Forum 2018 Inclusive Development Index report where Nigeria is ranked 63rd out of 103 economies.

While there have been notable attempts by international agencies and other institutions to combat the growing malaise of increasing income inequality and rising unemployment in Nigeria, it is my belief that the attainment of growth that is sustainable and inclusive can only occur when the largely disadvantaged groups are able to participate actively in the economy. A key way of ensuring this is through entrepreneurship across the various groups that are currently economically excluded.

Entrepreneurship is described as the lifeblood of any economy, and a catalyst for inclusive growth and development. Entrepreneurship, as you all know, is the process by which an individual recognizes an opportunity to bring a new good or service into the

market. Prospective entrepreneurs enable the process of entrepreneurship by creating enterprises (whether micro, small, medium or large) that allow them to exploit the opportunities they recognise. MSMEs are key players in national economies around the world. In Nigeria today, MSMEs contribute an estimated 60% to national GDP and 75% to employment. They can also play a major role in delivering growth that is more inclusive and whose benefits are shared more broadly. MSMEs create jobs across different geographical areas and sectors, employing broad segments of the labour force.

Entrepreneurship presents a veritable pathway to economic and social participation, including upward mobility. Providing an opportunity for economically disadvantaged groups such as youth, women, senior citizens, migrants, ethnic minorities and the disabled to participate effectively in national growth through entrepreneurship is also key to achieving social and economic inclusiveness.

In Nigeria today, some of the challenges faced by entrepreneurs include difficulty in accessing affordable finance, poor business management skills, infrastructural challenges, amongst others. To address these challenges, some strategies that have worked in other climes include significantly boosting investment in education, especially vocational education; creating an ecosystem that nurtures entrepreneurs; improving the ease with which entrepreneurs are able to access credit; and creating a beneficial tax system and other incentives.

As part of the strategies to promote entrepreneurship for inclusive growth, the Bank of Industry, as the foremost development finance institution in Nigeria has a mandate to provide affordable finance to support entrepreneurship. In addition to supporting enterprises (across the spectrum of micro to large), the bank has in recent years included the support to previously financially excluded segments (e.g. young people, women). Interventions such as funding and the provision of training programmes have been introduced to encourage self-employment and skill acquisition

across various service sectors of the economy such as fashion, technology and agriculture value chain amongst others.

Firstly, we have the Graduate Entrepreneurship Fund (GEF) aimed at encouraging graduates of tertiary institutions to venture into business and become employers of labour rather than job seekers. This is a ₦2.0 billion empowerment programme for serving members of the National Youth Service Corps (NYSC). Applicants also attend a capacity building programme to enable them develop bankable business plans, following which they are able to access loans between ₦500,000 and ₦2 million, at zero interest rate, with tenors ranging from 3-5 years, inclusive of 6 – 12 months moratorium period.

We also have the Youth Entrepreneurship Support Programme (YES-P), which is targeted at young aspiring entrepreneurs aged between the ages of 21 and 35. YES-P offers a practical learning platform to train youths in Entrepreneurship, Business Management and Technical Skills that will ultimately translate into improved efficiency and productivity. The program includes an 8-week extensive online training, 5-day in-class training followed by a technical skills training which we conduct in partnership with the various technical training and vocational institutes in the country, such as Federal Institute of Industrial Research, Oshodi (FIIRO), Project Development Institute (PRODA) and International Institute of Tropical Agriculture (IITA) amongst others.

In total, GEF and YES-P programmes has led to the training of 14,779 youths and the disbursement of ₦1.97bn in loans to 787 youth entrepreneurs.

Then we have the N-Power programme, which is a part of the Federal Government's Social Investment Programme aimed at helping young Nigerians acquire and develop life-long skills to become solution providers in their communities. The N-Power Volunteers participate in relevant sectors of the Nigerian society including Agriculture, Health and Teaching. As at September 2019, BOI in partnership with the Federal Government had facilitated the creation of 199,989 jobs, through the

disbursement of ₦15.3 billion.

In addition to these products, and in line with our corporate social responsibility objective, BOI has sponsored numerous creative arts exhibitions such as Fashion Souk, Lagos Shoe Hub Event, Lagos Leather Fair, etc. The bank has also funded a number of projects to support youth entrepreneurship, especially in the Technology and digital start-up space. One of such projects is the Vatebra Tech Hub in Ajah Lagos which was commissioned a few weeks ago. This facility provides co-working spaces for entrepreneurs, private offices for young start-ups, high speed internet access, and power infrastructure. The Hub creates an enabling environment for young talented Nigerians to put their creative skills and energy to create businesses and new solutions. Other services within the hub include capacity building in robotics programming and software development, incubation services and accelerator program. The hub commenced operations in April 2019. Working with relevant agencies and institutions, this initiative is currently being replicated at the University of Lagos and University of Africa Toru-Orua, Bayelsa. Our ultimate plan is to launch these hubs in all states of the federation.

BOI is also currently engaging select industry partners to develop a tech start-up value chain program. This program will cover large scale digital skills capacity building & mentorship, incubation/accelerator and market development programme, including tech funding platform.

In terms of women entrepreneurship and empowerment, the bank is taking deliberate steps to address issues around gender equality in entrepreneurship. The truth is the Nigerian female entrepreneur is more exposed to and adversely affected by the inherent challenges in the Nigerian business environment; making it more difficult for her to succeed compared to her male peer. Hence, BOI is playing its small part to help balance the scale.

For example, in 2015, BOI established a gender business desk to cater specifically for female entrepreneurs. In the last 18 months alone, the bank

has disbursed loans in excess of ₦26 billion to over 400 women-led enterprises with the potential to grow and create jobs that will contribute to economic development. In addition to financial support, the gender desk also provides much needed business advisory and capacity building services, leveraging our strategic partnerships with over 300 Business Development Service Providers (BDSP) nationwide.

Another way in which the bank promotes female gender equality is through our strategic partnerships. BOI constantly seeks out and partners with advocates of women entrepreneurship and organisations that push related policy development in Nigeria. We actively participate and sponsor seminars, investment summits and capacity building programmes centred on gender equality. Some of our partners include Women in Management, Business and Public Service (WIMBIZ), African Women's Entrepreneurship Programme (AWEP), WISH Africa, Handmaidens Women in Leadership Series (HWILS), and a host of others. In terms of poverty eradication, BOI has a number of initiatives targeted at providing self-employment for those in the lowest income earning demography of the society.

In 2016, the bank set up the Micro Enterprise Directorate with a mandate to provide affordable financing solutions to Nigeria's un-served and under-served entrepreneurs. This initiative is in line with the Federal Government's Economic Agenda to impact the financially-excluded or "hidden" economy. As a result the bank has facilitated disbursement of ₦37.1 billion through the Government Enterprise & Empowerment Programme (GEEP), creating 2,312,980 jobs for market women, traders, artisans and farmers.

We also have the Bottom of the Pyramid (BOP) Scheme, which is an on-lending Scheme with Microfinance Banks as strategic partners. Through our partnerships with 54 financial institutions, ₦7.7bn has been disbursed to 7,598 micro-entrepreneurs and an estimated 37,990 jobs have been created.

Lastly, BOI recently launched the North East Rehabilitation Fund and the Agriculture value chain financing programme to provide financial support to microenterprises across various sectors in the country.

I want to close by emphasising that at BOI we believe that there can be no inclusive growth or sustainable development in Nigeria, if we do not deliberately and pro-actively ensure that existing challenges that hold back a majority of our population from reaching their full potential are addressed. Thus, social and economic progress cannot be achieved without economically empowering the population, especially women and youth. Given that a majority of us present here are from the banking sector, and therefore hold a majority of the investment decision-making powers of this nation, I want to use this forum to humbly ask that we all do our respective parts towards support entrepreneurship in a sustainable manner.

Once again, I wish to thank you all for having me, and for the opportunity to present the keynote address today.

Thank you all for your kind attention.



L-R: Mr. Seye Awojobi, FCIB, Registrar/CEO, CIBN; Dr. Ken Opara, FCIB, 2<sup>nd</sup> Vice President, CIBN; Chief Joseph Sanusi, CON, FCIB, former Governor, CBN; Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN; Otunba Femi Pedro, FCIB; Former Deputy Governor, Lagos state and Dr. Segun Aina, FCIB, Past President, CIBN at the Entrepreneurship Development Program held on December 4<sup>th</sup>, 2019 at the Bankers House, Victoria Island, Lagos



CIBNCFs BOARDROOM 1 & 2					
	Description	Capacity BR 1 or 2	Price 8:30 am - 4:30 pm	Combined BR 1 & 2	Price 8:30 am - 4:30 pm
	Boardroom	25	₦100,000	-	₦150,000
	Classroom	25		50	
	U-Shape	30		-	
	Theatre	40		80	
CIBNCFs HALL					
	Description	Capacity Single	Price 8:30 am - 4:30 pm		
	Boardroom	20	₦100,000		
	Theatre	40			
SYNDICATE ROOMS					
	Description	Capacity Single	Price 8:30 am - 4:30 pm		
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	ROOM 2	5			
	ROOM 3	6			

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# 54th CIBN Annual Bankers Dinner

held at the Federal Palace Hotel, November 29, 2019





# 54<sup>th</sup> *Annual* **BANKER'S DINNER**

Welcome Address by the  
President/Chairman of Council,  
Chartered Institute of Bankers of Nigeria (CIBN),  
**Dr. UCHE OLOWU**, Ph.D, FCIB  
at the 54th Annual Bankers Dinner,  
held on Friday, November 29, 2019 at the  
Federal Palace Hotel, Victoria Island, Lagos.

## Protocols

- Your Excellencies,
- The Governor of Central Bank of Nigeria,  
Mr. Godwin Emefiele, CON, FCIB,
- Committee of Governors,
- Office Holders and Members of the  
Governing Council of CIBN,
- Past Presidents of CIBN,
- Body of Banks CEOs,
- Distinguished Captains of Industries,
- Ladies and Gentlemen.

It gives me a great pleasure and honour to  
welcome you to the 54<sup>th</sup> Annual Bankers Dinner of

The Chartered Institute of Bankers of Nigeria. On  
behalf of the Governing Council, Members,  
Management and Staff of the Institute, let me  
express my appreciation for your commitment  
towards sharing this august evening with us.

The Bankers Dinner is an annual event aimed at  
bringing the banking and finance community  
together to interact and unwind under a relaxed  
atmosphere devoid of high octane meetings. It is  
the traditional platform for the Governor of Central  
Bank of Nigeria (CBN) to give insights into some of  
the policies of the apex bank in the year as well as  
projections for the coming year. Tonight, we are  
pleased to welcome Mr. Godwin Emefiele, CON,

FCIB, Governor, Central Bank of Nigeria, who would be delivering his address in a short while. We are particularly delighted as this is the first dinner the Governor will be attending in the second term of his administration. Let me take this opportunity to wish you greater successes and breakthroughs as you pilot the affairs of the Central Bank for another term.

Distinguished Guests, I am proud to note that this year's Dinner is a departure from the usual, it is an amalgamation of business coloured with fun. Tonight's event takes a unique approach and has been tagged, **a night to celebrate, recognize and impact**. Four categories of awards and a special programme that will impact the economy would be unveiled in the course of the programme tonight.

I congratulate the distinguished members of the Adhoc Committee on 2019 Annual Bankers Dinner, under the able leadership of Mr. Emeka Emuwa, FCIB, Group Managing Director/Chief Executive, Union Bank Plc for putting together this innovative concept and tirelessly working to ensure that we host a world class event. Indeed, we greatly appreciate your efforts.

Let me also appreciate the Committee of Governors, Body of banks CEOs, Chairmen and Directors of Banks as well as our numerous stakeholders. Your presence here tonight is a testament to the support you have always extended to us.

