Memo To The Market

NESG Vs CBN: Beyond The Battleground-
The Need For Facts, Perspective and Resolution

September 2020

1602 - 8842 Vol. 1 No. 239

proshare ECONOMY

CBN INTERVENTIONS
2015 - 2020

29-Sep-2020
N550m
Amended Health Sector Research And Development Intervention Scheme (hsrdis) Guideline
Sector: Human Health and Social Services

15-Sep-2020
N200bn
CBN Issues Framework for The Implementation of Family Homes Financing Initiative
Sector: Construction

15-Sep-2020
N10.05bn
CBN Issues Framework for the Implementation of Intervention Facility for the NGEP
Sector: Crude Petroleum and Natural Gas

25-Mar-2020
N50bn
CBN Issues Guidelines for the Implementation of the N50bn Targeted Credit Facility
Sector: General Economy

21-Mar-2020
N3.5trn
Bankers Committee Reviews Impact of COVID-19 On Economy, Announces Support Packages
Sector: COVID-19 Stimulus Package

16-Mar-2020
N50bn
CBN Policy Measures In Response to COVID-19 Outbreak and Spillovers
Sector: Human Health and Social Services

08-May-2020
N533m
CBN Announces Creative Industry Financing Initiative
Sector: Arts, Entertainment and Recreation

02-Mar-2020
N5bn
CBN Introduces Non-Oil Export Stimulation Facility (NESF)
Sector: Non-Oil Sectors

19-Apr-2020
N26bn
CBN pledges more interventions to create jobs, wealth
Sector: General Economy

24-Aug-2017
N/A
CBN Introduces Funding for Liquidity and Intra-day Facilities for Non-Interest Banks
Sector: Financial and Insurance

21-Aug-2017
N200bn
CBN Revised the Guidelines for Commercial Agricultural Credit Scheme (CACS)
Sector: Agriculture

21-Dec-2015
N220bn
CBN Earmarks 60% of MSME Development Fund for Women
Sector: Trade

Nigeria Youth Investment Fund
AN INITIATIVE OF THE FEDERAL MINISTRY OF YOUTH AND SPORTS DEVELOPMENT FUNDED BY CENTRAL BANK OF NIGERIA
COMING SOON!
NYIF NIGERIA YOUTH INVESTMENT FUND
FEDERAL MINISTRY OF YOUTH AND SPORTS DEVELOPMENT
NIRSAL MicroFinance Bank
Central Bank of Nigeria

www.cbn.gov.ng
@cenbank

Contents

Introduction- Beyond The Exchange, Brothers At War

Officials at the Central Bank of Nigeria (CBN) are cerebral, nationalistic, and focused. But they are equally prickly, defensive, and impatient with alternative views. The recent public brickbat between Nigeria's banking sector regulator and the country's premier private-sector economic think tank, the Nigeria Economic Summit Group (NESG) reflects the passion and overwhelming concern both institutions have for the wellbeing of the Nigerian economy.

However, the two institutions like squabbling siblings have exhibited barely restrained emotion, veiled intolerance, and an unnecessary desire for public-validation. The difference of opinion between both institutions could have been resolved undramatically with forbearance, temperance, and a preparedness to listen rather than speak.

Indeed, the sword-rattling between the two institutions signposts the unraveling of a long-standing friendship that existed between the two previous buddies which perhaps helped the organizations ignore the floating smoke coming from the economy's engine. The fact that the NESG has only just become aware of the dangers of a few economic headwinds is just as significant (and frustrating) as the private think tank pointing out the problems of the economy to its regulator associate. The NESG's once-comfortable relationship with the CBN had created an illusory sense of social, and economic wellbeing.

The Issues (and Egos)

Established in 1996, the NESG has been a major platform for the organized private sector's engagement with the economy and its state actors. Perhaps concerned about rising domestic inflation rate (+13.22% in August 2020), rising unemployment rate (+ 27.1% in Q2 2020) and falling GDP (-6.10% in Q2 2020) the NESG felt a need to express its opinion on the increasingly adverse macroeconomic aggregate numbers. The NESG set out a 15-point argument for the government to take action on what the body considered a dangerous drift in the economy. The NESG's summation was generally well-received outside government circles as it addressed points that academics and entrepreneurs had previously felt nervous about.

In a speedy and abrasive response to the NESG, the banking sector regulator, riled by NESG's gale to go public with a communique titled "Matters of urgent Attention" let loose a spitfire of information on its intervention measures. The money market regulator insisted that the NESG would have behaved more appropriately if a memo was sent privately to the Bank. In a paragraph of a press release signed by the regulator's retiring Director of Communications, Mr. Isaac Okoroafor, the Bank noted that "The CBN also feels compelled to let Nigerians know that despite the cordial and open relations between both organizations, the NESG could have raised its allegations directly with us but never did. Instead, they chose to release a Press Statement, having leaked its content to a leading Business Newspaper in the country".

If the NESG had according to the CBN's response to the think tank's communique, issued a press statement, it is difficult to understand how such a release could have been 'leaked' since the intention of a Press release is to make the information public. A Press statement to all intents is drafted to be made public and is unlikely to have been passed quietly to a media house under the cover of the night. But this is a minor point. Of greater importance is that as a think tank, like the United States of America's ***The***

Brookings Institution, and Japan's ***Nomura Research Institute***, the NESG is not required to have backdoor discussions with governments or their agencies before making press statements or communique. Economic observers note that while a fraternal relationship with public institutions is desirable it is neither inevitable nor compulsory. The job of the NESG is to provide a compelling interpretation of unfolding economic reality as accurately and dispassionately as possible in the interest of both private and public sector stakeholders, it is not a black- suite fraternity sworn to an oath of public secrecy. In this respect, the CBN may have misinterpreted the NESG's purpose and methods in deciding what it sees as acceptable conduct.

However, the NESG could have, admittedly, handled the communication gap between itself and the CBN better. The economic body could have given the CBN a heads-up as an act of courtesy and left it at that. Both institutions appear to have had some festering grievances that plays-up in the adversarial language and actions surrounding the events after the NESG communique was released. The battle between the CBN and the NESG is brilliant for neutrals who wish to see clarity in economic policy formulation and management but it would have been much better if the egos of both institutions and their managers were less fragile and provided better economic insight.

A local economic analyst noted that “relationships never die a natural death. They are always murdered by attitude, behaviour, ego or ignorance”, the NESG and the CBN may need to decide which of the vices apply. But more importantly, both bodies need to take to the words of Ayn Rand in her novel " **Atlas Shrugs**, where observed that “There are two sides to every issue: one side is right and the other is wrong, but the middle is always evil. The man who is wrong still retains some respect for truth, if only by accepting the responsibility of choice. But the man in the middle is the knave who blanks out the truth in order to pretend that no choice or values exist, who is willing to sit out the course of any battle, willing to cash in on the blood of the innocent or to crawl on his belly to the guilty, who dispenses justice by condemning both the robber and the robbed to jail, who solves conflicts by ordering the thinker and the fool to meet each other halfway.”

“In any compromise between food and poison, it is only death that can win. In any compromise between good and evil, it is only evil that can profit. In that transfusion of blood which drains the good to feed the evil, the compromise is the transmitting rubber tube”.

Of Righteous Resignations and Sinful Pressure Points

Riding on the back of pricked egos, recent media reports speculate that three bank managing directors resigned their board membership of the NESG ostensibly because the communique released by the organization was not widely circulated for comments and approval of board members. Independent investigations suggest that the MDs of banks on the board of the NESG were pressured by the regulator to resign their appointments if they hoped to continue to have a smooth working relationship with the regulator. The CBN's heavy-handedness rather than righteous indignation has been claimed to be the more plausible reason behind the local deposit money institutions (DMBs) executives resigning from the NESG. If this were true it would mark a dark day in the annals of corporate governance in Nigeria's financial service sector.

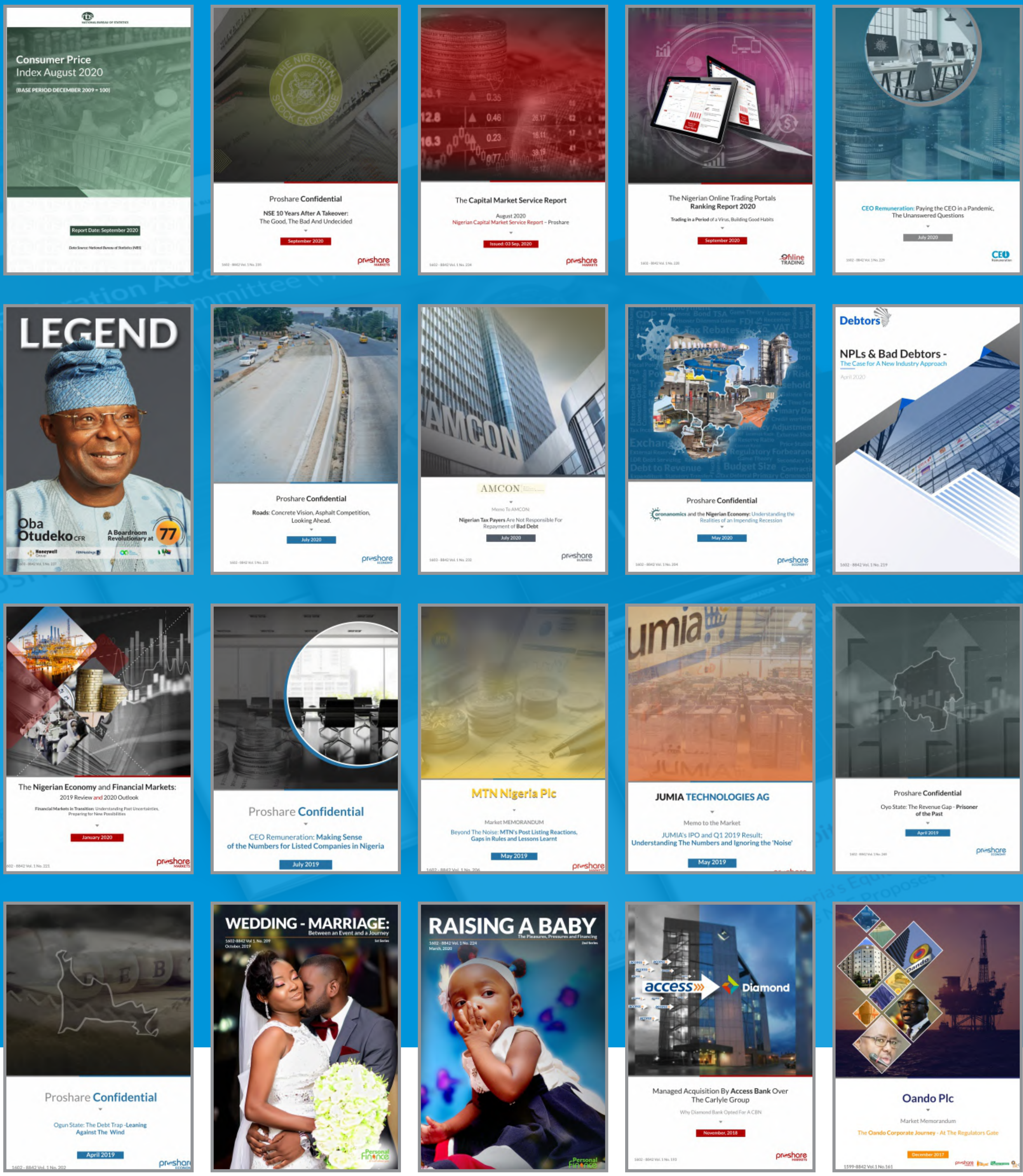
For the CBN to allegedly lean on bank executives in retaliation to a scuffle with third-parties breeches the principles of global best management practice by the banking regulator and those bank executives that decided to resign. The CBN's alleged action would represent bullying while those of the bank executives would reflect rank cowardice.

There is no point in joining an economic policy and research association in your free will only to cave-in to the whims and caprices of regulatory overreach. The whole point of an economic private sector association is to provide a platform where economic interests can be canvassed within a framework of reasoned engagement rather than muddy sentiments, if bank CEOs cannot stand up and own a principled position based on potential and temporary material loss, then the NESG may well be considered better off without such fellows. There is no documentary evidence to indicate that the bank CEOs that resigned from the NESG were harassed or subtly threatened but the excuse that they were not consulted or a party to the NESG's communique as a reason for resignation is like a child refusing to eat a meal prepared by its mother because she did not allow him to add a dash of salt during its preparation.

A child could be excused of emotional fragility, but for adults to portray whimsical behaviour based on a claim of not being consulted on the contents of an association's letter is puzzling. Supposedly neutral analysts have noted that if the bank CEOs were genuinely aggrieved by the contents of the NESGs communique the way of wizened elders would be to write a joint memo to the market and explain that they had an alternate view of the economy and a less deprecating opinion of the state actors who manage the country's money supply and treasury.

The 'minority report' approach would have added robustness to the overall debate on the quality of economic management in the country and would have provided fresh perspectives on how to engineer and sustain growth, development, and success. Analysts observe that the brainstorming would have brought about light from within the smoke, and created more useful insights than the dramatics of penning resignations with the attendant unhealthy speculations.

Issues Deconstructed: In Praise of Contexts


Consumer Price Index August 2020
Proshare Confidential
NSE 10 Years After A Takeover: The Good, The Bad And Undecided
The Capital Market Service Report
The Nigerian Online Trading Portals Ranking Report 2020
CEO Remuneration: Paying the CEO in a Pandemic, The Unanswered Questions
LEGEND
Oba Otudeko CFR
A Boardroom Revolutionary at 77
Roads: Concrete Vision, Asphalt Competition, Looking Ahead.
AMCON
Nigerian Tax Payers Are Not Responsible For Repayment of Bad Debt
Debtors
NPLs & Bad Debtors - The Case for A New Industry Approach
The Nigerian Economy and Financial Markets: 2019 Review and 2020 Outlook
CEO Remuneration: Making Sense of the Numbers for Listed Companies in Nigeria
MTN Nigeria Plc
Beyond The Noise: MTN's Post Listing Reactions, Gaps in Rules and Lessons Learnt
JUMIA TECHNOLOGIES AG
JUMIA's IPO and Q1 2019 Result; Understanding The Numbers and Ignoring the 'Noise'
Oyo State: The Revenue Gap - Prisoner of the Past
Ogun State: The Debt Trap -Leaning Against The Wind
WEDDING - MARRIAGE: Between an Event and a Journey
RAISING A BABY
access
Diamond
Managed Acquisition By Access Bank Over The Carlyle Group
Oando Plc
The Oando Corporate Journey - At The Regulators Gate

Issues Deconstructed: In Praise of Contexts

Taking a cue from the arguments between the CBN and NESG on the direction of the Nigerian economy, it appears clear that in the last five years, Nigeria's economy has bobbed and weaved between recession and modest growth as a result of external economic shocks from falling crude oil prices (in 2016) and a global health pandemic (Q1 2020) riding atop a trade tussle between Saudi Arabia and Russia for increased global oil market share in Q1 2020.

Tumbling oil prices and economic shutdowns mainly in Q1 and Q2 2020 has led to negative GDP growth rates in several countries around the world. The decline in global economic activities has resulted in higher unemployment rates, rising business and individual bankruptcies, and major disruptions to global business supply chains. To pull through the difficult times both monetary and fiscal authorities across the globe have resorted to unconventional economic policies including **quantitative easing** (QE) mixed with targeted fiscal interventions. In the case of Nigeria, more recently the federal government (and a few states) have hiked retail tax rates and removed subsidies on petrol and energy plum in the middle of a recession, this is, of course, counterintuitive, and contrary to the policies in other global economies, but at a time of COVID-19 who knows what works?

Indeed, markets may look a bit drunken in a coronavirus environment with monetary and fiscal policies and their consequences pivoting to surprising directions, but certain basic principles remain (even though the economist's **Philips** Curve which shows the relationship between Inflation and unemployment seems to have disappeared).

To push GDP upwards countries have ha to expand fiscal policy (in true Keynesian fashion) and allowed for monetary easing which has seen interest rates fall as unemployment rates dipped at differential rates across American, Asian and European economies. Indeed macroeconomic consequences of expansionary fiscal and monetary policies differed across Africa too.

In Nigeria, the Central Bank has had a grand time of intervening massively in economic stimulation through a pile of intervention funds. It may be too early to say how effective these interventions have been but with rising inflation (+13.22% in August up from +12.82% in July 2020), GDP growing at -6.10% in Q2 2020, and unemployment at +27.1% at the end of the first half of the year, analysts are irritable about the success of what Proshare in its **Coronanomics Report** released in May 2020 on page 4 called “fiscmon”, a contemporary economic management arrangement that breaks the distinction between monetary and fiscal policy and allows the monetary authority to dominate economic coordination between traditional fiscal and monetary policy. The report stated that fiscmon “represents an integrated approach that sees monetary and fiscal management tied into a forward plan of action to achieve clearly stated objectives within a specified time frame”.

CBN's Economy Nudge

The Nigerian Central Bank jumped in early to head off a possible severe recession in 2020 as a result of falling international oil prices, dwindling fiscal revenues, and supply chain shock caused by the economic disruptions accompanying the global coronavirus pandemic (COVID-19) that had started to hurt local businesses. The CBN's interventions were important but the jury is still out on its impact.

The numbers published by the National Bureau of Statistics (NBS) on leading macroeconomic indices for the country between January and June 2020 remain unflattering. The CBN has said that things could have been worse without its intervention but this is as good as saying that a man that drowned in a swimming pool was a lot better than one that drowned in the Pacific ocean, after all, there are no sharks in a swimming pool!

However, dead men do not care where they drown they simply stay dead. The principle point is that the CBN's policies need to show evidence of effectiveness to drive up the confidence and trust deficit plaguing the private sector. The intervention programmes of the regulator have been laudable but reticent in pushing the needle of growth and development within the pandemic. Some analysts point to the relatively softer impact of COVID-19 on the domestic economy relative to the more severe outcomes for economies such as South Africa. They argue that Nigeria's economy was still gasping for life at a time others were in a coma and not much of the private sector activities were reflective of a nudge by CBN intervention policies in Q1 and Q2 2020 (micro and small enterprises (MSMEs) were stooped in a gully as demand petered and domestic supply chains broke down).

Economists argue that at the time a full lockdown was imposed on the country by the federal government in H1 2020, only Lagos, Abuja FCT, and Ogun State were majorly affected, as other parts of the country carried on business as usual right up to the end of March. The restrictions in interstate travel merely prevented the ease of physical movement of persons but circumnavigated agricultural produce and other essential manufacturing inputs that still got to their points of need during the period.

Economic analysts have observed that the CBN's intervention programmes commenced well before the emergence of COVID-19 in Q1 2020 and that programmes like the agricultural sector anchor borrowers programme (ABP) are yet to produce the agricultural bang for the policy buck. A similar tale of tottering performance would be true for other interventions in aviation, manufacturing, and entertainment. Recent **media reports** on the local agricultural sector have noted that the anchor borrowers loans (estimated at N240bn) have been difficult to recover as beneficiaries of the loans claimed that they thought the loans were government grants to ease the financial burdens of the coronavirus pandemic. The convenient misdemeanour was expected and slightly comical. The ABP has been peppered with problems that would have been better handled at the level of bank retail project management than as a pet scheme of a banking sector regulator.

The problems associated with the ABP include, but are not limited to, the following;

- Poor farmer identification (this is the difference between 'portfolio' farmers and hands-on farmers)
- Poor farmer loan administration and monitoring (the absence of farmer addresses and locations is a classic case of poor loan governance)
- Poor farm infrastructural support (poor road networks, logistic challenges, and produce preservation inadequacy combine to disrupt the sectors value chain growth)
- Supply chain disruptions and absence of disaster recovery plans (DRPs) (supply chains weakened by COVID-19 need to be restored and prepared for a post-COVID-19 era, the risk-proofing of agricultural output becomes critical in times ahead)
- The local commodity Exchange is still weak and lacks depth and breadth, limiting its usefulness as a risk-protection arrangement and a price-discovery mechanism

The Other Parts of Lending

CBN's intervention in other sectors of the economy has been no less distressing. The aviation sector fund has not provided a robust boost to the sector and with the coming of COVID-19 and its disruption to air travel, the sector is in pre-terminal agony. Virtually all domestic airlines and their ground handling companies are struggling for breath. Even the strongest of the local airlines, Air Peace, had to sack 69 pilots in August 2020. As a further measure to guarantee the company's continued operations, the company had salaries of 3000 workers cut by 40 percent. As of August 2017, the CBN had disbursed N277.4bn under its N300bn power and aviation intervention fund (PAIF). The outcome of the fund disbursement has been mixed but represents a much better performance than the agriculture sector.

The PAIF fund was disbursed between September 2016 and June 2017 with N106.13bn repaid within the period. The money was disbursed as loans across 16 airline projects and 43 power projects.

Kicking The Can Forward

On March 15 2020 the CBN announced some important market intervention programmes designed to keep the economy ticking and preventing a sizable loss of local jobs. Among the measures taken by the Bank at the end of Q1 2020 included;

- A one-year extension of a moratorium on principal repayments of CBN intervention loans
- A reduction of interest rate on CBN intervention lending from 9% to 5% per annum.
- Greater enforcement of the 65% loan-to-deposit ratio (LDR) for local deposit money banks (DMBs) to increase credit to the private sector.
- Creation of N50bn target credit facility for households and small businesses affected by COVID-19
- Granting regulatory forbearance to banks to restructure the terms of loans that had been adversely affected by COVID-19
- Improving FX supply to the CBN by directing oil companies and oil service companies to sell FX to the CBN instead of selling to the Nigerian National Petroleum Corporation (NNPC)

These measures were desirable at heart but failed the tests of potency, clarity, and coherence. The CBN appears to have taken on an elephant-sized job of trying to stimulate the domestic economy without pushing the inflation button, but like all elephants, handling the pachyderm's size is a hefty matter.

Proshare adopted a multiple regression approach to understanding the relationship between unemployment and inflation. The result was similar to earlier studies which showed that Nigeria does not appear to have a trade-off between inflation and unemployment, or the so-called economist's Phillips curve does not exist for the country. So how should the CBN respond to a phantom curve? The Phillips curve says that if government policy allows for expansion in money supply (or the use of the CBN's monetary handlebars), the national output would grow but with an accompanying inflationary effect. This outcome was the fast and dirty conclusion of British Economist A.W. Phillips. However, the perspective of an inverse relationship between unemployment and inflation no longer appears to hold. Therefore, expecting to fix CBN policy within this framework may be inappropriate, meaning that some aspects of the NESG perspectives could be misleading.

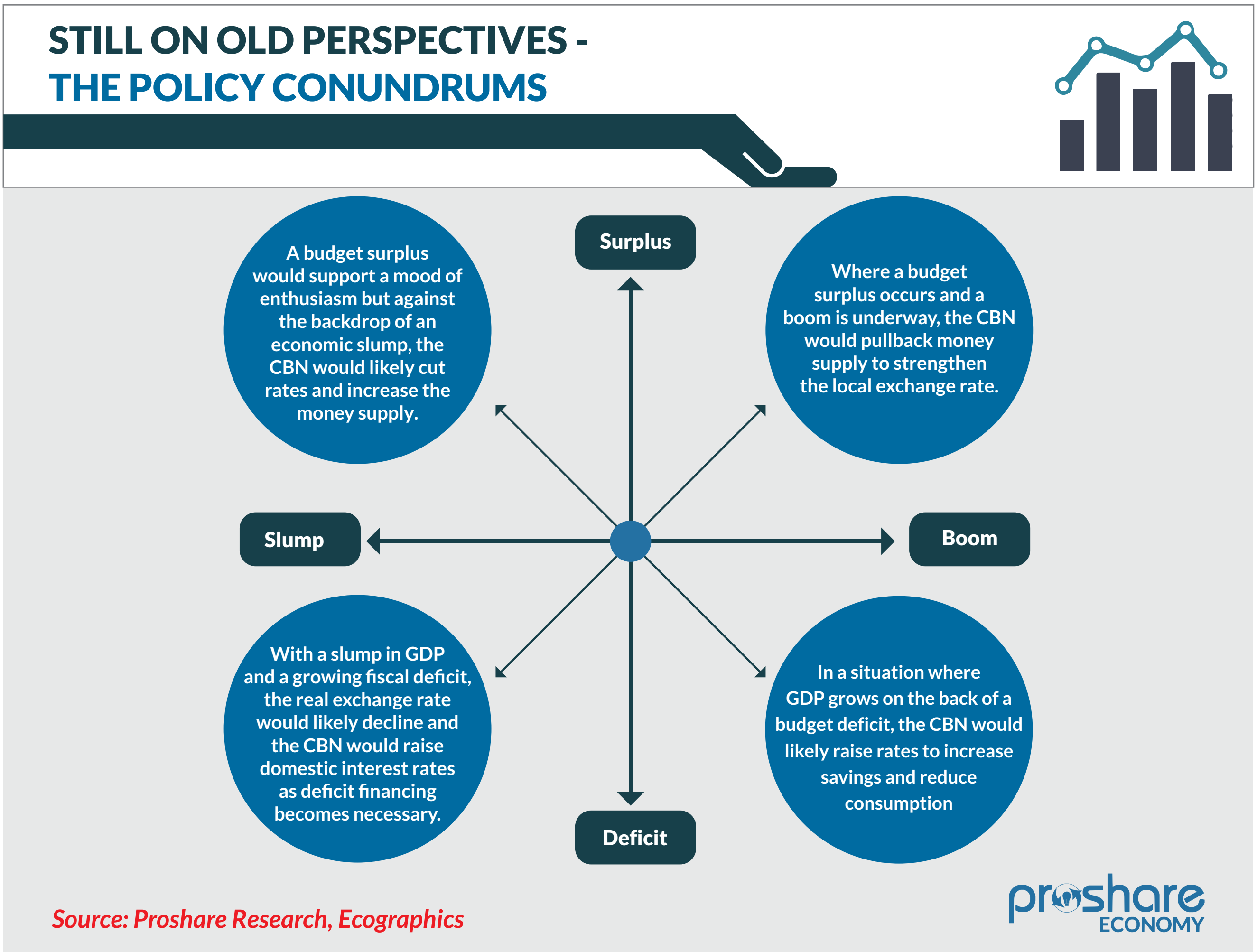
The CBN has tried to reduce unemployment by expanding credit with minimal inflationary consequences. According to the Proshare augmented Phillips curve regression model a one percent rise in the unemployment rate would lead to a 0.47% increase in inflation. If the Phillips curve assumption holds a rise in unemployment should result in a fall rather than a rise in inflation (*see Proshares single-step Linear Regression Model in appendix*).

This counterintuitive result based on contemporary data (Q1 2010-Q2 2020) makes policy choices difficult. Since credit expansion would not increase inflation should the CBN continue to prime the pump and expand the money supply to create growth, output, and employment? But come to think of it, without a Phillips curve relationship an increase in credit does not reduce unemployment but increases it, so should the CBN cut credit to increase employment?

