Quality Statistics in Banking Reforms for National Transformation [1]

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This paper outlines the important role of statistics in aiding proper planning and achievement of sustainable economic development. The paper elaborates the importance of investing in quality and reliable statistics for policy design and implementation and stresses the vital role statistical information play in effective operation in both private and public sector in every economy. The role of quality, reliable and timely information to a well-functioning financial system and as a guide to monetary policy making is illustrated in the paper. The paper credits accurate statistical information to the success of the Nigerian banking sector reform. However, it suggests that in Nigeria, while considerable progress has been made in improving the gathering and processing of statistical data, more needs to be done to sensitize the general public on vital role of statistics in economic planning and monitoring of policy implementations.

1.0 Introduction

Banking reform in Nigeria has been an integral part of the country-wide economic reform program undertaken to reposition the Nigerian economy to achieve the objectives of sustained macroeconomic development stability. For the banking sector to be among global players in the international financial market, it must effectively perform its intermediation function.

The recent experience from the global financial crisis has further underscored the imperatives for countries to embark on banking reforms on a regular basis. The world economy witnessed serious financial and economic crises between 2007 and 2009 and that resulted in a slow-down in global economic activities.

According to Sanusi (2010), the Nigerian economy was hit by the second round effect of the crisis as the stock market trended downward by 70.0 per cent between 2008 and 2009 and many Nigerian banks sustained huge losses, particularly as a result of their exposure to the capital market and downstream

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oil and gas sectors. He further added that a holistic view on what went wrong in Nigeria leading up to the banking crisis in 2008 found eight interrelated factors responsible. These were macroeconomic instability, major failures in corporate governance at banks, lack of investor and consumer sophistication, inadequate disclosure and transparency about the financial position of banks, critical gaps in the regulatory framework and regulations, uneven supervision and enforcement, unstructured governance/management processes at the CBN and weaknesses in the business environment. These factors brought the entire Nigerian financial system to the brink of collapse. Therefore, the CBN had to rescue eight (8) banks that were in serious liquidity problems through capital and liquidity injections, retirement of their top executives and prosecution of those who breached standard practices. These actions became necessary to restore confidence and sanity in the banking system.

Sanusi (2010) maintains that following the banking crisis of 2008, the Central Bank of Nigeria articulated a blue print known as “The Project Alpha Initiative” for reforming the Nigerian financial system in general and the banking sector in particular. The reforms were aimed at removing the inherent weaknesses and fragmentation of the financial system, integrating the various ad-hoc and piecemeal reforms and unleashing of the huge potentials of the economy.

A well-functioning financial system has huge potential to transform the national economy. To realize this potential, quality, comprehensive, accurate and timely monetary, financial and economic data, as well as other macroeconomic indicators are needed to guide monetary policy. In other words, monetary decision making process requires high quality and timely statistics covering all sectors of the economy. The Central Bank of Nigeria is an active compiler of statistics, especially financial, external, government and money and banking statistics, which are very key in the achievement of its mandate as stated in the CBN Act, 2007.

However, apart from the traditional statistics needed for effective policy design and implementation, the fast-paced developments in the domestic and global financial system further reinforces the need for real-time and up to date financial and non-financial statistics for effective management of the financial sector in particular, and the national economy at large.

This paper is, therefore, aimed at re-emphasizing the importance of quality statistics in monetary and financial policy design and implementation. Following the introduction in section I, section II examines the role of statistics in economic development. The role of quality data in monetary and financial policy is discussed in section III, while section IV contains an overview of banking reforms in Nigeria. Sections V and VI presents issues in data sources and collection in Nigeria and the concluding remarks, respectively.