Your Excellencies, Distinguished Ladies and Gentlemen, as you may be aware, this is the last dinner I will be hosting as the President/Chairman of Council of our highly revered institute. Over the last one and half years, our driving force has been the need to be contemporary, forward thinking and future oriented in order to ensure that we remain ahead of the change curve. Largely, we have been able to push this as our philosophical foundation in our attempt to focus on our vision of being a global

reference point for skills and conduct in the banking and finance industry.

The advent of breakthrough technologies has created global disruptions in our daily activities, the financial services landscape not exempted. The challenges provided an opportunity for the institute to make a difference, especially in the areas of our core mandate which includes:

- Capacitizing the current and future workforce of the industry,
- Ensuring the furtherance, maintenance and observance of ethical standards and professionalism
- Advocacy as the conscience of the industry.

Mindful of these innovative disruptions, we have positioned ourselves for the future by focusing on capacity building and content development even as we groom the workforce of the future. In a bid to produce quality manpower that is competent, ethical and professional for the banking industry, we have reviewed the Syllabi of our Banking Professional Examinations and Certification Programmes, making it contemporary, addressing emerging issues and taking into cognizance the skills of the future. The new syllabus was developed in conjunction with institutions of global repute and endorsed by a wide range of stakeholders within and outside the shores of Nigeria.

Esteemed audience, in the last one and half years, we have raised the quality of our programmes and products. In fulfillment of our mandate as the Sole Accreditation Agency under the Competency Framework, we have continued to ensure Quality Assurance through Accreditation of Bank Academies and Educational Training Service Providers (ETSPs) including the Central Bank of Nigeria Learning Centre. We have succeeded in changing the narratives of our great Institute, we have elevated our brand visibility, we have

supported the economy, supporting not only financial inclusion but economic inclusion. We believe we have left a legacy, will the future judge us right? We leave that to posterity.

Your Excellencies, Distinguished Ladies and Gentlemen, our gaze is fixed on the future, while we take inspiration from the past, we live for the future. With changing consumer expectations, emerging technologies and new business models, we are resolute in our commitment to continue to produce workforce of the future that will deliver fast, safe and convenient services to the banked and unbanked population in Nigeria and beyond. In the words of Barack Obama “the future rewards those who press on. I don't have time to feel sorry for myself. I don't have time to complain. I'm going to press on”

Distinguished Ladies and Gentlemen, once again, I thank you all for your presence here tonight, please enjoy the fun filled evening, even as I take this unique opportunity to wish you a Merry Christmas and a prosperous New Year ahead.

Thank you for your kind attention.

**Uche M. Olowu, Ph.D., FCIB**  
President/Chairman of Council  
The Chartered Institute of Bankers of Nigeria





**CENTRAL BANK OF NIGERIA**

AN ADDRESS BY

**GOVERNOR GODWIN I. EMEFIELE, CON**

AT THE

**2019 ANNUAL BANKERS' DINNER**

HELD AT

CONTINENTAL HOTEL,  
VICTORIA ISLAND, LAGOS

**29 NOVEMBER 2019**



**1. Opening Pleasantries** - Good evening distinguished ladies and gentlemen. I am delighted at the opportunity to once again address a gathering of eminent personalities, which includes critical stakeholders in our nation's financial sector, as well as members of the Chartered Institute of Bankers of Nigeria.

**2.** For over 50 years, The Chartered Institute of Bankers of Nigeria (CIBN) has been at the forefront of promoting strong standards and ethics amongst its members. Its programs, seminars and workshops have not only been beneficial in building the capacity of the workforce of the banking industry, it is also helping to ensure that the banking system makes significant contributions to the growth of the Nigerian economy.

**3.** It is for these reasons mentioned above that I would like to specially thank the leadership of the CIBN; in particular its President, Dr Uche Olowu, Mr Seye Awojobi, Mr. Emeka Emuwa and other members of the leadership team of CIBN, for their relentless efforts towards the success of today's event, and for your respective roles in making this institute as one of the leading professional bodies in the country.

**4.** I want to also extend my profound gratitude to the Managing Directors/Chief Executive Officers of our banks and other financial institutions who have found time to be here despite their very busy schedules.

**5.** Likewise, I welcome my colleagues from the CBN, especially the Deputy Governors, and other senior management of the Bank who are here present. And to everyone here seated I say: thank you for coming.

**6.** My address this evening is focused on "Strong Sustainable Growth for the Nigerian Economy". My remarks will dwell on recent economic and financial market developments over the past year, along with its implications for our macroeconomic outlook for the year 2020. I will begin by pointing out that although the Nigeria economy continues to experience positive growth, following the recession of 2016 – 2017, the pace of growth has been relatively slow due to some structural constraints. This pace of growth given our growing population leaves the

economy vulnerable to downside shocks, such as changes in the oil price, and sentiments in the global financial markets. I would then discuss ways in which the monetary authorities can support the economic recovery and enable stronger GDP growth.

**2019 Recap**

**7.** At the 2018 Annual CIBN dinner, I spoke on our efforts towards ensuring that the recovery in our economy following the 2016 – 2017 recession is sustained. It is indeed heartwarming to note that following a series of policy measures put in place by the fiscal and monetary authorities, our economy has remained on a positive growth path.

**8. GDP** – GDP Growth has remained positive for 10 consecutive quarters following the recession. For the 2nd and 3rd Quarter of 2019, GDP growth stood at 2.1 percent and 2.28 percent respectively. The positive growth in GDP has been driven by improvements in Agriculture, Oil and Gas, Manufacturing and ICT. Activities in the manufacturing sector also witnessed significant improvement as the Primary Manufacturing Index has risen for 31 consecutive months, from its low of 42 points in August 2016 to 57.6 points in September 2019. This development was attributed to the intervention programs of the CBN, along with sustained supply of foreign exchange and stability of the naira.

**9. Inflation** - Headline Inflation declined from its high of 18.7 percent to 11.08 percent in August 2019. We recently noticed an uptick in headline inflation which stood at 11.61 percent in October 2019 partly driven by cost – push factors such as the recent border closure. We believe this effect will be temporary, as efforts are currently being made to induce greater production of staple food items. However, core inflation as at October 2019 is now under 9 percent. This decline in inflation has been due to our maintenance of a tighter monetary policy rate at 13.5 percent, and improved inflow of foreign exchange.

**10. Financial System** - Our financial system is in a much stronger position following the crisis, as capital buffers and liquidity in the banking system have continued to improve. Industry wide Capital Adequacy Ratio (CAR) has increased from 10.2 percent in Dec 2017 to 15.5

percent in September 2019. The percentage of Non-performing loans in the banking sector has declined from its high of 14.7 percent in January 2017 to under 7 percent as at October 2019. Credit conditions in the banking system have improved supported by our new policy measures announced in June 2019, which requires banks to maintain a minimum 65 percent loan to deposit ratio. In addition, banks are now able to recover delinquent loans from a customer's accounts in other banks. As a result, gross credit increased by N1.16 trillion between May and October 2019. These measures have placed our banks in a much better position towards supporting a stronger economic recovery.

**11. External Reserves** - The impact of a tighter monetary policy regime, attractive yields in the money market, and our efforts at supporting domestic productivity in the agriculture and manufacturing sectors; along with improvements in oil production, have supported continued foreign exchange inflows into the Nigerian market. In the I&E window over \$60 billion worth of transaction have taken place since the inception of the window in April 2017, and our foreign exchange reserves are above \$40bn as at October 2019, relative to its low point of \$23bn in October 2016. We have been able to build our reserves in the midst of lower oil prices, as strong reserves aid the confidence of domestic and external investors. Today, our current stock of external reserves is able to finance 9 months of current import commitments.

**12. Exchange rate** - With a moderated inflation rate, positive GDP growth and improvements in our external reserve position, the naira-dollar exchange rate at the I&E window has remained stable for the past 29 months at N360 - \$1 and we have witnessed significant convergence in the exchange rate across the various market windows.

**13. Financial Inclusion** - In an effort to build a more inclusive financial system and to improve the efficacy of monetary policy tools, we provided super-agent licenses as well as three Payment Service Bank licenses to telecommunications and fintech companies. These measures are aiding in the development of a robust payment infrastructure and an expansion of agent locations across the country. As a result of our policy measures, in 2019, over \$400m have been invested in fintech companies, focused on supporting improved payment services in Nigeria. With the entrance of new players into the payment services market and the strengthening of our financial networks, a growing number of underserved Nigerians have access to cost effective banking services.

**14. Development Finance** - We have sustained our intervention efforts in order to help catalyze growth in critical sectors of the economy such as Agriculture and the Manufacturing Sectors. Through our programs such as the Anchor Borrowers Program, the Commercial Agriculture Credit Scheme and the Bankers Committee Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS), we have improved access to markets for farmers by facilitating greater partnership with agroprocessors and manufacturing firms in the sourcing of raw materials. As a result, manufacturers have integrated local options in sourcing their raw materials. Partnerships forged through contracts between farmer cooperatives and agro-processors have also helped to support improved production of agricultural commodities such as rice, cotton and maize.

**15.** In order to address some of the challenges faced by local farmers and manufacturers, we embarked on measures to discourage smuggling and dumping of restricted items into the country, by imposing restrictions on the use of financial institutions in Nigeria by identified smugglers, as their activities undermined the growth of our local industries. These measures are aiding our efforts to support local cultivation in rice, cotton and fish etc.

## Challenges

**16.** Notwithstanding these positive indicators, I will be the first to highlight that we are still far from our potential. First, our GDP growth rate which stood at 2.28 percent in the 3rd quarter of 2019 still remains below our estimated annual population growth of 2.6 percent. In order to make sufficient progress on a per capita basis, our GDP growth ought to be above 5 percent. Second, while headline inflation has moderated, it is still above the CBN band of 6–9 percent.

**17.** Third, continuous growth in our GDP has not led to significant reductions in our unemployment rate and we intend to continue to support efforts that will create jobs for our growing population. Four, even though some progress has been made, our foreign exchange earnings as well as government revenue are still highly dependent on changes in oil prices and Nigeria's oil production levels. In the absence of strong fiscal buffers, our economy remains vulnerable to global market conditions that affect the demand and supply of crude oil.

## Building a Strong Sustainable Growth Model for Nigeria

**18.** Examining events in the global market is therefore critical in order to design the right policy options that will foster a more sustainable growth path for the Nigerian economy.

## Global Growth

**19.** According to information from the IMF, the global economy has been faced with significant headwinds in 2019. As a result of these headwinds, Global GDP growth is expected to fall from 3.6 to 3.0 percent in 2019. This is the lowest rate the global economy has attained since the 2008 – 2009 global financial crisis. It is also the 3rd time growth has been downgraded for 2019 by the IMF. This gives an indication of the outlook countries across the world are faced with. **20.** The IMF expects deceleration in growth in close to 90% of the world's economies. In key markets like China, Germany, USA and India, growth is expected to slowdown in 2019. In China, growth is expected to slowdown from 6.6 percent in 2018 to 6 percent in 2019. In India from 6.8 to 6.1 percent, In the US from 2.9 to 2.4 percent, and in Germany from 1.5 to .5 percent in 2019.

**21.** Global Growth is expected to recover to 3.4% in 2020, but the prospect remains fragile as advanced economies such as the US, China, and Japan are expected to witness lower growth in 2020.

## Factors responsible for the slowdown in Growth

**22.** A major factor behind the expected slowdown in global growth is the trade war between the US and China. Together, the US and China represent over 40% percent of global GDP. The rising trade war between both countries, which has resulted in the imposition of high tariffs and the threat of future trade sanctions, are affecting not just these two countries, but other countries that form part of the critical supply chains that shape trade and investment between the two countries. The US has sought to impose tariffs on \$400bn worth of goods from China; while China has also sought to impose tariffs on \$200bn worth of goods from the US.