Both the CBN and NESG appear to agree on the existence of a domestic short-run Phillips curve and they equally agree that credit expansion could lead to a growth in output and employment, but regression analysis suggests they are both wrong.

The traditional macroeconomic theory says that a slump in GDP accompanied by a large budget deficit would lead to the CBN raising interest rates to shore up the exchange rate and counter the potential inflationary impact of fiscal spending. If the CBN accommodates the fiscal deficit interest rates would fall as the exchange rate rises and output and employment may or may not increase with a lot resting on the uncertain impact of the rising exchange rate on domestic input costs (*see illustration 1*).

Illustration 1: ***Playing The Imaginary Phillips Curve Game Badly***



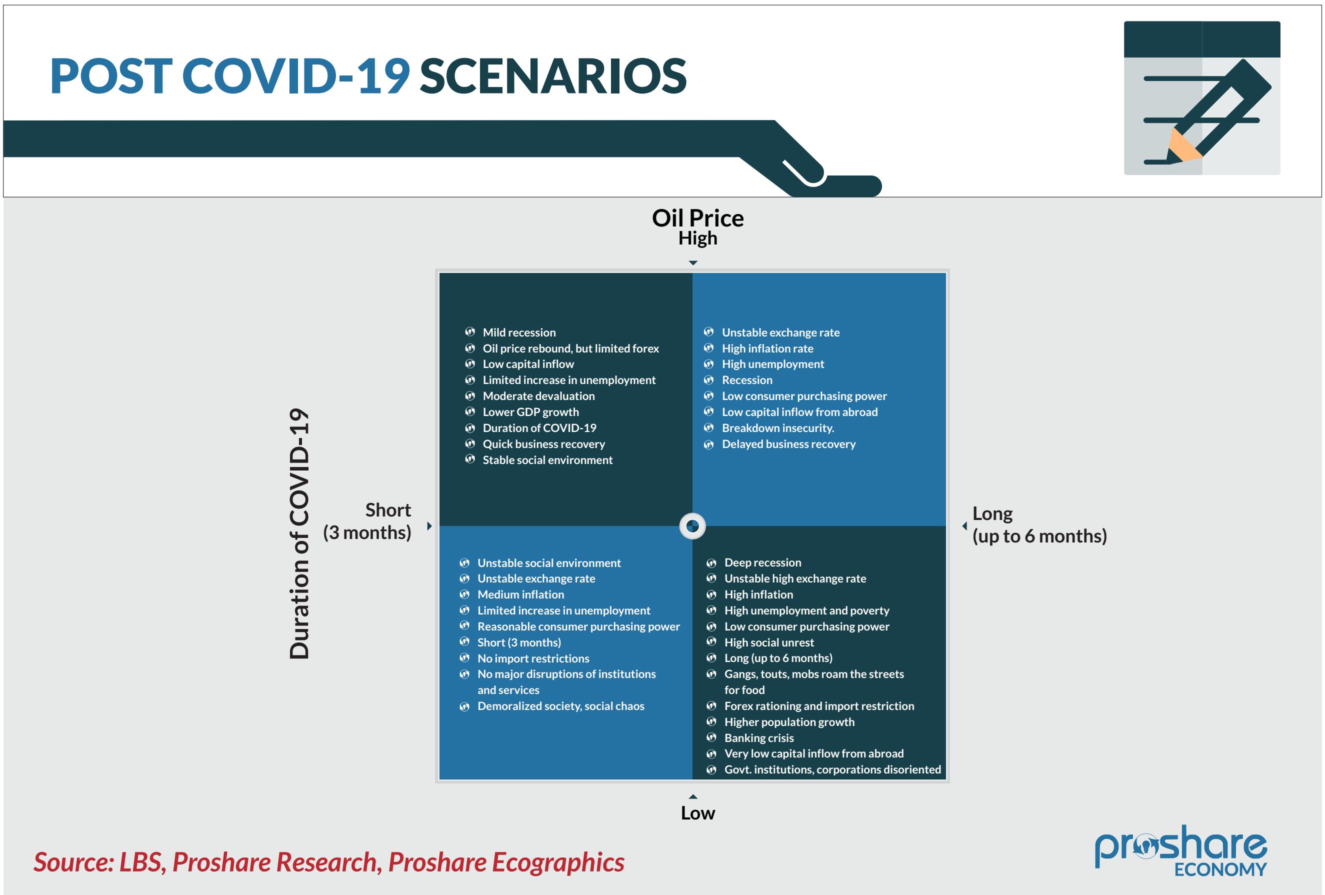
Double Whammies

Two solid punches to the jaw could knock down anybody, including an economy. The double whammy of a health pandemic combined with a drop in oil prices for a major oil-producing economy could lay the economy on the canvass, Nigeria has experienced that dizzyness as inflation spiraled to +13.22% in August 2020 as unemployment banked at +27.1% in Q2 2020. The hard blows of rising inflation and escalating unemployment made mincemeat of the macroeconomic framework used by economists to interpret the economy and its policy tradeoffs.

Both the CBN and the NESG (even if through a marriage of convenience) would need to sit down and work through the dynamics of how the Nigerian economy works to fashion out policies that enable a non-accelerated inflationary rate of unemployment (NAIRU). Or given that studies (including that of **Proshare**) suggest that there is no trade-off between domestic inflation and unemployment, the two organizations would have to come up with policies that allow for the reduction in inflation and unemployment simultaneously. From the worst of both worlds, the economy needs to move towards the best of both worlds, the policy algorithms may be difficult but not impossible.

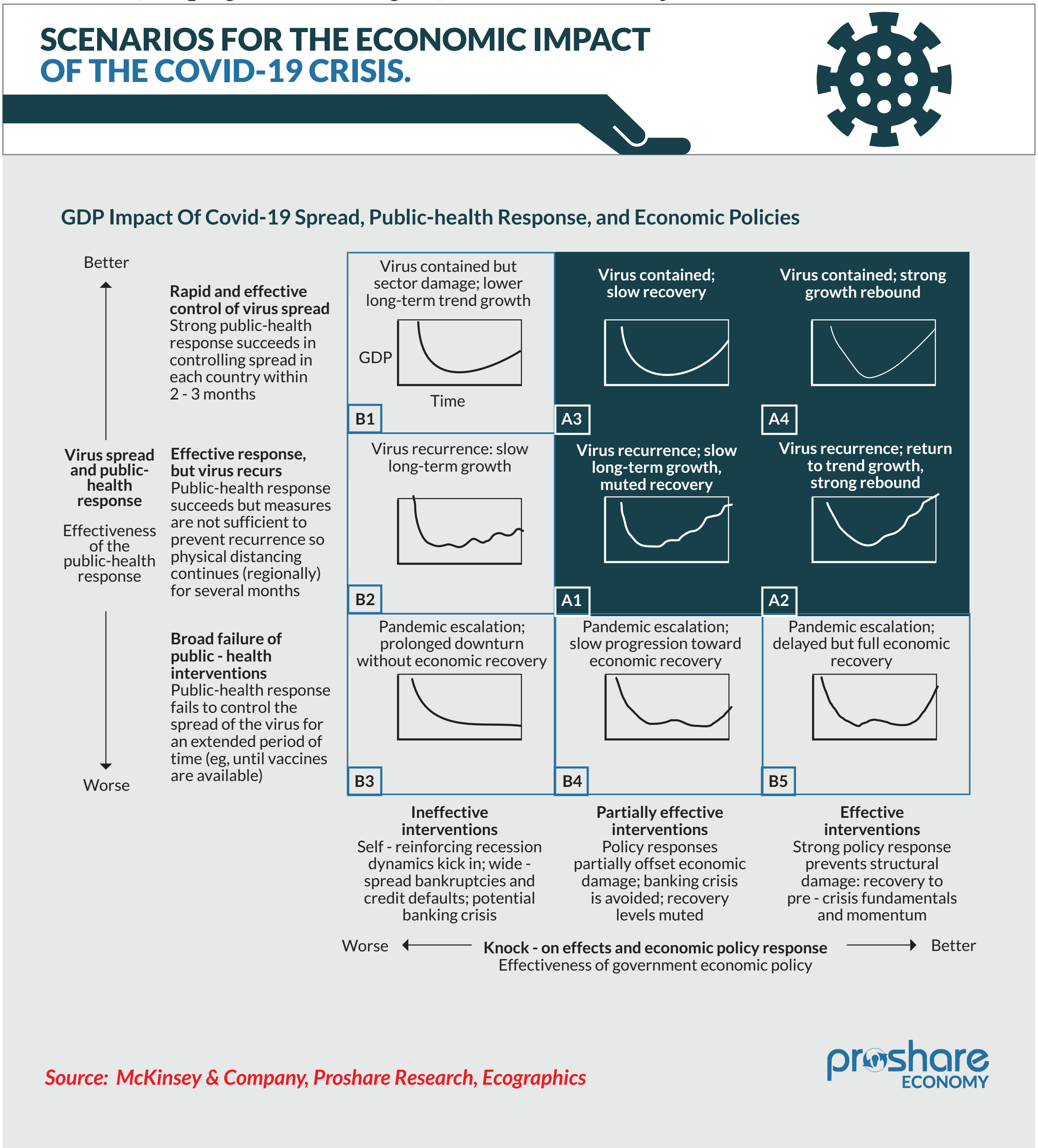
A second twin punch has been the combination of international oil price collapse (which has driven a pole into the heart of the government 2020 fiscal arithmetic) and the debilitating consequences of a viral global health pandemic or COVID-19. The potential outcomes of the different scenarios of the pace of recovery from the pandemic and the upward (or downward) correction of oil prices leave the world in a pool of uncertainty (*see illustrative scenario matrix below*).

***Illustration 2:* COVID-19/Oil Price Scenarios, Playing uncomfortable**



With a renewed wave of the COVID-19 pandemic threatening a second shutdown of the European and United States economies, the consequences for frontier economies like Nigeria may be severe. Analysts have noted that several states in the country have opened up their economies for business and socioeconomic activities with interstate travel in full swing creating a potential for a larger spread of COVID-19 at the communal level across the country. The potential outcomes could range from a worsening spread of poverty to the escalation of corporate bankruptcies and job losses (*see illustration 3*).

Illustration 3: ***Coping With A Contagion, the Stubborn Side of A Virus***



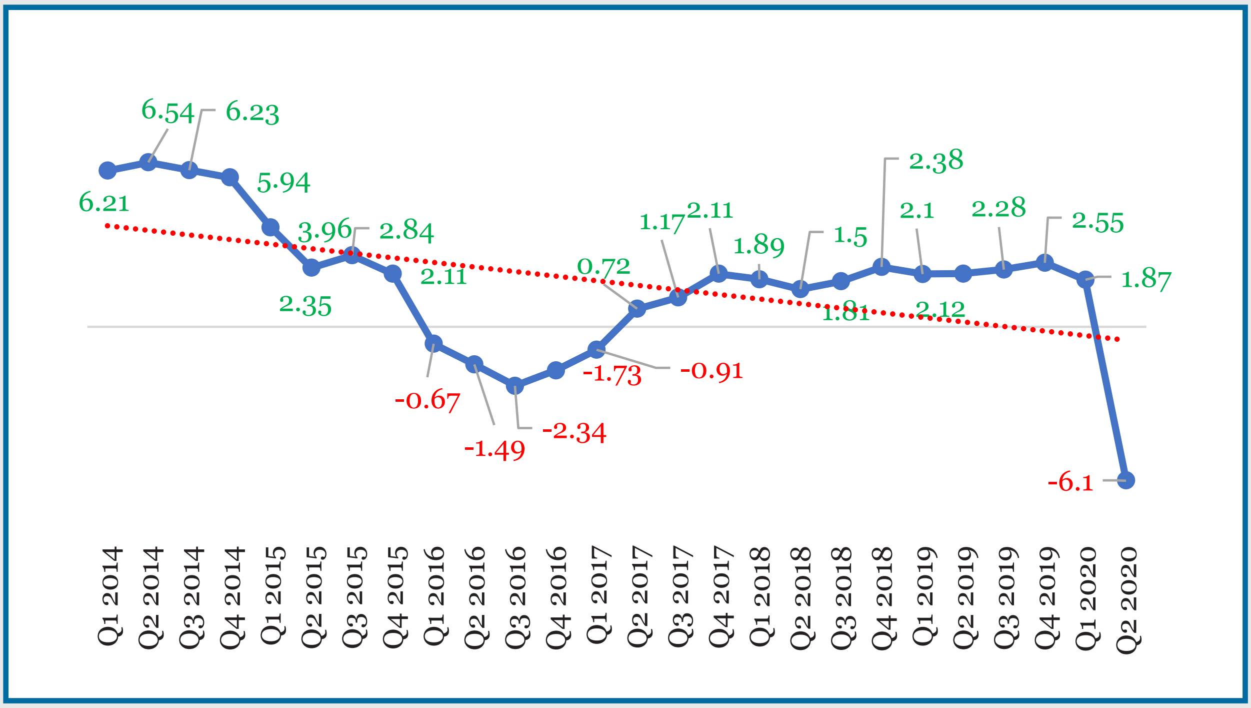
Tracking the Data – Beyond Opinion, Evidence-Based Facts

Deriving from the context of the arguments proferred by economists on both sides of the divide, and drilling past the complexity of high-sounding economic expressions, the Nigerian economy when laid bare appears straightforward as is shown in the economic snapshots below.

*Chart 1: **The Moving History of Nigeria's GDP (Q1 2014-Q2 2020)***

HISTORY OF GDP: Q1 2014 - Q2 2020

	2014	2015	2016	2017	2018	2019	2020
Q1	6.21%	3.96%	-0.67%	-0.91%	1.95%	2.1%	1.87%
Q2	6.54%	2.35%	-1.49%	0.72%	1.5%	2.12%	-6.10%
Q3	6.23%	2.84%	-2.34%	1.17%	1.81%	2.28%	N/A
Q4	5.94%	2.11%	-1.73%	2.11%	2.38%	2.55%	N/A
Full Year	6.22%	2.79%	-1.58%	0.82%	1.93%	2.27%	N/A

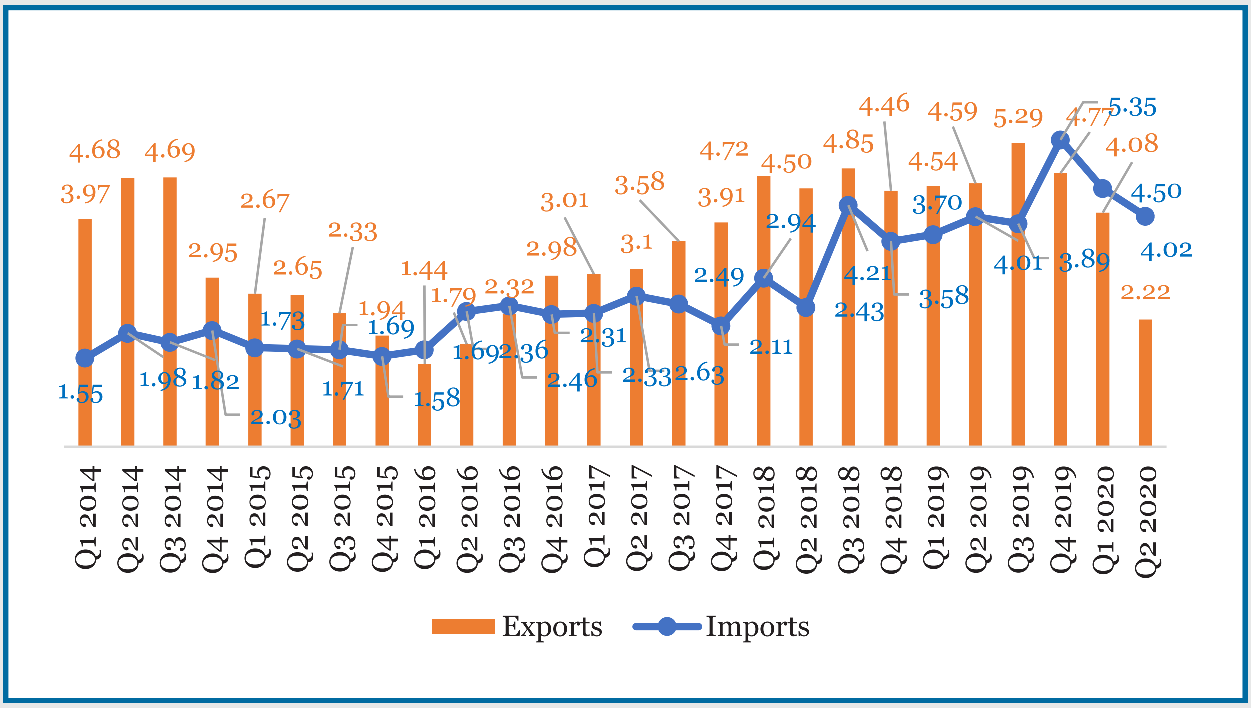


Source: NBS, Proshare Research, Ecographics

Chart 2: ***Nigeria's Trade Balance; The Missing Discussion***

NIGERIA'S TRADE BALANCE Q1 2014 - Q2 2020 (N'BN)

	2014	2015	2016	2017	2018	2019	2020
Q1	2,434.03	937.38	-253.33	677.42	1,776	831.62	-421.3
Q2	2,704.92	948.114	-572.13	471.49	2,077.92	590.5	18,033
Q3	2,877.18	644.99	-135.96	1,088.34	639.06	1,389.30	-
Q4	923.53	364.59	671.3	1,798.31	873.85	-579.06	-



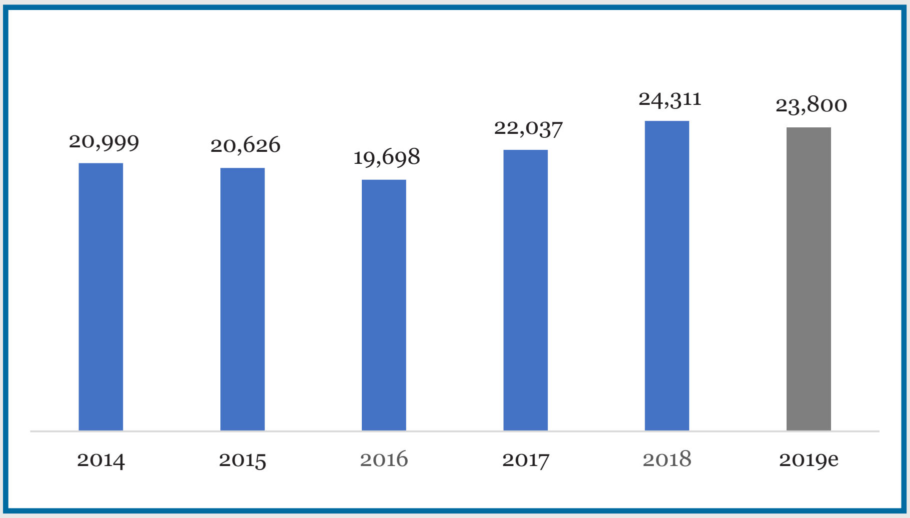
Source: NBS, Proshare Research, Ecographics

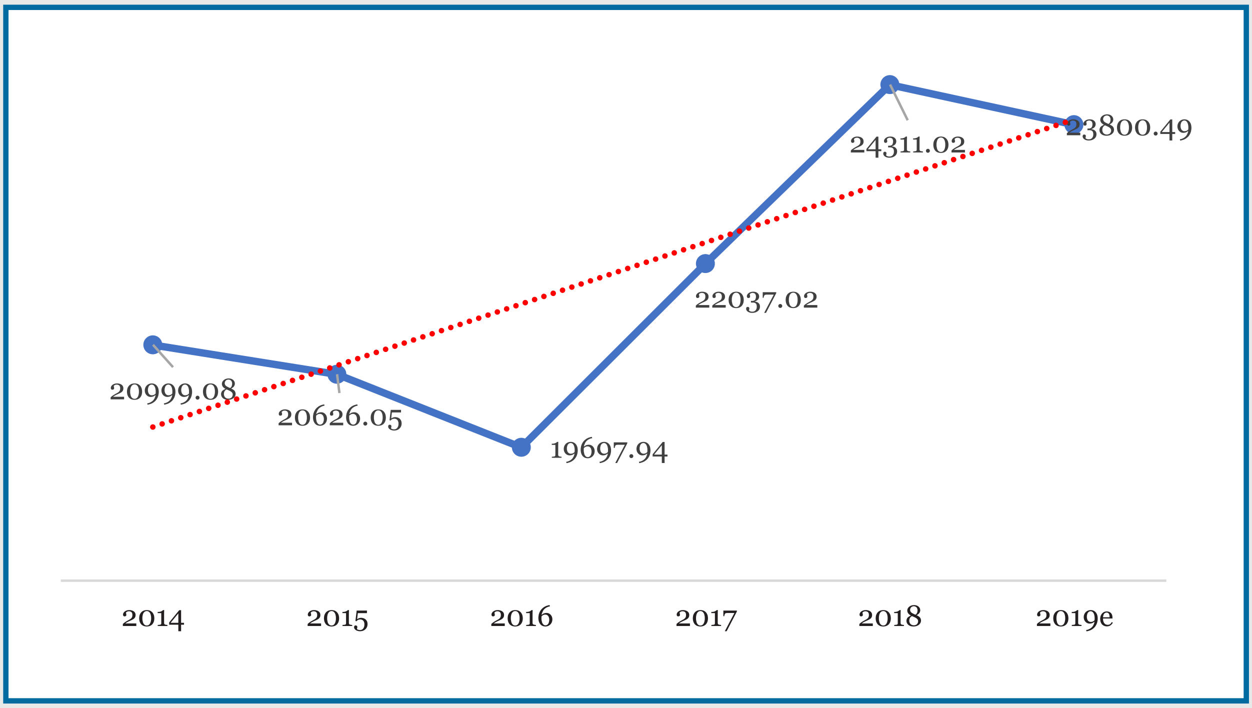
proshare ECONOMY

Chart 3: ***Remembering Home, Foreign Remittances (Inflows) 2014-2019***

REMITTANCE INFLOWS 2014 - 2019 ($'MN)

World Bank estimates $23.8bn as remittance inflows in 2019, which shows a decline of -2.10% from 2018



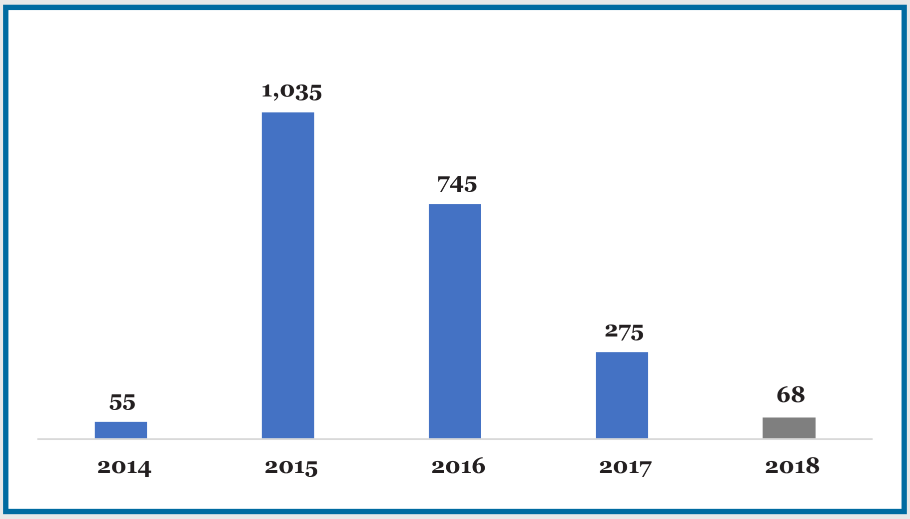


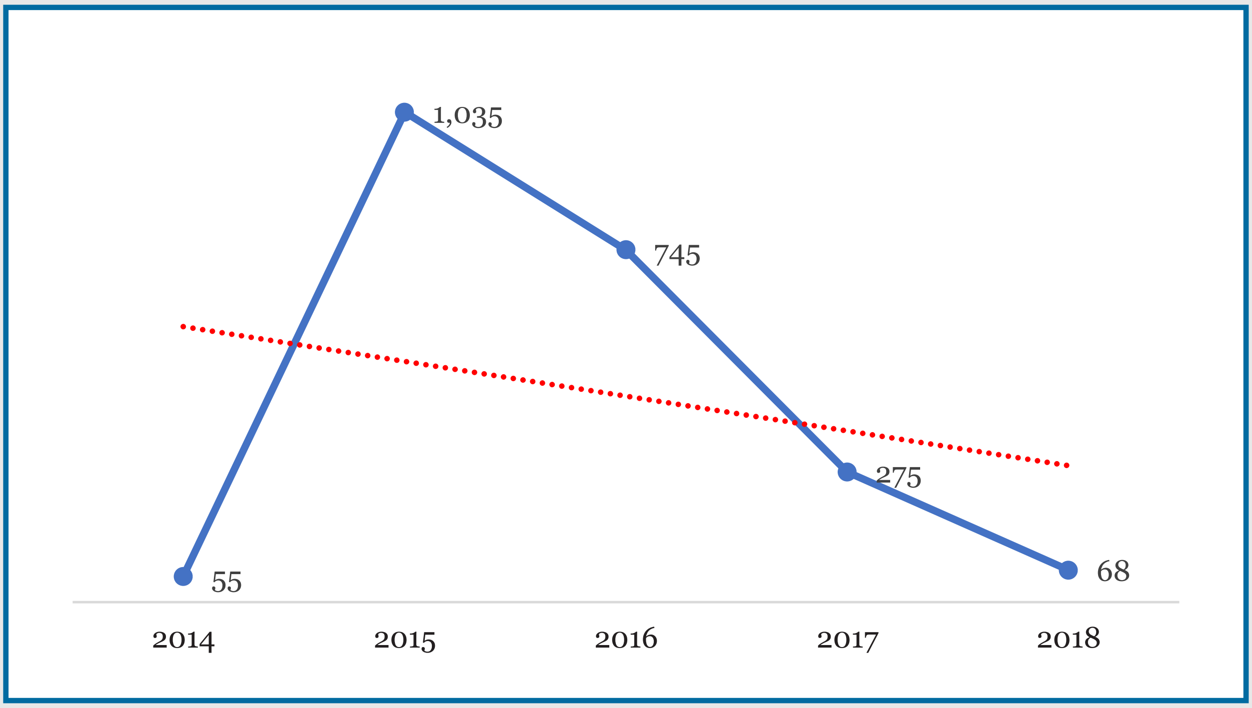
Source: World Bank, Proshare Research, Ecographics

Chart 4: ***Sending Money Away, Taking Care of Remittances (Outflows)***

REMITTANCE OUTFLOWS 2014 - 2018 ($'MN)