2.0 The Role of Statistics in Economic Development

Statistical information is vital for an effective and efficient operation in both the private and public sectors of every economy. Specifically, timely, adequate, accurate and reliable statistics is critical to economic development. Economic indicators such as gross domestic product (GDP), inflation rate, interest and exchange rates, income per capita, balance of payments, agricultural and manufacturing indices, government revenue and expenditure, among others, are necessary for economic policies to attain the ultimate goals of sustainable development and improved welfare. The role of statistics in national development has become increasingly important to achieve any meaningful social and economic development. According to Shangodoyin and Lasisi (2011) and Ward (2004), statistics is a pathfinder for solution as well as a veritable tool in assessing the extent or level of national development of an economy in a given period. Therefore statistics play an important role especially in the area of economic policy, physical and social sciences, business, education, health, among others.

Statistics for Policy-Making

According to Barroso (2011), statistics play a key role in policy-making as well as communicating the policies. The recent economic and financial crises have wiped out years of economic and social progress. It has vividly exposed structural vulnerabilities within the economies and societies of many countries. The crisis has amplified the need to strengthen corporate governance, economic coordination, transparency and macroeconomic surveillance". Thus, there is a clear need for an effective framework for dealing with macroeconomic imbalances. To address these challenges, data integrity as well as statistical analysis is paramount.

Barroso (2011) further noted that statistics are also crucial when setting our targets and using indicators for monitoring and evaluation purposes. In particular, measuring trends in competitiveness and following the developments in the macroeconomic imbalances within the enhanced economic governance framework will be based on a scoreboard of economic indicators. Therefore, the statistical information that the policy-makers receive must be relevant, timely and accurate to best decide on the policy direction and the best course of action to take that should be both ambitious and realistic. Thus, statistics are literally present in all parts of our effort to respond to any given situation.

Money and banking statistics are very important for the purposes of formulating monetary policy and monitoring its implementation. The major users of money and banking statistics in Nigeria are the policy makers at the CBN, Federal Ministry of Finance, National Planning Commission, the Presidency, the financial sub-sector (banks and other non-bank financial institutions), research institutes, private researchers, universities and investors.

A major function of the CBN is the overall supervision of the Nigeria's financial system. Based on the statutory returns the banks and other non-bank financial institutions render to the Bank on periodic basis, financial statistics are compiled and used to monitor compliance with policy targets. Also, in the early 1990s and 2000s when the banks experienced varying degrees of distress, Doguwa (1999) and Sanusi (2010) noted that the CBN refocused its attention to identify problem banks and to predict failures with sufficient lead time for remedial actions to be instituted to save the banks from deteriorating further.

Statistics for Economic Management

According to Doguwa (2010), one of the most important tasks all governments have is to manage the domestic economy and its connections with the rest of the world. Therefore, high-quality statistical data are of utmost importance for preparing analyses and making informed decisions. The government actions may vary from country to country, but include maintaining an appropriate balance between supply and demand in the domestic economy and externally, creating the right environment for investment, economic growth and poverty reduction. Different policies of the government are based on statistics. Statistical data are now widely used in taking all administrative decisions. Preparation of government budgets and measurement of deficit and debt mainly depend upon statistics as it helps in estimating the expected revenue and expenditure profile from different sources. Labor market statistics show the levels of employment and unemployment as well as earnings that serve as a key short-term indicator of economic health and needed adjustments in economic policy.

Doguwa (2010) lamented that for estimating systemic risks of financial systems, there is need to monitor internal and external imbalance indicators. Exceeding of certain gauges demands a response from economic policies (wage policy, fiscal policy, structural reforms, and financial sector regulations). For monitoring the stability of the banking sector, the ratio between the dynamics of the growth of credits and deposits on one hand and the share of foreign banking sources in the total structure of sources is important. It is therefore, necessary to adhere to or monitor the fiscal rules both from the structure of government expenditure and the financial stability;

and its effect (on the tax base, job creation, the sustainability of public finance and economic development).

Statistics for Business Growth

According to Doguwa (2010), economic and financial statistics give the background information to a country's economic health. Import/export data will offer some indication on the international dimension of your chosen market sector. Data on household consumption and spending patterns might indicate levels of demand for goods and services, while those on retail or consumer prices (inflation) and retail sales ('factory gate' prices) will also yield useful business intelligence. Statistics on bankruptcies and company liquidations can also provide useful and cautionary background information. At a more specialized level, there might be data that focus on particular sectors of the economy, or particular groups of consumers.