**23.** The effects of the trade war are also apparent in other macro-economic variables. For example, in October 2019, US industrial production contracted by .9 percent, which was its largest decline since May 2018. In Germany, industrial output contracted by 5 percent in August 2019, while growth in industrial production in China has declined to its weakest level in 17 years.

**24.** Global growth has also been affected by the uncertainty over the nonresolution of Britain's exit from the European Union and the introduction of new auto emission standards in Europe and China.

25. Furthermore, Investment flows to emerging markets have been affected by the trade wars and the uncertainties surrounding its resolution; Investors are retreating to investing in safe assets such as US treasury bills.

#### **Sub Saharan Africa**

26. In Sub Saharan Africa, growth is expected to remain flat at 3.2 percent in 2019. This is due to the slowdown in global growth along with reduced demand for commodities in key markets such as China and India. Declining commodity prices is expected to affect key export markets such as Nigeria, Ethiopia and South Africa.

27. In addition, the retreat in financial flows from emerging markets is elevating debt vulnerabilities for countries with high external debt, as the cost of financing their debts have risen along with reduced incomes particularly in the case of export facing economies.

28. Key markets like South Africa, are faced with high debt to GDP ratios of over 60 percent, and rising pressures from labor unions are derailing the much needed reforms that the government is seeking to implement in order to spur growth. As a result, growth in South Africa is expected to decline from 0.8 percent in 2018 to .7 percent in 2019.

#### **Crude Oil Market**

29. The slowdown in global growth along with declines in the manufacturing sector in key advanced economies such as China and India, are affecting the outlook for commodities such as crude oil. According to the US Energy Information Administration (EIA), Global oil demand is expected to grow by less than 1m/bpd in 2019. If this occurs, this would be the first year since 2011 in which demand growth hasn't exceeded 1 million bpd.

30. Supply of crude oil is also expected to increase by close to 2.4m barrels in 2020, notwithstanding cuts in supply by OPEC members and reductions in output in Iran, and Venezuela. Supply is expected to be driven by rising US oil production, which has risen from 9m barrels in 2016 to 12.8m barrels in September 2019. New production is also expected from Brazil, Norway and Canada. The EIA estimates that average crude oil prices would decline from \$71 in 2018 to \$63 in 2019 and are likely to decline further to an average of \$59 in 2020.

#### **Implications for Nigeria**

31. Distinguished ladies and gentlemen, given these external headwinds such as; the uncertainty on when the existing trade wars would be resolved or the likelihood that we may be faced with moderate oil prices over the coming years, it is important that we build up the necessary buffers that would insulate our economy from headwinds in the global market.

32. We must therefore support measures that will drive domestic productivity and diversify our export base. We should encourage Nigerians to consume goods that can be produced in Nigeria, knowing fully well that a time will come when we may not have the foreign exchange to aid such activities, if we continue to rely on earnings from the export of crude oil.

33. I strongly believe that it is indeed possible for us to envision a productive Nigerian economy that is not reliant on exports of crude oil.

34. At some point in Nigeria's history, we had an economy that supported productive activities, which created multiple streams of earnings for our nation. In the 60's Nigeria's economy was heavily reliant on agriculture, with increased cultivation and exports of primary products such as cocoa, palm oil, cotton and groundnut.

35. The Agricultural sector in 1961 represented close to 70 percent of Nigeria's GDP, and generated close to 70 percent of our export earnings. It was the principal source of employment, as over 85 percent of Nigerians lived in rural communities. These agricultural products also supported the food needs of our nation and provided raw materials for emerging industries.

36. The revenues generated from the export of these products helped to fund the infrastructure and human capital needs of the various regions. We are all aware of how the export earnings from cocoa, built the Cocoa House in Ibadan, export earnings from palm plantations supported the development of agricultural settlements in the eastern region and the Trans Amadi Industrial Layout in Port Harcourt. The sale of groundnuts and cotton supported developments in the Northern region. This diversified economic structure helped to improve job creation and wealth generation across the various regions.

37. In the late 1950s, revenue from petroleum products were insignificant, amounting to less than 2% of our total exports. Between 1960 and 1973 annual oil output exploded from just over 5 million barrels to over 600 million barrels. Improved oil production led to a high dependence on crude oil for not only government revenues but also our export earnings. Agriculture's share of our GDP as well as our non-oil exports declined gradually as higher wages and earnings from crude oil, only served to encourage consumption of foreign goods and excessive importation of raw materials to the detriment of our local economy.

38. Efforts were not made to build a stronger linkage between the agricultural and the manufacturing sector, which would have enabled local sourcing of raw materials and inputs, towards meeting the needs of the manufacturing sector. If these steps had been taken, Nigeria would have made significant gains in diversifying our revenue base and export earnings.

39. Overtime with declining investments in these critical sectors, the sale of crude oil on average, began to support close to 90 percent of our foreign exchange earnings and 70 percent of government revenue. As a result, Nigeria became exposed to the volatility that occurs when the bulk of government revenues and export earnings are dependent on a single product.

40. Creating a more sustainable growth model would require that all parties work to support growth in critical sectors of our economy in order to reduce our reliance on earnings from crude oil. It is also imperative that we focus on sectors that have the ability to create jobs for our growing population. Given the vast natural and human resources available in our country, agriculture and the manufacturing sectors offer immense opportunities as part of our efforts aimed at diversifying our earnings base and in creating job opportunities.

41. Another important area we intend to pay close attention to as a result of these headwinds is growing our non-oil export base. For a country with close to 200m people, the emphasis on non-oil exports is due to the potential gains that could be made when human and natural resources across different areas are harnessed in creating new products and services that can be produced at scale, and sold to people in various parts of the world.

42. Nations that are able to implement policy measures that support non-oil export growth are likely to make progress in generating multiple streams of foreign exchange earnings. More importantly, by providing a nation with multiple streams of income, greater non-oil exports can help in moderating the volatility that occurs when a nation is primarily dependent on one particular resource for most of its export earnings.

**43.** For example, Chile with a population of 18 million people, exports over 2,800 distinct products, relative to Nigeria which exports close to 800 products. In the case of Nigeria, 90% of its export's earnings are primarily dependent on a single source, crude oil, whereas Chile has a more diversified export base, with no single product supporting more than 21% of its export earnings. In 2017, Chile was able to fetch over \$88bn from exports of its products, whereas Nigeria earned \$55bn in the same year. It is therefore no surprise that policy makers continue to emphasize that in order for our nation to grow at high single digits, supporting domestic production and expanding our non-oil export base is critical.

**44.** I will admit that there are other constraints to the growth of the agricultural and manufacturing sectors, such as logistics and electricity challenges. However, I am indeed glad that the Nigerian government is working on addressing these constraints with the rollout of new rail infrastructure and the reconstruction of major road arteries such as the Lagos – Ibadan highway, the Abuja – Kano highway and the 2nd Niger Bridge. This would help in no small way in reducing the cost of transporting goods and raw materials across various parts of the country.

**45.** Our analysis on the constraints to growth is what has influenced the policy priorities of the Central Bank of Nigeria, and the creation of our intervention programs such as the Anchor Borrowers Program and the Commercial Agriculture Credit Scheme. While monetary policy may not be able to solve all our structural challenges, but by influencing financial conditions under which farmers, SMES and manufacturers are able to access credit, we can help to support growth in the agriculture and manufacturing sectors, as well as our non-oil exports. These measures can provide meaningful support to the efforts of the government, which are aimed at promoting more sustainable growth of our economy. It will also ensure that our economy is less susceptible to changes in the oil price.

**46.** I recognize that some of our policies have been construed as protectionist in nature but we need to keep in mind that leaders are first and foremost accountable to their own citizens at home. And if the vagaries of international trade threatens the comfort of these citizens, leaders are compelled to react by inducing changes in the flow of goods and services, in order to improve the lot of the general public and in attaining their nationwide growth objectives.

**47.** One recent example that comes to mind is the issue of Onion prices in India. As you may know, Indian farmers export about 2.2 billion kilograms of Onions per year, which is worth over \$510 million every year. Due to excessive unseasonal rains earlier this year, production was significantly low and so, local prices increased to a 6-year high

**48.** This surge in prices hit Indian households adversely given that Onions is staple of Indian cookery. It also led to significant pressure on inflation in the country. So what did Prime Minister Narendra Modi's Government do? Last month, they banned the export of Onions from India until further notice, with the immediate result being more Onions for local consumers at rapidly decelerating prices, putting a dent to headline inflation.

**49.** Although this ban has meant higher Onion prices for India's neighbours, the government could care less because it is a win-win situation for its own citizens.

**50.** Another recent example is the decision of the London City authorities, just earlier this week, not to renew the operating license of Uber in London. Regardless of the reasons they may have adduced for this decision, the effect is that it is a boom for local taxi drivers in the city.

**51.** Let us also not forget that the EU's Common Agricultural Policy (CAP) continues to impose substantial tariff rates on many agricultural products with the main aim being to discourage imports and increase prices for domestic European farmers in order to increase their income.

**52.** All these examples I have cited are gentle reminders that policymakers must concentrate their efforts on making their own citizens lead better lives, and worry less about their neighbors. This is exactly where CBN and Monetary policy stand on the current border closure, given that it has created jobs for our people ; particularly for our rural communities and it is leading to the resuscitation of the local industries in Nigeria.

#### Priorities in 2020

**53.** Over the next year, we intend to support greater economic growth, price and exchange rate stability by engaging in the following measures;

**54. Monetary Policy –** Our monetary policy stance will remain judicious, research driven, adequate and supportive of the real economy subject to underlying fundamentals. The current tight stance is expected to continue in the near-term, especially in view of rising inflation expectations. Though we will act to appropriately adjust the policy rate in line with unfolding conditions and outlooks, the CBN will continue to ensure that the policy interest rate is delicately set to balance the objectives of price stability with output stabilization;

**55. GDP:** With our continued efforts at driving indigenous production in high impact real sector activities, especially agriculture and manufacturing, as well as our efforts in improving access to credit, GDP growth is expected to pick-up in the last quarter of 2019. This will be buoyed by the anticipated budgetary spending in the near-term. From 2.28 percent in quarter three of 2019, growth is projected to quicken to 2.5 percent by the fourth quarter of 2019.

**56. Inflation:** On inflation we expect it to rise slightly to about 11.7 percent by the end of 2019 and then moderate thereafter supported by our efforts at improving domestic production of staple food items;

**57. Exchange Rate:** Though the CBN has so far managed to maintain exchange rate stability, the current capital flow reversals from emerging markets is expected to continue to exert considerable pressure on market rates. Notwithstanding these pressures, the CBN is determined to maintain its stable exchange policy stance in the near to medium term given the relatively high level of reserves.

**58. Access to Finance:** As noted earlier, we have provided shared agent licenses as well as payment bank licenses to 3 companies in 2019. Our objective is to support the development of a robust payment infrastructure that would bring more Nigerians who do not have access to financial services into the financial system. The provision of licenses to several players will help support innovation and competition as all parties work to increase their customer base. Nigerians in underserved location will have access to cost effective payment services, cash-in and cash-out facilities, and savings products. We intend to sustain these efforts in 2020 as part of our plan to reduce our financial exclusion rate to under 20 percent over the next year.