Remittance outflows declined significanlty by - 75.42% in 2018





Source: World Bank, Proshare Research, Ecographics

proshare ECONOMY

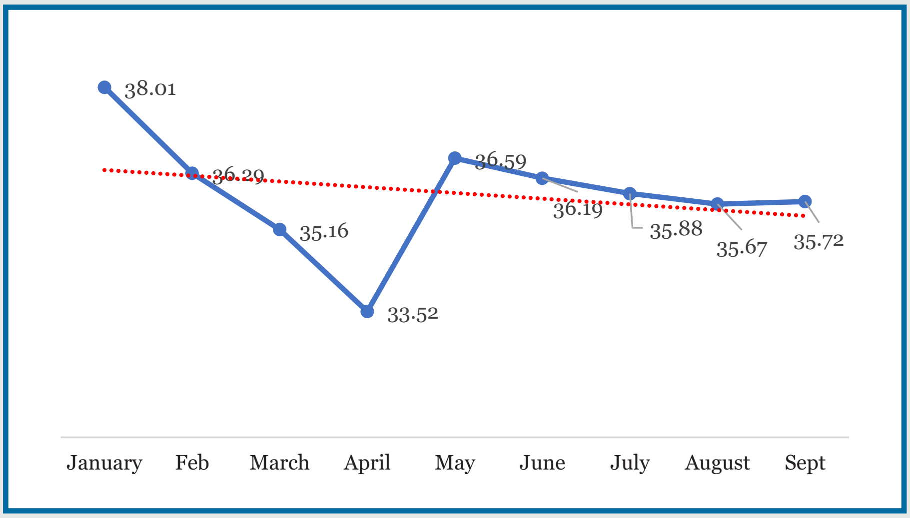
Chart 5: ***Foreign Reserves, from Up to Down***

FOREIGN RESERVE MOVEMENT JAN 2020 - SEPT 2020 ($'BN)

Period	Foreign Reserve ($'bn)
January	38.01
February	36.29
March	35.16
April	33.52
May	36.59
June	36.19
July	35.88
August	35.67
Sept	35.72

Foreign reserve increased M-o-M by

+0.14%



Source: CBN, Proshare Research, Ecographics

proshare ECONOMY

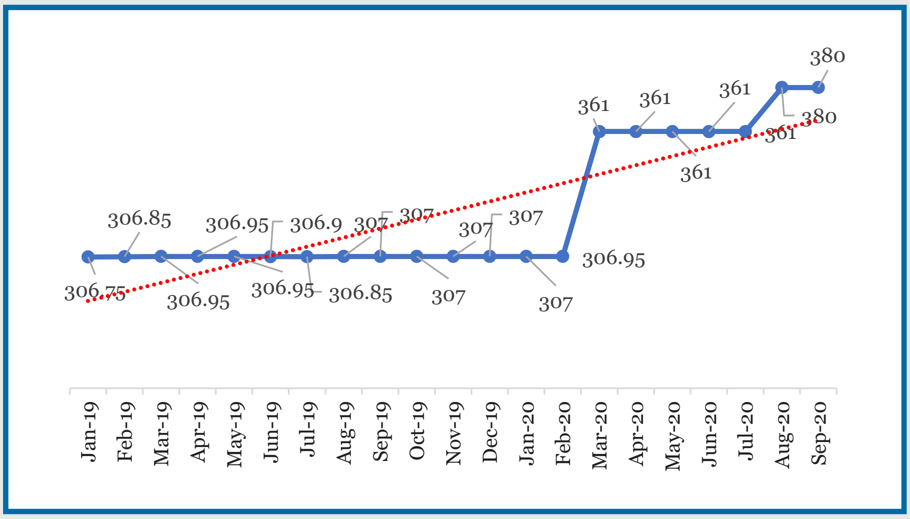
Chart 6: ***Foreign Exchange Movement, Climbing Mountains***

EXCHANGE RATE 2019 - 2020 (AS AT 29TH SEPT. 2020)

Period	Exhange Rate (N/$)
Jan-19	306.75
Apr-19	306.95
Jul-19	306.85
Sep-19	307
Dec-19	307
Jan-20	307
Apr-20	361
Jul-20	361
Sep-20	380

Exchange rate declined by: (July 2020 - September 2020

-5.26%



Source: CBN, Proshare Research, Ecographics

proshare ECONOMY

***Chart 7:* Money Supply, Easing Cash flow Slowly**

MONEY SUPPLY JAN 2019 - AUGUST 2019 (N'TRN)

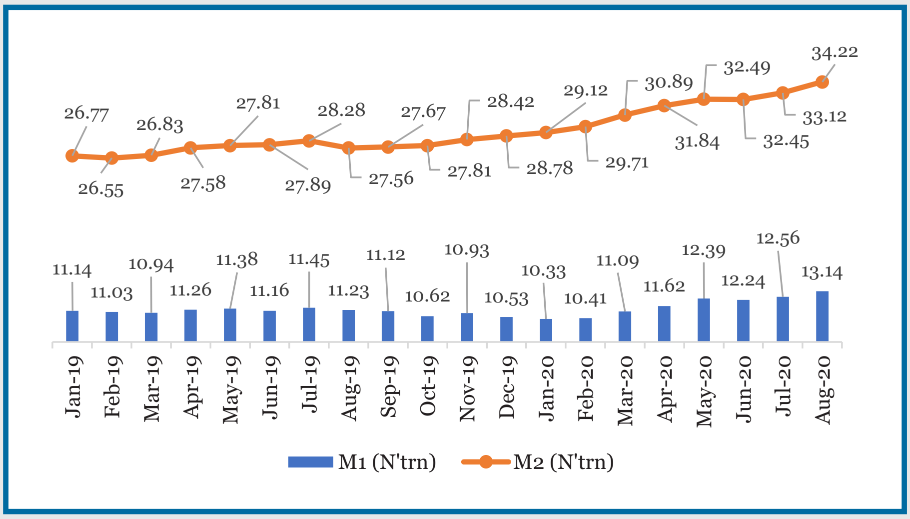
Period	M1 (N'trn)	M1 (N'trn)
Jan-19	11.14	26.77
Apr-19	11.26	27.58
Jul-19	11.45	28.28
Sep-19	11.12	27.67
Dec-19	10.53	28.78
Jan-20	10.33	29.12
Apr-20	11.62	31.84
Jul-20	12.56	33.12
Aug-20	13.14	34.22

M1 increasaed M-o-M by:
(July 2020 – August 2020)

+4.62%

M2 increased M-o-M by:
(July 2020 – August 2020)

+3.32%



Source: CBN, Proshare Research, Ecographics

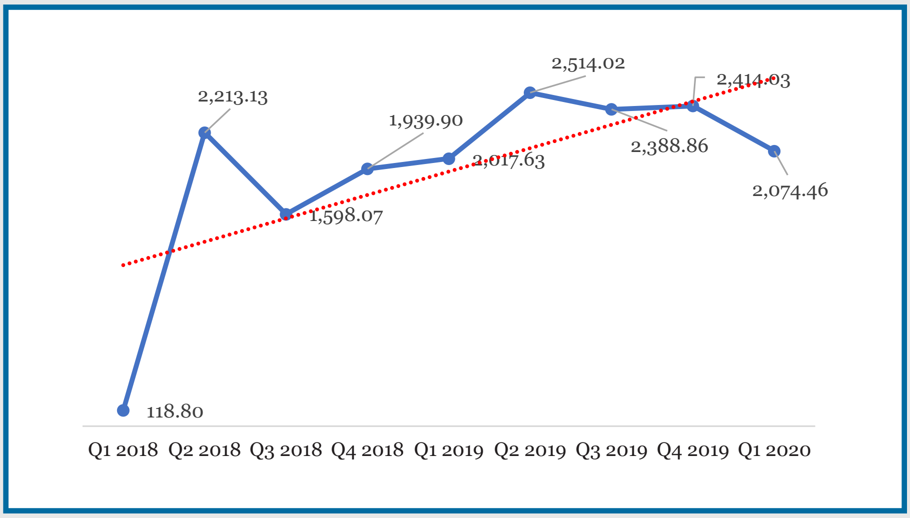
***Chart 8:* Fiscal Expenditure (Q1 2018-Q1 2020), Cooling A Spending Hunger**

FISCAL EXPENDITURE Q1 2018 - Q1 2020 (N'BN)

Period	Fiscal Expenditure (N'bn)
Q1 2018	118.80
Q2 2018	2,213.13
Q3 2018	1,598.07
Q4 2018	1,939.90
Q1 2019	2,017.63
Q2 2019	2,514.02
Q3 2019	2,388.86
Q4 2019	2,414.03
Q1 2020	2,074.46

Fiscal expenditure declined Q-o-Q by:
(Q4 2019 – Q1 2020)

-14.07%

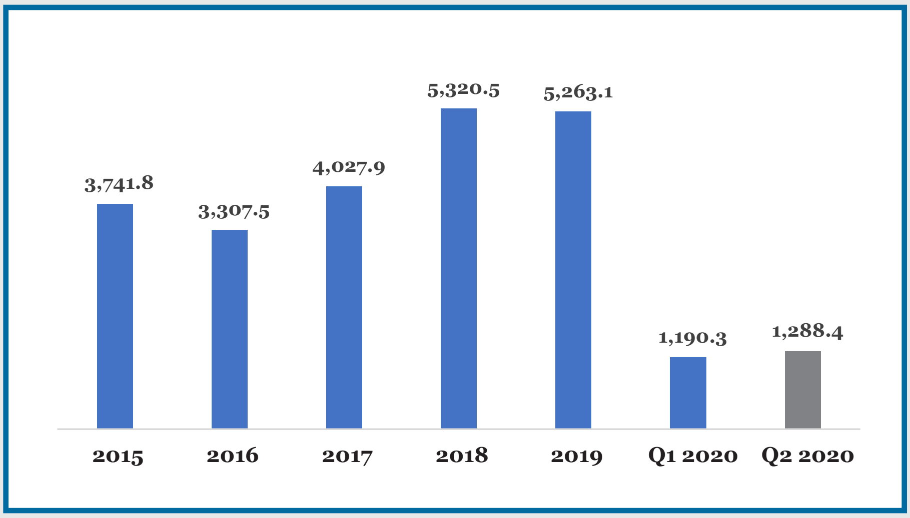


Source: Trading Economics, Proshare Research, Ecographics

Chart 9: ***Tax Revenues (2015-Q2 2020), Priming The Tax Pump***

TOTAL TAX REVENUE 2015 - 2020 (N'BN)

Period	Total Tax (N'bn)
2015	3,741.8
2016	3,307.5
2017	4,027.9
2018	5,320.5
2019	5,263.1
Q1 2020	1,190.3
Q2 2020	1,288.4



Y-o-Y 2018-2019 → **Total Tax Declined** -1.08%

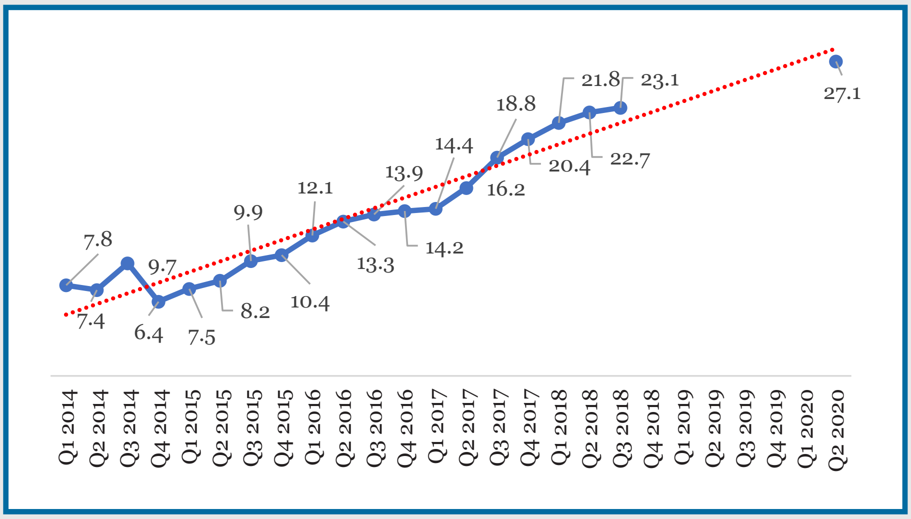
Q-o-Q Q1 2020 - Q2 2020 → **It Increased** +8.24%

Source: FIRS, Proshare Research, Ecographics

Chart 10: ***Unemployment (Q1 2014-Q2 2020), Finding Elusive Jobs***

NIGERIA'S UNEMPLOYMENT RATE Q1 2014 - Q2 2020 (%)

Period	Unemployment Rate (%)
Q4 2014	6.4
Q4 2015	10.4
Q4 2016	14.2
Q4 2017	20.4
Q3 2018	23.1
Q2 2020	27.1



Unemployent increased Q-o-Q by: (Q3 2018 – Q2 2020)

+17.32%

Source: NBS, Proshare Research, Ecographics

Chart 11: ***Oil & Gas Contribution To GDP, A Slick Decline***

OIL AND GAS SECTOR GROWTH AND CONTRIBUTION TO GDP Q1 2014 - Q2 2020 (%)

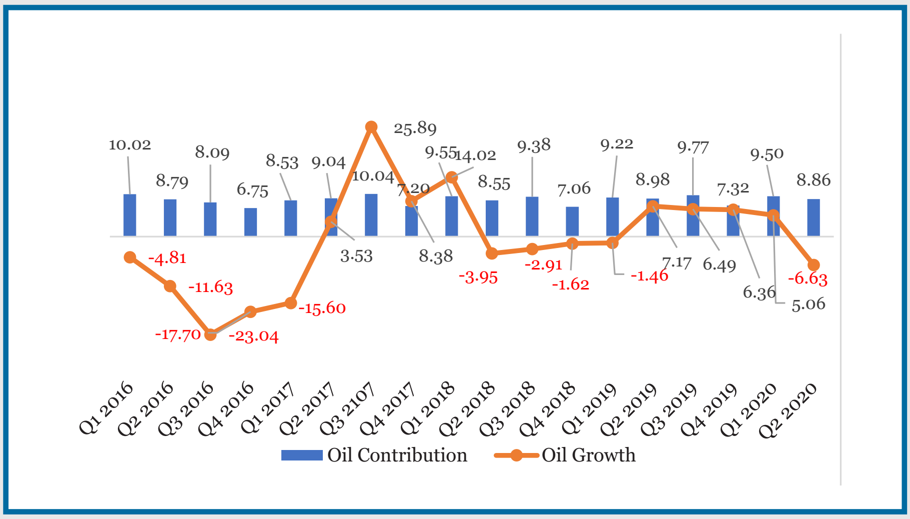
Period	Oil Contribution	Oil Growth
Q4 2016	6.75	- 17.70
Q4 2017	7.20	8.38
Q4 2018	7.06	-1.62
Q4 2019	7.32	6.36
Q1 2020	9.50	5.06
Q2 2020	8.86	-6.63

Growth in the oil and gas sector as at Q2 2020

-6.63%

Contribution of the oil and gas sector to GDP as at Q2 2020

8.86%



Source: CBN, Proshare Research, Ecographics

proshare ECONOMY

Chart 12: ***Agriculture's Contribution to GDP, Plowing Downhill Gently***

AGRICULTURAL SECTOR GROWTH AND CONTRIBUTION TO GDP Q1 2014 - Q2 2020

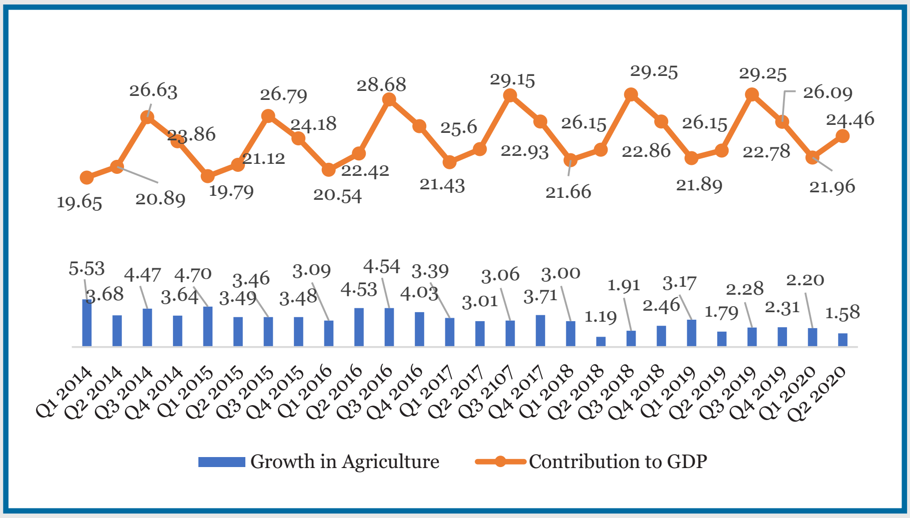
Period	Growth in Agriculture (%)	Contribution to GDP (%)
Q4 2014	3.64	23.86
Q4 2015	3.48	24.18
Q4 2016	4.03	25.6
Q4 2017	3.71	26.15
Q4 2018	2.46	26.15
Q4 2019	2.31	26.09
Q1 2020	2.20	21.96
Q2 2020	1.58	24.46

Growth in Agriculture as at Q2 2020

+1.58%

Contribution of Agriculture to GDP as at Q2 2020

24.46%



Source: NBS, Proshare Research, Ecographics

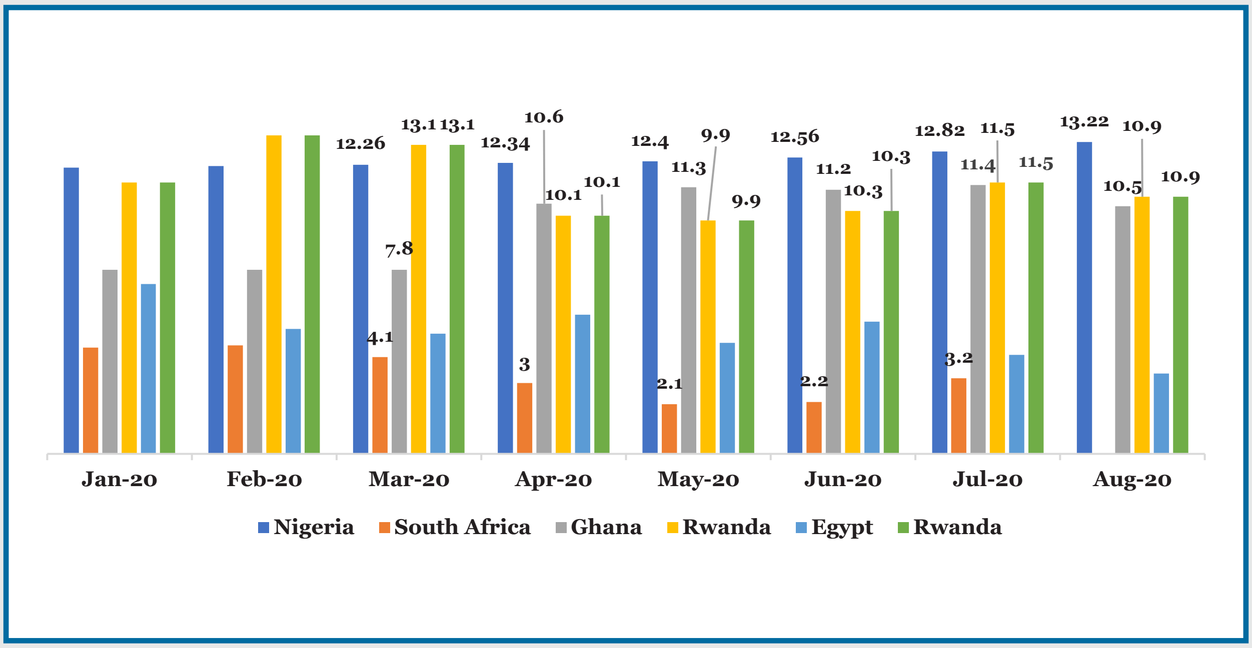
proshare ECONOMY

A few other charts and tables represented below show critical economic data that try to bridge the gap between global and continental conjecture and facts.

Chart 13: The Inflation Bogey, from Nigeria to Africa with Love

MAJOR AFRICAN ECONOMIES
INFLATION RATE (%)

	Nigeria	South Africa	Ghana	Rwanda	Egypt	Rwanda
Jan-20	12.13	4.5	7.8	11.5	7.2	11.5
Feb-20	12.2	4.6	7.8	13.5	5.3	13.5
Mar-20	12.26	4.1	7.8	13.1	5.1	13.1
Apr-20	12.34	3	10.6	10.1	5.9	10.1
May-20	12.4	2.1	11.3	9.9	4.7	9.9
Jun-20	12.56	2.2	11.2	10.3	5.6	10.3
Jul-20	12.82	3.2	11.4	11.5	4.2	11.5
Aug-20	13.22	-	10.5	10.9	3.4	10.9

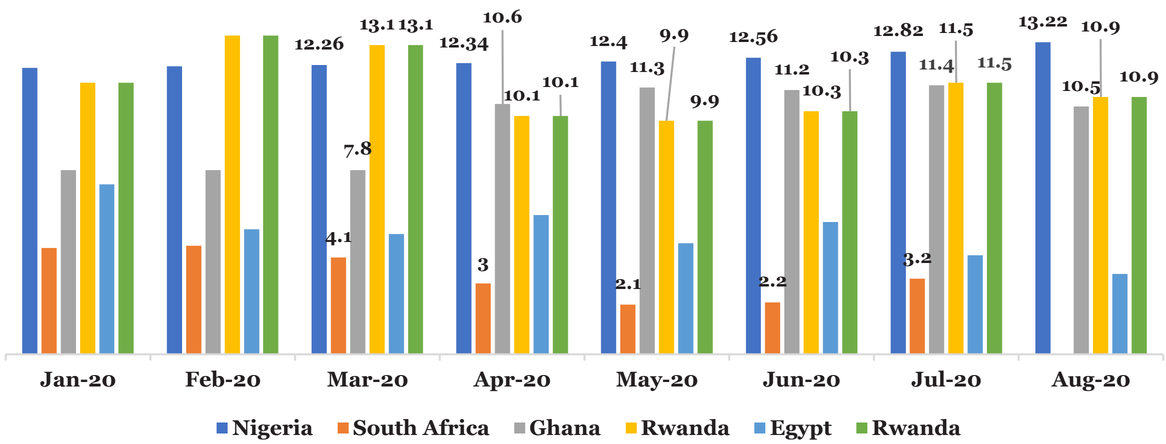


Source: Trading Economics, Proshare Research, Ecographics

Chart 14: ***Riding The Global deflation Cycle***

MAJOR AFRICAN ECONOMIES
INFLATION RATE (%)

	Nigeria	South Africa	Ghana	Rwanda	Egypt	Rwanda
Jan-20	12.13	4.5	7.8	11.5	7.2	11.5
Feb-20	12.2	4.6	7.8	13.5	5.3	13.5
Mar-20	12.26	4.1	7.8	13.1	5.1	13.1
Apr-20	12.34	3	10.6	10.1	5.9	10.1
May-20	12.4	2.1	11.3	9.9	4.7	9.9
Jun-20	12.56	2.2	11.2	10.3	5.6	10.3
Jul-20	12.82	3.2	11.4	11.5	4.2	11.5
Aug-20	13.22	-	10.5	10.9	3.4	10.9

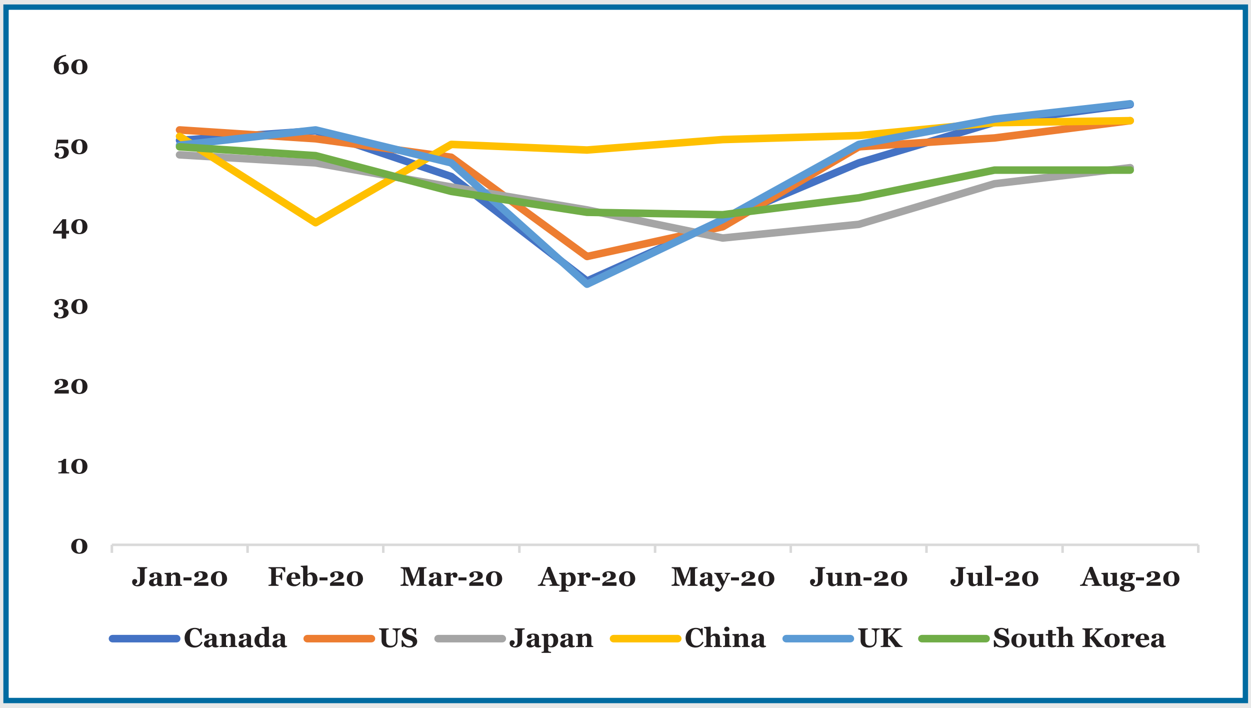


Source: Trading Economics, Proshare Research, Ecographics

Chart 15: ***Expanding Production in A Slow-Moving World***

MAJOR ADVANCED ECONOMIES PMI

	Canada	US	Japan	China	UK	South Korea
Jan-20	50.6	51.9	48.8	51.1	50	49.8
Feb-20	51.8	50.8	47.8	40.3	51.9	48.7
Mar-20	46.1	48.5	44.8	50.1	47.8	44.2
Apr-20	33	36.1	41.9	49.4	32.6	41.6
May-20	40.6	39.8	38.4	50.7	40.7	41.3
Jun-20	47.8	49.8	40.1	51.2	50.1	43.4
Jul-20	52.9	50.9	45.2	52.8	53.3	46.9
Aug-20	55.1	53.1	47.2	53.1	55.2	46.9