The retail or consumer price index (RPI/CPI) is also of great significance for government and business. Business contracts can often contain clauses stipulating that agreed payments are subject to rises in line with the RPI or CPI. Businesses operating in a climate of high inflation could invite ruin if they did not take such precaution in drawing up contracts. Governments often have 'contracts' with their citizens based on the RPI/CPI – for example, the level of state benefits or pensions might rise in line with inflation.

Statistics to Improve People's Lives

In addition to managing the economy, official statistics are also used to measure the standard of living. As reiterated by Doguwa (2010), governments are concerned about the status of their citizen's health, education, housing, recreation and other areas of welfare. All countries have signed up to the United Nations' Millennium Development Goals (MDG's) declaration that requires actions to improve welfare and sets out specific indicators to be tracked between 2000 and 2015. At the same time, many governments have developed specific poverty reduction strategies that also set out targets for improvements in welfare and identify specific indicators to be measured on a regular basis. Countries are accepting that they have an obligation not only to monitor welfare, but also to provide regular reports on progress and the information needed to monitor what is happening regionally and at the global level. The World Health Organization, the most important international organization which directs and coordinates activities on international health work that strives to bring the highest level of health to all peoples. The UNESCO Institute of Statistics (UIS) carries out similar tasks on education statistics.

Statistics for Attracting Foreign Investment

Doguwa (2010) maintained that statistics are a crucial guide for firms considering investment in other countries, and for international organizations providing development assistance. The IMF's General Data Dissemination System (GDDS) site was established in 1997 to provide a framework for evaluating needs for data improvement and setting priorities in this respect; and to guide member countries in the dissemination of comprehensive, timely, accessible, and reliable economic, financial, and socio-demographic statistics to the public. The website provides information on data produced and disseminated to the public by member countries that participate in the GDDS.

Data are essential for global financial operations. International organizations, financial institutions and banks rely on statistics to evaluate their investments. But statistics can be unreliable, prone to different interpretations or too out-dated to be useful. Or they could be reliable but unusable if international investors do not trust them. To avoid such risks and with a view to becoming players on the global financial stage, 47 countries had submitted their statistical systems to the rules of the IMF's Special Data Dissemination Standard (SDDS) as at the end of Year-2000. A list of the data the IMF maintains (and that are considered particularly important for investors) is provided. The website provides information about economic and financial data disseminated by member countries that subscribe to the SDDS.

Statistics in Academic

Statistics is used in almost all areas of the physical and social sciences. The professional fields of engineering, medicine, education and business all employ statistics in setting standard, establishing policies and planning. The Federal Ministry of Education uses statistics to design curriculum for schools; the business manager do employ statistics to forecast, design, produce and sales, products more efficiently. The role of statistics in the social sciences, especially in psychology, sociology and economics is a critical one. Here, the behavior of individuals and organizations often must be monitored through numerical data to lend credence to models and theories that cannot be supported by theoretical arguments alone.

Despite the need of statistics as public goods for national transformation, it is difficult to establish functioning markets in statistics. This leaves national governments, institutions and international agencies to produce and disseminate statistical information. These national governments, institutions and international organizations have a duty, therefore, to compile and publish balance of payments, monetary, banking, other financial and official statistics by providing adequate funds and other support to their Statistical Agencies. Statistics, as an applicative science, is growing and being widely applied in different fields and professions. Statistical thinking is becoming a daily necessity in enterprises.

3.0 The Role of Quality Data in Monetary and Financial Policy

Data quality is often perceived by the public at large as simply the degree to which the statistics correctly describe the phenomena they are meant to measure. Statisticians, however, know very well that such narrow interpretation is insufficient to ensure that the information is suitable for its intended use. A broader definition of data quality could be such that correctly represents the real-world construct to which they refer in terms of relevance, timeliness, accessibility, interpretability and coherence.