**59. Access to Credit -** As part of our efforts to improve access to credit for farmers and SMES, we intend to deepen our intervention efforts through our Anchor Borrowers' Program, Commercial Agriculture Credit Scheme and the Real Sector Support Funds, amongst other programs. This is necessary if we are to make sufficient progress in stimulating growth in our economy, particularly in the agriculture and manufacturing sectors. Our ultimate goal is to develop a viable exchange platform that will improve the ability of our farmers towards meeting the raw material needs of our local manufacturing and industrial sector. Banks and other

financial institutions would then be able to lend to farmers and SMEs on the back of such transactions.

**60.** We have also increased the loan to deposit ratio to 65 percent along with restrictions on access to the OMO market, in order to ensure financial institutions are supporting the growth of the real sector. As we all know, Nigerian banks are some of the most reluctant lenders in major emerging markets, with an average loan-to-deposit ratio below 60%. I say this because, in comparison with our peers, South Africa has an LDR of 90% and about 76% in Kenya. Our LDR rate is therefore low. Our efforts so far are however yielding fruit as gross credit increased by 5.3% to 16.4 trillion naira (\$45.5 billion) by the end of September 2019 from May 31, 2019.

**61.** In order to ensure that this measure does not result in a deterioration in the quality of assets held by banks, we have also deployed measures to improve credit risk assessment, by supporting the development of a consumer credit database, which will aggregate data from different sources in order to determine the credit worthiness of borrowers. This initiative is being worked on in partnership with the credit bureaus and the banks. Furthermore, Banks are now able to impose standing instructions on the account of borrowers in other banks. We believe this action will enable banks to provide loans to borrowers with good credit profiles, as this system would penalize serial defaulters.

**62.** Non-Oil Exports - we intend to address some of the barriers faced by non-oil exporters in producing goods for the export market. Working with the Nigerian Export Import Bank, we will work to improve access to the N500bn facility designed to support the growth of Nigeria's non-oil exports. Part of our emphasis will be on increasing export of value-added goods relative to raw materials. Firms that have access to these facilities, would be able to obtain loans at single digits. This would enable them to expand their production lines and improve the quality of their products, so that they can compete effectively with their peers from other parts of the world.

**63.** Furthermore, in order to reduce the time lag required to export non-oil products, we have launched an automated NXP portal, which will reduce the time it takes to process critical export documents from 2 weeks to less than 10 minutes. This measure will support efficiency gains for firms primarily focused on the non-oil exports market. We believe by taking these actions, we can improve Nigeria's non-oil export earnings from close to \$2bn in 2019 to \$4bn by 2020

**64. Consumer protection** – More importantly if we are to achieve reasonable success in improving access to finance and credit for a large proportion of Nigerians, it is also important that these Nigerians are protected from unfair banking and lending practices. Our consumer protection department as well as the banking supervision department will continue to maintain oversight on banks and other financial institutions in order to ensure that the rights of banking customers are protected.

**65.** Open to Foreign Investors: As the monetary and fiscal authorities continue to work tirelessly to support the recovery of our economy, I would like to reiterate that Nigeria is indeed open for foreign investors who are keen to support our efforts at unlocking the immense opportunities in our economy, knowing that it offers mutual gains to both the investors and the nation. Investors can be assured that their investments in Nigeria would be duly protected by the authorities, as we are fully aware of the various advantages they can provide to our economy in terms of capital and hnological know-how. We hereby reaffirm our commitment to investors that Nigeria is indeed open for business.

## Conclusion

**66.** Distinguished Ladies and Gentlemen in closing, I would like to reiterate that it is of vital importance that we begin to believe in Nigeria's greatness. Our country is blessed with abundant human and natural resources, which if truly harnessed will see to Nigeria's emergence as one of the world's top 20 economies. Nigeria and Nigerians have great potentials and we must do everything possible to harness it. We must redouble our efforts to continue to support actions by the monetary and fiscal authorities to diversify the base of the Nigerian economy through encouragement of made in Nigeria products. We must also consume what we produce and produce what we consume. We must discourage the propensity to import what can be produced in Nigeria. This is because if we do not reduce imports, the same imports will kill us knowing fully well that such activities do not aid our efforts in creating jobs and supporting the growth of our local industries. If we choose to support excessive imports of goods that can be produced in Nigeria, we will lose jobs, our industries will die and insecurity and other social vices in our land will continue to increase. We must choose this alternative path of improving domestic production, which will support the growth of our local economy.

**67.** While errors have been made in the past, we must forge ahead knowing that it is indeed still possible to have a great Nigeria. But this can only be achieved if we work together and engage in activities that support improve production and consumption of goods and services that can be produced here. Our market is large enough to generate considerable scale and high returns for any efficient business.

**68.** The banking industry has a critical role to play in this regard, as access to credit can spur household consumption and domestic production of goods and services. If we all work together, we will be able to generate double digit growth numbers in the near future.

**69.** As we push forward on our priorities to drive economic growth, it is also critical that the banking industry remains focused on having a positive social impact on society. I am glad that the banking sector is making significant contributions in this direction, as 5 percent of its annual profits are dedicated to the Agric-Business/Small and Medium Enterprises Investment Scheme. The scheme has supported farmers, entrepreneurs and small businesses in engaging in productive activities. This contribution does not mean that we should relent in supporting social causes that are beneficial to society. In this vein, and following extensive discussions, I am pleased to announce the One Billion Naira Bankers' Charitable Endowment Fund.

**70.** The Bankers' Charitable Endowment Fund will fund a major charitable initiative every year starting in 2020. While several intervention initiatives will no doubt have attendant social benefits in communities, the Bankers' Charitable Endowment will directly fund strategic social programmes in states and local communities across Nigeria.

**71.** This fund is a first of its kind in any industry in Nigeria and my hope is that it will spur a trend across other industries and sectors to collaborate and work together to better the lives of all Nigerians.

**72.** The CBN remains open and committed to working with all well-meaning parties towards supporting the growth and progress of our country Nigeria.

**73.** I thank you very much for your attention. And thank you once again, for being here today.

**GODWIN I. EMEFIELE, CON**

Governor

Central Bank of Nigeria 29th November 2019

6<sup>TH</sup> NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR BUSINESSES IN NIGERIA HELD ON JANUARY 28, 2020 AT THE LAGOS ORIENTAL HOTEL, VICTORIA ISLAND



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1. Dr. Emmanuel Adamgbe, Special Adviser to the Deputy Governor, Economic Policy Directorate, CBN delivering the keynote address on behalf of Dr Okwu Joseph Nnanna, FCIB, Deputy Governor, Economic Policy Directorate, CBN
2. Mr. Samuel Egube, HCIB, Honorable Commissioner for Economic Planning & Budget, Lagos State sharing his insights during the panel discussion
3. Dr. Biodun Adedipe, Chief Consultant, B. Adedipe Associates Limited delivering a presentation on the Overview of the Economy and 2020 Outlook
4. L-R: Mr. Christophe Bonami, Country Director Nigeria, Oxford Business Group with Mr. Seye Awojobi, FCIB, Registrar/CEO, CIBN at the session
5. L-R: Mr. Femi Awoyemi, Founder/Chairman, Proshare Nigeria Limited; Mr Joe Ugoala, Director, Policy, Strategy and Risk Management Department, Debt Management Office Nigeria representing Ms Patience Oniha, Director-General, Debt Management Office Nigeria; Mr. Samuel Egube, HCIB, Honorable Commissioner for Economic Planning & Budget, Lagos State; Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN; Mr. Bayo Olugbemi, 1st Vice President, CIBN; Dr. Ken Opara, FCIB, 2nd Vice President, CIBN; Ms Chizor Malize, Managing Director/Chief Executive Officer, Financial Institutions Training Centre (FITC); Mr. Kabir Tijjani, Executive Director, Business Development North & Strategy, Premium Pensions Limited; Dr. Biodun Adedipe, Chief Consultant, B. Adedipe Associates Limited; Mrs Yvonne Isichei, FCIB, Member, CIBN Governing Council and Non-Executive Director, KBL Insurance; and Prof. Segun Ajibola, FCIB, Past President, CIBN
6. Cross section of participants
7. Group Photograph

## 6<sup>TH</sup> NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR BUSINESSES IN NIGERIA HELD ON JANUARY 28, 2020 AT THE LAGOS ORIENTAL HOTEL, VICTORIA ISLAND



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1. L-R: Ms Chizor Malize, Managing Director/Chief Executive Officer, Financial Institutions Training Centre (FITC); Mr. Seye Awojobi, FCIB, Registrar/CEO, CIBN and Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN
2. Cross section of participants
3. L-R: Mr. Emmanuel Ijewere, Vice President, Nigeria Agribusiness Group and CEO, Best Foods Ltd; Dr. Biodun Adedipe, Chief Consultant, B. Adedipe Associates Limited; Mr. Samuel Egube, HCIB, Honorable Commissioner for Economic Planning & Budget, Lagos State and Mr. Kabir Tijjani, Executive Director, Business Development North & Strategy, Premium Pensions Limited sharing their insights during the panel session.
4. Mrs Yvonne Isichei, FCIB, Member, CIBN Governing Council and Non-Executive Director, KBL Insurance during the interactive question and answer session.
5. Cross section of participants
6. Cross section of participants
7. L-R: Mr. Kabir Tijjani, Executive Director, Business Development North & Strategy, Premium Pensions Limited; Dr. Biodun Adedipe, Chief Consultant, B. Adedipe Associates Limited; Mr. Seye Awojobi, FCIB, Registrar/CEO, CIBN; Dr. Ken Opara, FCIB, 2nd Vice President, CIBN; Prof. Segun Ajibola, FCIB, Past President, CIBN and Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN (Far Right)



**B. ADEIPE ASSOCIATES LIMITED**  
MANAGEMENT & FINANCIAL CONSULTANTS

## **THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA CENTRE FOR FINANCIAL STUDIES (CIBNCFS)**

IN COLLABORATION WITH

**B. ADEIPE ASSOCIATES LIMITED (BAA)**

COMMUNIQUÉ ISSUED

AT THE END OF THE  
**6TH NATIONAL ECONOMIC OUTLOOK: IMPLICATIONS FOR  
BUSINESSES IN NIGERIA IN 2020**

HELD AT ORIENTAL HOTEL, VICTORIA ISLAND, LAGOS  
DATE: JANUARY 28, 2020

### **1.0 Introduction**

The 6th National Economic Outlook Session: Implications for Businesses in Nigeria with theme **Managing Potential Risks, Unlocking New Growth Opportunities and Influencing Government Policies** was held on Tuesday, January 28, 2020 at the Lagos Oriental Hotel, Victoria Island, Lagos. The objectives of the Session were, among other things, to review both the global and Nigerian economies in 2019, project the expectations of businesses in the current year vis-à-vis global economic and political developments, analyze the implications of developing economic and political trends for key business sectors in Nigeria and discuss survival strategies during the the prevailing economic conditions.

In his Welcome Address, Dr. Uche M. Olowu, FCIB,

the President/Chairman of Council, The Chartered Institute of Bankers of Nigeria, stressed the importance of the manufacturing sector arguing that it has immense potential to be the powerhouse of the Nigerian Economy. He asserted that in the wake of developments such as the border closure policy and Free Trade Agreement, Nigeria, now more than ever before should look inward to resolve gaps in demand for both consumer and industrial goods.

He also called on leaders and the banking community to support this sector more. Support in terms of greater financial investment, improved infrastructure in areas such as power supply, road networks, capacity building (staff training), as well as special policies to encourage indigenous operators like granting tax relief. Only then would we be able to compete with other African nations and comfortably take our place as the giant of Africa.

## 2.0 Keynote Address

The keynote Address was delivered by Dr. Joseph Nnanna, FCIB Deputy Governor, Economic Policy Directorate, Central Bank of Nigeria (CBN) who was represented by Dr. Emmanuel Adamgbe, his Special Adviser. In the address, Dr. Nnnanna stressed the need to strategise on implementable measures pointing out that there are several low hanging fruits in the fiscal policy space, which include the privatization of the moribund refineries, creation of public works programme to create jobs for our youths and partial diversification from the ownership of NNPC - just to name but a few.