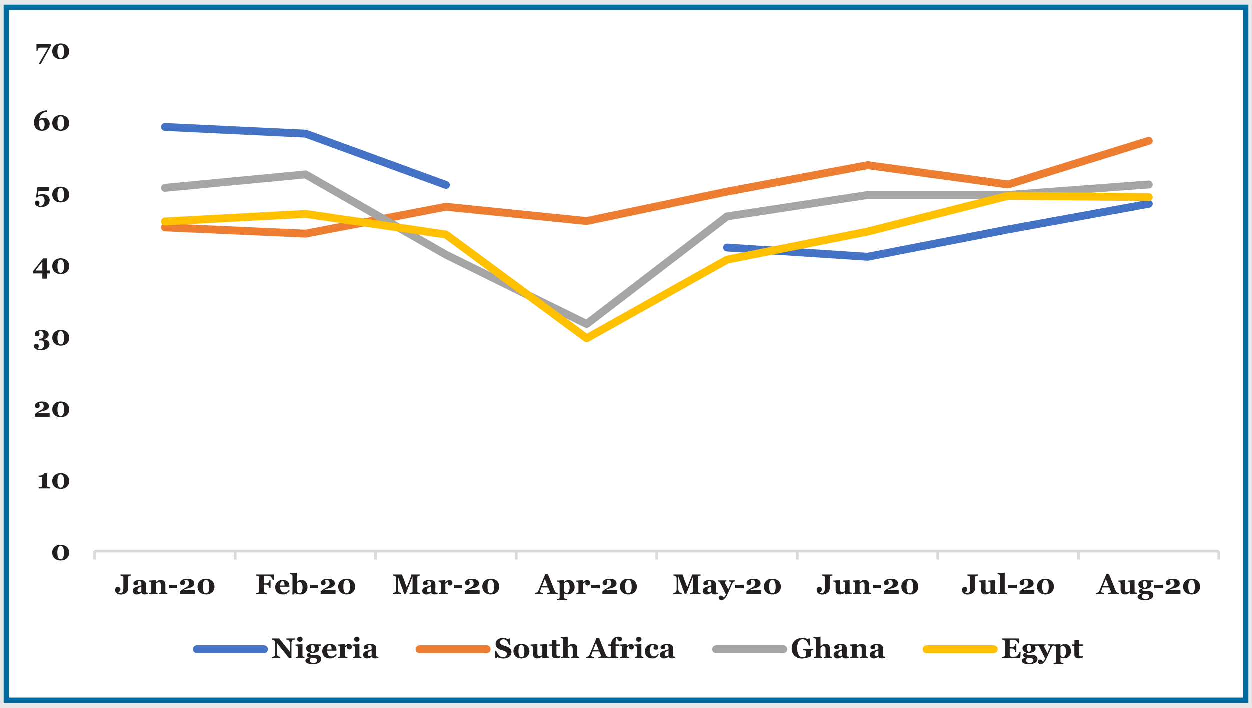
Source: Trading Economics, Proshare Research, Ecographics

proshare ECONOMY

Chart 16: Expanding Production in A Slow-Moving Continent

MAJOR AFRICAN ECONOMIES PMI

	Nigeria	South Africa	Ghana	Egypt
Jan-20	59.2	45.2	50.7	46
Feb-20	58.3	44.3	52.6	47.1
Mar-20	51.1	48.1	41.4	44.2
Apr-20	-	46.1	31.7	29.7
May-20	42.4	50.2	46.7	40.7
Jun-20	41.1	53.9	49.7	44.6
Jul-20	44.9	51.2	49.7	49.6
Aug-20	48.5	57.3	51.2	49.4



Source: Trading Economics, Proshare Research, Ecographics

Your membership signifies:

1. Compliance
2. Governance
3. Transparency

Your membership signifies:

@BAAC_Nigeria
baac@cbinigeria.com
www.cbinigeria.com/baac

Inside The Policy Room

NESG/CBN and Environmental Scanning

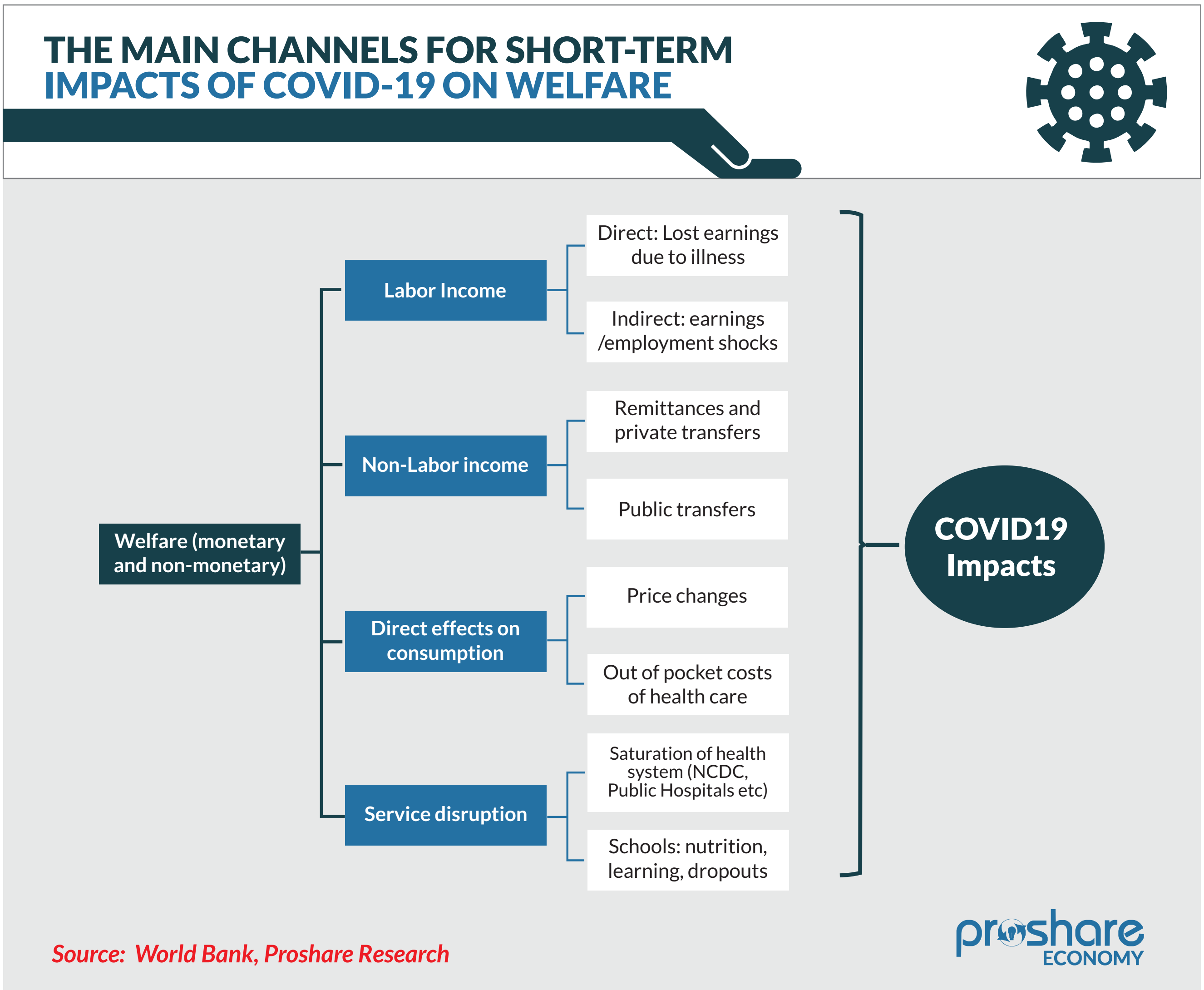
The NESG's concerns about the direction of the Nigerian economy is not without merit. With the presence of external shocks that the government has no control over, local economists have naturally searched for policy tool remedies, and as things stand few if any has been found. The simultaneous rise in the inflation rate (13.2% in August 2020) and unemployment (27.1% in Q2 2020) on the back of renewed COVID-19 fears, may lead to ineffective monetary policy. The CBN recently cut the monetary policy rate (MPR) by 100 basis points from the previous 12.5% between May and August 2020 to 11.5% in September, this was after an earlier rate cut in May from 13.5% to 12.5%. The earlier May rate drop was inadequate in gingering the desired pace of growth.

The recent CBN rate cut is expected to head off a deeper recession which saw GDP contract by -6.10 in Q2 2020 and is expected to stretch into Q1 2021. GDP contraction in Q3 2020 is projected to be in the region of -3.5%. The prospective improvement in GDP growth as of September 2020 may be attributable to a gradual reopening of the economy in August.

COVID-19 has created black and grey swan situations that have unhinged fragile socioeconomic balance. The shutdown of companies and the reduction in salaries have cut back consumer spending and retail sales. The broader impact is likely to mean a reduction in gross domestic product (GDP) growth. The virus is also likely to disrupt transfers such as foreign remittances which are likely to slip from about N22bn in 2019 to a projected N18bn to N20bn in 2020. The fall reflects the impact of COVID-19 on disruptions to economic life in Europe, America and Asia were several Nigerians work and live (*see illustration 4*).

Illustration 4: Short-Run COVID-19 Pains

Illustration 4: ***Short-Run COVID-19 Pains***



Two areas that have witnessed severe effects of the ongoing health pandemic have been hospitality and education. The hospitality sector has seen occupancy rates collapse and the government's earlier lockdown and gradual reopening of the economy have led to low patronage of hotel services. Some hotels have shown creativity by turning some of their exclusive in-house services into retail services for top-end customers, some of the services include; food services, laundry services, and small meeting room facilities. Nevertheless, generally, the hotel business has lost large sums of money in 2020 regardless of their ratings. Going forward the hospitality industry particularly hotel services would need to adopt a more dynamic business paradigm that prepares for the next pandemic and allows services to be rendered in such a way that it would involve minimal disruption to the business.

The model would review staff contracts to accommodate adjustments necessary for low revenue thresholds caused by issues outside the control of the management. The paradigm would equally adjust breakeven margins on services taking into account shortfalls in service numbers, this would require reviewing supply chain agreements and building some backward integration into supply chain such as food.

In the education sector, remote classes need to be built into the educational structure such that remote learning becomes a subculture to be comingled with face-to-face interactions. For example, some days could be designated for one-on-one physical interaction in schools while other days would involve remote engagement in classes. Telcos would need to buy into the framework and reduce the cost of data for educational instruction. Parents could be allowed to buy gigabytes of data specially allocated to educational learning and associated with pre-registered sites for academic information such as schools and ancillary web locations.

At the level of tertiary education sites such as Coursera, Edex, Udemy and National Open University (NOUN) can be used as templates for online education where lectures, assignments, and discussions can be held over secured bespoke digital channels for each institution. Telcos would again have to be consulted to bring down their cost of educational data for this to work. The reduction in transportation and non-transportation costs for students can be directed to the payment for online data access. The framework would be a win-win for Telcos, schools, lecturers, and students.

The COVID-19 pandemic resets social interaction and will require a rethinking of the management of large gatherings in schools, hospitals, hotels, and workplaces. The old ways have passed on to give room to a new order that some refer to as the new normal.
What has become clear in recent months is that old rules cannot be used to solve new challenges.

Death of A Trilemma

The NESG and Central bank have squabbled over economic policy issues that do not provide practical tools for policy implementation. The two institutions still think within the old context of a policy trilemma. This means that only two macroeconomic objectives can be satisfied at any given time. For example, if the CBN wants to improve the exchange rate, a way to go about this is to raise interest rates and encourage capital inflows which would also reduce inflation. The problem here would be that as inflation declines GDP would stall and unemployment rises. Another policy would be to reduce interest rates which would lead to a rise in GDP and a rise in inflation rate but would cause a fall in the external value of the naira.

This thinking has been one of the central themes of the conflict between the NESG and the CBN on macroeconomic policy. While the CBN sees monetary accommodation and the tinkering with interest and exchange rates as a means of forestalling a slow down in economic activity in a time of a COVID-19 pandemic the NESG sees a different picture and argues that the CBN's exchange rate policies distort market efficiency and creates room for financial arbitrage.

The NESG argued that the CBN's intervention framework was devoid of proper structure and governance but the CBN argued that this was incorrect. The tussle muddied waters that should have been made clearer.

The Challenges

While the issues raised by the NESG and responded to by the CBN had some merit it weakened consideration of more important issues that include:

- The phantom policy Trilemma. Contrary to the trilemma arguments that underly the

- Another problem with the NESG and CBN disagreement is that the heat of conflict has dimmed the light of the conversation. Both institutions have ignored some of the most crucial issues affecting the economy such as foreign trade balance, tariffs, and taxes. These crucial matters inevitably shape the country's competitiveness in a COVID-19 environment especially on the back of the Africa Continental Free Trade Agreement (AfCFTA) that went into effect in May 2019.

- The economy has stalled as a result of choking tariffs that have laid into corporate earnings with a sledgehammer. The consequences of a high excise duty regime turn up in the depressed corporate performance of prime corporate enterprises such as the Nigerian Breweries (NB Plc) which has seen its after-tax earnings dip from N13.32bn in June 2019 to N5.59bn in June 2020 representing a fall of -58.03% year-on-year (Y-o-Y). This contrasts with the slump in topline earnings from N170.19bn in June 2019 to N151.81bn in June 2020 or a slide of -10.80% Y-o-Y (*see table 1*).

Illustration 5: ***Understanding The Phantom Trilemma***

10TH AUG, 2020: NIGERIAN BREWERIES PLC

Nigerian Breweries

Q2 Report for the Period Ended 30 Jun.			
	2020 N'm Jun	2019 N'm Jun	%Change
Revenue	151,810	170,191	-10.80%
Profit Before Tax	8,346	19,410	-57.00%
Taxation	(2,756)	(6,091)	54.75%
Profit After Tax	5,589	13,318	-58.03%
Earnings per Share (K)	71	166	-57.23%
Balance Sheet Information			
Net Assets	160,892	167,750	-4.1%
hhttps://www.prosharerng.com/marketequities/company-NB			

Corporate Declaration	Nil
Proposed Dividend	Nil
Proposed Bonus	Nil
Payment Date	Nil
Closure Date	Nil
Qualification Date	Nil
AGM Date	Nil
AGM Venue	Nil

Source: Proshare Research, Ecographics

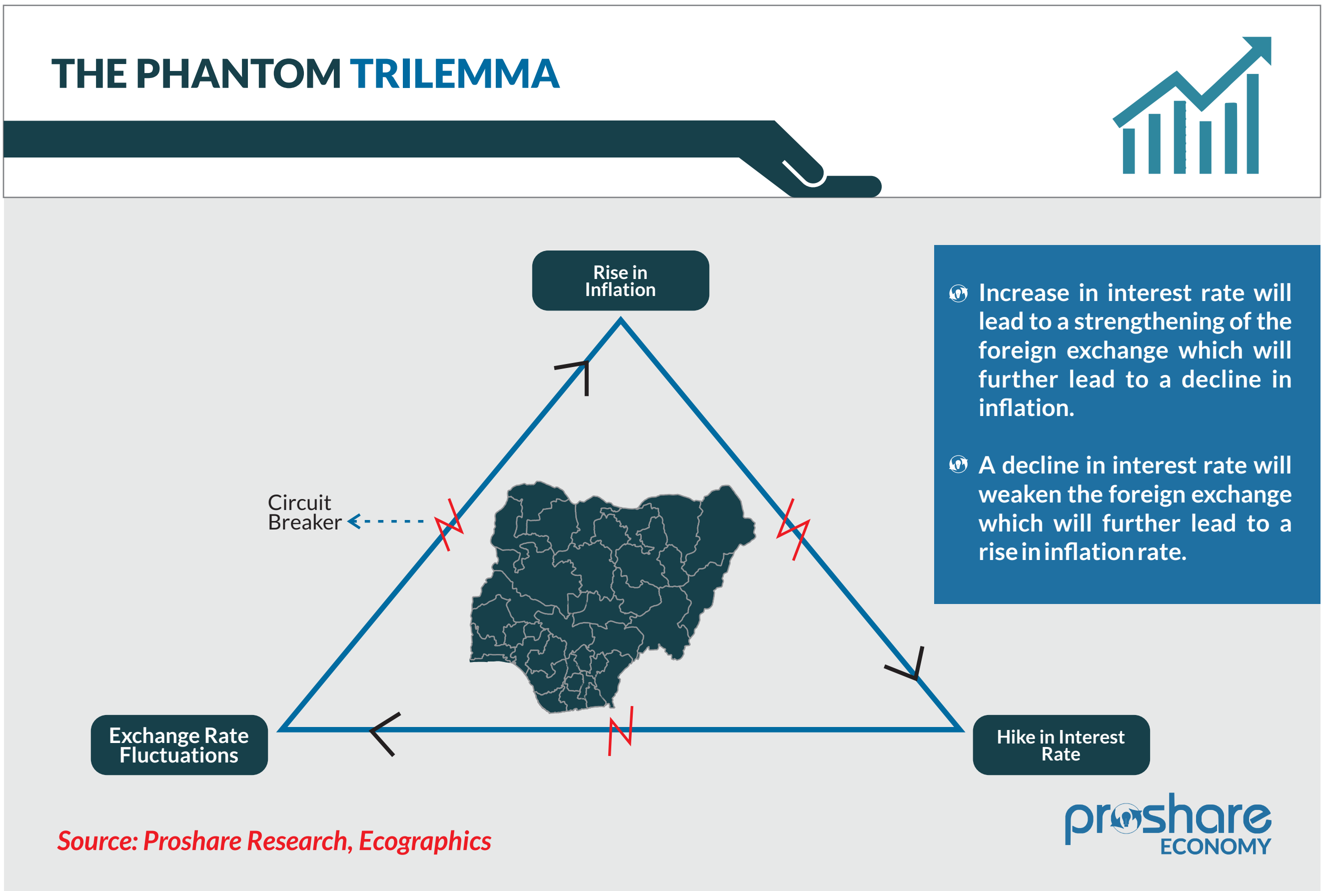
proshare ECONOMY

disagreements between the NESG and the CBN. The dilemma does not exist as a result of structural economic challenges that break the traditional transmission mechanism of the money supply. The rising exchange rate should translate to a rising domestic inflation rate and a rise in interest rates. This is not the Nigerian reality. A cut in domestic interest rates does not lead to an expansion of credit and growth in GDP. The CBN has said that the cut in interest rates has had expansionary benefits for the economy but the more accurate position is that the loan to deposit ratio (LDR) increase from 60% in September 2019 to 65% by December of the same year led to the observed expansion in domestic credit (this was from an LDR of 55% earlier in the year).

- However, the jury is still out on the consequences of the rapid credit expansion as banking analysts foresee a rise in non-performing loans (NPLs) at the end of 2020 as banks find themselves compelled to lend to lower quality credit candidates thereby worsening their asset quality. This should have been a major concern of both NESG and the CBN as a fall in interest rates (a reduction in intervention fund rates from 9% to 5% for one year and a decline in MPR) may not necessarily lead to growth in production output as constrained consumption caused by job losses, salary cuts, and lower corporate earnings hurt GDP growth rate.

- Furthermore, there is no direct transmission mechanism between the domestic exchange rate and local interest rates which means that if interest rates rise or fall there is no involvement in exchange rate movement which would have affected domestic inflation. The absence of free-market stability in the Nigerian economy suggests that conventional economic wisdom is a dud (*see illustration 5*).

Illustration 5:* *Understanding The Phantom Trilemma



Visit Nigerian Breweries Plc IR Page in Proshare MARKETS

Admittedly the company may have been equally affected by rising sales, general and administrative expenses (SG&A) caused by COVID-19-related factors but excise taxes have taken a shark-bite out of the company's revenue with excise tax estimated at 7.5% of the company's gross sales income. The government placed a 30kobo excise duty on a centilitre of beer in 2018 and increased the duty to 35kobo per centilitre of beer in both 2019 and 2020.

The Power of Non-State Actors

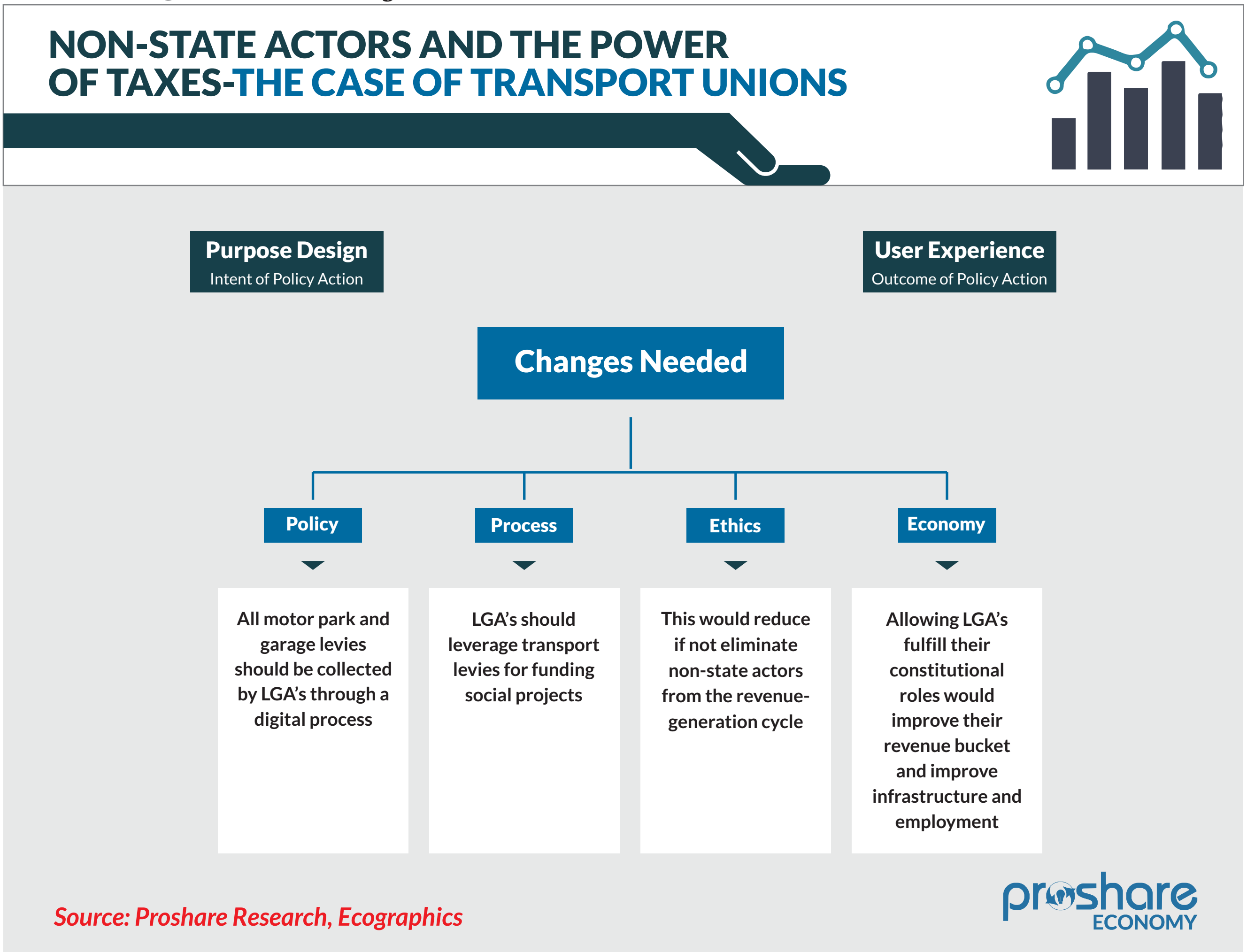
Non-state actors hold the nation by the jugular but both private sector and government institutions have conveniently turned a blind eye to high informal taxes paid by businesses in Nigeria's informal sector that is home to over 40.5m micro, small and medium-sized companies (MSMEs) in the economy who contribute 48% of GDP, 96% of businesses and 84% of employment.

The transportation sector (through transport unions), local markets (through market leaders), and roadblocks (through security agencies) serve as multiple tax platforms for informal businesses whose tax rates through non-state actors exceed 50%. The usual government argument that at 7.5% Nigeria has one of the lowest tax rates on the planets is misleading as it conveniently gives short-shrift to charges, levies, and fees imposed across domestic SME value chains.

Across the country transport unions collect daily monies such as 'load', 'parking', and 'special levy'. These daily taxes go to non-state actors and serve as a sizable part of the domestic revenue leakage for states, the same runs true for local markets and highways where security agents collect 'title' (a levy) for every commercial vehicle that is stopped at checkpoints. The impact of these levies and charges is an increase in the cost of domestic goods and services and the creation of a high incidence of domestic taxes most of which fall on the poor and vulnerable in both urban and rural communities.

Revisiting the roles of non-state actors and limiting their remit to a check-off system of revenue collection from their members remain global best practices. The current system stabs a finger in the eye of proper fiscal policy, business process, corporate accountability, and governance/ethics (non-state actors who collect revenues from their members rarely if ever pay taxes or keep audited records of the application of collected funds), and misrepresents the flow and size of domestic value through taxes in the economy (*see illustration 6*).

Illustration 5: ***Understanding The Phantom Trilemma***

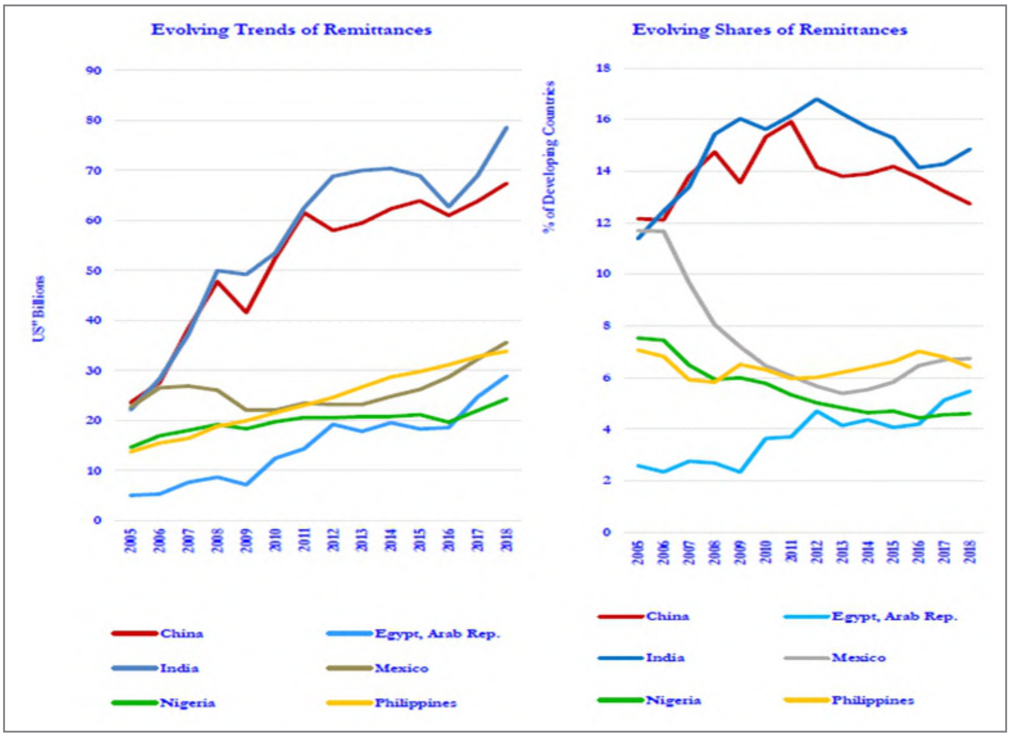


Foreign Remittances, Pulling In the Mullah

Countries like India and China have turned foreign remittances into an engine of growth of sorts, with both countries strategically exporting high-quality manpower and benefitting from the massive remittance flows from the reverse cash inflows. This has been a brilliant strategy for improving labour quality and strengthening foreign exchange inflows for the emerging Asian giants.