Timely and accurate statistical information is a vital input into the decision-making process of economic agents; financial market participants, the government, as well as central banks. As a monetary authority, the central bank has broad and diverse set of statistical requirements. These requirements are reflections of the primary responsibility of the central bank. As noted by Tuma (2004), statistical information is used not only for passive monitoring of past developments and their disclosure in statistical publications, but also as a basis for real-life decision making by economic agents.

The importance of statistics for monetary policy decision making cannot be over-emphasized. Without basic information on monetary, financial and economic developments, and systemic risks, it will be difficult for central banks to assess economic processes. Since the monetary authorities operate in a highly uncertain environment due to disturbances like financial shock, demand and supply shocks, timely and quality statistical information is necessary for sound monetary policy-making.

To drive home the importance of data in the monetary policy formulation process, the Monetary Policy Committee (MPC) of the CBN plays a vital role in the determination of the monetary policy rate that is consistent with domestic economic conditions to ensure stable prices with sustainable economic growth. The Committee usually meets at least six times in a year to examine the domestic economic and financial conditions. They also review the inflation trend and the possible risk factors that may affect inflation in the near term. In each meeting, the MPC Secretariat presents an up-to-date macroeconomic data cutting across all sectors of the economy and developments in economies of other countries that could affect the economy. The Committee therefore relies on a number of historical data to determine the future path for the economy.

The CBN Act of 2007 was necessitated by the several important developments in the financial system. The new Act stated distinctively the object of price stability as a core mandate of the Bank in addition to the regulation and supervision of both the conventional and specialized banks, among others. For the Bank to effectively discharge these mandates, the need for high frequency quality statistics comes to the fore. Consequently, at the 381st Management meeting of 12th December, 2007, the Board of Directors of the CBN approved the creation of Statistics Department (from the former Research and Statistics department) effective 13th February, 2008. The mandate of the Statistics Department as noted by Doguwa (2010) is to collect, analyze and manage data on all sectors of the economy, in order to provide statistical support to the Bank, the government, international organizations and other stakeholders.

It is worthy of note that since the take-off of the Department, the generation of data, particularly those on monetary, banking and other financial statistics, balance of payments and international investment position statistics, government finance statistics, consumer and business expectations survey, inflation attitudes survey and forecasting of headline, food and core inflation rates have been consolidated in the Statistics Department. In addition to its web-based Statistics database, the department has commenced the publication of the CBN Journal of Applied Statistics and the quarterly Statistical Bulletin.

The Department had benefited from series of Technical Assistance (TA) from the Statistics Department of the International Monetary Fund (IMF) on monetary and financial, balance of payment and government finance statistics compilation. I has also benefited from the Reserve Bank of India on corporate statistics compilation. All these efforts are meant to ensure that the Bank follows the set international standards in terms of guidelines, appropriate concepts, definitions and methods for compiled data to have international comparability as well as ensure high quality statistical data. In addition, it supports the transparency of monetary policy decision making, which is a special feature of the Bank's accountability to the general public.

Swift advancement and reforms in the Nigerian banking sector and the economy in general have significantly influenced not only the CBN's monetary policy making process, but also the collection, processing and analysis of statistical information. These rapid changes have fundamentally affected the type of statistical information needed to measure up with the requirements of the various monetary policy alternatives available to the central bank.

The CBN is a producer and user of statistics for the production and dissemination of monetary and financial and balance of payments statistics and uses data on Real and nominal GDP, inflation and other datasets produced by the National Bureau of Statistics (NBS). The Bank through the Statistics Department had established good working relationship with the Office of the Accountant General of the Federation (OAGF), State Accountant Generals and Local Government Treasurers via the conduct of regular Stakeholders Forum to ensure effective collection and compilation of government finance statistics. The CBN disseminate statistics through its Statistics Database (http://statistics.cbn.gov.ng/cbn-onlinestats) and series of weekly, monthly and annual publications in hard copies and compact disks. The database is a rich source of high frequency datasets, ranging from monetary aggregates, money market interest rates, government securities and assets prices to exchange rates, external reserves, balance of payment, international investments statistics, among others.

