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Editor's Note



In our resolve to keep serving our esteemed readers with key information about the Central Bank of Nigeria's policies, programmes and initiatives, the **CBNUPDATE** editorial team has packaged another robust and interesting edition for your reading pleasure.

In this edition, we peeped into the efforts at tweaking consumer protection regulations.

The essence of consumer protection is to ensure that entities providing financial services do not take undue advantage of unwary bank customers, especially in relation to associated risks and gains in accessing such services.

Apart from the effort of the Bank in protecting the depositors as well as consumers of financial services, the Bank also educates consumers on the steps to be taken for seeking redress when they feel dissatisfied with a financial service provider.

We could not afford to gloss over the attendant positive impact on the economy of the recent border protection measure as emphasized by the CBN Governor, Mr. Godwin Emefiele at the Edo University, Iyamho, in Edo State. The measure, according to the CBN Governor will guarantee food security, curb cross-border crimes and improve macroeconomic indicators of the country.

The CBN Visual Identity and Branding Guidelines of the Bank was unveiled by the CBN Governor, Mr. Godwin Emefiele, with a charge to all the departments to adhere strictly to the provisions of the document.

It is equally important to note that employment level started looking upward in November 2019, according to the survey carried out by the Statistics Department of the Bank. The development is in line with the increase in manufacturing Purchasing Managers Index (PMI), which stood at 59.3% index point, with noticeable increases recorded in production level, new orders, supplier's delivery time and raw materials inventory.

Esteemed readers will find very interesting the news analysis on 'Consolidating Sustainable Growth'. The piece dwells on the Emefiele's winning formula (Unconventional Monetary Policy) initiatives, which was acclaimed not only to have helped in navigating Nigeria out

of recession but has so far placed the economy on a sustainable growth path.

Still on sustaining growth, the CBN Governor also called on members of the House of Representatives to support the efforts of the Bank and the fiscal authorities to ensure diversification away from crude oil production and export, into agriculture and real sector activities, in order to reduce inflation, raise job creation and conserve foreign exchange.

The report on the call for higher domestic production is rather hope inspiring.

The Bank's efforts at stimulating domestic production in agro-allied and manufacturing sectors, have continued to generate foreign exchange inflows, thereby, eliciting positive outlook for the economy.

The session on Frequently Asked Questions (FAQs) on financial and consumer protection is undoubtedly educational and insightful. Readers are advised to go through it as some issues mentioned may unexpectedly prove useful in the course of our daily banking transactions.

Do have a pleasurable reading!

Isaac Okorafor
Editor-in-Chief

Consumer Protection Regulations to Benefit Customers

By: Ruqayyah Mohammed



Consumer Protection Regulations

The Central Bank of Nigeria (CBN) has put in place consumer protection regulations to implement the principles prescribed in the consumer protection framework issued in November 2016.

The consumer protection regulations which was recently released alongside the revised guide to Bank charges provides clarity on roles and responsibilities of all participants in the industry.

The strengthening of the consumer protection regulations has become necessary with the increasing evolution in the financial industry.

This dynamism in the industry had made it imperative for continued vigilance by the regulatory authorities to ensure the protection of consumer rights as more individuals are financially included whilst encouraging market forces to increasingly drive pricing for financial products.

The consumer protection regulations would set minimum standards for its cardinal

principles, which include fair treatment of consumers, disclosure and transparency, responsible business conduct, complaints handling and redress mechanisms in order to protect the rights of consumers, hold banks, other financial and non-bank financial institutions accountable and preserve trust in the entire financial system.

It should be recalled that the CBN increased its attention and took a clear stance on the plight of the poorly treated and exploited consumers in 2012 when it created the Consumer Protection Department that would develop and implement an effective consumer protection framework to promote consumer confidence in the financial system.

The Bank's approach was geared at managing and resolving consumer complaints against financial institutions under its purview, while exploring ways to entrench fair and responsible market conduct amongst the financial institutions in relation to their customers.