According to a leading Nigerian economist, Dr. Ayo Teriba, "Leading emerging markets have recognized the role of the Diaspora as catalysts of financial globalization, with governments issuing diaspora bonds to attract record levels of private-to-government remittances from non-resident citizens. Nigeria has been left out of this wave as remittances have remained a private-to-private affair. China and India each attracted only US$ 7 billion more than Nigeria in 2006, but each now attracts US$50 billion more than Nigeria."
"The Nigerian Government seemingly heeded calls to join this race by issuing its first-ever diaspora bonds in early 2018. But it issued a paltry US$300 million, in a country that has recorded US$20 billion private-to-private remittances annually for the past decade."

Chart 17: Eyeing The Global Foreign Remittance Foot Chase



Source: UNCTAD's World Investment Report 2019

Lessons Learnt & Take-Aways

Lessons Learnt & Take-Aways

"If plan 'A' doesn't work, the alphabet has 25 more letters - 204 if you're in Japan."- ***Claire Cook, Seven Year Switch***

The differences between the NESG and the CBN are not irreconcilable they simply require evidenced-based facts devoid of emotion. The CBN in its response to the NESG noted as follows "Although the bourgeoises atop the NESG may not feel the impact of the Bank's development finance activities, many ordinary Nigerians, including smallholder farmers, households, and medium-scale entrepreneurs across the country know better ". The language used by the CBN in its communication was unusual for a regulator and may have been less than appropriate. The NESG's contemplative silence after the CBN's release was commendable. Both parties need to demonstrate restraint, open-mindedness, and preparedness to find a common ground. Analysts note that in disagreement, civility is usually the better part of a dialogue. But more importantly, they observe that conflict adds value to the decision-making process and opens public policy debate to wider perspectives and concerns (right or wrong) of the private sector.

Bombshells on the Niger

The bombshells that blew up the friendship between the CBN and NESG created collateral damage to a beneficial interface between the organized private sector and the country's chief monetary regulator. The scorched earth military strategy was unhelpful and represented **zero-sum thinking** by both combatants on the surface but was an economist's Bertrand solution with both parties being on a lower utility function. In plainer English, both the CBN and NESG lost out in a public relations gunfight that produced more smoke than bullets.

Lessons

1. The discussion on Nigeria's economic performance should generate disagreement but this in itself is not bad as long as it is guided by decorum, elevated thought, and an overriding purpose of uplifting the quality of public policy decision-making.
2. Statements made in public must be subject to the highest standards of verification and integrity. Making roundhouse claims about economic performance with either dubious data references or suspiciously self-serving interpretations reduces the potency of public discourse.
3. Emotional outbursts should never be a part of public communications by either private or public organizations as they tend to misrepresent corporate intent and detract from underlying and compelling superiority of evidence-based reasoning.
4. Old economic paradigms are seemingly inappropriate for analyzing new economic interrelationships. Therefore, economic thought may require fresh approaches and the unlearning of old presumptions or precepts (e.g. referencing the problem with the traditional concept of an economic trilemma)
5. Market economics is not without biases and could fall prey to the exigencies of overriding political interests (market governance practices could disqualify several MSMEs from access to credit but this segment of the Nigerian market contributes to 48% of GDP, constitutes 96% of total local enterprises and employs 84% of the domestic labour force according to a recent KPMG report).

Takeaways

1. Nigeria will need to rethink its monetary policy (unlearning conventional paradigms and relearning new ones) by fashioning broad and perhaps unchartered approaches to monetary strategy that are clear, coherent, and clever. However, in executing the new monetary framework, communication with private sector agents is crucial to policy effectiveness.

2. Intervention by the CBN has probably helped the economy absorb COVID-19-induced recessionary shocks in 2020 but the regulator needs to show more bang for its buck. The economy declined by a relatively modest -6.10% in Q2 2020, but intervention may not have been optimal as sectors such as hospitality, airline, transportation and manufacturing still see a large decline in output, job losses, and operating margins.

3. Since traditional macroeconomic models no longer hold, and the country has virtually maxed-out on its monetary policy options, the fiscal authorities may need to show greater initiative in stimulating the economy by buying back treasury bills, cutting down fiscal recurrent spending, and reducing fiscal inefficiencies. The prescription may sadly be unpleasant and bitter but would at least be better than death, hopefully.

4. The NESG would need to seize the opportunity of the forthcoming 26th Annual Conference to articulate its concerns about the "missing issues" of public policy and the need for a broader framework for tackling the economy in a COVID-19 pandemic and beyond. Noise attracts attention but does not solve problems. The think-tank needs to put together a detailed macroeconomic plan that is deconstructed into simpler action points and impact expectations. The plan can be presented to the government as an alternative viewpoint of the economy and its management with expected performance timelines and goals.

Next Steps - The State of the Nation
Execution Imperatives

NESG : WHEN ECONOMIC POLICY NEEDS REFINEMENT

THE NIGERIAN ECONOMIC SUMMIT GROUP

1 Agriculture

NESG ✓

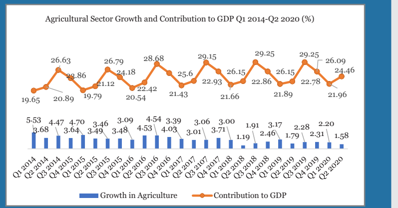
Complete overhaul of the management of and support for the agriculture sector to get more value for our investments

CBN ✓

Anchor Borrowers Programme has improved agriculture and a one-year moratorium on principal repayments for CBN intervention facilities.

Growth in Agriculture as at Q2 2020: **+1.58%**

Contribution of Agriculture to GDP as at Q2 2020: **24.46%**



Source: CBN, NESG, NBS

2 Insecurity

NESG ✓

Critically re-evaluate our security architecture.

CBN ✗

No Position

Source:NESG

3 CAMA 2020

NESG ✓

Due process for those seeking review, fair hearing, efficient corporate structures, clear communication to business owners in order to facilitate the ease of doing business.

CBN ✗

No Position

Source: NESG

4 Fluctuations in Oil Price

NESG ✓

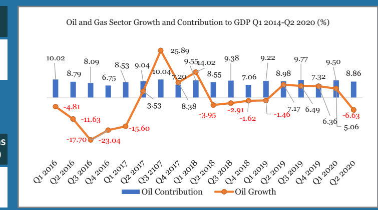
Huge exposure of the economy to vagaries of oil price fluctuations and emphasizes the need for a better structured and effective diversification of the economy.

CBN ✗

No Position

Growth in the oil and gas sector as at Q2 2020: **-6.63%**

Contribution of the oil and gas sector to GDP as at Q2 2020: **8.86%**



Source: CBN, NESG, NBS

5 Exchange Rate

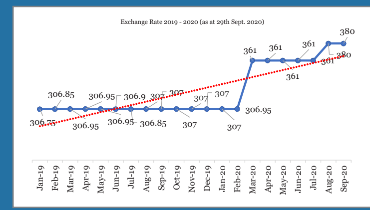
NESG ✓

Allocative roles of the CBN must be very open, transparent and in a fair manner especially in the business of foreign exchange transactions, loan disbursements and price fixings.

CBN ✓

The CBN operates two windows, wholesale and retail. In both categories, the CBN does not know the final buyers of the FX

Movement in exchange rate as at 29th Sept, 2020 at CBN rate: **N380/$**



Source: CBN, NESG

6 Repealed and Re-enacted Bank and Other Financial Institutions Act 2020 (BOFIA)

NESG ✓

Legislative houses should subject all Bills, in particular, such crucial bills, to meet the most efficient scrutiny necessary to assure compliance with the Nigerian Constitution, transparent, good-governance and the best interest of the people of Nigeria.

CBN ✓

The current bill has not proposed any changes in the section the NESG refers to (Section 51 in the amended Act), the Section doesn't confer immunity on the Governor of the CBN like that which obtains for State Governors.

Source: CBN, NESG

7 Liquidity and Interest Rate Management.

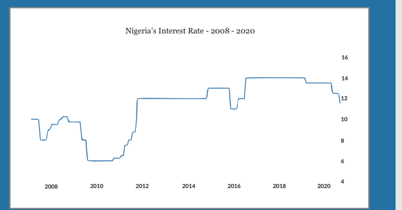
NESG ✓

Policies making average Nigerians poorer by the day should not be encouraged.

CBN ✓

The CBN simply set a floor on savings rates by banks to encourage more lending

Movement in interest rate as at 29th Sept, 2020 previously 12.5%: **11.5%**



Source: NESG, Trading Economics

8 Private Sector Capital

NESG ✓

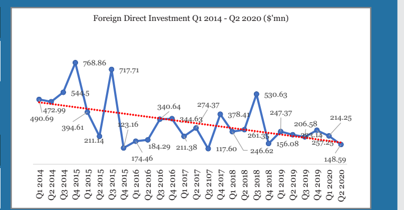
In support of the government's actions in attracting private sector capital, however, such options and alternatives must be subject to clear rules, open, transparent, following due process and enshrinement of the sanctity of these contracts.

CBN ✗

No Position

Foreign Direct Investment as at Q2 2020: **$148.59mn**

FDI declined Q-o-Q by: **-30.65%**



Source: CBN, NESG, NBS

9 Seaport as an Economic Lifeline

NESG ✓

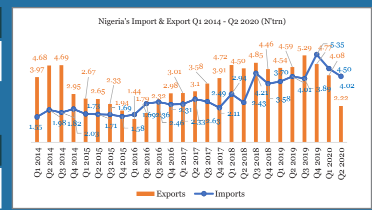
Call for urgent solutions to the Apapa Port congestion and other difficulties in effecting prompt and efficient export and import of goods.

CBN ✗

No Position

Import declined Q-o-Q by: (Q1 2020 – Q2 2020): **-10.67%**

Exports declined Q-o-Q by: (Q1 2020 – Q2 2020): **-45.59%**



Source: NESG, NBS

10 Deregulation of Fuel and Electricity Prices

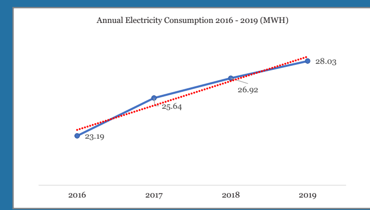
NESG ✓

Adequate communication to stakeholders and the general public on the benefits derivable from these actions must be regularly carried out.

CBN ✗

No Position

Annual electricity consumed increased Y-o-Y by: (2018 – 2019): **+4.09%**



Source: CBN, NESG, NBS

11 Trade with African Countries

NESG ✓

Urges the Federal Government to take actions concerning the negative impact of the border closure, and look into our relationship with ECOWAS and AFCFTA to harness trade opportunities.

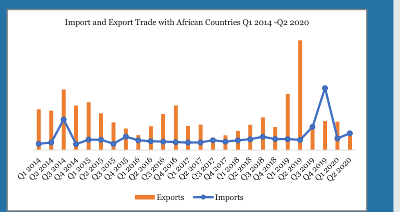
CBN ✓

Significant economic sabotage involving smuggling of many fake products, drugs, small arms and other goods.

Period	Imports (N'trn)	Exports (N'trn)
Q4 2014	61.37	462.62
Q4 2015	139.4	223.41
Q4 2016	82.65	463.47
Q4 2017	86.98	152.55
Q4 2018	114.33	238.85
Q4 2019	644.11	300.56
Q1 2020	121.44	296.29
Q2 2020	174	149.32

Import from African countries increased Q-o-Q by: (Q1 2020 - Q2 2020): **+43.29%**

Export to African countries decreased Q-o-Q by: (Q1 2020 - Q2 2020): **-49.60%**



Source: CBN, NESG, NBS

12 Unemployment

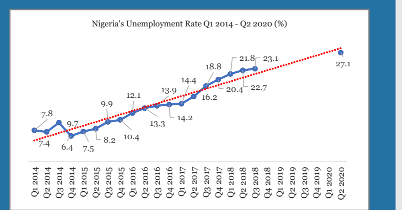
NESG ✓

Urges more effort must be channelled towards re-skilling, re-tooling and reviewing our school curriculum.

CBN ✓

A N1trn facility in loans to boost local manufacturing and production across critical sectors.

Unemployment rate increased Q-o-Q by: (Q3 2018 – Q2 2020): **+17.32%**



Source: NESG, NBS

13 Debt

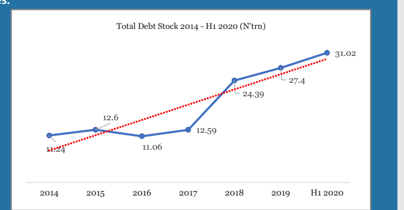
NESG ✓

Borrowing and quantitative easing by the monetary authorities to fund the nation's large deficit will not be sustainable in the medium and long term, urges the authorities for a strong communicating strategy to prepare the Nigerian people for tougher times.

CBN ✗

No Position

Total debt stock increased between FY 2019 – H1 2020 by: **+13.16%**



Source: NESG, NBS

14 Private-Public Partnership

NESG ✓

Steps should be taken to address the mutual distrust and build institutions that work regardless of persons.

CBN ✓

Mobilization of key stakeholders in the Nigerian economy which led to the provision of N23bn in relief materials and the setup of 39 isolation centers across the country.

Source: NESG

15 Nation Building

NESG ✓

Commitment to the government in building a better nation. We have no other nation that we can call our own.

CBN ✗

No Position

Source: NESG

Source:Proshare Research, Ecographics

NESG 15 ✓ CBN 7 ✓

proshare ECONOMY

Next Steps – The State of the Nation Execution Imperatives

"Be simple and always take the next step. You needn't see it in advance, but you can look back at it afterward. There is no 'how' of life, one just does it." ***-Carl Jung***

After battles, the troops are called in and the generals sit at the negotiating table with politicians to determine the terms of the truce. The outrage of war if not forgotten is pushed behind and the realities of the continuation of life become pressing, what follows is a commitment to new steps at restoring and sustaining peace. The same should be true after the NESG and CBN have torpedoed each other over macroeconomic policies and the interventionist role of the monetary regulator. The dying embers of spent arsenal and scorched earth should leave both parties tired, reflective, and more amenable to action that comes from reason rather than emotion.

From Battle Ground to Common Ground

From the ruins of a battered relationship, both the NESG and the CBN need to allow flared tempers to cool off and begin a re-engagement that restores peace in pursuit of prosperity. This would mean that the following actions take place;

- The NESG and the CBN arrange for a meeting to reconcile their differences and build a framework for future interaction devoid of public drama
- The NESG and the CBN release a joint statement stating the resolution of their differences and their agreement to work together
- A comprehensive technical Nigeria economic model must we worked out with officers of both institutions collaborating to dimension the parameters of the model to design immediate and preemptive fiscal and monetary policy frameworks that serve as guidance tools for scenario analysis and policy execution imperatives
- Both parties need to schedule semiannual meetings for economic reviews and outlooks to harmonize understanding between public and private sector economic actors. These meetings are not public forums and must abide by Chathamhouse rules of disclosure. The meetings would also serve as a platform to discuss the jointly designed macroeconomic model of the country and the policy implications of key data outcomes (*reference fact checkpoint 14 in NESG's communique see page 40 of this report*).
- The fact that both institutions collaborate does not mean the absence of policy shocks (as may be deemed necessary by the CBN) or counterpositions (as may be seen as necessary by the NESG). However, in taking these actions such acts must be without prejudice to the confidentiality of information shared at meetings of both institutions. Such a level of collective confidence would build a nexus for controlled conflict that provides insight rather than infight.
- Independence within a collaboration is crucial to both CBN and the NESG. The two organizations must find common grounds for cooperation without losing their objectivity and independence, understanding this subtle point avoids the unfortunate situation where institutions dig into each other with avoidable class labels. Disagreements are tools for clarity, not weapons of discord.

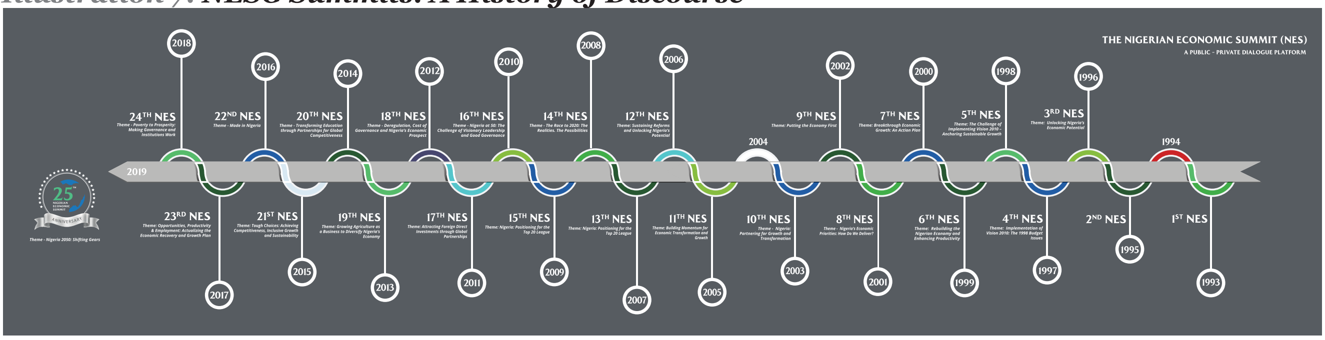
Carl Jung's admonition of "just doing it" is the tipping point for a remodelled engagement of private-public exchange of thoughts on sustaining growth and development in the country. Rather than shake tables the NESG and CBN need to shake hands.

Resetting the Agenda for the October NESG 26th Summit

The NESG 26 Summit must seize the opportunity of the recent conflict with the CBN to broaden the debate over the direction of the Nigerian economy and the required policy imperatives as highlighted earlier. The NESG should seize the opportunity to address the hitherto unspoken issues of:

- Reviewing Nigeria's domestic tax regimes and their impact on business growth
- The role of non-state actors in revenue collection and its implications for the domestic tax burden of MSMEs (MSMEs contribute 48% to GDP and constitute 84% of private businesses)
- Reviewing the country's tariff structure/rates and analyzing the implications for Nigeria's trade balance and competitiveness
- Reviewing of the nature and structure of Nigeria's informal (hidden) economy and its imperatives for revenue generation relative to public-sector support structures
- Understanding the implications of the economist's disappearing ***Philips curve*** and the proverbial policy trilemma in Nigeria
- Nigeria's banking sector's creeping Holdco structure and its implications for the financial system
- The role of foreign remittances in igniting long-term economic growth, development and success (reviewing the China and India models for adaptability to local Nigerian conditions)

Illustration 7: ***NESG Summits: A History of Discourse***



Source: NESG

In Search of a Truce

One of the most difficult things to do is not prosecuting a war but negotiating the peace. The NESG and CBN must both size-up to the onerous task of shelving organizational egos in the larger interest of the country and reestablish a fraternal relationship that will serve the broader interest of economic growth and development of the Nigerian economy. The agenda of the NESG 26 must provide detailed, evidence-based information and analysis that executives of the CBN can review to reshape monetary positions or gain further insight into private sector anxieties based on available data.

Going Forward

In line with the preferred situation of collaboration between the NESG and the CBN, the NESG must always defer to the superior position of data over opinion. While some of its observations in its 15-point communique were ascribable to data, others were mere opinions unsupported by evidence. Such positions are not compelling and are easy targets for potshots by a diligent analyst or observer. The NESG must sustain a reputation of elevated thinking and support its stance with evidence-based facts. The first point in its 15-point communique stated, *"The Nigerian Economic Summit Group (NESG) notes that since the inception of this Administration, Agriculture and the need to ensure Zero Hunger for Nigerians has received considerable attention. However, despite the budgetary allocations and huge sums of money disbursed by the Central Bank of Nigeria (CBN) through the Anchor Borrowers' Programme, a huge gap remains in meeting the food requirements, which has resulted in increasing hunger among the Nigerian populace"*. This statement appears to be populist and suggests sentiments rather than facts.

It would have been more informative if the NESG had stated total agricultural production and dissected the data into crop classes and made estimations of domestic production and domestic consumption thereby estimating the domestic surplus or deficit. It would have been informative if the NESG quoted the amount lent to the anchor borrowers scheme by the CBN and how much has been recovered and by how much farm output has increased (or decreased). Staying true to data rather than broad statements on perception is usually safer as a subject of discourse.

The NESG may need to upscale its research and ensure that its policy interventions are always dependent on the evidence-based interpretation of data. Where legal interpretation is required lawyers available to the group should be consulted to give a robust interpretation of regulation/laws and provide comparative legislation in other countries. The need for the review of legislation of other countries is not for the validation of Nigerian legislation but to serve as a basis for accessing the impact of similar legislation on other economies.

The CBN in turn would need to exercise temperance in its public communication, certain expressions are completely alien to the rarefied status of a country's Central Bank.

Also, the CBN must recognize the right of institutions and individuals to have a difference of opinion. At the heart of growth and development is the rich variety of clever solutions that emerge from a pool of disparate socioeconomic perspectives. To see sinister ghouls in every act of dissension from CBN's positions is unhelpful in building a massive cathode machine of actionable ideas that find refinement in conflict.

For the Records – The Correspondences

Against this background, Your Excellency, we bring to your attention several provisions of the Bill which we believe to be contentious, draconian and inimical to government's focus of creating an enabling business environment and level playing field attractive to both local and foreign investors.

From Battle Ground to Common Ground

The letter from the Nigerian Economic Summit Group was dated 1st of September but delivered to the Presidency on 3rd September, 2020. We published on Wednesday, September 09, 2020; 04:42 PM.

Conclusion

Conclusion

The conflict between the NESG and CBN was avoidable but necessary. The essence of the conflict was to establish clarity and policy coherence. The battle of brothers was not fashioned to the death but to promote enlightenment and stronger corporate governance. A number of points become clear in reading the issues raised by both organisations and their responses to evidence-backed information on the economy. The points could be summarized as follows:

- The NESG remains a critical part of the economic policy formulation framework of the country and its opinion is critical in shaping a private sector perspective of socioeconomic developments in the country. The views of the NESG are immensely useful to monetary and fiscal policy managers as it provides insight into how economic agents perceive the success of public policy and their likely response to government's intentional "nudges". Therefore, any effort at belittling the importance of the group is ill-advised and self-defeating. The hallmark of great military strategy is to turn foes into friends and turn perception liabilities into "assets". The greatest generals win wars not with bullets but with strategy and diplomacy.

- The Summit Group is an integrated system of private sector interest groups and therefore represents a springboard for collective private action. The NESG is an opportunity for government agencies such as the CBN to communicate forward thinking and achieve alignment of public policy and private action. It is , obviously, compelling for the CBN and the Ministry of Finance (MoF) to work with the private-sector think tank to initiate growth-centred mindsets that lead to enterprise growth, increased domestic employment, higher local productivity and stronger economic growth and development. Dumping toxic emotional outbursts and adversarial signalling on the Group may prove to be unhelpful.

- While the NESG represents a cornerstone of organized private sector interest the CBN constitutes a major policy lever that the government uses to ensure socioeconomic stability. The Bank is a fulcrum for leveraging sustained economic growth and stability and has an onerous task of defending the country's democracy and sociopolitical values by ensuring that money supply and inflation are managed in a manner that guarantees the lowest non-accelerated inflationary rates of unemployment (NAIRU). To achieve this, the CBN must take actions based on evidence and compelling market data. It would therefore be uncharitable to denigrate the rigour, breadth and depth of the Bank's understanding of latent macro and microeconomic developments. However, the fact that CBN has accumulated impressive data and massive information on the economy does not mean that it has the best interpretation of what it sees. The data produced by the economy has the characteristic of an African elephant in dimension and what each individual looking at that elephant sees depends on positioning. In other words, alternative views are not criticisms but a representation borne out of alternative positioning. Such diverse perspectives gives a better understanding of the economic animal standing in front of us.

- In the light of positioning and governance, it is uncommon for the CBN to respond to issues raised by third parties without a recourse to its Monetary Policy Committee (MPC). Such responses typically are the product of intense and broad internal discussion of the Committee which provides evidence-based arguments for the policy action or inaction of the Bank.

The cavalier response of the CBN to the NESG's arguments falls short of best global practices and serves as a point of learning for the Bank to ensure communication governance within its traditionally conservative, measured and subject-matter-focused template.

- Nigeria's economic challenges require thoughtfulness outside conventional parameters. The evident failure of the macroeconomic frameworks of the past require a remodelling of the country's fiscal and monetary realities and the adoption of policy responses that may be unconventional but effective. This being said, governance cannot be sacrificed at the alter of expediency. In pursuing its agenda to create growth and employment, the CBN must not be seen to be extending its functions beyond its constitutional remit. The CBN cannot be see to be a sort of 'hold all' institution or ombudsman of the economy. While we can excuse crying in response to emotional trauma we cannot excuse blindness. The shed tears should not remove our sight of danger. The CBN must be allowed to work as an independent entity within the framework of ensuring non-inflationary growth. By delving into the realms of fiscal politics the CBN could find itself dragged into situations that could be considered tenuous and an overreach of its primary mandate. This should not be allowed to happen.

- Ultimately the NESG and CBN must see collaboration not as a matter of convenience but one of necessity. This is not about who won the battle but about collectively winning the economic war.

For the Records – The Correspondences

For the Records – The Correspondences

1. BOFIA Bill 2020: A Call for Reflection, Rethinking and Resurgence

The letter from the Nigerian Economic Summit Group was dated 1st of September but delivered to the Presidency on 3rd September, 2020. We published on Wednesday, September 09, 2020; 04:42 PM.