In a determination to reinforce wider public confidence in the information sources that guide CBN monetary and other economic policy decisions, the Bank decided to develop and invest huge resources in statistics development with closer collaboration with the NBS, particularly, in the production of quarterly gross domestic product (GDP) and monthly inflation numbers. This collaboration has thus far, proved successful not only in producing the figures but also enhanced the quality and potency of monetary policy decisions.

4.0 Overview of Banking Reforms in Nigeria

Reforms are embarked on to enable economic sectors to expand, become resilient, competitive and dynamic, and hence stimulate sustainable growth. Without doubt, sustained economic growth requires economic institutions to work effectively and creditably in order to reduce the costs of transacting business. In order to carry out any reform, the banking system would be thoroughly examined using available data to identify the weaknesses in the system and based on the findings, appropriate reforms would be carried out to address the problem.

In Nigeria, banking business dates back to 1892 with the establishment of the foundation banks. Since then, the sector has passed through many decades of changing structure in phase from the pre-colonial period to the period before the nation's independence and eventually to what has become known today as the Nigeria modern day banking industry.

The reforms of 1986 to 1993 (SAP) led to the deregulation of the banking industry. After the 1986 structural adjustment programme (SAP) included boom, which brought about banking licence liberalization, and the deregulation of interest rate. Available statistics showed that prior to 1986, Nigeria had about 40 banks, but the number progressively increased to 120 and then declined to 89 by 1998.

Following the 1998 banking crisis that saw the liquidation of 30 distressed banks, universal banking was introduced in 2001 to provide a level playing ground for banks to operate in all aspect of retail banking and non-bank financial markets. The minimum capital requirement was also raised to N1.0 billion and later to N2.0 billion with 2004 as the deadline. However, distress syndrome crept into the industry, the result of which liquidated many banks. Due to this development, the CBN in March 2004 rated 87 licensed banks in Nigeria and classified 62 of them as sound/ satisfactory; 14 marginal and 11 as unsound.

In 2004, as a part of the dynamic process for promoting the safety, soundness and stability of the Nigerian banking system, and in response to developments in Nigeria and the global economy, the CBN embarked on further reform initiatives that culminated in the banking sector consolidation programme in July 6, 2004. The reform was aimed at evolving a stronger, sounder and more reliable banking system in Nigeria. Available statistics showed that most of the banks had a low capital base of less than 10 million US dollars and the local banks in Nigeria were not very efficient and their capacity was low, as the government had to depend a lot on the foreign banks. Based on the above findings, there was the need to increase the banks' capital requirements by 1,150 per cent to N25 billion. This reform led to increase in quality of service and quantity of financial products available to Nigerians. The consolidation programme resulted in the shrinkage of the number of banks to 25 from 89 through mergers/ acquisitions involving 75 banks (84%), which altogether accounted for 93.5 per cent of the deposit share of the market. The remaining 14 banks (16%) could not meet the new capital requirement and were liquidated and their operating licences revoked.

According to Sanusi (2011), the post-consolidation era gave impetus to rapid growth in the money and capital markets due to increase in liquidity in the banking industry. The banking sector, however, witnessed the dearth of risk management skills and sound corporate governance. The crash of the stock market due to overrated value of banks' shares in the capital market also took a huge toll on the banking industry. Undoubtedly, the crisis gave the regulatory and supervisory authorities sleepless nights. In 2009, the CBN and NDIC embarked on special joint examination of the 24 banks to determine their financial conditions. The report showed that weak corporate governance, operational indiscipline, illiquidity, insider abuses and other sharp practices were prevalent in the banking industry. It was also revealed that eight out of the 24 banks were in grave financial difficulties to honour their maturing obligations to depositors. Consequently, the CBN injected N620 billion into the eight ailing banks. The apex bank, in collaboration with the NDIC, also appointed interim management boards to take control and management of the intervened banks. The reversal from the universal banking practice to the specialized banking model was equally a move to enhance the quality of the banks and their contributions to the real sector of the economy.