Acknowledging that ignorance of the consumer of their rights, was perhaps the greatest reason behind consumer exploitation, the Central Bank of Nigeria further pursued Consumer Education and Financial Literacy to promote and disseminate financial education and awareness amongst existing and prospective consumers for the enhancement of their economic well-being.

Since the release of this framework, the CBN has been able to refund about N76.7 billion to customers as at November, 2019. With effective compliance from Banks and other financial institutions, complaints needing redress would reduce drastically, leading to a more robust and trusted financial system.

These regulations therefore, further give provision for banks to restructure and develop their compliance plan on or before 31st March, 2020 for onward implementation on 1st April, 2020.

News Analysis

Consolidating Sustainable Growth

By: Ademola Bakare



Consolidating Sustainable Growth

It was obvious that when the Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, embarked on some unconventional monetary policy initiatives during the time the economy ran into troubled waters and slipped into recession, he knew what he wanted. His policy direction received flaks from within and without. Some international media referred to his monetary policy action as "Toothpick Monetary Policy", while at home economic voodooists ran riot with unrealistic formulations.

Letting the global community know that he was not on a day-dreaming mission, or a voodoo central banker, he was at the World Bank/IMF Annual Springs Meeting in 2016 and restated to the global audience his 'home grown' monetary policy approach to address Nigeria's

peculiar economic challenges. Almost four years on, Godwin Emefiele has been proved right. His approach helped immensely in navigating the economy out of recession and has set it on a growth trajectory.

Looking at what he is doing and how he has been managing the nation's financial system, albeit the economy, his approach shouldn't have taken any discerning mind by surprise. He assumed office promising to run a Central Bank that will be 'people-focused and a catalyst for development'. No wonder his approach has been described 'unusual and unconventional'. In the history of central banking in Nigeria, it is under Godwin Emefiele that Nigerians can see and feel the impact of the institution. He broke the myth around the Bank, and opened it to

stakeholders by restructuring some intervention initiatives of the bank, giving them human face.

Forward looking Emefiele, who knew that the task was daunting, did not deceive himself that he could do it alone. He had consultations with critical stakeholders in the economy which formed the basis of the strides he has recorded. In his fore-sighted approach to economic development and growth, subscribed to inward-looking approach, which resulted in the proscription of 43 items from the official FOREX window. Part of the consultation, and most ingenious, is the burgeoning collaboration with the Bankers' Committee, the umbrella body of chief executives of deposit money banks in Nigeria.



Consolidating Sustainable Growth

No wonder at the 54th Annual Bankers' Dinner, the Governor announced the formation of another initiative of the Bankers' Committee, the establishment of Bankers Charitable Endowment Fund, instituted to fund strategic charitable initiatives in States and Local government areas in the country every year.

The Committee of the nation's commercial bank managers and entrepreneurs, prior to Emezie's assumption of office, had never seen the Central Bank as a partner in the business of economic development and job creation. The collaboration with the Bankers' Committee was responsible for the establishment of the Agribusiness/Small and Medium Enterprises Investment Scheme (AGSMEIS), in which the bank chief executives pledged to set aside five percent of their annual profit as a pool fund to revive some comatose industries and support the CBN and the federal government in his strive to redirect the economy away from one product and return Nigeria to the glorious agricultural era of prosperity.

The collaboration witnessed the establishment of the Creative Industry Financing Initiative (CI-

FI), the resuscitation of the Textile and Garment industry which hitherto was the largest employer of labour after the government, providing credits to the Small and Medium Enterprises with 70 percent Loan to Deposit Ratio (LDR) policy, among other laudable initiatives.

Thus, backing up the achievements of the Central Bank in 2019, Emezie unveiled the Bank's policy thrust for 2020, where he pledged to strengthen the economic recovery efforts of the Bank to engender strong and sustainable growth, price stability as well as his determination to check inflation which shortly after the border closure by the federal government in August 2019 had remained uptick.