The Subject Bill - Banks and Other Financial Institutions Bill 2020

Request for Urgent Intervention On The Bill For An Act To Repeal The Banks And Other Financial Institutions Act 2004 And To Re-Enact The Banks And Other Financial Institutions Act And Other Matters Connected Therewith, 2020

We refer to the Bill for an Act to repeal the Banks and Other Financial Institutions Act, 2004 and to re-enact the Banks and other Financial Institutions Act, 2020 ("the Bill") which we understand has been passed by the 9th National Assembly and has been forwarded to your Excellency for assent.

In line with Your Excellency's aggressive industrialisation and investment agenda for Nigeria, and the focus of your administration on improving the Nigerian business climate, which has seen our country leapfrog several steps in the World Bank Doing Business Index, the Nigerian Economic Summit Group hereby respectfully wishes to bring to Your Excellency's attention, certain provisions in the Bill which, if not deleted or amended, may be inimical to the fulfillment of your mandate of formulating and implementing policies and programs which attract foreign and domestic investments, promote industrialisation, increase trade and export, and develop enterprises in Nigeria, and thereby create an enabling business environment.

Your Excellency Sir, as you are aware the Nigerian Economic Summit Group ("the NESG") is a private sector think tank committed to the promotion of a globally competitive private sector economy. Since 2016 the NESG has been in a partnership with the Nigerian Bar Association – Section on Business Law working with the National Assembly Business Environment Roundtable (NASSBER) to initiate and review business, investment, and job creating laws in Nigeria. This collaboration established a platform for the private sector to support the legislature in its drafting, deliberations, discussions and review of laws that will improve Nigeria's business environment. It is expected that through this supportive work and resulting legislation, Nigeria's economy will achieve inclusive growth and sustainability, create jobs, and generally cater to the wellbeing of Nigerians.

Mr. President, it is in line with this mandate that we have worked with the Legislature and the Executive to enhance the quality of our laws and make Nigeria a prime investment destination, since 2015 shortly after you assumed office.

Contentious Provisions in the Bill

From our review Sir, we have identified the following provisions which militate against Your Excellency's ongoing drive to improve Nigeria's ranking on the global ease of doing business index and or enable opaque discretion:

(a). **Extension of Central Bank's regulatory oversight outside the scope of "banking business"** - The Bill, under Section 2(5)(a) and (b) extends the scope of the Central Bank of Nigeria (CBN)'s regulatory oversight and licensing over and beyond the collection and solicitation of deposits from the general public. The section provides as follows:
"2(5) For the purposes of this Bill, a person shall be deemed to be receiving money as deposits and thus, conducting banking business –

> (a) if the person accepts deposits from the general public as a feature of its business or if the person solicits for deposits orally, electronically or through any form of advertisement or otherwise by any other means;
>
> or
>
> (b) if the person receives moneys as deposits which are limited to fixed amounts, or for which certificates or other instruments are issued in respect of any such amounts providing for the repayment to the holder thereof either conditionally or unconditionally of the amount of the deposits at specified or unspecified dates, or for the payment of interest, dividend, profit or fees on the amounts deposited at specified intervals or otherwise, or that such certificates are transferable:"

Your Excellency, there are several activities in the business world where a company receives deposits as contemplated under section 2(5)(a and (b) of the Bill while not conducting banking business. This includes companies collecting money either as deposit for shares or loans notes, or such similar transactions. Accordingly, Your Excellency, we submit respectfully, that the section needs to be amended to align it with the intendment of the legislature which is to extend CBN's regulatory ambit only to all forms of banking business whether done electronically or otherwise without causing difficulties and interpretational issues for other forms of businesses or transactions, by its application. In this specific case, we suggest that the provisions be amended as suggested in the attached Schedule.

(b). **Refusal to grant a banking licence by the Governor:** As currently drafted, Section 3(3) of the Bill gives the Governor of the CBN absolute powers to refuse to grant a banking licence without giving any reasons whatsoever. Such enormous power goes against the grain of contemporary and good order regulatory oversight. We respectfully submit to Your Excellency that such powers might be considered by the investment community, operators and counter parties to be arbitrary and liable to abuse or be used to act in any manner the regulator sees fit, without check or balance or hindrance. This, we believe will discourage investment/participation in the banking industry – especially from serious investors - and affect the perception of Nigeria as a country where banking licenses are not granted on transparent principles. Good law-making place constraints on a regulator's arbitrary power to do as he or she wishes without consideration for the impact on stakeholders and investing parties.

(c). **Restriction of Nigerian banks from establishing relationships with certain foreign entities**. Section 3(5) of the Bill attempts to restrict/prohibit Nigerian banks from establishing any relationship with a foreign bank or other entity which does not have a physical presence in its country of incorporation or which is not licensed in its country of incorporation and which is not affiliated to any financial services group that is subject to effective consolidated supervision. Your Excellency, we assume the intention, of the section is to prevent Nigerian banks from entering into banking or financial relationships with briefcase banks, which may adversely impact the financial stability of the bank with the systemic risk that this pose. While we agree with the mischief that this provision seeks to cure, we find it worrisome that the section does not take into cognizance that not all relationships between Nigerian banks and foreign entities are financial in nature or require that such foreign counterparty be affiliated to a financial services group. Some contractual relationships may be for administrative or other support, procurement of equipment, goods or services, all of which are caught by the provisions of the section, as currently drafted. This, in our view will seriously impact the ease and efficiency of doing business by Nigerian banks.

(d). **Mergers and reconstruction by banks:** Section 7(2) of the Bill provides a process for the restructuring of banks outside of the provisions of the recently enacted Companies and Allied Matters Act (CAMA), the Investment and Securities Act (for public limited liability banks) and the Federal Competition and Consumer Protection Act. In so doing, the Bill purports to give banks the right to call separate meetings to consider and approve mergers and restructurings. Under the provisions of section 711 of CAMA, these meetings are supervised and ordered by the Federal High Court, but the Bill proposes to dispense with the role of the Federal High Courts, which has worrisome implications. The reason these meetings are placed under the ambience of the Court is that decisions taken at such meetings tend to have the effect of infringing on shareholders' fundamental rights to property. Supervision and sanctioning of the process by the Courts ensures that the meetings are properly, effectively and fairly held. In addition, only the Courts or statute can by specified process alter each individual's right to their property. Accordingly, decisions taken at Court ordered meetings of shareholders are thereafter taken back to the Court for review and sanction, thus giving them force of law. To do otherwise would be a breach of fundamental human rights and thus unconstitutional. Since the CBN as the sector regulator would always have the first right to object to such a merger, reconstruction or arrangement, as the case may be, and the Bill has made provisions for CBN's right of review and objection, the sanctioning procedure must remain as specified under CAMA.

(e). **Licensing of foreign banks:** Section 8 (2) appears to suggest that the CBN may grant a licence to foreign banks to undertake domestic or offshore banking business within a designated free trade or special economic zone in Nigeria. This section is confusing to us, as under Nigerian law - including Section 2(b) of the Bill – a licence to carry on banking business in Nigeria may only be granted to a company duly incorporated in Nigeria. Thus, when foreign banks want to obtain banking licences in any part of Nigeria including a free zone area, they should also incorporate a Nigerian subsidiary for that purpose. The provision of section 8(2) authorising the CBN to grant licences to foreign banks to undertake domestic banking business would seem to conflict with that fundamental requirement of setting up a local subsidiary to do business in Nigeria, and grant such Banks undue advantage over local banks.

(f). **Immunity from restorative orders:** The Bill under Section 12(6) attempts to usurp the power of the Court to grant restorative or similar orders against the Bank or the Governor in any action, suit or proceedings in relation to the revocation of a licence by the Bank and limits a claimant's remedy to only damages. Your Excellency, we submit respectfully that these provisions are directly linked to our comments in paragraph (b) of this letter (Refusal to grant a banking licence by the Governor). The provisions can occasion unrestrained abuse of power and if retained, could discourage investment/participation in the banking sector. Regulated entities will live in perpetual fear of never being able to freely, fairly and respectfully express their views. No country's financial system develops and attains stability under such a draconian climate.

(g). **Prohibition of banks from granting unsecured credit:** Section 19(1)(c) of the Bill provides that a bank, specialised bank or other financial institution shall not, grant any unsecured advance, loan or credit facility except it is in line with the regulation on collateralisation as may be issued by the CBN. If this section is retained, banks will not be able to grant unsecured credit to grade A or credit worthy customers with high credit scores or who pass the bank's internal risk assessment for such loans. In addition, young business people, women and persons currently excluded from accessing credit from the banking sector who seek to rely on their business cash flows to obtain moderate credit, will remain permanently excluded from accessing bank credit. This provision overturns the progress made by Nigeria in the last decade and unwinds the positive gains achieved by the enactment of the Credit Reporting Act (which significantly raised Nigeria's profile in the World Bank's Ease of Doing Business Index in 2017).

(h). **Overreaching by CBN Examiners:** Section 29(4)(d) of the Bill grants the CBN examiners powers to attend (as observers) management and board meetings of the Banks and Financial institutions or specialized banks. Respectfully, your Excellency, this provision impacts on the ability of the bank to run its business on sound corporate governance and expressive principles and would discourage investment in the sector. It is our view that this provision, if retained, should only apply to failing or failed banks.

(i). **Immunity from suit:** Section 51 of the Bill intends to grant immunity from judicial intervention to the Federal Government, the CBN, or any officer of the Federal Government or the CBN from any action, claim or liability to any person in respect of anything done in the exercise of its duties under the Bill. Your Excellency, we respectfully submit that in a world where the actions of the financial sector and its regulators are being brought under closer scrutiny, granting immunity to the Bank and its officers from things done in the exercise of their administrative duties will have serious negative throwback on the country as a whole, jeopardise ability to engage in third party transactions and enable unbridled exercise of power by officers of the Bank. In modern democracies only heads of governments carry such immunity.

(j). **Overreaching by the Central Bank:** Section 57(1) and (2) of the Bill restricts any person from carrying on specialized banking of financial institution in Nigeria other than insurance, pension fund management, collective investment schemes and capital market business. It also goes on to define “business of other financial institutions" to include debt administration and investment management. We respectfully submit that “investment management” is separately regulated by the Securities and Exchange Commission under Section 38(1) of the Investment and Securities Act 2007, while “debt administration” is very wide and would for instance include receivership, liquidation and administration which is regulated under the Companies and Allied Matters Act, 2020. Accordingly, this section attempts to appropriate to the Central Bank of Nigeria, responsibilities already within the purview of other regulators such as the Securities and Exchange Commission and the Corporate Affairs Commission; a situation which would give rise to inter-agency conflict, duplicity of regulations and stifle the ease of doing business in Nigeria.

(k). **Exorbitant cost of filing claims at the Tribunal.** The Bill establishes a Tribunal for adjudicating on debt collection matters. This is laudable and will positively impact on the financial health of the industry as a whole. However, Section 118 of the Bill provides that the case fee payable by banks, specialised banks or other institutions shall be 0.5 percent of the amount of their claim. This amount is exorbitant and will adversely impact the effectiveness of the Tribunal. The fee should be a flat rate for all claims or flat rates based on a graduating scale. Charging ad valorem case fees ignores the fact that the banks are already dealing with bad loans and might have had to make loan loss provisions in their books.

Your Excellency, the above is a summary of the major issues we believe need to be urgently addressed and amended in the Bill before it receives your assent and becomes law. The issues are more particularly set out in the attached Schedule. The issues laid out herein are however not exhaustive and there remain several other concerns which we believe should also be addressed. We remain available to work with your office and the legislature to address these concerns and ensure the Bill that you pass into law is one that will truly enhance the ease of doing business in Nigeria, is fit for purpose in a developing country like ours aspiring to efficiently grow its economy and is void of arbitrariness and opaque discretion that will affect the creation of a stable and enabling financial system.

The Board and Management of the Nigerian Economic Summit Group remain grateful to Your Excellency for leading our great country, Nigeria effectively through these trying and uncertain times and we are firmly committed to providing our support to the Federal Government of Nigeria in your quest to bequeath a prosperous, inclusive and globally competitive economy to the people of Nigeria and generations unborn.

Source: ***BOFIA Bill 2020: A Call for Reflection, Rethinking and Resurgence*** - *Proshare*

The Subject Bill **- Banks and Other Financial Institutions Bill 2020**

Related Links

1. CBN Responds to the NESG's State of the Nation Update
2. NESG Issues 15-Point Statement on The State of Nigeria's Economy

THE NIGERIAN ECONOMIC SUMMIT GROUP

2. NESG Issues 15-Point Statement on The State of Nigeria's Economy

The Public Commentary was from the Nigerian Economic Summit Group was dated September 07, 2020 and was published on Tuesday, September 08, 2020; 08:01AM

Matters of Urgent Attention - NESG 15-Point Statement

Leading Policy Think-Tank Group the Nigeria Economic Summit Group, NESG has issued a 15-point statement on the state of nation's economy covering key sectors.

In a release signed by the Chairman of the Board of NESG *Mr. Asue Ighodalo* and the CEO *Mr. Laoye*

Jaiyeola, it assessed several policy steps and reforms carried out by the current administrations and also proffered solutions to some of the socio-economic challenges in the country.

Here are the **15 key points** highlighted by the NESG;

1. The Nigerian Economic Summit Group (NESG) notes that since the inception of this Administration, Agriculture and the need to ensure Zero Hunger for Nigerians has received considerable attention. However, despite the budgetary allocations and huge sums of money disbursed by the Central Bank of Nigeria (CBN) through the Anchor Borrowers' Programme, a huge gap remains in meeting the food requirements, which has resulted in increasing hunger among the Nigerian populace. Evidently, the issues are beyond money and therefore, require a complete overhaul of the management of, and support for the Agriculture sector and all related sectors - with a view to getting more value for our investments.

2. The NESG expresses its concern about the high level of insecurity across the country and its impact on the business environment and investment flows, which has contributed massively to the current food crisis, unemployment, poverty, increasing community clashes, rising bloodshed and the absence of peace and tranquillity in the land. Therefore, we again join the call by all well-meaning Nigerians, for Government to critically re-evaluate our security architecture and take all necessary actions to assure and safeguard the safety of all Nigerian citizens and residents.

3. The NESG acknowledges the expected far-reaching positive impact of the recently enacted Companies and Allied Matters Act (CAMA) 2020 on businesses especially the Micro, Small and Medium Enterprises (MSMEs) if well implement-ed. However, we have noted the issues being raised by some stakeholders about the provisions of certain sections of the Act, and urge all concerned to follow due process in seeking review and then be given fair hearing such that the many proactive provisions in the law that would facilitate the ease of doing business, provide efficient corporate structures and a stable/certain business climate are not drowned out but are well communicated, optimised and implemented.

4. The NESG notes the Nation's huge exposure to the vagaries of oil price fluctuations and emphasizes the need for a better structured and effective diversification of the economy. However, the NESG is not oblivious to the continuing crucial role of the Oil and Gas sector in our economy. Accordingly, we applaud the work now being done by the Presidency to see to the quick passage of the Petroleum industry Bill (PIB), and urge further stakeholder consultations so that the resultant law will create the required enabling environment for investment flows, reserves enhancement, technology transfer and utilization efficiency.

5. The NESG notes the evolving developmental roles of central banks around the world especially as it concerns resource allocations. However, such allocative roles must be undertaken in a very open, transparent and fair manner. The Group expresses serious concerns about how the Central Bank of Nigeria (CBN) has carried on the business of foreign exchange transactions, loan disbursements (intervention funds) and price fixings without appropriate policy clarity. This can be subject to abuses, manipulations and significant market disruptions, reflective of a policy akin to crony capitalism. We therefore respectfully request the appropriate authorities to properly review this policy to restore credibility into our financial sector.

6. The NESG has expressed severe concerns about certain provisions of the 'repealed and re-enacted' Bank and Other Financial Institutions Act 2020; recently passed by both houses of the National Assembly, and in the process of being transmitted to the President for assent. The Bill contains certain provisions which breach the provisions of the Nigerian Constitution, confers immunity on CBN officials and exempts actions by the CBN from judicial review. These are draconian, totalitarian and inimical to the development of a stable and transparently regulated financial sector. We respectfully request that the President should please withhold his assent until the Bill is properly reviewed, amended and is made fit for purpose. We also most respectfully request that our legislative houses should subject all Bills, in particular, such crucial bills, to the most efficient scrutiny necessary to assure compliance with the Nigerian Constitution, transparency, good governance and the best interest of the people of Nigeria.

7. The NESG observes with concern some distortions in the liquidity and interest rate management of our financial system which has resulted in rate distortions causing grave disadvantage to domestic investors and pensioners. This will occasion major disincentives to savings and investments and thereby, be a disadvantage to Nigerian pensioners and long term savers. This is inimical to this administration's concern for the elderly, the weak, the infirmed and those who had served this Country meritoriously in their prime. It must be stressed that our country needs to mobilise domestic savings and investments even as we seek to attract foreign investment and we should be careful not to initiate policies that appear to discriminate against or discourage domestic savings and investors.

   Policies making average Nigerians poorer by the day should not be encouraged.

8. The NESG commends Government's efforts on infrastructural developments across the country and respectfully advises that given the enormity of financial resources required to meet our largely decayed infrastructural stock, many more options should be explored to attract private sector capital and involvement. However, such options and alternatives must always be subject to clear rules, open, trans-parent, following due process, and the enshrinement of the sanctity of contracts.

9. The Group acknowledges government efforts at reopening the eastern port and urges that the rail link between Onne and Port Harcourt, should be given urgent attention so as to avoid replicating the Apapa Port experience. In the same light we wish to call for urgent solutions to the Apapa Port congestion, and other difficulties in effecting prompt and efficient export and import of goods. The Seaport is an economic lifeline critical for the diversification of the Nigerian economy.

10. The NESG commends government's actions at deregulating fuel and electricity prices and urge that proper policies, processes and procedures be put in place, to ensure that all the reforms (beyond price deregulation) necessary to facilitate the smooth functioning of both the fuel and electricity markets are effectively and conclusively implemented. Adequate communication to stakeholders and the general public on the benefits derivable from these actions must also be regularly carried out.

11. The NESG urges the Federal Government to expedite actions at re-opening our closed borders given its negative impact on trade and employment. It must be noted that our work in ECOWAS should not be limited to security and diplomacy, but must also effectively harness trade

opportunities within the sub-region. We also call on the government to ratify the African Continental Free Trade Agreement (AfCFTA), so that we can move to full membership status and take our rightful place in subsequent negotiation rounds. We remain of the firm belief that with the necessary infrastructure, Nigerian economy and the Nigerian people, with our innovative capacity, hard work and creativity, will be one of the greatest beneficiaries of African and West African free trade. This will also enable fair competition, competent institutions, effciency and transparency in our processes.

12. The NESG notes with grave concern the rising level of poverty, unemployment and underemployment in our country which is predominant among our young people and has been exacerbated by the impact of COVID-19 and the slump in commodity prices. We urge that while efforts at creating short-term jobs across the country is commendable, a lot more effort must be channeled towards re-skilling, retooling and reviewing our school curriculum. A focused approach to vocational studies must also be undertaken, and all our 13.2M children (Pre COVID-19) out of school must be brought into the school system.

13. We note the nation's resort to borrowing (either domestic or international), and quantitative easing by the monetary authorities to fund the large deficit which has now been made worse by the impact of the COVID-19 pandemic. Since these specific actions are not sustainable in the medium to long term, the Group urges government to urgently, consider a strong communicating strategy that engages the people and prepares them for tougher times ahead whilst the current reforms take effect.

The current business as usual disposition is not sustainable.

14. The NESG notes the frequent expression by government to work with the private sector in nation building efforts, but observes that a lot more work needs to be done on both sides to obtain the best benefits of such collaboration. It is therefore important that concrete steps must be taken to address the mutual distrust and build institutions that work regardless of persons.

15. In consonance with our strong commitment to partner with government in ensuring an appropriate, efficient and transparent environment for doing business in our country, the NESG pledges its commitment and the commitment of its other private sector counterparts to work effectively and transparently with government in combating these challenges, and thereby assure a growing, strong, vibrant efficient, inclusive, secure and healthy economy. All hands must be on deck in collaboration, as we work hard and without prejudice to achieve the Nigeria of our dreams.

We have no other nation that we can call our own.

Source: ***NESG Issues 15-Point Statement on The State of Nigeria's Economy - Proshare***

NIGERIAN ECONOMIC SUMMIT GROUP

MATTERS OF URGENT ATTENTION

8th SEPTEMBER, 2020

Asue Ighodalo | 'Laoye Jaiyeola

nesgroup.org

www.cbn.gov.ng

Central Bank of Nigeria

Press Release

Re: Matters of Urgent Attention

The attention of the Central Bank of Nigeria (CBN), has been drawn to a recent press release titled "**Matters of Urgent Attention**" by the Nigerian Economic Summit Group (NESG), which calls into question some of the measures taken by the CBN to support the stability of our financial system and enable faster recovery of our economy, following the negative impact of the COVID-19 pandemic on Nigeria.

As we all are aware, the impact of COVID-19 on countries across the world resulted in a significant downturn in the global economy. Consequently, countries including Nigeria were forced to impose lockdown measures in order to contain the spread of the pandemic. This action resulted in depressed economic activity in the first half of the year. Except for China and Vietnam, advanced, emerging and frontier market economies, all experienced significant negative growth in the first half of 2020, and some are currently in a recession.

In response to these unfortunate events across the globe, central banks have embarked on measures aimed at stabilizing their respective economies by reducing lending rates, which declined to negative territory in several advanced economies, in addition to increasing the scale of their asset purchase programmes. Indeed, after reducing its Federal Funds rate to 0 percent, the US Federal Reserve Bank implemented a huge securities purchase programme, which included purchase of corporate bonds (including those below investment grades). The Reserve Bank also provided credit facilities to non-bank institutions which included, money market funds and corporations. The balance sheet of the US Federal Reserve in support of these activities increased by over $3 trillion, while the European Central Bank expanded its balance sheet by over $1 trillion. Furthermore, the Bank of England in an unusual move gave an open check to the UK Government in order to fund its recovery efforts.

It is therefore pertinent to state that the Nigerian economy is not immune from these crises given the over 65 percent drop in commodity prices; disruptions in global supply chains and the unprecedented outflow of over $100bn of debt and equity funds from emerging markets between March and May 2020; in addition to the impact of the lockdown on economic activities. These activities resulted in an over 60 percent reduction in revenues due to the Federation Account, a significant drop in foreign currency inflows, which led to downward adjustments in the naira/dollar exchange rate and a rise in inflation due to the exchange rate pass through effect of imported inflation.

3. CBN Responds to the NESG's State of the Nation Update

*This Rejoinder, dated September 08, 2020 was issued by the Central Bank of Nigeria (CBN) in response to the **NESG's 15-Point Matters of Urgent Attention** and was published on Wednesday, September 09, 2020; 12:21 PM.*

Re: Matters of Urgent Attention

The attention of the Central Bank of Nigeria (CBN), has been drawn to a recent press release titled **"Matters of Urgent Attention"** by the Nigerian Economic Summit Group (NESG), which calls into question some of the measures taken by the CBN to support the stability of our financial system and enable faster recovery of our economy, following the negative impact of the COVID-19 pandemic on Nigeria.

As we all are aware, the impact of COVID-19 on countries across the world resulted in a significant downturn in the global economy. Consequently, countries including Nigeria were forced to impose lockdown measures in order to contain the spread of the pandemic. This action resulted in depressed economic activity in the first half of the year. Except for China and Vietnam, advanced, emerging and frontier market economies, all experienced significant negative growth in the first half of 2020, and some are currently in a recession.

In response to these unfortunate events across the globe, central banks have embarked on measures aimed at stabilizing their respective economies by reducing lending rates, which declined to negative territory in several advanced economies, in addition to increasing the scale of their asset purchase programmes. Indeed, after reducing its Federal Funds rate to 0 percent, the US Federal Reserve Bank implemented a huge securities purchase programme, which included purchase of corporate bonds (including those below investment grades). The Reserve Bank also provided credit facilities to non-bank institutions which included, money market funds and corporations. The balance sheet of the US Federal Reserve in support of these activities increased by over $3 trillion, while the European Central Bank expanded its balance sheet by over $1 trillion. Furthermore, the Bank of England in an unusual move gave an open check to the UK Government in order to fund its recovery efforts.

It is therefore pertinent to state that the Nigerian economy is not immune from these crises given the over 65 percent drop in commodity prices; disruptions in global supply chains and the unprecedented outflow of over $100bn of debt and equity funds from emerging markets between March and May 2020; in addition to the impact of the lockdown on economic activities. These activities resulted in an over 60 percent reduction in revenues due to the Federation Account, a significant drop in foreign currency inflows, which led to downward adjustments in the naira/dollar exchange rate and a rise in inflation due to the exchange rate pass through effect of imported inflation.

The Central Bank of Nigeria like other Central Banks across the world had to embark on extraordinary measures in order to stabilize the economy from an extraordinary shock. We took steps to increase the flow of credit to critical sectors of the economy, in order to enable faster recovery of the economy. We also sought to prevent the economic crisis from spilling into a major financial crisis by taking the following actions;

i. A 1-year extension of a moratorium on principal repayments for CBN intervention facilities;
ii. Strengthening of the Loan to Deposit ratio policy, which has resulted in a significant rise in loans provided by financial institutions to banking customers. Loans given to the private sector, have risen by over 21 percent over the past year.
iii. Creation of NGN 50 billion target credit facility for affected households and small and medium enterprises through the NIRSAL Microfinance Bank;
iv. Creation of a NGN100 billion intervention fund in loans to pharmaceutical companies and healthcare practitioners intending to expand and strengthen the capacity of our healthcare institutions; v. Creation of a research fund, which is designed to support the development of vaccines in Nigeria.
v. A N1 trillion facility in loans to boost local manufacturing and production across critical sectors;
vi. Regulatory Forbearance was granted to banks to restructure loans given to sectors that were severally affected by the pandemic
vii. Mobilization of key stakeholders in the Nigerian economy, which led to the provision of over N23bn in relief materials to affected households, and the setup of 39 isolation centers across the country.

The effect of these measures which included provision of palliatives to individuals affected by the pandemic, increase in access to credit to critical sectors of the economy that are either high employers of labor or have the ability to create jobs at a fast pace, helped to contain a significant decline in GDP growth in the 2nd quarter of the year.

Analysts expected GDP growth to decline by 7.4 percent but the impact of the measures by the monetary and fiscal authorities helped to reduce this decline to 6.1 percent. This decline was less severe than the decline experienced in other economies such as the United States, South Africa, and India which saw significant declines in growth by 32 percent, 52 percent and 23 percent respectively. We do expect that with the phase out of the lockdown measures, GDP growth in the 3rd quarter will be much better than that of the 2nd quarter, due to the impact of the measures being implemented by the Monetary and Fiscal Authorities.