He also explained that the outlook of the Nigerian economy is anchored on higher oil prices and production, continuing reforms in the foreign exchange market, improvements in critical ancillary infrastructure and prospects for improved agricultural performance. Achieving the growth projections require effective implementation of the Economic Recovery and Growth Plan (ERGP), diversifying government revenue sources, sustaining the current foreign exchange stability by the Central Bank, addressing insecurity in the country and increasing the contribution of the non-oil sector. He noted that the diversification should be based on product, income sources, and export drive.

The outlook of the economy would also be shaped by the following tailwinds: deploying funds to critical infrastructure projects to stimulate growth, sustenance of peace in the Niger-Delta and North-East regions, improvement in oil production, eradication of the Boko Haram and enhancement of growth-stimulating sectors such as manufacturing and agriculture.

He concluded that the outlook for the Nigerian economy in 2020 would be mixed in the midst of

global uncertainties and domestic challenges.

## 3.0 Overview of the Economy

The Overview of the Economy and the 2020 Economic Outlook was presented by Dr. 'Biodun Adedipe, the Chief Consultant, B. Adedipe Associates Limited. Highlights of his presentation are as follows:

- The Nigerian economy is on the right trajectory and full of opportunities for businesses.
- Nigeria should focus more in 2020 on top notch key growth drivers of ICT, Human Capital, Financial services (banking and insurance), Mortgage, Health, Infrastructure (power and logistics), Potable Water, Sewage and Sewerage.
- The economic policies and directions should also focus on enhancing inclusive growth that outweighs population growth and significant reduction in income inequality as well as elimination of extreme poverty.
- Nigeria should follow the example of China who relentlessly reformed and maintained focused implementation of development plans that placed emphasis on delivery of world-class infrastructure within the span of a generation.
- Key Risks in the Global economy Include:
  - Trade wars between USA and China.
  - China slowed to 6.1% in 2019, but for a \$14 trillion GDP, that's still massive (annualized) addition of \$854 billion which is 2.2 times Nigeria's \$387.19 billion!
  - Rising protectionism – 'America First' and 'No-deal Brexit', South African 'xenophobia' and Nigeria's border closure!
  - Emerging Market and Developing Economies (EMDEs) largely, Nigeria included, will suffer from country-specific factors, tighter financial conditions, geopolitical tensions, and higher oil import bills.

- US-China trade deal will temper stress and dampen growth expectations, while the signing of the first trade deal will enhance growth if implemented.
- Growing, accommodative monetary policy with 20 out of 32 tracked Central Banks cutting interest rates.
- New scramble for Africa – Brexit, rising Chinese influence, resurgent USA and mainland Europe.
- Global growth is projected to grow slightly to 2.5% while the Developed economies are expected to decline from 1.6% to 1.4%
- EMDEs are projected to grow from 3.5% to 4.1%
- Trade and geopolitical tension create uncertainties that will increase global oil price, but hamper growth.
- The present and future of the Nigerian economy lies with the private sector as the sector created an estimated value of 90.11% in 2019
- The Misery Index has taken a downward trend since the first quarter of 2018, indicating gradual improvement in the quality of life. This underscores the importance of and critical need for social intervention projects. This has been rightly so with respect to N-Power, Home Grown School Feeding (HGSEF), Government Enterprise and Empowerment Program (GEEP) and CCT.
- Nigeria ranks a lowly 155/174 in its Debt/GDP ratio, and 110/160 in infrastructure index. Therefore, improved infrastructure will expand capacity to service the debt.
- A simple covariance test shows a strong positive correlation between Debt/GDP ratio and infrastructure for top-10 valued at 63.95%. This revealed that there is a positive nexus of sovereign debt and infrastructure development.
- The fate of the Nigerian economy still hangs on hydrocarbons – volume produced and exported vis-à-vis the international oil market price.
- The major drivers of Nigeria's GDP are Agriculture, Trade, ICT, Mining & Quarrying, Manufacturing, and Real Estate. In aggregate, these accounted for 80.7% of Q3'19 GDP.
- The Key Assumptions for 2020 are as follows:
  - Oil price will be US\$57/bbl on average
  - Oil production will be 2.18 mbd
  - Exchange rate will equal N305/\$
  - Inflation rate will decline year on year to 10.81%
  - Nominal consumption will equal N122.75trn
  - Nominal GDP will on average equal N142.96trn and
  - Total Budget will equal N10.59 trillion
- Key Policies that will shape 2020 are as follows:
  - The Africa Free Trade Continental Agreement
  - The CBN Monetary Policy - Multiple exchange rates in management of forex market and development finance to enhance inclusive growth and share prosperity.
  - Finance Act - Expected to reduce budget deficit, fund new minimum wage, and promote SMEs in Nigeria
  - The Eco Currency
  - Early Passage of the 2020 Budget
- 2020 economic outlook projections are as follows:
  - GDP Growth rate: 2.45% – 2.55%
  - Inflation rate: 12.58%
  - Interest rate: Double digit
  - Exchange rate (N/\$) N307/\$ (official) vs N366/\$ (others)
  - Crude Oil price \$62.4/bbl
  - External reserves \$40.25 bn

We expect higher growth this year as a result of favourable oil prices, positive improvement in the infrastructure facilities and stronger demand, as a result of the increased minimum wage.

### 3.0 Panel Session

#### 3.1 Facilitators

The Panel Session was chaired by Mr. Femi Awoyemi, Founder/Chairman, Proshare Nigeria Limited, and facilitated by the following panelists who were joined by Dr. Adedipe:

- Mr. Samuel Egube, HCIB, Honorable Commissioner for Economic Planning & Budget, Lagos State
- Mr. Joe Ugoala, Director, Policy, Strategy & Risk Management Department, Debt Management Office representing Mr. Kabir Tijjani, Executive Director, Business Development North & Strategy, Premium Pensions Limited
- Mr. Emmanuel Ijewere, Vice President, Nigeria Agribusiness Group and CEO, Best Foods Ltd
- Mr. Kabir Tijjani, Executive Director, Business Development North & Strategy, Premium Pensions Limited representing Dr Lamido Yuguda, Non-Executive Director, Premium Pensions Limited

#### 3.2 Highlights and Recommendations

##### a. Highlights

- The monetary policy direction of the Nigerian government fits into one of three plans. These include;
  - Fiscal Policy
  - Monetary Policy
  - Commercial Policy
- It is essential for an alignment to exist between these policies. In the event of a gap in one, the other policies should fill this gap to ensure harmonization of government policies.
- There are internal inconsistencies in Nigeria's economic policies. An increase in the Cash Reserve Ratio (CRR) will reduce the lending

capacity and ultimately make access to loans more difficult for businesses as this is contrary to CBN's policy of 65% loan-to-deposit ratio. This policy misalignment may impede the prospect for economic growth.

- The Pension Industry in 2020 is beginning to play a more significant role as the catalyst for development in the Nigerian Economy
- The Pension industry currently has N10 trillion in assets which could be used to finance infrastructure projects. Such projects should include investment in the power sector, railway and road networks.
- The challenge is for policy makers and the private sector to create instruments which would facilitate access to funds and ensure safety of returns
- Over the last seven years, urban-rural dweller ratio has switched to ratio 52:48 as more people now live in urban areas than in rural areas. The increase in the number of urban poor is a major risk as there are now 600 slums in Lagos compared to 60 in 2018.
- The Lagos State government has allocated N336 billion to education and health care which are priority areas for development.
- Lagos State is running an inclusive government. Therefore, all stakeholders should be actively involved in the design and implementation of government initiatives..
- Agribusiness is not as risky as usually assumed. The wider market opportunities created by the signing of the Africa Continental Free Trade Agreement (AfCFTA) is an opportunity for financiers.
- Nigerians are exploiting the arbitrage opportunities in the tariff structure and this needs to be addressed by the government.
- To ensure safety of investments to key sectors of the economy, the pension industry follows watertight investment guidelines. There is also a limit to the amount of pension funds that could be allocated to infrastructure.
- Nigeria's sovereign debt has the following attributes, among others:

- 25% of debt is owed by State Governments.
- Nigeria's Debt-to-GDP is favorable at lower than 20%, compared to other African nations.
- The city of Lagos generates N30 trillion in GDP. However, per capita GDP generated from an estimated population of 22 million people is only N1.36 million. Ghana generates 5 times the per capita of GDP generated in Nigeria.
- Central Bank of Nigeria (CBN) and the National Pension Commission (PenCom) are working out modalities for workers under the contributory pensions' scheme to access 25% of their Retirement Savings Account (RSA) as equity for personal home investments/mortgages.
- Debt service to revenue is challenged as the rate of revenue is unmatched with the increasing rate of debt.
- Agricultural investors that face challenges with their agribusinesses should contact the Honorable Commissioner for Agriculture in their respective states of residence for assistance
- The government should give incentives to companies producing in Nigeria to further encourage Made-in-Nigeria goods and services.
- The architecture for measuring actual performance with regards to the Nigerian Budget for each sector of the economy should be implemented. Deliverables by the budget expenditure and what it is meant to address should be clearly defined as assessed. Such assessment should also be made public.
- Budget deliverables should be measured not just by how much is spent or leftover. Rather, ministerial activities should be measured scientifically, using the activity rating scale to determine who retains their portfolio. This will encourage performance of ministries and parastatals, which could cumulate into economic performance. For example: the assessment score for budget performance should be as follows:
  - 80% - Green
  - 79% - 60% - Amber
  - Below 60% - Red

## b. Recommendations

At the end of the session, the roles of different stakeholders in revamping the Nigerian economy were identified as follows:

### I. Government

- It is critical for government to incentivize private sector actors to participate in public works programmes that cut across transportation, education, health, security, agriculture, across the country.
- Government should ensure alignment of internal policies (fiscal, monetary and commercial policies) to ensure efficient and impactful implementation.
- Government needs to be more disciplined when channeling debt towards financing infrastructure.
- Agribusiness should further form part of government policy, as this sector has the potential to significantly reduce unemployment and poverty levels in the country.
- A minister who is to remain in office should score 80% and above under this architecture. If the minister scores red in three consecutive quarters, he/she can be sacked or deployed to another ministry where he/she can function better.
- The government must address the tariff structure before AfCFTA is fully implemented, if Nigeria is to take full advantage of the agreement. In the same vein, the tariff structure in terms of incentives available to importers in transport equipment machinery and other import items need to be reviewed in order to eliminate arbitrage opportunities associated with re-exports.
- Groups that disrupt productive activity, particularly in the Agric sector e.g. Herdsmen, Boko Haram, Kidnappers, should be classified as terrorists. This is because disruption in production in this sector directly affects food security, which in turn creates food inflationary

pressures. This is in line with the International Day of Peace set by the United Nations for 23<sup>rd</sup> February 2020, in which the theme for 2020 is Food Security.

- The ease of doing business should extend outside major cities such as Lagos and Abuja.
- The government can take advantage of the N10 Trillion pension funds for investments into infrastructure.
- In addition, government can also take advantage of the Private Public Partnership infrastructure delivery model to further narrow the infrastructure gap.
- Strengthen Nigeria's competitive advantage in Agriculture by ensuring availability of land, encourage inclusive growth through reduction in rural-urban migration, review the Africa Continental Free Trade Agreement, maximize the favorable climate, ensure security and support the country's infant industries, particularly in food production.
- The government should put measures in place to prevent dumping that could be encouraged by the implementation of the Africa Free Trade Agreement. Our manufacturing sector should also be positioned for greater efficiency through provision of incentives.
- The government should provide an enabling business climate that can facilitate business growth in terms of respect for rule of law and sanctity of contracts to create an enabling environment for investment.