He did not mince words when he announced to continue with the tight monetary policy measures of the Bank and other policies that would aid growth. He however promised to act "appropriately" when the need arises to adjust policy rate in conformity with unfolding exigencies and outlooks that will balance the objectives of price stability and output utilization.

It is therefore commendable that Mr. Emezie's doggedness in steering the economic ship of the country, despite some structural macroeconomic constraints, was able to grow the Gross Domestic Product (GDP) and this positive outlook was driven by the Bank's intervention initiatives, particularly in agriculture, Oil and Gas, Manufacturing and ICT, providing needed forex to these critical and wealth creating sectors.

The loan to deposit ratio policy (LDR) has witnessed increased

credits to these sectors, as the commercial banks have opened their vaults to customers, emboldened by the ingenious policy by the CBN assuring that no defaulting customer would run away as was the case with loan defaulters in the past, but to lose his deposit in other banks to pay up his loan. The BVN policy was the master stroke, and this has made the Nigerian financial system stronger with adequate buffers and liquidity which has continued to improve in bounds.

Consolidating on these gains Emezie enthused, is for Nigerians to believe in Nigeria with her huge human and natural resources endowment and potential to be great again.

Patronizing what we produce, eating what we grow, and jettisoning foreign taste of similar items that we have great potential to produce, even better, is the assured way back to economic greatness. He has equally assured that the Bank will improve access to credit for farmers by deepening its intervention efforts, particularly in Anchor Borrowers' Programme, Commercial Agriculture Credit Scheme (CACS) and the Real Sector Support Funds as well as maintaining stable exchange rate policy.

Certainly, and as he had promised to continue with his collaborative effort with other financial institutions in the onerous mission of growing the economy and returning Nigeria to its prosperous era, particularly with the Nigeria Export and support the development and growth of the non-oil exports, it is certain that the glorious days are here again.

Boost for Microfinance Banks in 2020

By: **Onyekachi Idowu**



Boost for Microfinance Banks

The Central Bank of Nigeria (CBN) expects a bigger and more robust platform for microfinance banks (MFBs) in Nigeria by the year 2020 as part of efforts to improve the business processes and build capacity for the institutions.

The Acting Director of Other Financial Institutions Supervision Department (OFISD) Mrs. Kehinde Omole disclosed this at the 23rd meeting of the Committee of Microfinance Banks in Nigeria (COMBIN) held at the Excellence Hotel and Conference Centre, Ikeja, Lagos on November 19, 2019.

As part of efforts to achieve this, she said processes are in place to build the capacity of the microfinance banks in improved banking platforms and advanced training on risk management.

Responding to comments and observations from participants at the meeting, Mrs Omole debunked suggestions that the CBN would further undertake a

downward review of the minimum paid up capital for MFBs. She said the CBN had already done a downward review in the best interest of the MFBs to ensure the emergence of strong and safe institutions and subsectors.

According to her, the unit MFBs in the urban high density and banked areas will have a minimum capital requirement of NGN100 million due to be met by April 2020, and NGN200 million by April 2021.

For MFBs located in the rural communities with a high percentage of unbanked and under-banked populace, she said the minimum capital requirement is NGN35 million by April 2020, and NGN50 million by April 2021. State MFBs have a minimum capital requirement of NGN500 million to be met by April 2020 and NGN1 billion by April 2021.

Finally, MFBs with national licence are required to have a minimum capital of NGN3.5

billion by April 2020 and NGN5 billion by April 2021.

Mrs Omole, while appealing to MFBs that are yet to meet the requirements to strive to do so, also challenged the institutions to do all that is possible to have comprehensive information about their customers to reduce issues posed by non-identification or incomplete customer details. She noted that where the need arises, the CBN would willingly offer to take up publicity to sensitize the public on the Bank Verification Number (BVN).