The CBN also feels compelled to let Nigerians know that in spite of the cordial and open relations between both organizations, the NESG could have raised its allegations directly with us but never did. Instead they chose to release a Press Statement, having leaked its content to a leading Business Newspaper in the country. Let us now turn to the specifics of their diatribe.

On the CBN's development finance activities, we are comforted by the NESG's reluctant admission that many Central Banks around the world are also engaging in similar actions. The CBN engaged in development finance in order to address the credit needs of the sectors critical to improving livelihoods, reducing poverty, and promoting inclusive growth. These goals have become doubly important in light of the significant shocks to the economy following the ongoing COVID-19 pandemic. In pursuit of transparency, the CBN usually publishes disbursements made under these activities in our Economic Reports.

Although the bourgeoises atop the NESG may not feel the impact of the Bank's development finance activities, many ordinary Nigerians, including smallholder farmers, households, and medium-scale entrepreneurs across the country know better. As encapsulated in our most recent monthly economic report published on the Bank's website, a total of N38.11 billion was disbursed as loans to 44,458 beneficiaries through the NIRSAL Microfinance Bank (NMFB). This number has risen to N59.12 billion; supporting to 103,189 beneficiaries as of August 2020.

It is important for the NESG to note that our intervention programmes in the agricultural sector were a key contributor to the resilience of the agricultural sector during the crisis, as the sector experienced positive growth of 1.6 percent in the second quarter of the year despite the lockdown. As the NESG may be aware, as a result of the COVID-19 pandemic, Vietnam, Cambodia, India, and Thailand placed export restrictions on the exports of critical food items, including rice and eggs. With these disruptions, the Nigerian economy could have faced a major food crisis, but for the government's intervention programmes in the agriculture sector.

Furthermore, by alluding to the fact that money cannot address constraints in the agriculture sector, the NESG failed to realize that access to credit is listed among the three major challenges faced by farmers and businesses in Nigeria. While the Federal Government is seeking to address issues such as access to electricity and logistic constraints faced by businesses, it was vital for the CBN to address an area that we had sufficient ability to impact upon, given the nature of the crisis we faced, which is improving the flow of credit to critical sectors of the economy.

Contrary to the NESG's allegation that our lending process is devoid of a proper framework, it is important to note that recipients of intervention funds from CBN go through an expansive due diligence process through participating financial institutions (PFI), following which an additional assessment process is embarked upon by the CBN before disbursements are provided. The PFIs expend extensive due diligence on these intervention loans as the risk of default lies with them.

On the revisions to the BOFIA Act, there are many reasons why we see a total ignorance or malicious intent on the part of the NESG. First, the provision they refer to as being currently conceived as part of the new BOFIA already exists as Section 53 in the old Act, which is now Section 51 in the amended Act passed by the National Assembly. The current bill has not proposed any changes to that section at all. Second, contrary to their misleading anxiety and associated reportage, the provision of Section 51 does not purport to confer immunity on the Governor of the Central Bank of Nigeria like that which obtains for State Governors. Rather, this provision protects the Federal Government, the Central Bank of Nigeria and their respective officials against adverse claims for actions or omission in good faith exercise of powers under BOFIA and other specified statutes including the Central Bank of Nigeria Act and regulations made thereunder.

The import of the said provision is to set a threshold against which suits against public officers must be filtered, such that for a suit to be maintainable it must scale that threshold by proving bad faith on the part of the pubic officer. It is not a bar against action.

Indeed, a review of the legislative history of BOFIA will readily show that the said provision also appeared as Section 49(1) of the then BOFIA of 1991. Further digging also readily show that the same law is employed in other legislations including the extant:

a) Central Bank of Nigeria Act 2007 (Section 52),
b) the NDIC Act 2006 (Section 55) and
c) the Investments and Securities Act 2007(Section 302)

A similar provision is in the AMCON (Amendment) Act 2020, as it had been noticed that debtors and the like simply rush to court, obtain injunctions and stop orderly resolution of cases and proper implementation of the law.

The false alarm raised by the Nigerian Economic Summit Group raises serious credibility questions on the actions of the group, as its comments, which have been circulated across the globe, significantly harmed the credibility of the Governor and the CBN as an institution.

On border closure, we are disappointed that the NESG has not shown any tendency to deeply interrogate the real reasons for the closure. While the CBN is not opposed to its reopening, we must never forget the real reason why that border was shut in the first place: significant economic sabotage involving smuggling of many fake products, drugs, small arms, and other goods. How can a Nigerian farmer struggle for months to plant, cater, and harvest their crops only to find that those crops cannot attract good prices because of smuggled products from across our borders? Does the NESG know that according to the International trade Center, Benin Republic imports as much as rice as China and nearly as much frozen chicken as the U.K.? In which country does the NESG think all these rice and chicken end up? How then can a Nigerian rice farmer or poultry owner survive?

While the Federal Government is doing its best to tackle these issues and reopen the border, we must bear in mind that border issues require cooperation by other countries. But if these countries, given their huge benefits from a rigged system, deny there is even a problem, how can Nigeria reopen the border without resolving these matters?

Concerning foreign exchange, the CBN operates two windows: wholesale and retail. In the wholesale window, banks are allocated FOREX weekly, which is meant to be allocated to their customers at their discretion, reflecting customer size and distributive efficiency, for final sale to parents paying school fees, patients settling medical bills abroad, SME traders importing small-scale inputs and raw materials, and general travellers for business and personal trips. The CBN also allocates a certain amount of FX to licensed BDCs per week, who resell to small-scale users. In both categories, the CBN does not know the final buyers of this FX.

In the retail window, banks submit a detailed list of applicants who are then allocated foreign exchange based on availability. Given that these submissions are first scrutinized by the banks and are accompanied by the provision of significant documentation, we do not understand the extra transparency being called for by the NESG.

Based on very limited information and cross-country exposure, the NESG refers to the CBN's recent directive, which simply sets a floor on saving rates as "price-fixing". Given that in an ideal economic textbook/theory, saving should be equal to the investment, we expected total deposits should closely mirror total loans. Yet, over the past several months, we have noticed an increasingly large gap between total deposits in the banking system and total credit to the economy. While total deposits stood at about N25 trillion in January 2020, total loans stood at N17 trillion. As of August 2020, while total deposits have increased to N29.7 trillion, total loans were only N19 trillion.

Many rich cooperates have simply been content with saving their cash balances and collecting huge interest payments, rather than expanding their investment, which should lead to hiring more people and producing more goods. In other to forestall a continuation of this trend, the CBN had to act to discourage these practices for the good of the economy. In other words, the rationale for moving to reduce the saving rates by banks is actually to encourage more lending. We also need to note in light of COVID-19 and to encourage more investments, many Central Banks have cut their saving rates to nearly zero. In fact, some Central Banks, including the European Central Bank, the Bank of Japan, Denmark's Central Bank and the Swiss National Bank, are now operating "negative interest rates", which means customers pay banks to keep their deposits.

Although the NESG, under its current leadership, has fallen short of its own standards and become a shadow of its old self, we believe there are better ways to resuscitate the Group's brand other than through cheap popularity and tarnished attention using ambushed press statements made up of contrived allegations. Given that the NESG should know better, we believe that these allegations are reflective of sinister motives and malicious intent.

Isaac Okorafor
Director, Corporate Communications

Source: Re: Matters of Urgent Attention – CBN Press Release

The Economic Scorecard and Data Central

FAAC Disburses N696.18bn in July 2020 - NBS

FAAC Disburses N547.31bn in June 2020 - NBS

Headline Inflation Increases By 13.22% YoY In August 2020; 0.40% Higher Than July 2020 Rate

Nigeria's Total Public Debt Stood At N31.01trn in Q2 2020 - NBS

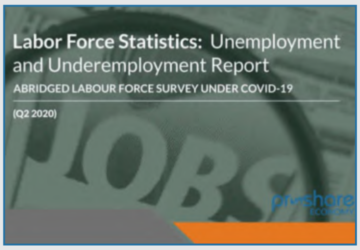
Nigeria's Merchandise Trade Falls Steeply in Q2 2020 Due to Sharp Drop in Exports

Total Value of Capital Imported into Nigeria Stood At $1,294.94m in Q2 2020 - NBS

Manufacturing PMI Stands at 46.9% in September 2020 from 48.5% in August 2020

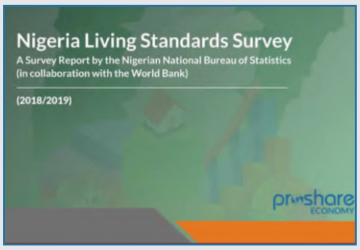
NBS Publishes COVID-19 Impact Monitoring Survey Report for July 2020

Nigeria's GDP Contracts by -6.10% YoY in Real Terms in Q2 2020 - NBS



Nigeria's Unemployment Rate Moves Up to 27.1% in Q2 2020 from 23.1% in Q3 2018 - NBS

Nigeria's Total Public Debt Stood At N28.63trn in Q1 2020 - NBS



NBS Publishes National Living Standard Survey 2018-19 Report

Nigeria's Merchandise Trade Slowed in Q1 2020 Due to Declines in Both Imports and Exports

Poverty and Inequality in Nigeria 2019: 40% of Total Population Classified as Poor

References and Related Links for Further Reading

Related News – NESG, CBN and Nigerian Economy

1. Choosing the CBN Governor – Dedicated Page – Proshare 2014/15
2. CoronaWatch Central – Dedicated Page – Proshare 2020
3. Banks and Other Financial Institutions Bill 2020 - PDF
4. Senate Passes Bill to Re-enact BOFIA
5. BOFIA Bill 2020: A Call for Reflection, Rethinking and Resurgence
6. CBN Responds to the NESG's State of the Nation Update
7. NESG Issues 15-Point Statement on The State of Nigeria's Economy
8. CBN vs NESG: The CBN's Communication Failings in Full Glare Again – Adedayo Bakare
9. Deconstructing NESG's Dispatch on Nigeria's Economy - ThisDay
10. EDITORIAL: Unearthing the Cogent Lessons In the NESG-CBN Economic Policy Imbroglio – Premium Times
11. Assessing Nigeria as a Failed (Failing) State - OpEd
12. Headline Inflation Increases By 13.22% YoY In August 2020; 0.40% Higher Than July 2020 Rate
13. How Bank CEOs Were Threatened, Forced Out Of NESG Board – Africa Housing News
14. Again, Buhari Asks CBN to Halt Forex for Fertiliser, Food Items
15. COVID-19: NESG Partners AIG To Develop Incidence and Response Tracker Dashboard
16. Why Nigeria Needs to Drive Productivity and Fiscal Restructuring - Tope Fasua
17. The Nigerian Digital Economy
18. Capital Inflows Plummet as The Coronavirus Bug Bites Down Hard on Economic Outlook
19. Headline Inflation Increases By 13.22% YoY In August 2020; 0.40% Higher Than July 2020 Rate
20. Nigeria's Unemployment Rate Moves Up to 27.1% in Q2 2020 from 23.1% in Q3 2018 - NBS
21. Poverty and Inequality in Nigeria 2019: 40% of Total Population Classified as Poor
22. FAAC Disburses N547.31bn in June 2020 - NBS
23. Nigeria's Merchandise Trade Falls Steeply in Q2 2020 Due to Sharp Drop in Exports
24. Total Value of Capital Imported into Nigeria Stood At $1,294.94m in Q2 2020 - NBS
25. Nigeria's GDP Contracts by -6.10% YoY in Real Terms in Q2 2020 - NBS
26. Manufacturing PMI Stands at 48.5% in August 2020 from 44.9% in July 2020
27. NBS Publishes COVID-19 Impact Monitoring Survey Report for July 2020
28. Nigeria Faces Severe Stagflation as GDP Declines, Unemployment and Inflation Rise
29. Coronanomics (1) - Understanding the Realities of an Impending Recession
30. NESG Board Reviews State of Nigeria's Economy
31. NESG Inaugurates NES26 Planning Committee; To Hold Summit October 26-27, 2020
32. NESG Roundtable Explores Development Of Sports Industry As An Integral Part Of The Economy
33. NESG, Stakeholders Discuss Community of Practice On Gender Issues
34. NESG Dialogue: Stakeholders Call For Competitive Agric Seeds Industry in Nigeria
35. NESG Visits Proshare, Solicits Strategic Media Collaboration Ahead of NES25
36. NESG 25th Summit to Explore Nigeria 2050: Shifting Gears
37. NESG Unveils New Brand Identity, Highlights Achievements Since 1993
38. Stakeholders Explore Broadening Non-Oil Revenue At NESG Better Tax Initiative
39. NESG Set To Launch "Better Tax" Initiative To Rally Stakeholder Engagement on Tax Reforms
40. Inclusive Growth Should be Given Top Priority in Nigeria's Economic Recovery Cycle - NESG
41. 24th NESG Summit to focus on making Governance and Institutions work
42. NESG, Sunray Ventures Engage Stakeholders on Advancing a Sustainable Circular Economy in Nigeria
43. NESG Announces NES#24 Startup Pitching Event
44. Contrasting Views on the Economy, Markets & Monetary Policy - Doyin Salami v Godwin Emefiele

Related News – Most Recent CBN Circulars

1. CBN Launches Framework for Advancing Women's Financial Inclusion In Nigeria - – Sep 29, 2020
2. Amended Health Sector Research and Development Intervention Scheme (HSRDIS) Guideline – CBN – Sep 29, 2020
3. CBN Issues Framework for The Implementation of Family Homes Financing Initiative – Sep 15, 2020
4. CBN Issues Framework for the Implementation of Intervention Facility for the NGEP - Sep 15, 2020
5. Post No Debit Circular by CBN – Sep 2020
6. CBN Issues Framework for Implementation of the Solar Connection Facility - Sep 15, 2020
7. CBN Releases Monetary, Credit, Foreign Trade and Exchange Guidelines for Fiscal Years 2020-2021 - Sep 12, 2020
8. Interest on Local Currency Savings Deposits Subject to a Minimum of 10% per annum of MPR – Sep 01, 2020
9. CBN Issues Revised Guidelines for the Licensing and Regulation of Payment Service Banks in Nigeria – Aug 28, 2020
10. CBN Directs Dealers to Desist from Opening Forms M Whose Payment Are Routed Through a Buying Agent - Aug 24, 2020
11. CBN Releases Healthcare Research and Development Grant Guidelines - Aug 05, 2020
12. CBN Provides Non-Interest Guidelines for Intervention Programmes – Jul 25, 2020
13. CBN Unveils Non-Interest Guidelines for AGSMEIS, MSMEDF, Others – Jul 14, 2020
14. CBN Discontinues the Processing of Form M for the Importation of Maize – Jul 13, 2020
15. Regulatory Forbearance for the Restructuring of Credit Facilities of OFIs Impacted by COVID-19 – Jul 09, 2020
16. CBN Urges Nigerians to Embrace Its N50bn Targeted Credit Facility; Waives Requirement – Jun 08, 2020
17. CBN Grants Stirling Trust Company Ltd Approval to Commence Cash-In-Transit Operations – Jul 07, 2020
18. CBN Expands The Scope of Regional Banks in Nigeria – Jul 03, 2020
19. CBN Issues Draft Framework for Regulatory Sandbox Operations – Jun 29, 2020
20. CBN Releases Guidelines on Healthcare Research and Development Grant – Jun 07, 2020
21. CBN Publishes Approved Service Charter – Mar 26, 2020
22. CBN Releases Exposure Draft of the Guidelines for the Regulation and Supervision of MFBs in Nigeria - Mar 26, 2020
23. CBN Issues Guidelines for the Implementation of the N50bn Targeted Credit Facility- Mar 25, 2020
24. Bankers Committee Reviews Impact of COVID-19 On Economy, Announces Support Packages – Mar 21, 2020
25. CBN Policy Measures In Response to COVID-19 Outbreak and Spillovers – Mar 16, 2020
26. CBN Issues Guideline on Nigerian Payments System Risk and Information Security Management Framework - Mar 04, 2020
27. CBN Retains Minimum LDR At 65%; Encourages DMBs To Maintain Strong Risk Mgmt Practice – Jan 20, 2020
28. CBN Issues Circular on Pre-Authorisation of Cards in Nigeria – Dec 30, 2019
29. CBN Issues Consumer Protection Regulations – Dec 23, 2019
30. CBN Reviews Charges On ATM, Card Maintenance and Others – Dec 22, 2019
31. CBN Publishes Exposure Draft On The Guidelines For Shared Services Arrangements For Banks And OFIs – Nov 27, 2019
32. CBN Publishes Regulation For The Operation of Mortgage Guarantee Companies in Nigeria - Nov 26, 2019
33. CBN Notifies of The Automation Of Form NXP On The Trade Monitoring System – Oct 30, 2019
34. CBN Issues Revised Guidelines For The Registration Of CIT And Currency Processing Companies – Oct 29, 2019
35. Re: Implementation of Cashless Policy: CBN Notifies of Existing Exemptions Until March 31, 2020 – Oct 21, 2019
36. CBN Issues Circular on The Reg. For The Operation of Indirect Participants In The Payment System – Oct 11, 2019
37. CBN Reviews LDR Target Upwards To 65%; DMBs Required To Attain LDR of 65% By Dec 31, 2019 – Oct 01, 2019
38. CBN Directs Banks To Report Suspicious Transactions Based On UN Security Council Resolutions – Sep 30, 2019
39. CBN Issues Approvals-In-Principle To Three Payment Service Banks – Sep 18, 2019
40. CBN Approves Charges On Withdrawals And Deposits; Unbundles Charges on Electronic Merchants - Sep 18, 2019
41. CBN Issues Guidelines On The Issuance And Treatment Of Bankers Acceptances And Commercial Papers - Sep 16, 2019
42. CBN Issues Regulation On Electronic Payments And Collections For Public And Private Sectors – Sep 11, 2019
43. CBN Amends Guide To Charges By Banks And Other Financial Institutions In Nigeria - Sep 10, 2019
44. CBN Releases Requirements For The Establishment And Operation Of DFIs' Subsidiaries And SPV - Sep 04, 2019
45. CBN Notifies Of The Integration Of NAFDAC e-Permit With e-Form 'M' On The Nigerian Trade Portal - Sep 03, 2019
46. CBN Releases Exposure Draft On The Prudential Guidelines For Deposit Money Banks -Aug 28, 2019
47. CBN Releases Exposure Draft On The Prudential Guidelines For Finance Companies-Aug 28, 2019
48. CBN Releases Exposure Draft On The Prudential Guidelines For Mortgage Refinance Companies-Aug 28, 2019
49. CBN Releases Exposure Draft On The Prudential Guidelines For Development Finance Institutions-Aug 28, 2019
50. CBN Releases Exposure Draft On The Prudential Guidelines For Primary Mortgage Banks-Aug 28, 2019

51. CBN Releases Exposure Draft On The Prudential Guidelines For Microfinance Banks-Aug 27, 2019
52. CBN Releases Eligibility Criteria And Functional Training Areas Under AGSMEIS – Aug 26, 2019
53. CBN Issues Circular On The Guidelines For The Disbursement Of Lower Denomination Banknotes -Aug 21, 2019
54. CBN To Disburse Lower Currencies To Microfinance Banks -Aug 16, 2019
55. CBN Publishes Consumer Protection Framework Guidelines On Disclosure And Transparency -Aug 05, 2019
56. CBN Releases Consumer Protection Guidelines On Responsible Business Conduct - Aug 05, 2019
57. CBN Issues Guidelines on Accessing Standing Deposit Facility; Effective Thursday July 11, 2019 – Jul 10, 2019
58. CBN Releases Modalities For The Implementation of The Creative Industry Financing Initiative - Jul 05, 2019
59. DMBs No Longer Require Prior Approval From CBN To Offer Mobile Money Wallet Services - Jul 05, 2019
60. CBN Mandates DMBs To Maintain Loan To Deposit Ratio Of 60% Effective Sept 30, 2019 – Jul 04 2019
61. CBN Directs MFBs To Implement Resolutions On The Revised National Financial Inclusion Strategy – Jul 02, 2019
62. CBN Requests For Information On The Proposed Payments System Vision 2030 Initiative -May 16, 2019
63. CBN Announces Creative Industry Financing Initiative - May 08, 2019
64. CBN Releases Banknote Fitness Guidelines - Apr 26, 2019
65. CBN Issues Clean Notes Policy - Apr 26, 2019
66. CBN Releases Guidelines On Pillar 2 Risks And Stress Testing For Banks – Apr 18, 2019
67. CBN Issues Guidelines for Licensing and Regulation of Primary Mortgage Banks in Nigeria - Apr 18, 2019
68. CBN Guidance Notes On The Calculation Of Capital Requirement For Operational Risk For NIFIs - Apr 17, 2019
69. CBN Guidelines On The Mgmt Of Investment Account Holders For Non-interest Fin. Institutions - Apr 17, 2019
70. Monetary, Credit, Foreign Trade and Exchange Policy Guidelines For Fiscal Years 2018-2019 – Apr 04, 2019
71. CBN Grants Operators up till April 1, 2019 to Implement The Revised NCS and NICPAS – Mar 05, 2019
72. CBN Releases Initial Guidance Notes on the Implementation of IFRS 9 in the OFIs sector in Nigeria - Mar 05, 2019
73. Anti-Money Laundering And Combating The Financing Of Terrorism Policy and Procedure Manual - Feb 08, 2019
74. CBN Releases Revised 2018 Exposure Draft For The "Regulation On End-To-End Electronic Payment" - Jan 30, 2019
75. CBN Publishes Banknote Fitness Guidelines - Jan 24, 2019
76. CBN Deploys Consumer Complaints Management System Effective Jan 02, 2019 - Dec 28, 2018
77. Guidelines For Licensing And Regulation Of Payment Service Banks In Nigeria- Nov 02, 2018
78. CBN Releases Code of Corporate Governance for Finance Companies in Nigeria – Oct 30, 2018
79. CBN Releases Code of Corporate Governance for Development Finance Institutions in Nigeria - Oct 30, 2018
80. CBN Releases Code of Corporate Governance for Microfinance Banks in Nigeria - Oct 30, 2018
81. CBN Releases Code of Corporate Governance For Bureaux De Change In Nigeria - Oct 30, 2018
82. CBN Introduces Additional Template to The Redesigned CRMS - Oct 23, 2018
83. CBN Reviews Minimum Capital Requirement For Microfinance Banks In Nigeria – Oct 23, 2018
84. Exposure Draft Of New CBN Licensing Regime For Payment System Providers – Oct 18, 2019
85. CBN Proposes N5bn Capital Requirement For Payment Service Banks – Oct 08, 2018
86. CBN Publishes Guidelines For Licensing and Regulation of Payment Service Banks in Nigeria - Oct 07, 2018
87. CBN Releases Exposure Draft-Guidance Notes on Disclosure Requirements - Oct 03, 2018
88. CBN Releases Revised Guidance Note on Regulatory Capital For All Banks In Nigeria - Sep 28, 2018
89. CBN Publishes Circular On Revised Nigeria Bankers' Clearing System Rules, 2018 – Sep 14, 2018
90. CBN Releases Circular On The Regulations On Instant Electronic Funds Transfer Services In Nigeria – Sep 14, 2018
91. CBN Releases The Revised Nigeria Bankers' Clearing System Rules - Aug 02, 2018
92. CBN Directs Banks to Render Daily Returns on Shared Agency Network Expansion Fund Initiative – Jul 05, 2018
93. CBN Issues Circular to All Banks on the Redesigned CRMS – Jun 07, 2018
94. CBN Issues Regulations for Transaction with Authorized Dealers in Renminbi - Jun 07, 2018
95. CBN Extends Effective Date of The Regulatory Framework For The Use of USSD to Oct 1, 2018 - Jun 01, 2018
96. CBN Direct DMBs to Pledge Collateral of N1bn Worth of Government Securities for OTC Trade Settlement - Jun 01, 2018
97. Regulatory Framework for the Use of USSD in the Nigerian Financial System – Apr 27, 2018
98. CBN Issues Anti-Money Laundering and Combating the Financing of Terrorism Regulations, 2018 - Apr 26, 2018
99. CBN Exposure Draft - Licensing of Private Asset Management Company – Mar 27, 2018
100. CBN Introduces Non-Oil Export Stimulation Facility (NESF) – Mar 20, 2018
101. CBN Announces Regulation For Bill Payments In Nigeria – Mar 16, 2018
102. CBN Revised Regulation for Direct Debit Scheme in Nigeria – Mar 15, 2018
103. CBN Directs DMBs to Establish Consumer Complaint Help Desk – Mar 09, 2018
104. CBN Includes Additional Provision For Dividend Pay-Outs For Nigerian Banks – Feb 20, 2018
105. DMB That Does Not Meet the Minimum Capital Adequacy Ratio Shall Not Be Allowed to Pay Dividend - CBN – Feb 19, 2018