## ii. Banks

- Bankers should engage more with operators in Agribusiness to understand the complexities of the business and value chain in order to develop appropriate risk profiles.
- Bankers should not just be interested in supplying funds for businesses. Rather, much of partnership that would increase business successes should be considered as this would reduce incidences of bad loans and recalcitrant debtors.
- Bankers should become more involved in supporting the education and healthcare

sectors in Nigeria.

## iii. Business Enterprises

- Agribusinesses who face challenges with terrorists should contact the Honorable Commissioner for Agriculture in their respective States of residence for assistance.
- Businesses should be incentivized to pay taxes to boost Federal and State government expenditure.
- Businesses should take advantage of the border closure to provide fast moving consumers goods that can serve Nigerians. This is important in order to address commodity supply gaps caused by the closure.
- There is need for business owners to do human resource re-engineering to improve productivity.
- Business owners need to identify dominant and growing sectors in Nigeria and position their organization to serve these sectors. Design strategies of developing business relationships with them and continually track their activities and performance to unlock business opportunities.

## 4.0 Conclusion

The economy is likely to experience an average of 2.1% to 2.5 % growth in 2020 if government, banks and businesses adhere to critical paths of improvement and enhancement models as suggested.

### 'Seye Awojobi, FCIB

Registrar/Chief Executive

The Chartered Institute of Bankers of Nigeria

### Dr. 'Biodun Adedipe, FCIB

Chief Consultant

B. Adedipe Associates Limited



## Remembering a Banking Legend

**A**lhaji Oladimeji Gbadamosi OTITI was born to the humble family of Amao Gbadamosi OTITI, a cocoa merchant at Arulogun Compound, Isale-Afa, Ibadan, Oyo State on 12 Nov, 1927. He studied at Ibadan Boys High School, Ibadan. He is married to (late) Momdat Modupe OTITI (Nee Taiwo) and they gave birth to six children.

He started his banking career with British and French Bank now UBA Plc in 1949 and was later attached to the London office. In London, he attended the City of London College where he obtained professional qualifications of Associate of Chartered Institute of Bankers (ACIB) and Associate of Chartered of Secretaries (ACIS) between 1956 and 1958.

On his return from the United Kingdom in 1958, his first Job was at Inland Revenue Department Ibadan, where he was employed as Inspector of Taxes. Later that year, he took up a career as one of the pioneer staff of the Central Bank of Nigeria (CBN) where he rose progressively to the exalted position of Deputy Governor in 1982, the position he held until he retired in 1988.

He participated in a number of courses and symposia on banking and finance including the International Monetary Fund (IMF) Course in Financial Analysis and Policy at Washington DC in 1968. He also played leadership roles in the international and local chapters of the professional bodies to which he belongs and was conferred with Fellowship of the Institute of Chartered Secretaries and Administrators (FCIS). London, in 1970 and Chartered Institute of Bankers (FCIB). London in 1971. He was one of the founding fathers of The Chartered Institute of Bankers of Nigeria (CIBN), where he later served as the President/Chairman of Council (1976 -1982) and pioneer Chairman, body of Paste Presidents.

After his retirement from CBN in 1988, he retained the Chairmanship of the board of Securities and Exchange Commission (SEC) for six years and was the Chairman of FSB (International) Bank Plc now merged with Fidelity Bank Plc. He has also served on the board of some banks and reputable organisations and as adviser and consultant, in many respects, on financial matters.



L-R- Mr. Seye Awojobi, FCIB, Registrar/CEO, The Chartered Institute of Bankers of Nigeria; Mr. Bayo Olugbemi, FCIB, 1st Vice President, CIBN; Mr. Ade Shonubi, FCIB, Deputy Governor, Central Bank of Nigeria; Chief Joseph Sanusi, CON, FCIB, Former Governor, Central Bank of Nigeria; Mr. Olatokunbo Otiti, first son of Late Alhaji Otiti; Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN and Mr. Oba Otudeko, CFR, FCIB, Chairman, FBN Holding Plc during the CIBN Special Governing Council Valedictory Session in honour of Late Alhaji Amusa O.G Otiti held on Friday, Jan 10, 2020 at Bankers House, Victoria Island, Lagos.



L-R- Mr. Ade Shonubi, FCIB, Deputy Governor, Central Bank of Nigeria; Mr. Ralph Osayameh, FCIB, Past President, The Chartered Institute of Bankers of Nigeria; Mr. Olatounbo Otiti, first son of Late Alhaji Amusa Otiti; Mr. Oba Otudeko, CFR, FCIB, Chairman, FBN Holding Plc; Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN; Mr. Bayo Olugbemi, FCIB, 1<sup>st</sup> Vice President, CIBN; Mrs. Risi Otiti; Chief Joseph Sanusi, CON, FCIB, Former Governor, Central Bank of Nigeria; Mr. Gbolahan Otiti, son of Alhaji Amusa Otiti; Chief (Mrs) Nike Akande, former President, Lagos Chamber of Commerce and Industry and Mr. Seye Awojobi, FCIB, Registrar/CEO, CIBN during the CIBN Special Governing Council Valedictory Session in honour of Late Alhaji Amusa O.G Otiti at Bankers House, Victoria Island, Lagos.



L-R; Prof. Segun Ajibola, FCIB, Past President, CIBN; Dr. Ken Opara, FCIB, 2<sup>nd</sup> vice President, CIBN; Mr. Femi Ekundayo, FCIB, Past President, CIBN; Mr. Taiwo Otiti, HCIB, son of Late Alhaji Amusa O.G Otiti; Dr. Uche Olowu, FCIB, President/Chairman of Council, CIBN; Mr. Seye Awojobi, FCIB, Registrar/CEO; Mr. Gbolahan Otiti, son of Late Alhaji Amusa O.G Otiti; Mr. Joseph Jaiyeola, FCIB, Past President, CIBN; Mr. Ralph Osayameh, FCIB, Past President, CIBN and Prof. Pius Oларenwaju, FCIB, National Treasurer, CIBN during the CIBN Office Holders and Past Presidents condolence visit to Late Alhaji Amusa O.G Otiti family at his residence, Victoria Island, Lagos.



**Presentation delivered by**  
**Dr. 'Biodun Adedipe**  
 Chief Consultant, B. Adedipe Associates  
**at the**  
 6th National Economic Outlook Session

# Nigeria: Economic Outlook 2020

## What to Expect *and* What to Do

### Who and What do we Believe?

□ “If you want to inspire confidence, give plenty of statistics—it does not matter that they should be accurate, or even intelligible, so long as there is enough of them.”

**Lewis Carroll**  
 (pen name of **Charles Lutwidge Dodgson**)  
 Author of *Alice in Wonderland*

I love **data!** But it can be misinterpreted and misused to create a narrative contrary to healthy, sustainable development.

### Outline

1.	Our Conversation
2.	The Global and Nigerian Operating Environment
3.	From Economic and Recovery Growth Programme (ERGP) to Rapid Growth Programme (2021 - 2023)
4.	Recent Trends in Macroeconomic Statistics
5.	FGN Budget 2020 and Sundry Issues
6.	Outlook and What to Do

### Our Conversation

2020 was meant to be a year of remarkable achievement for Nigeria:

- Top notch key **growth drivers** of ICT, Human Capital, Financial services (banking and insurance), Mortgage, Health, Infrastructure (power and logistics), Potable Water, Sewage and Sewerage.
- **Inclusive growth** that outweighs population growth.
- Significant reduction in **inequality** and significant reduction in extreme poverty.

Failure to achieve this is the extreme poverty we find its evidence everywhere around us.

### Our Conversation (contd.)

- China has set 2020 as the target date to eradicate extreme poverty.
- First, it identified the root causes as:
  - Rural-urban migration.
  - Discrimination against the urban poor.
  - Education gap.
  - Access to Healthcare.
  - Agricultural lifestyle.
- China then relentlessly **reformed** and maintained focused implementation of development plans that placed emphasis on delivery of **world-class infrastructure** within the span of a generation.

Our Conversation (contd.)

“... the ERGP is innovative in that it signals a **changing relationship** between the public and private sectors based on close partnership. In implementing the Plan, the Government will **collaborate closely with** businesses to **deepen their investments** in the agriculture, power, manufacturing, solid minerals and services sectors, and **support** the private sector to become the engine of national growth and development.”

Global Macroeconomic Overview: Key Issues/ Risks



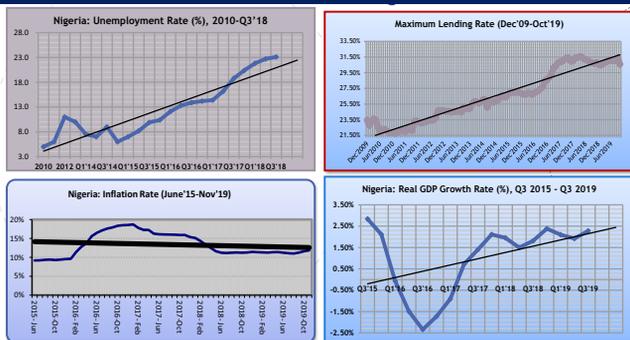
Key Issues in 2020

1. Us-China trade deal will temper stress and dampen growth expectations.
2. Growing, accommodative monetary policy with 20 out of 32 tracked Central Banks cutting interest rates.
3. New scramble for Africa – Brexit, rising Chinese influence, resurgent USA and mainland Europe.
4. Trade and geopolitical tension create uncertainties that will increase global oil price, but hamper growth.
5. Global growth is project to grow slightly to 2.5% while the Developed economies are expected decline from 1.6% to 1.4%. EMOs are projected to grow from 3.5 to 4.1%.

Why Private Sector is Key!!!

- Governments **don't grow** or do business.
- They **facilitate!**

Background and Foreground Issues (contd.)



Macroeconomic Indicators (contd.)

- MI doubled in 8 years!
- ✓ 11% added during end-2010 to June 2015.
- ✓ 23% added during June 2015 to Sep'2017.
- It is observed though that the index has taken a downtrend since the first quarter of 2018, indicating **gradual improvement** in the quality of life in the near term.
- This underscores the importance of and critical need for **social intervention**, and where the focus should be.
- This has been rightly so with respect to N-Power, HGSF, GEEP and CCT.



Looking at the Right Things

The economy is **growing**, but not fast enough.



- GDP growth rate slowed to **2.10%** during Q1'19 and further down to **1.92%** in Q2'19 and revived to **2.28%** in Q3:19.
- The average of **2.1%** for Q1-Q3'19 is an improvement over **1.91%** in 2018, but running behind population growth estimated at **2.84%**.
- Should we be measuring growth or the **quality of growth**?
- It is like a comparison of 'how to count' with 'what counts'!

Looking at the Right Things (contd.)

The manufacturing sector is **expanding**.



- The manufacturing PMI has been expanding steadily since March 2017, the CBN noting that December 2019 market the 33<sup>rd</sup> consecutive expansion of the index.
- Since May 2017, the index has been above 50.0%, signalling domestic manufacturing expansion whose output is largely for local consumption.

Source: Central Bank of Nigeria

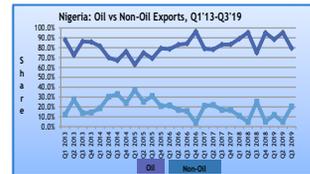
Looking at the Right Things (contd.)

external sector is **growing strongly**, except for the great influence of hydrocarbons in foreign earnings.