The meeting drew participants from microfinance banks in the southwest states of the country as well as a representative of the Director of Special Insured Institutions Department of the Nigeria Deposit Insurance Corporation (NDIC). Also in attendance were executives from the Other Financial Institutions Supervision Department as well as group heads of OFISD in charge of different states.

Border Protection Beneficial to Economy Emefiele Insists

By: **Onyemakonor Ogbe**



Border Protection

The Governor Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has said contrary to critic's insinuations, the land border closure will ensure food security and curb crime in the country.

Mr. Emefiele said this on Friday, November 1, 2019 at the 1st convocation lecture of the Edo University, Iyamho, near Auchi in Edo State.

The Governor said the closure of the nation's borders would help give jobs to the teeming population of youths in the country and reduce crime, as the youth would be engaged in legitimate businesses.

Delivering the inaugural lecture

of the Edo University, Iyamho, titled, "The Role of Monetary Policy: Towards Economic Growth in Nigeria", Emefiele said the favourable outcomes and strengthening outlook of the Nigerian economy is traceable to the timeous adoption of unconventional monetary policy tools. He said the topic is apt, given the evolving role of monetary policy, not only in Nigeria, but in economies across the world in shaping the economic direction of different nations.

He noted that CBN's adoption of unconventional macroeconomic policies is responsible for the success that is seen in the management of the economy as the CBN has

been able to reduce inflation, build the nation's foreign exchange reserves, maintained forex market stability, and foster real growth.

The Governor stated that the conventional monetary policy instruments, though useful were however unable to address constraints to growth such as debt overhang and stagnating growth.

He said regardless of the views of critics, the unconventional measures adopted by the CBN were well thought through and have been yielding significant gains for the Nigerian economy.

The Governor listed noticeable successful outcomes of

implementing unconventional monetary policy tools to include: improved reserves and Gross Domestic Product (GDP), declining inflation from its peak of 18.7 percent in January 2017 to 11.24 percent as at September 2019, the Anchor Borrowers' Programme (ABP) and development finance interventions as well as improve productivity in agriculture and manufacturing sectors.

He also pointed out that the pace of population growth at about 2.6 percent still outstrips real growth rate while inflation is still outside the tolerance band. While adding that unemployment rate and incidence of poverty remain at unacceptable levels as the economy still faces headwinds

from expected declines in global growth with its resulting impact on oil prices and capital flows to emerging market countries.

Continuing, on the way forward, the Governor said these challenges require the strengthening of efforts at enhancing growth in productive sectors of the economy, which will help in insulating Nigeria's economy from external shocks.

"Our overall aim remains the concurrent attainment of price stability, real growth, full employment, and poverty reduction" he said.

Mr. Emefiele assured that the CBN will continue to device ways of ensuring that an optimal mix of monetary policy is

continually deployed to engender the overall well-being and prosperity of the Nigerian economy.

Speaking at the event, the Edo State Governor, Mr. Godwin Obaseki, while commending the CBN Governor and the Bank for initiatives geared towards stimulating economic growth and prosperity, disclosed that the CBN has made available to the State a \$2 billion dollars loan to establish an industrial park that will house a cotton spinner factory, first of its kind in the south of the country. Mr.

Obaseki said the industrial park when completed will provide jobs for the teeming youths of the state and engender economic growth of the State.

Employment Level Increases in November 2019

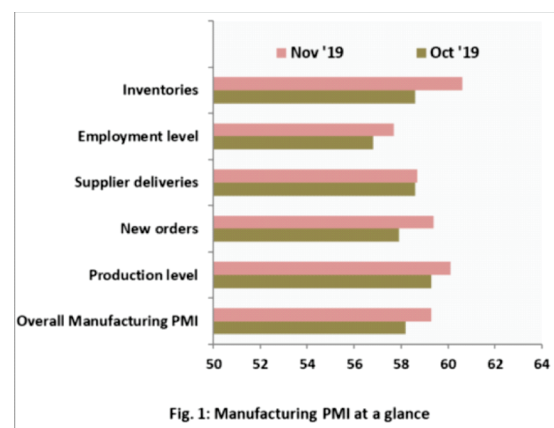
By: **Daba Olowodun**

The Purchasing Managers' Index (PMI) report released by the Central Bank of Nigeria on November 27, 2019, showed an increase in employment both in the manufacturing and non-manufacturing sectors of the Nigerian economy.