To effectively regulate and supervise banks through improved submission of statutory returns by banks to the CBN from the hitherto, manual rendition of statutory returns , the CBN and the NDIC invested massively in the deployment of electronic Financial Analysis and Surveillance System (eFASS). The eFASS is an online application that allows banks and discount houses to render electronic data to the CBN and the NDIC for both on-site and off-site surveillances. This platform has significantly improved banking supervision and rendition of statistical returns to the CBN. It has curtailed the risk of human error and significantly reduced the time required to process the returns. Learning from the eFASS success story, an application called Financial Analysis System (FinA) has recently been deployed for statistical rendition by Microfinance Banks (MFBs).

In 2010, the Asset Management Corporation of Nigeria (AMCON) was established following the promulgation of its enabling Act by the National Assembly. The Corporation is a special purpose vehicle aimed at addressing the problem of non-performing loans in the Nigerian banking industry, among others. In line with its mandate, AMCON recently acquired the non-performing assets of some banks, worth over N1.7 trillion, which is expected to boost their liquidity as well as enhance their safety and soundness. With the intervention of AMCON, the banking industry ratio of non-performing loans to total credit has significantly reduced from 34.4 per cent in November 2010 to less than 5.0 per cent as at December 2012.

Sanusi (2011) noted that in order to ensure that AMCON achieves its mandate, the CBN and all the deposit money banks have signed a MoU on the financing of AMCON. The CBN shall contribute N50 billion annually to AMCON, while each of the participating banks shall contribute an amount equivalent to 0.3 per cent of its total assets annually into a sinking fund as at the date of their audited financial statement for the immediate preceding financial year. Therefore, the cost of resolution to the Nigerian taxpayer is significantly minimized.

Mainstreet Bank Limited, Enterprise Bank Limited and Keystone Bank Limited, were establishment as bridge banks by the NDIC as resolution option for three ailing banks, namely, Afribank Plc, Spring Bank Plc and BankPHB Plc, respectively. The assets and liabilities of the ailing banks were transferred through AMCON to the respective bridge banks. Statistics showed that this singular option safeguarded N809 billion total deposit liabilities as at August 2011. Since the establishment of the bridge banks in 2011, five other intervened banks had concluded their Transaction Implementation Agreements. The shareholders of Intercontinental Bank Plc, Oceanic Bank Plc, Finbank Plc and Equitorial Trust Bank Plc had endorsed their mergers with Access Bank Plc, Ecobank Plc, First shareholders and African Alliance group.

In all the reforms outlined above, quality data played a significant role. Based on the available statistics, policy makers were able to make forecast of the future trend of the banking system and appropriate reforms were introduced. Also, data made it possible to monitor and keep track of the set targets.

5.0 Issues in Data Sources and Collection in Nigeria

Despite the palpable progress made towards quality data sourcing and collection in Nigeria, compilers of data still encounter some obstacles. Some of these challenges include:

Uncooperative Attitude of Respondents

Respondents ranging from individuals, establishments and communities do not cooperate with field officers in rendering required information. The disturbing aspect is that the more enlightened segments of the Nigerian economy are the guiltier of this attitude. Some establishments expediently heap away survey forms despite repeated reminders for the required information. Others simply tell you that the questionnaires cannot be found. Experience has also shown that some establishments treat the enumerators with humiliation and unending promises, eventually, resulting in half disclosure of information leading to data gaps. At times the data obtained are unrealistic and un-useable. Correctness of information increases its accuracy and timely rendition of data result in a timely release of produced statistics for national planning and other uses.