- Foreign trade data suggests strengthening.
- Exports have **expanded strongly** on the back of hydrocarbons earnings!
- Imports have not relented (even during recession), **expanding** sharply in Q2'18!

Q1-Q3'2019  
Exports 53.4%  
Imports 46.6%



- Oil remains the **prime mover**, accounting for **92.05%** of exports in H1'18, **83.31%** in H2'18 and **87.46%** in Q1-Q3'19, on the back of favourable oil prices and steady production / export.
- This still portends high **vulnerability!**

- In Q3'19, **major export trading partners** were Ghana, India, Netherlands, Spain and USA (it was India, Spain, Netherlands, United States and France in Q2), while **major import trading partners** remained China, United States, Netherlands, India and Belgium in 2019.

Looking at the Right Things (contd.)  
Public Debt Stock (Sep'2019)

- The 'noise' about debt is **misplaced** and can be **counterproductive!**
- Its restructuring favours **cheaper** external debt.
- If Nigeria desires to bridge **infrastructure deficit**, she **MUST** borrow!

- What we should worry about in these figures!
- What type of loans?
- What is the cost?
- What is the tenor?
- What is the money going into?
- What we should consider -- Debt/GDP, Debt/Budget, Debt/Infrastructure nexus, and whether a nation can go bankrupt or be liquidated?

Category	US\$ ml	₦ ml	Share	Change Q3'19
External (FGN+ States + FCT)	26,941.50	8,271,040.50	31.55%	-\$221.13 (-0.81%)
Domestic (FGN)	45,281.91	13,901,546.03	53.03%	\$1,506.47 (3.44%)
Domestic (States + FCT)	13,167.41	4,042,394.60	15.42%	\$222.83 (1.72%)
Sub-Total Domestic	58,449.32	17,943,940.63	68.45%	\$1,729.29 (3.05%)
Overall Total	85,390.82	26,214,981.13	100.00%	\$1,508.16 (1.8%)

Two risk issues - exchange value of the Naira and investor confidence.

They know quite well that if Nigeria looks **inward**, she can never go **bankrupt!**

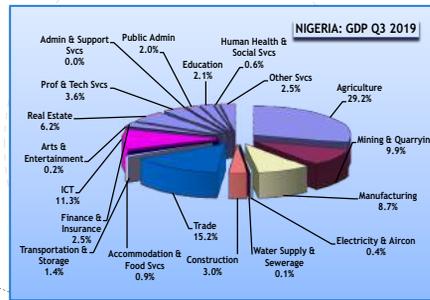
- They don't want you to know that Nigeria ranks lowly 155/174 in Debt/GDP ratio, and 110/160 in infrastructure index. Improved infrastructure will expand capacity to service the debt!

Looking at the Right Things (contd.)  
Top-10 Infrastructure and Debt/GDP Ratio

Top-10 Debt/GDP	Top-10 Infrastructure	Ranking in Debt/GDP	GDP Ranking
Japan	Germany	51	4
Greece	Japan	1	3
Lebanon	Sweden	100	22
Italy	Netherlands	64	18
Portugal	Austria	28	27
Cape Verde	Singapore	8	36
Congo	United States	10	1
Singapore	United Kingdom	24	5
Bhutan	Switzerland	129	20
Unites States	UAE	156	29
<b>Nigeria</b>	<b>78 / 160 (2018_WB)</b>	<b>155</b> (21.3%_2017_TE)	<b>30 (2017_WB)</b> <b>(63.95)!</b>

A simple **covariance test** shows a strong positive correlation between Debt/GDP ratio and infrastructure for top-10

Looking at the Right Things (contd.)  
The Economy is Diversified!



- Oil generates most of the earnings, but accounts for less than 10% of GDP!
- A disconnect of sort, as its linkage to the rest of the economy is weak!
- Agriculture and Trade are dominant and hold the best prospect for wealth creation for 'little capital' households!

Q3'19 GDP:  
Oil = 9.77% (8.82% in Q2);  
Non-oil = 90.23% (91.18% in Q2)

Looking at the Rights Things (contd.)  
Import Finance Capacity

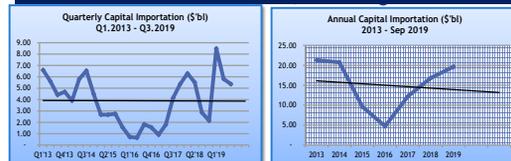


There is no reason (now) to **devalue** the Naira, given the steady shift in the local production / import nexus and sustained investor confidence from the external sector. OTC futures for Oct 2020 is ₦365.5/₤.

- With a monthly import bill of ₦1.29 trillion (or \$4.203 billion) for Q1-Q3 2019, current external reserves of **\$37.231 billion** represents **8.86 months**, which is above the minimum threshold of **6 months** (it is 11 months for an economy in crisis).
- It was **17.1 months** in August'18 because we imported less in 2018 than we did in 2019 (\$2.745bn versus \$4.203bn).
- Sustained **investor confidence** in the I&E Window has kept (and will keep) this stable.

Year	Monthly Import	What did we import in Q2'2019? (similar Q3!)
2013	584,651.23	
2014	614,530.88	
2015	558,163.83	
2016	722,027.47	
2017	796,893.32	
2018	1,097,093.95	
Q1-Q3'2019	1,290,027.38	

Looking at the Rights Things (contd.)  
Attractive Investment Destination



If the bulk of foreign investment inflows are **portfolio** in nature (slide 27), the swings are inevitable!

- Q1-Q3 2019 totaled **\$19.67b**, already 117% of total of **\$16.81b** in 2018!
- 2017 was \$12.23b, while 2015 and 2016 combined was \$14.77b!
- Loans dominated in 2016 to early 2017, filling the gap created by dwindling portfolio investments.
- Portfolio Investments (PI) in money market instruments revived and have dominated since Q4 2017 due to more high-yield, low risk instruments open to foreign investors! These accounted for **69.8%** and **59.8%** respectively in Q1 and Q2 2019.
- Nigeria remains an **attractive** investment destination. PI accounted for **52.2%** of total in 2017, **68.16%** in 2018 and **71.28%** in Q1-Q3'19!

Looking at the Rights Things (contd.)  
Attractive Investment Destination (contd.)

Quarter	FDI	Portfolio	Trade Credits	Loans	Currency Deps	Other Claims
Q4'13	2.60%	72.54%	0.00%	19.66%	0.05%	5.14%
Q4'14	17.09%	44.52%	0.02%	8.69%	0.00%	29.69%
Q4'15	7.91%	61.18%	0.00%	27.03%	0.00%	3.88%
Q4'16	22.25%	18.35%	0.01%	59.20%	0.00%	0.18%
Q4'17	7.03%	64.60%	0.19%	20.27%	0.00%	7.91%
Q4'18	7.29%	65.17%	0.03%	26.70%	0.05%	0.76%
Q1'19	2.87%	84.21%	0.00%	8.87%	0.00%	4.05%
Q2'19	3.83%	73.76%	0.00%	15.31%	0.00%	7.10%
Q3'19	3.73%	55.88%	0.00%	33.07%	0.00%	7.32%

- Pricing/yield of our Treasury Bills was the key lever of portfolio investments!
- Its collapse to yield of 3.997% this week (and -7.021% when adjusted for inflation rate) is a potential threat!

As far as this is above the **rate of inflation** and competitive against other comparable jurisdictions.

Nigeria: Major Macroeconomic Indicators (contd.)  
Stable Exchange Rates



- Rate remains stable because the CBN has capacity to intervene in the market.
- Recall earlier slides 25 to 27.
- Some analysts call it 'defending the Naira', but this is a primary function of central banks and necessary **stimulus** for an economy desperate for growth!
- This is more effective tool than the MPR in a heavily import-dependent economy like Nigeria's!
- CBN intervened with **\$22b** in 2017, **\$48b** in 2018 and much less in 2019 to end with **\$38.6b** 30-D average as at end-2019!

The exchange rates in the 3 major FX market segments have been **stable** since July 2016!

## FGN Budget 2020 Key Issues

### Assumptions

- Oil price US\$57/bbl
- Oil production 2.18 mbd
- Exchange rate N305/\$
- Inflation rate 10.81%
- Nominal consumption N122.75trn
- Nominal GDP N142.96trn
- Total Budget **N10.59 trn**

Revenue **N8.43 trn** (44% from oil, while 56% from non-oil).

Total expenditure **N8.92 trn**

- Recurrent non-debt **N4.84 trn**
- Capital **N2.78 trn**
- Statutory Transfers **N502.06 bn**
- Debt Servicing **N2.45 trn** (29% of total revenue)

Budget Deficit **N2.715 trn** or 1.52% of GDP, compared to 1.37% in 2019 (still falls within FRA 2007 benchmark of 3% and ERGP of 1.96%)

- Recurrent to Total Expenditure 54.3%
- Debt Service to Revenue 29%
- Deficit to FGN Revenue 27%

## FGN Budget 2020 (contd.) Key Issues

### 2020 Recurrent Expenditure (N billion)

Presidency	46.56
Agriculture and...	58.69
Secretary to...	59.6
Foreign Affairs	67.81
Petroleum Resources	75.96
National Security...	116.91
Youth and Sports	168.33
Interior	219.46
Health	359.33
Police Affairs	394.57
Education	501.48
Defence	784.59

### 2020 CapEx (N billion)

Aviation	52.06
Humanitarian Affairs	61.09
FCT	62.41
Science and...	62.88
Water Resources	91.68
Health	109.91
Defence	116.18
Transport	121.37
Agriculture and...	124.4
Power	129.08
Education	185.34
Works and Housing	315.56

## Spillover Effects of 2019 Policy Thrust that Shape 2020

### Africa Free Trade Continental Agreement

AfCFTA 54 out of 55 (except Eritrea has signed the deal), while 28 have ratified it including Egypt, Ghana, Kenya, and South Africa.

### CBN unconventional monetary policy

Multiple exchange rates in management of forex market and development finance to enhance inclusive growth and share prosperity.

### Finance Act

Expected to reduce budget deficit, fund new minimum wage, promote SMEs in Nigeria

### Eco Currency

Nigeria accounts for nearly 20% of African continent GDP and 75% of ECOWAS, but its exports to Africa is 12.7% and only 3.7% within the ECOWAS. (Africa Development Bank)

### Early Passage of Budget

Enhance budget performance, especially Capex., trigger economic growth, employment generation, effective planning

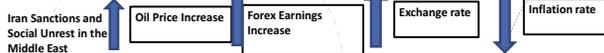
## US-China Trade War Adverse and Positive Impacts



- Supply gaps in the US market.
- Imports from other parts of the world into the USA will become competitive vis-à-vis imports from China.
- Outflow of investments from China to countries not affected by the tariffs.
- New opportunities for Nigerian exports to the United States.

- Lower demand for commodities
- Prolonged US-China diversion of 'tariffed' products to Nigeria, increasing imports, worsening trade balance position.

## Iran-USA Spat and the Oil Market



What do you think?

## AfCFTA and ECO Currency

AfCFTA 54 out of 55 (except Eritrea has signed the deal) while 28 has ratified it including Egypt, Ghana, Kenya, and South Africa.

AfCFTA proposes the elimination of duties on 90% of tariff lines in 5 years and in 10 years for the elimination of tariffs on products on the Sensitive List.

AfCFTA also includes the liberalization of five services sectors namely: transport, tourism and travel related, financial, communications and business services.