The report which was a result of a survey carried out by the Statistics Department of the Bank from the 12th to the 18th of November, 2019, featured purchasing and supply executives of manufacturing and non-manufacturing organizations in all 36 States of the Federation and the Federal capital territory (FCT).

Other economic variables that experienced an increase between October and November, according to the report, include; production level, new orders, supplier delivery time and raw materials inventory.

The manufacturing PMI which stood at 59.3 index points, indicated an expansion in the manufacturing sector for the thirty second consecutive month, with the highest performing



variable being the Raw Material Inventory which stood at 60.6 points.

The composite PMI for the non-manufacturing sector on the other hand, stood at 60.1 index points with employment level standing at 58.4 points indicating growth in employment for the thirty first consecutive month.

CBN Governor Urges Reps to Support Economic Diversification

By: **Olalekan Ajayi**



CBN Governor, Mr. Godwin Emefiele addressing Members of House of Representatives Committee on Banking and Currency

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has taken his message of economic patriotism to members of the House of Representatives, who he urged to support the drive by the Bank and the fiscal authorities to ensure diversification away from crude oil.

Mr. Emefiele gave the charge in Lagos on Friday, November 15, 2019, while formally declaring open a retreat organized by the Bank for Members of the House of representatives Committee on Banking and Currency, held at Oriental Hotel, Lagos.

The Governor, who expressed pleasure at the full participation of members, emphasized the need for the legislative arm to cooperate with the Bank in working for the good of the country.

According to him, the National Assembly and the Bank had a "shared responsibility" of

making lives better for Nigerians through the enactment of laws and implementation of policies that are people-centred, respectively.

Giving an overview of the Nigerian economy from the global crisis in 2008 to the present time, Mr. Emefiele recalled how the CBN tackled the multiple challenge of bringing down exchange rate from a high of about N525 to \$1 to N360 to \$1, reducing inflation and creating jobs at the height of recession, stressing that there were structural inefficiencies in the economy that the Bank had to correct.

Furthermore, he stated that the Bank, under his leadership, had undertaken developmental activities especially in financial intermediation and resource allocation in the real sector, which he stressed was consistent with the approach of other central banks especially in emerging economies, to support and stimulate the

development of key sectors that are drivers of growth in the economy.

Mr. Emefiele also talked about the independence of the Bank, which he said had helped to boost confidence in the Nigerian economy. In considering the independence of the CBN, he advised members to take cognizance of the practice in other climes in line with best practices, stressing that the operational independence of the CBN was critical to tackling inflation and exchange rate to stabilize the economy.

According to him, the Bank, in the past three years, took some other decisive actions such as reining in inflation by tightening the monetary policy rate and creating an Investors and Exporters (I&E) Window that allows exporters and investors to bring in and sell their foreign exchange at the prevailing market rate. He added that the interventions and programmes for real sector development were mainly focused on the inherent potential for employment generation, wealth creation, high growth, significant contribution to accretion to foreign reserves, expansion of the industrial base and the diversification of the national economy.

Continuing, he said the CBN restricted access to foreign exchange on 43 items in order to reduce the nation's over-reliance on the importation of items that can be produced in Nigeria. He added that the Bank also deployed intervention funds to support growth and productivity in the agricultural and manufacturing sectors. He

declared that the policy options of the Bank had helped to support the attainment of our monetary policy objectives such as a reduction in the inflation rate, stability in the exchange rate and improved accretion to Nigeria's external reserves.