106. CBN to Sanction Erring Banks for Infractions of Payments System Rules and Regulations – Jan 08, 2018
107. CBN Suspends Extension of Settlement Banking Arrangement to All the Clearing Sessions – Dec 22, 2017
108. CBN to Draft Framework on Credit to SMEs – Dec 05, 2017
109. CBN Extends Settlement Banking Arrangement to All Clearing Sessions Effective January 1, 2018 – Nov 10, 2017
110. CBN Issues Further Clarification on the Enforcement of GIFMIS Revenue Reference Number – Oct 24, 2017
111. CBN Unveils Framework For BVN, Watch-List Operations – Oct 23, 2017
112. Implementation of Electronic Certificate of Capital Importation – Sep 08, 2017
113. Exposure Draft of Regulatory Framework for Unstructured Supplementary Service Data- Sep 08, 2017
114. CBN Introduces Funding for Liquidity and Intra-day Facilities for Non-Interest Banks – Aug 24, 2017
115. CBN Revised the Guidelines for Commercial Agricultural Credit Scheme (CACS) – Aug 21, 2017
116. CBN Extends Timeline of BVN Enrolment for OFIs to December 31, 2017 – Aug 07, 2017
117. CBN Announces the Introduction of the Nigeria Customs Service Electronic Auction (eAUCTION) Platform – Jul 25, 2017
118. CBN Issues Statements of Payment Finality for the Nigerian Payments Schemes - Jul 25, 2017
119. CBN Directs OFIs to Enroll Customers for BVN – Apr 25, 2017
120. CBN Suspends the Implementation of Interchange Regime Indefinitely – Apr 21, 2017
121. CBN Issues Circular on the Amendments of S4 Business Rules and Guidelines – Feb 02, 2017
122. CBN Enhances Minimum Qualifications for Banks CCOs to Ensure Compliance – Sep 30, 2016
123. CBN Issues Directives on the Removal of Fixed Interest Rate on Credit cards – Aug 05, 2016
124. CBN Reviews Operational Guidelines for Blacklisting – Jul 13, 2016
125. CBN Publishes Exposure Draft Guidelines on Regulations & Supervision of Non-Interest MFBs in Nigeria – May 12, 2016
126. CBN Publishes Approved Guidelines on Transactions Switching in Nigeria -May 09, 2016
127. CBN pledges more interventions to create jobs, wealth – Apr 19, 2016
128. CBN Publishes Exposure Draft on Guide to Charges for Banks & OFIs in Nigeria – Mar 14, 2016
129. CBN Publishes Reports of Activities under the Agricultural Credit Guarantee Scheme – Mar 10, 2016
130. CBN Publishes Revised Guidelines on Real Sector Support Facility - Mar 10, 2016
131. CBN Releases National Financial Literacy Framework Report - Mar 07, 2016
132. CBN Publishes Guidelines for the Operations of TSA by State Governments in Nigeria – Feb 09, 2016
133. CBN Extends BVN Enrolment for Nigerian Banks' Customers in Diaspora to 30th June, 2016 – Feb 05, 2016
134. CBN Publishes Guidelines for Banking Operations in the Free Trade Zones in Nigeria – Feb 02, 2016
135. CBN Invites Financial Institutions to Make Payment of Annual Licence Renewal Fee through e-Channels – Jan 04, 2016
136. CBN Releases Revised Guidelines for Bureaux De Change in Nigeria -Dec 11, 2015
137. CBN Issues Guidelines on International Mobile Money Remittance Service in Nigeria – Nov 20, 2015
138. CBN Directs PMBs and DFIs to Comply with FG's Directives on TSA – Nov 19, 2015
139. CBN Extends BVN Enrolment to 31st January 2016 for Nigerian Bank Customers in Diaspora – Nov 03, 2015
140. CBN Orders BDCs to Honour Letter of Credit Established Prior to Jun 23rd for 41 Items Ban for FOREX – Oct 23, 2015
141. CBN Publishes Guidelines for Approved Persons' Regime for Financial Institutions – Oct 22, 2015
142. CBN Issues Guidelines on the Management of Dormant Accounts & Other Unclaimed Funds by Banks & OFIs – Oct 09, 2015
143. CBN Releases Exposure Draft on Consumer Protection Framework – Sep 18, 2015
144. CBN Mandates DMBs to Equip All Branches to Treat E-dividend Mandate Form – Sep 15, 2015
145. CBN Releases Exposure Draft on Standards and Guidelines on Electronic Channels Operations in Nigeria - Sep 15, 2015
146. CBN Releases Exposure Draft on the Guidelines on Transaction Switch in Nigeria - Sep 15, 2015
147. CBN Directs Development Finance Institutions to Obtain Licence - Sep 08, 2015
148. CBN Directs Banks to Remit FG's Funds into the Treasury Single Account - Sep 08, 2015
149. CBN Finalises Guidelines for the Enrolment of Nigerian Bank's Customer in Diaspora – Aug 19, 2015
150. CBN Directs All Licensed BDCs to Consummate Transactions with Customers' BVN Effective 1st August – Jul 21, 2015
151. CBN Warns Authorized Dealers Against Funding Items Classified as "Not Valid for Forex" – Jul 01, 2015
152. CBN Extends BVN Enrollment Deadline to 31st October, 2015 – Jun 30, 2015
153. CBN Directs DMBs to Establish Industry Fraud Desks – Jun 12, 2015
154. CBN to Review the Nigerian Cheque Standards - May 04, 2015
155. CBN Moves to Check Rising Non-performing Loans in Banks – Apr 24, 2015
156. CBN Clarifies Circular on Usage of Naira Denominated Cards Overseas - Apr 24, 2015

157. CBN Stops Rendition of Returns on Defunct Micro Credit Fund – Apr 17, 2015
158. CBN Limits Naira Card Usage on Overseas Transactions to $50,000 – Apr 14, 2015
159. CBN Rolls Out Stiff sanctions to Dissuade Issuance of Dud Cheques – Apr 09, 2015
160. CBN Warns Against the Use of Foreign Currency as Medium Of Exchange in Nigeria – Apr 07, 2015
161. CBN lays Guidelines on Mobile Money Services in Nigeria – Apr 02, 2015
162. CBN Sets Regulatory Framework for Licensing Super Agents - Apr 02, 2015
163. CBN Releases Regulatory Framework for Mobile Money Services - Apr 02, 2015
164. CBN Publishes Regulatory and Supervisory Guidelines for DFIs in Nigeria – Mar 19, 2015
165. CBN Sets Guidelines for N300 Billion Real Sector Support Facility – Mar 04, 2015
166. CBN Directs Banks to Commence FG's Treasury Single Account Scheme – Feb 26, 2015
167. CBN Restricts Use of Unfettered Access in Exchange Manual - Feb 23, 2015
168. CBN Sets Guidelines for Advisory Council on Non-Interest Financial Institutions - Feb 20, 2015
169. CBN Closes RDAS/WDAS Foreign Exchange Window - Feb 18, 2015
170. CBN Releases Exposure Draft for Dormant Accounts Management by Banks – Feb 18, 2015
171. CBN Sets Time Bar for Resolution of Customers Complaints - Feb 18, 2015
172. CBN Issues Framework for the Implementation of Electronic Payments Incentive - Feb 13, 2015
173. CBN Sets Guidelines for Banking Operations in Free Trade Zones in Nigeria – Feb 11, 2015
174. CBN Offers Special Intervention to BDC Operators – Feb 03, 2015
175. CBN Inaugurates Financial Inclusion Steering Committee - Feb 03, 2015
176. CBN Notifies Banks on Onward Reporting of Fraud in Non-EMV Environments- Jan 30, 2015
177. CBN Directs Banks to Compute Net Open Position on Daily Basis - Jan 30, 2015
178. CBN Reviews Weekly Cash Sales to BDCs to $30,000 – Jan 23, 2015
179. CBN Reviews Foreign Currency Trading Position of Banks to 0.1% of SHF – Jan 13, 2015
180. CBN Signs MoU with Deposit Money Banks to Boost Power Supply – Dec 23, 2014
181. CBN Directs Banks to Commence Issuance of Centenary N100 Banknote – Dec 22, 2014
182. CBN Reduces Foreign Exchange Trading Position of Authorized Dealers to Zero Percent – Dec 18, 2014
183. CBN Issues 48hours Deadline for Utilization of Funds Purchased from Forex Market – Dec 18, 2014
184. CBN Releases Circular on Sales of Foreign Exchange without Adequate Documentation – Nov 21, 2014
185. CBN Releases Circular to All DMs and Merchant Banks on the Implementation of Swift SSS – Nov 20, 2014
186. CBN Kicks-off the Development of Consumer Protection Framework for Financial Institutions – Oct 22, 2014
187. CBN Sets BVN Compliance Deadline for DMBs and Bank Customers – Oct 22, 2014
188. CBN Increases Outbound International Money Transfer Limit – Oct 14, 2014
189. CBN Releases Collateral Registry Regulation – Sep 30, 2014
190. CBN Rolls Out Electronic Payments Incentive and Awareness Campaign – Sep 19, 2014
191. CBN Releases Circular on the Acceleration of Bank Verification Number – Sep 19, 2014
192. CBN Releases Guidelines for Financial Holding Company (HoldCo) – Aug 29, 2014
193. CBN Develops Authorized Signatories Verification Portal for the Banking Industry – Aug 21, 2014
194. CBN Earmarks 60% of MSME Development Fund for Women – Aug 18, 2014
195. CBN to launch Outbound Money Transfer Service with Western Union Money Transfer – Aug 14, 2014
196. CBN Reviews Electronic Payment Operations via NIBSS Instant Payment System - Aug 14, 2014
197. CBN Re-introduces ATM Cash Withdrawal Transactions Fee; Effective September 1, 2014 - Aug 14, 2014
198. CBN Excludes Non-Distributable Regulatory Reserve in the Computation of Capital of Banks - Aug 07, 2014
199. CBN Issues Draft Regulatory and Supervision Guidelines for Development Finance Institutions - Aug 05, 2014
200. CBN Releases Exposure Draft for Recommendation of Time Bar on Consumer Complaints – Jul 25, 2014
201. CBN Extends Timeline for the Resolution of Complaints on Excess Charges and Loans to 30 Days – Jul 03, 2014
202. CBN Prohibits Loan Defaulters from Further Access to Credit Facilities in the Banking System – Jul 02, 2014
203. CBN rolls out Cash-Less Policy on July 1, 2014, postpones withdrawal charges in 30 States – Jun 24, 2015
204. CBN Orders Banks to Refund Monies to Customers Shortchanged By ATMs – Jun 16, 2014
205. CBN Orders Banks to Refund Excess Commission on Turnover – Jun 13, 2014
206. CBN Maintains Highest Level in Information Security Standard (ISO27001) Compliance – Jun 12, 2014
207. CBN Extends Cashless Policy to 30 Remaining States; Kicks Off July 1st – Jun 05, 2014

Proshare's Memo to The Market and Market Updates

1. NSE Ten Years After a Takeover: The Good, The Bad and Undecided – Sep 16, 2020
2. Online Trading Ranking Report 2020 - Trading in a Period of a Virus; Building Good Habits – Sep 02, 2020
3. Otudeko: A Boardroom Revolutionary at 77 – Aug 18, 2020
4. Roads: Concrete Vision, Asphalt Competition, Looking Ahead – Aug 01, 2020
5. CEO Remuneration 2020 Report - Paying the CEO in a Pandemic; The Unanswered Questions – Jul 30, 2020
6. Memo To AMCON: Nigerian Tax Payers are not Responsible for Repayment of Bad Debt – Jul 23, 2020
7. Coronanomics (1) - Understanding the Realities of an Impending Recession – Jun 06, 2020
8. Nigeria Cement Market's New Chess Play; Understanding The Market Dynamics – Jan 31, 2020
9. NCM2020 - Fin. MKT in Transition: Understanding Past Uncertainties; Preparing for New Possibilities – Jan 20, 2020
10. UBA's Staff Layoff; Understanding The Shifting Dynamics Of Banking's Future – Jan 20, 2020
11. Ogun State: Working Past Economic Headwinds – Nov 04, 2019
12. Banks' H1 2019 Numbers: Top Line Growth, Bottom Line Uncertainty – Sep 22, 2019
13. Ecobank Nigeria: The Case For Restructuring, Repositioning and Retooling – Jul 31, 2019
14. CEO Remuneration: Making Sense Of The Numbers For Listed Companies In Nigeria – Jul 12, 2019
15. Beyond The Noise: MTN's Post Listing Reactions, Gaps in Rules and Lessons Learnt– May 26, 2019
16. JUMIAs IPO and Q1 2019 Result; Understanding The Numbers and Ignoring the Noise – May 16, 2019
17. Ogun State: The Debt Trap- Leaning Against the Wind – April 2019
18. The National Association of Securities Dealers (NASD) OTC Market Report 2018 – Feb 06, 2019
19. Surviving Uncertain Times in the Nigerian Financial Market – Jan 19, 2019
20. Unravelling The Ecobank Q3 2018 Results; Applying NAFEX, Different Outcomes Oct 26, 2018
21. Compliance With IFRS IAS21 – ETI and The Effects of Changes in Foreign Exchange Rates – Oct 25, 2018
22. Nigerian Banks' Performance – H1 2018 – Sep 26, 2018
23. Swift Correction Of Honest Mistakes Helps Build Institutional Corporate Governance – Sep 05, 2018
24. Memo To The Market – The NSE, Oscar Onyema Foundation And Corporate Governance – Aug 20, 2018
25. AMCON and Financial Services Debt Burden in Nigeria – Aug 17, 2018
26. Memo to The Market: The Oando Corporate Journey – At The Regulators Gate – Dec 10, 2017
27. Leadership, Change and Corporate Transformation – The Nigerian Experience ... - Proshare Nov 07, 2017
28. Analysing the H1 2017 Performance of FBNHoldings Plc - A Comprehensive Report – Oct 20, 2017
29. FBNHoldings Plc Q1' 2017 Performance Assessment Report Updated – Sep 25, 2017
30. Years After - 5 years of Dr. Yemi Kale's Stewardship at the NBS – Aug 24, 2016
31. Memo to the Market: Reappointing Arunma Oteh as DG, SEC - Jan 03, 2015
32. Where Nigeria got it Wrong - Proshare Dec 01, 2014
33. Fundamental Considerations for Capital Market Reforms in Nigeria ... - Proshare - Sept 06, 2010
34. The Bull in the China Shop – A New Paradigm in the Nigerian Financial Markets? – Aug 21, 2009
35. Making Money in The Nigerian Capital Market Report – Apr 25, 2009.

Related News – CBN Communique

1. CBN Communique No. 132 of the MPC Meeting - Sep 21-22, 2020
2. CBN Communique No. 131 of the MPC Meeting - July 20, 2020
3. CBN Communique No. 130 of the MPC Meeting - May 28, 2020
4. CBN Communique No. 129 of the MPC Meeting - Mar 23-24, 2020
5. CBN Communique No. 128 of the MPC Meeting - Jan 23-24, 2020
6. CBN Communique No. 127 of the MPC Meeting - Nov 25 - 26, 2019
7. CBN Communique No. 126 of the MPC Meeting - Sept 19-20, 2019
8. CBN Communiqué No. 125 of the MPC Meeting – July 22-23, 2019

9. CBN Communiqué No. 124 of the MPC Meeting – May 20-21, 2019
10. CBN Communiqué No. 123 of the MPC Meeting – Mar 25-26, 2019
11. CBN Communiqué No. 122 of the MPC Meeting – Jan 21-22, 2019
12. CBN Communiqué No. 121 of the MPC Meeting – Nov 21-22, 2018
13. CBN Communiqué No. 120 of the MPC Meeting – Sep 24-25, 2018
14. CBN Communiqué No. 119 of the MPC Meeting – July 23-24, 2018
15. CBN Communiqué No. 118 of the MPC Meeting – May 21-22, 2018
16. CBN Communiqué No. 117 of the MPC Meeting – Apr 03-04, 2018
17. CBN Communiqué No. 116 of the MPC Meeting – Nov 20-21, 2017
18. CBN Communiqué No. 115 of the MPC Meeting – Sep 25-26, 2017
19. CBN Communiqué No. 114 of the MPC Meeting – July 24-25, 2017
20. CBN Communiqué No. 113 of the MPC Meeting – May 22-23, 2017
21. CBN Communiqué No. 112 of the MPC Meeting – Mar 20-21, 2017
22. CBN Communiqué No. 111 of the MPC Meeting - Jan 23-24, 2017
23. CBN Communiqué No. 110 of the MPC Meeting – Nov 21-22, 2016
24. CBN Communique' No. 109 of the MPC Meeting - Sep 19-20, 2016
25. CBN Communiqué No. 108 of the MPC Meeting – July 25-26, 2016
26. CBN Communiqué No. 107 of the MPC Meeting – May 23-24, 2016
27. CBN Communiqué No. 106 of the MPC Meeting – Mar 21-22, 2016
28. CBN Communiqué No. 105 of the MPC Meeting – Jan 25-26, 2016
29. CBN Communiqué No. 104 of the MPC Meeting – Nov 23-24, 2015
30. CBN Communiqué No. 103 of the MPC Meeting – Sep 21-22, 2015
31. CBN Communique No. 102: MPC Meeting of July 23 and 24, 2015
32. CBN Communiqué No. 101 of the MPC Meeting – May 18-19, 2015
33. CBN Communiqué No. 100 of the MPC Meeting – Mar 23-24, 2015
34. CBN Communique No. 99 of the MPC Meeting – Jan 19-20, 2015
35. CBN Communiqué No. 98 of the MPC Meeting, Nov 24-25, 2014
36. CBN Communiqué No. 97 of the MPC Meeting, Sept 18-19, 2014
37. CBN Communiqué No. 96 of the MPC Meeting, July 21-22, 2014
38. CBN Communiqué No. 95 of the MPC Meeting, May 19-20, 2014
39. CBN Communiqué No. 94 of the MPC Meeting, Mar 24-25, 2014
40. CBN Communiqué No. 93 of the MPC Meeting - Jan 21 2014

Related News – Personal Statements by MPC Members

1. Personal Statements By The MPC Members At The 131 MPC Meeting of July 20, 2020
2. Personal Statements By The MPC Members At The 130 MPC Meeting of May 28, 2020
3. Personal Statements By The MPC Members At The 129 MPC Meeting of Mar 23-24, 2020
4. Personal Statements By The MPC Members At The 128 MPC Meeting of Jan 23-24, 2020
5. Personal Statements By The MPC Members At The 127 MPC Meeting Of Nov 25-26, 2019
6. Personal Statements By The MPC Members At The 125 MPC Meeting Of July 22-23, 2019
7. Personal Statements By The MPC Members At The 124 MPC Meeting of May 20-21, 2019
8. Personal Statement By The MPC Members At The 123 MPC Meeting of Mar 25-26, 2019
9. Personal Statements By The MPC Members At The 122 MPC Meeting Of Jan 21-22, 2019
10. Personal Statements By MPC Members At The 121 MPC Meeting of Nov 21-22, 2018
11. Personal Statements By The MPC Members at The 120 MPC Meeting of Sep 24-25, 2018
12. Personal Statements by the MPC Members at the 119 MPC Meeting of July 23-24, 2018
13. Personal Statements by the MPC Members at the 118 MPC Meeting of May 21-22, 2018
14. Personal Statements by the MPC Members at the 117 MPC Meeting of Apr 03-04, 2018
15. Personal Statement by the MPC Members at the 116 MPC Meeting of Nov 20-21, 2017

16. Personal Statement by the MPC Members at the 115 MPC Meeting of Sep 25-26, 2017
17. Personal Statement by the MPC Members at the 114 MPC Meeting of July 24-25, 2017
18. Personal Statement by the MPC Members at the 113 MPC Meeting of May 22-23, 2017
19. Personal Statements by the MPC Members at the 112 MPC Meeting of Mar 20-21,2017
20. Personal Statements by the MPC Members at the 110 MPC Meeting of Nov 21-22 2016
21. Personal Statements by the MPC Members at the 109 MPC Meeting of Sep 19-20 2016
22. Personal Statements by Members at the 108 MPC Meeting of July 25 and 26 2016
23. Personal Statement of Members at the 107 MPC Meeting of May 23-24, 2016
24. Personal Statements by Members at the 106 MPC Meeting of March 21-22, 2016
25. Personal Statements of Members at the 105 MPC Meeting of Jan. 25-26, 2016
26. Personal Statements of Members at the 101 MPC Meeting of May 18-19, 2015

Related News On Speech Made By the CBN Governor

1. Emefiele, Olugbemi, Akinwuntan Insist Banks Must Play a Critical Role to Restore Stability – Sep 16, 2020
2. Post-COVID-19 Economy: Emefiele Woos Conglomerates – May 19, 2020
3. Forex Repatriation: Emefiele Assures Investors of Investments Security – May 10, 2020
4. Emefiele Restates Call for Self-Sufficiency; CBN to Partner FCTA to Boost Dairy Industry in FCT – Feb 17, 2020
5. Emefiele Lists Priorities for 2020 – Nov 30, 2019
6. Emefiele Urges Private Sector Players to Float Infrastructure Bond – Nov 25, 2019
7. CBN Governor's Speech At The Meeting With State Governors of Cassava Producing States – Nov 25, 2019
8. USSD Charges: Emefiele Advises Banks To Engage Telcos Who Can Provide Service At Low Cost - Oct 21, 2019
9. Godwin Emefiele Unveils The 5-Year Policy Thrust of Nigeria's Central Bank 2019 - 2024 – Jun 24, 2019
10. Remarks By Godwin Emefiele, CBN Governor At a Stakeholders Meeting on The Palm Oil Value Chain – Mar 18, 2019
11. Gov. Emefiele Outlines Policy Thrust for 2019; Woos Foreign Investors – Dec 14, 2018
12. Emefiele Woos Private Sector on Job, Wealth Creation – Dec 06, 2017
13. Emefiele tasks graduates on job creation; Woos Nigerian youth to embrace CBN initiatives - Dec 02, 2017
14. Emefiele Lists Gains of FX Restriction on 41 Items; Outlines Projections for 2018 - Nov 12, 2017
15. CBN Governor Reassures Foreign Investors That Nigeria is Open for Business
16. Emefiele woos investors to Nigeria, Bags Forbes Award – Oct 16, 2017
17. Emefiele Tasks Varsities on Research; Lists Policy Options for Economic Growth – Jul 28, 2017
18. Why We Created The Anchor Borrowers' Programme – Emefiele – Jan 06, 2017
19. Emefiele's prognosis on the Nigerian Economy and Policy options – Nov 21, 2016
20. We'll Continue to Meet Matured Financial Obligations – Gov. Emefiele – Feb 12, 2016
21. Emefiele Calls for Sustained Commitment to Objectives of the National Financial Inclusion Strategy – Feb 10, 2016
22. Emefiele Addresses Constraints to SME Growth – Dec 11, 2015
23. Governor Emefiele Pledges Assistance to Textile Owners – Oct 12, 2015
24. CBN Committed to Producing Economic Citizens says Emefiele – Mar 18, 2015

Advice To Users Of This Report

Advice to Users of this Report

Proshare Nigeria, founded in December 2006, is Nigeria's No. 1 and most trusted online financial hub dedicated to serving as a critical bridge between financial markets and economic stakeholders. Proshare is a multiple award-winning and professionally run research, data, news, and analysis services firm with eight distinct practice areas – economy, business, markets, regulators, technology, MSME, personal finance, and media.

Practice Ethos and Disclaimer

Proshare does not guarantee any economic outcome based on the information contained in this report. Although we have used our best efforts to provide the most accurate information, we cannot promise your future profitability or any other economic gain and do not promise verbally or in writing that you will earn a profit or any other gain when or if you use the information contained therein; or take the actions that might have been prescribed here by the author, our analysts or available on www.proshareng.com.

Decisions taken based on a reading of this report ultimately represent the exclusive choice and responsibility of the reader. There is a risk of loss in taking both economic and financial market decisions based on independent analysis. It should be noted that past performance is not necessarily a good guide to future economic outlooks, therefore, decisions formed based on past performance may prove to be inaccurate or wrong.

What You Can Do:

You are given the unlimited right to read, download and print this report and to distribute it electronically (via email, your website, or any other means). You can print out pages and use them in your private discussion groups as long as you acknowledge Proshare and you do not alter the material in any way. Most importantly, you should not charge for it.

We encourage academicians, market and economy analysts, and investors alike to send in completed data-backed and evidence-based research materials on topics relevant to building a virile economy to us at info@proshareng.com. If approved for publishing, we will subject it to the same terms and conditions applicable to information developed by Proshare. We retain the rights however to edit the submission as applicable to conform to practice ethics and market decorum/regulations.

Copyright:

Creation Date:

This document was created on 28th September 2020 and is based on the best publicly available information at that time. To check for updates, kindly send us an e-mail. Thank you.

Head, Research

Managing Editor


Debtors
HOME NEWS ABOUT US SUBSCRIBE CONTRIBUTE
THE PREMIER, INDEPENDENT SEARCHABLE DATABASE OF RECALCITRANT AND DELINQUENT DEBTORS IN AFRICA
"A different thinking beyond name & shame, trusted by Leading Banks & Consumer Finance Companies in Africa"
Search Delinquent Debtors Now.
Company
Director
Enter name
Amount
Status
SEARCH
Insight
The New Approach
Strategy
Report
News
Data
Credit Bureaus
experian.
TransUnion
EQUIFAX
FirstCentral

CONTACTS

The report was put together by Teslim SHITTA-BEY, and Adaeze NWACHUKWU, both of Proshare **Research**. Contact Authors vide content@proshareng.com/economy2@proshareng.com, Production of report put together by Proshare **Graphics**

Editorial Team:

Olufemi AWOYEMI ceo@proshareng.com

Grace 'Jare-AJUWON market@proshareng.com

Reshu BAGGA coo@proshareng.com

Teslim SHITTA-BEY content@proshareng.com

Saheed KIARIBE research@proshareng.com

PROSHARE NIGERIA: The Upper Room Plot 590b,
Lekan Asuni Close Omole
Phase II, Isheri LGA P.O.Box 18782, Ikeja,
Lagos, Nigeria.

0700 PROSHARE

+234 805 585 2156

contact@proshareng.com

www.proshareng.com

@proshare

Proshare Nigeria

proshareng

ProshareNG

Proshare Ng

Other Reports

The Nigerian Online Trading Portals **Ranking Report 2020**

CEO Remuneration: Paying the CEO in a Pandemic, The Unanswered Questions

Banks in H1 2020: **Imagining Beyond COVID-19**

The **Capital Market Service Report**

The **Nigerian Economy** and **Financial Markets**

The Merger That Could **Hurt First Bank;** Playing a Game of Thorns

THE NIGERIAN ECONOMIC SUMMIT GROUP

Nigerian Economic Summit

1993-2020

1993	#NES1	Nigerian Economic Summit
1995	#NES2	Nigerian Economic Summit
1996	#NES3	Unlocking Nigeria's Economic Potential
1997	#NES4	Implementation of Vision 2010: The 1998 Budget Issues
1998	#NES5	The Challenge of Implementing Vision 2010 - Anchoring Sustainable Growth
1999	#NES6	Rebuilding the Nigerian Economy and Enhancing Productivity
2000	#NES7	Breakthrough Economic Growth: An Action Plan
2001	#NES8	Nigeria's Economic Priorities: How Do We Deliver?
2002	#NES9	Nigeria: Putting the Economy First
2003	#NES10	Nigeria: Partnering for Growth and Transformation
2005	#NES11	Building Momentum for Economic Transformation and Growth
2006	#NES12	Sustaining Reforms and Unlocking Nigeria's Potential
2007	#NES13	Nigeria: Positioning for the Top 20 League
2008	#NES14	The Race to 2020: The Realities. The Possibilities
2009	#NES15	10 Years of Nigeria's Economic Progress: Bridging the Implementation Gaps
2010	#NES16	Nigeria at 50: The Challenge of Visionary Leadership and Good Governance
2011	#NES17	Attracting Foreign Direct Investment through Global Partnerships
2012	#NES18	Deregulation, Cost of Governance and Nigeria's Economic Prospects
2013	#NES19	Growing Agriculture as a Business to Diversify Nigeria's Economy
2014	#NES20	Transforming Education Through Partnerships for Global Competitiveness
2015	#NES21	Tough Choices: Achieving Competitiveness, Inclusive Growth and Sustainability
2016	#NES22	Made-In-Nigeria
2017	#NES23	Opportunities, Productivity, and Employment: Actualizing the Economic Recovery and Growth Plan
2018	#NES24	Poverty to Prosperity: Making Governance and Institutions Work
2019	#NES25	Nigerian 2050: Shifting Gears
2020	#NES26	Building Partnerships for Resilience


Memo To The Market
NESG Vs CBN; Beyond The Battle Ground,
The Need For Facts, Perspective And Resolution
September 2020