AfCFTA creates both opportunities and threats to the Nigeria banking sector - **How prepared is your organization for these risks and threats, and how do you intend to maximize the opportunities it presents in other African countries?**

## Eco Currency

### Issues

- Nigeria accounts for nearly 20% of African continent's GDP and 75% of ECOWAS GDP, but its exports to Africa is 12.7% and only 3.7% within the ECOWAS. (Source: African Development Bank).
- Failure of members in meeting the convergence criteria that aid monetary union.
  - Three primary criteria:** budget deficit of not more than 3%; average annual inflation of less than 10% with a long-term goal of not more than 5%; gross reserves that could finance at least three months of imports.
  - Three secondary criteria:** public debt/Gross Domestic Product of not more than 70%; central bank financing of budget deficit should not be more than 10% of previous year's tax revenue; and nominal exchange rate variation of plus or minus 10%.
- Most African countries have failed to meet these criteria.

Though not fully compliant, Nigeria fairs well in 4 of the six convergence criteria.

## Finance Act 2020: Keynotes

The Finance Act made long overdue changes to company and personal taxes.

The restructured company income tax is a strong signal of governments goal of promoting SME's:

- Small company with Turnover < N25 Million = 0% tax rate
- Medium sized company with turnover N25 Million ≤ T ≤ N100 Million = 20% tax rate
- Large company with turnover > N100 Million = 20% tax rate

Some of the major changes affecting banking and finance sector include :

- Non-deductibility of expenses incurred in generating tax-exempt income
- Clarifying tax treatment of securities lending transactions
- Stamp duty amendment
- Introduction of thin capitalization rules
- Removal of 100% withholding tax exemption on interest on foreign loans
- Taxes on unit trusts (PWC)

### 2019 Macroeconomic Expectations Federal Government (MTEF/FSP 2020-2022)

	2018	2019	2020	2021	2022
Oil Price Benchmark (US\$/b)	51.0	60.0	55.0	55.0	55.0
Oil Production (mbpd)	2.30	2.30	2.18	2.22	2.36
Exchange Rate (N/\$)	305.0	305.0	305.0	305.0	305.0
Inflation (%)	11.78	9.98	10.81	10.52	10.79
Non-Oil GDP (N'bn)	114,772.8	128,489.3	129,692.6	145,616.6	163,438.8
Oil GDP (N'bn)	11,396.0	11,163.5	13,267.9	13,873.9	16,146.1
Nominal GDP (N'bn)	126,168.8	139,652.7	142,960.5	159,490.5	179,584.9
GDP Growth Rate (%)	2.10	3.01	2.93	3.35	3.85
Consumption (N'bn)	107,764.5	119,281.6	122,752.4	136,214.7	151,079.7

As submitted to the National Assembly by the Federal Ministry of Finance, Budget & National Planning

### 2020 Macroeconomic Expectations Most Likely Case

- o GDP Growth rate                   o 2.45% - 2.55%
- o Inflation rate                       o 12.58%
- o Interest rate                       o Double digit
- o Exchange rate (N/\$)           o N307/\$ (official) vs  
N366/\$ (others)
- o Crude Oil price                   o \$62.4/bbl
- o External reserves               o \$40.25 bn
- o Diesel (N/Litre)                 o 195

World Bank GDP growth projection is 2.1% for 2020, and IMF is 2.5%.

### What Government should Focus on



### What You should Focus on

- o There were estimated **203.72 million** Nigerians as at Tuesday, 14<sup>th</sup> January 2020\_1!
- o **Your organization** needs to find its bearing in these, by answering the following questions.

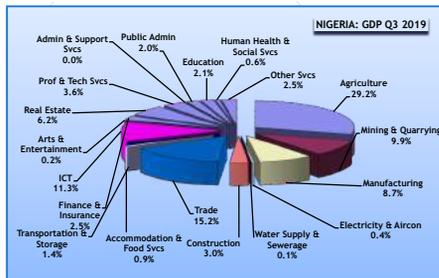
Who are these people?

Where are these people?

How many individuals/corporates in these sectors do you have in its portfolio?

How, when and from whom can you get them?

### What You should Focus on (contd.)



- o From this pie chart, the major drivers of Nigeria's GDP are **Agriculture, Trade, ICT, Mining & Quarrying, Manufacturing, and Real Estate.**
- o These together accounted for **80.7%** of Q3'19 GDP!

### What You should Focus on (contd.)

Examine the structure of the national economy.

- To identify the dominant sectors.
- You should seek business opportunities there.
- Find the growth sectors.
- As observed in the macroeconomic chart shown earlier, **your organization** should position herself in the sectors that are of growing importance to the Nigerian economy.
- Which organization(s) are you benchmarking with?
- Design strategies for doing business with them.
- Constantly track their activities and performance.

### End Notes

- o The fate of the Nigerian economy still hangs on **hydrocarbons** - volume produced and exported vis-à-vis the international oil market price.
- o This vulnerability notwithstanding, the resilience and staying power of the average Nigerian provides **growth opportunities** for those that look and move in the right direction.
  - o Changing lifestyle - what they buy, where they buy and how they buy and pay for what they buy!
- o Nigeria is the **right place** for any forward-thinking entrepreneur and investor to be!
- o What you get depends on what you give attention to. **Opportunities** or **chaos**?



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# CASES AND NOTES ON LAW OF BANKING

BY  
PROFESSOR PIUS OLADEJI  
OLANREWAJU:

**A BOOK  
REVIEW**

## 1.0 INTRODUCTION:

This review shall be done against the backdrop of seven (7) benchmarks, most of which have, more or less, become the traditional criteria for ascertaining good or standard books; namely:

- 1.0 Does the book qualify as book, at all?
- 2.0 Is the book tendentious?
- 3.0 Does the book substantially cover aspects of its theme?
- 4.0 Does the book really pass any message, especially going by the language style adopted?
- 5.0 Is the book well structured?
- 6.0 Does the book have Appendixes and do the Appendixes add any value to the book? and
- 7.0 Does the book have Questions and Answers and do the Questions and Answers add any value to the book? The books will, now, be assessed based on these seven (7) criteria:

## 2.0 ASSESSMENT

### 2.1 Does the Book Qualify As Book At All?

In answering this question, 2 exercises shall be engaged in; namely: (i) definition of a standard book; and determination of the reputation of the Publishers of the book.

#### 2.1.1 Definition of a Book

In the Criteria for Appointments and Promotions of Academic Staff in virtually all Nigerian Universities (including Olabisi Onabanjo University, Nigeria; and Babcock University, Nigeria, both of which are my Universities of affiliation), a book is defined as “a publication of more than 80 pages on 12 points [font size] or 100 pages on 14 points [font size] in Times New Roman, single linespaced, cover excluded”. In

the said Criteria, it is stipulated that a book “must have an ISBN”. ISBN, here, is an acronym for International Standard Book Number, which lexicographers define as “a unique 13-character identification number used to identify monographic publications and is allotted by the International ISBN Allotment Agency based in the U.K. acting through each relevant national ISBN Allotment Agency.

#### 2.1.2 Reputation of Publishers

Although not a yardstick for measuring a standard book per se; nevertheless, the reputation of the Publishers of a book, sure, has tremendous impact on the value of the book.

The book under review is a 230-page book (excluding the appendixes); is written in 12 font-size points and is in Times New Roman. It has an ISBN, which is: 978-978-972-978-4. It is also published by esteemed Publishers: the CIBN Press Limited. The book, thus, eminently, meets the first parameter for determining a standard book.

It is noteworthy that its Table of Contents doubles as its Table of Cases. This is unique and it has the merit of being space-saving and of avoiding unnecessary repetition. Also, being predominantly, a Casebook, it is excusable that it is not indexed.

### 2.2 Is the Book Tendentious?

Undoubtedly, the book is tendentious. Its focus is implicitly defined to be “the use of Cases and Notes to discuss Law of Banking”; and from the beginning to the end, it never deviates from this unequivocal focus.

### 2.3 Does the Book Substantially Cover Aspects of Its Theme?

It is unexpected that any book, at all, will, in its coverage, exhaust all aspects of its theme. In order for the book to be of standard, it suffices if it,

substantially, covers aspects of its theme; and this book, certainly, achieves this. In its eight (8) chapters, it discusses the following very critical aspects of its theme; namely:

- 2.3.1 Banker and Customer Relationship;
- 2.3.2 The Paying Banker;
- 2.3.3 The Collecting Banker;
- 2.3.4 Bankruptcy;
- 2.3.5 Limited Companies;
- 2.3.6 Special Types of Customers;
- 2.3.7 Securities for Advances; and
- 2.3.8 Guarantees.

#### **2.4 Does the Book Really Pass Its Message Through the Language Style Adopted?**

This question is answered in the affirmative because the book is written in very simple, fluid, alluring and easily understandable language style that compels the reader to read it from the front cover to the back cover.

#### **2.5 Is the Book Well Structured?**

Certainly, it does. Indeed, one of the strengths of the book is its near-perfect structure. It is consciously made to be symmetric; and within this context, one chapter naturally flows into the other, from the beginning to the end, thus, making the book a well-integrated bunch of complimentary units and an adorable beauty to behold.

#### **26 Does the Book Have Appendixes and Do The Appendixes Add Any Value to the Book?**

Certainly, the answer to this question is also in the affirmative. The book has Four (4) Appendixes; namely:

- 2.6.1 The Banks and Other Financial Institutions Act, 2004;
- 2.6.2 The Central Bank of Nigeria Act, 2007;
- 2.6.3 The Code of Corporate Governance for Banks and Other Financial Institutions in Nigeria, 2003; and
- 2.6.4 The Code of Conduct in the Nigerian Banking Industry These Appendixes add tremendous value to the book in the sense that readers require them both for the purpose of further understanding of the various aspects of the book and for continuous studies and the readers, readily, have them, by virtue of the Appendixes.

#### **2.7 Does the Book Have Questions and Answers and Do the Questions and Answers Add any Value to the Book?**

The book, certainly, has Questions and Answers and they, sure, enhance the quality of the book. In all, the

book contains twenty-four (24) Questions to which suitable answers are provided. The value-addition of these Questions and Answers is, especially, in the help that they provide for Law Students as well as Banking and Finance Students in the various tertiary institutions in Nigeria as well as students studying for such professional qualifications as CIBN, ICAN, ICSAN, CIIN and ACIS, in deeply understanding the subject of Law of Banking and in preparing them to pass their examinations and for enhancing their competence and immediate relevance at the workplace.

#### **3.0 CONCLUSION:**

Undoubtedly, the book: Cases and Notes on Law of Banking authored by Professor Pius Oladeji Olanrewaju, which, shall be publicly presented, shortly, eloquently meets the seven (7) criteria for determining whether the book is of high standard or not earlier identified. Indeed, the book is a profound treasure and an inestimable addition to foremost Banking and Finance and Banking Law Literature, respectively, in Nigeria; and for this reason, it is warmly commended to Legal Practitioners, Honourable Judges, Banking Operators and Regulators, Law Students, Banking and Finance Students in all tertiary institutions as well as those studying for professional qualifications.

Permit me, therefore, to warmly congratulate Professor Olanrewaju, for the highly laudable scholarship and industry deployed into producing this high-calibre book despite his very demanding schedule, especially as Dean of a foremost Faculty of Law in Nigeria: that is, the School of Law and Security Studies, Babcock University, Nigeria.

I also salute Professor Ademola Stephen Tayo, the highly regarded President/Vice-Chancellor of Babcock University, his Management Team, the entire Staff and Students of that Great University, for the enhancement of the already golden and glorious brand of the University that this amazing book, represents.

Finally, I applaud the Chartered Institute of Bankers of Nigeria, for being a worthy ally in the production of this valuable book.

Thank you very much for your distinguished attention and God bless.

**PROFESSOR OLUSESAN OLIYIDE  
DEPARTMENT OF BUSINESS AND  
INDUSTRIAL LAW FACULTY OF LAW  
OLABISI ONABANJO UNIVERSITY  
(REVIEWER)**

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