Data Integrity and Credibility

Over the years the quality of data produced by statistical bodies has come under serious questions in Nigeria. Building credibility in data generation and analysis is germane in facilitating evidence-based monetary policy decision making and policy formulation as well as the supervisory and advisory roles of the Bank. Efforts are being intensified not only by the NBS, but also by the CBN to ensure that quality data are produced to enhance the integrity and credibility of compiled statistics in the country.

Inadequate Funds for Statistics Generation

The production of statistical information has high cost implication, particularly given the difficult terrain in some parts of the country. Furthermore, the demand for disaggregated data has increased significantly without a corresponding increase in budgetary allocations to the NBS. The central bank has been collaborating with the NBS with regards to funding for some years now. However, there is need to complement the effort of CBN in terms of increased budgetary allocation so that the Bureau can meet the increasing data requirement for effective policy decisions that would help in the nation transformation agenda.

Low Technical Know How of Data Producers

New data collection and compilation methodologies are evolving rapidly, hence the urgent need to get our data producers trained and retrained to ensure quality data generation. Without competent and well educated personnel to engage in data collection and processing, it would be impossible to produce credible statistics. To this end, the institutions charged with the training of statisticians need to be strengthened to produce the quality of manpower required. The NBS could also collaborate with Nigerian universities to draw up new curriculum that would meet the standard of staff needed for quality data generation and production.

Uncoordinated Data Collection Strategy

The implementation of the national statistical master plan gave NBS the mandate as the apex statistical agency for all the three tiers of government. The Statistics Act of 2007 empowers it to maintain a comprehensive national statistical databank. Unfortunately, there are still occurrences of conflicting statistics on the same items obtained from the originating institutions and what is reported in the NBS databank. Furthermore, sourcing data by the CBN from other financial institutions that are not under the supervisory purview of the Bank, such as, insurance companies, pension funds and so on is usually very difficult. There is urgent need to holistically coordinate the activities of all data producing establishment in Nigeria to further strengthen the integrity of our data.

Highly Aggregated Macroeconomic Statistics

The sophistication of macroeconomic analysis in recent times has brought to the fore, the need for disaggregated data for any meaningful result. Highly aggregated statistics tend to obscure relevant information. Macroeconomic data in Nigeria are highly aggregated to the extent that conducting research that requires micro data becomes difficult. Recently, so much resource had been committed by the CBN to disaggregate monetary and financial statistics so as to comply with the Monetary and Financial Statistics Manual (MFSM 2000) of the International Monetary Fund (IMF). The disaggregated data has since April 2008 been reported in the IMF-IFS supplement. Efforts are on-going to further disaggregate balance of payment and government finance statistics in the country.

Improper Record Keeping

Households and individuals in Nigeria mostly rely on their memory to keep and retrieve information. The commonly witnessed limitation is that they have all these information stacked into their heads. The human brain has no capacity to recall exact figures, particularly when it has to do with a recall of previous and distant activities. Undoubtedly, the failure of numerous cultures to advance written numerals has impeded appropriate record keeping practices of the untutored in our societies. Although, records keeping in household occur, but in most cases there are not sufficient to satisfy the requirements of the end-users. This is a major set-back when collecting data from the informal sector of the economy.

6.0 Concluding Remarks

Governments and international organizations around the world make large investments to manage critical issues. They need information to help the formulation of good policy, assess the impact of the investments and refine government programs. The range of information required has expanded significantly and the urgency with which it is needed has accelerated, driven by an increasingly complex and interconnected world.

Banking reforms in Nigeria have, thus far, succeeded but could succeed better. One way to achieve this is by ensuring that human capacity is built and upgraded with new challenges and opportunities in mind as well as closer collaboration among the stakeholders in the system to enhance synergy and policy coordination.

Nigeria has the opportunity to achieve a sustainable economic transformation. Indeed, with adequate political will and commitment, we can break away from the past to deliver a new Nigeria that the future generations will cherish and believe in.

Indeed, the outcome of the NSA conferences has continued to inspire policymakers in designing proactive micro and macroeconomic management policies for emerging economies. It is against this backdrop that I urge you to sustain the momentum of this Annual Conference.

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