He urged the Chairman and members of the House of Representatives Committee to

support the push for diversification of the economy away from oil. While also recalling that agriculture was the mainstay of the economy before the discovery of crude oil, he said the solution was to return to agriculture.

Speaking on the protection of Nigeria's borders to checkmate incidents of smuggling,

Mr. Emefiele said that the action by the Federal Government had helped to boost economic activities in the country. He therefore urged members to play their expected roles to make life better for Nigerians, warning that disaster loomed if nothing was done to improve the quality of lives of Nigerians.

CBN Governor Advocates for Higher Domestic Production

By: **Mohammed Haruna**



Higher Domestic Production

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has outlined the Bank's areas of focus for 2020 to include support for higher domestic production.

Speaking at an event in Lagos on Friday, November 29, 2019, the Governor disclosed that the Bank's effort at stimulating domestic production in the agro-allied and manufacturing sectors had continued to accrue foreign exchange inflows into the Nigerian market.

Emefiele stated that over \$60 billion worth of transaction had taken place since the inception of the I and E window in April 2017, adding that Nigeria's foreign exchange reserves stood above \$40bn as at October 2019, compared to \$23bn in the same period in 2016.

Speaking further, Governor Emefiele admonished all stakeholders to trust in Nigeria's potentials for greatness, emphasising that the country had abundant human and natural resources, which could transform

her into an economic powerhouse if truly harnessed. He charged Nigerians to support actions by the monetary and fiscal authorities to diversify the base of the economy through patronage of made in Nigeria products.

"We must also consume what we produce and produce what we consume. We must discourage the propensity to import what can be produced in Nigeria. We must choose this alternative path of improving domestic production, which will support growth of our local economy," he charged.

Emefiele Lists Priorities for 2020

By: **Kenekchukwu Afolabi & Senmial Senlong**



Growth as Priority for 2020

The Governor, Central Bank of Nigeria (CBN), Godwin Emefiele, has listed the Bank's priorities for 2020 to include support for greater economic growth, price stability and low inflation, even as he hinted on the continued monetary policy stance of the Bank. The Governor also announced the establishment of a Bankers' Charitable Endowment Fund.

Emefiele unveiled the Bank's plans for next year while delivering the keynote address titled: "Strong Sustainable growth for the Nigerian Economy" at the 54th Annual Bankers' Dinner, organized by the Chartered Institute of Bankers of Nigeria (CIBN) in Lagos on Friday, November 29, 2019.

The Governor announced the establishment of a Bankers'

Charitable Endowment Fund that will fund a major charitable initiative every year starting in 2020. According to him, the Bankers' Charitable Endowment will directly fund strategic social programmes in States and local communities across Nigeria. He expressed the hope that the Fund would spur a trend across other industries and sectors to collaborate and work together to better the lives of all Nigerians.

Speaking on the developments in the country's economic and financial sector, over the past year, and how they affect the macro-economic outlook for 2020, he said the economy still recorded growth despite some structural constraints experienced.

According to him, the pace of growth, given Nigeria's growing

population, exposed the economy to shocks, such as changes in the oil price, and sentiments in the global financial markets.

Disclosing plans by the CBN to support the economic recovery and enable stronger growth for the country's Gross Domestic Product (GDP), Mr. Emefiele said that the Bank would continue its current tight stance, particularly in view of rising inflation expectations.

"Though we will act to appropriately adjust the policy rate in line with unfolding conditions and outlooks, the CBN will continue to ensure that the policy interest rate was delicately set to balance the objectives of price stability with output stabilization," he explained.

In a recap of the highlights for

2019, Emefiele recalled that the country's GDP had remained positive, adding that the growth in GDP had been driven by improvements in Agriculture, Oil and Gas, Manufacturing and ICT as well as the intervention programmes of the CBN, along with sustained supply of foreign exchange and stability of the Naira.

He also attributed the decline in inflation to the Bank's maintenance of a tighter monetary policy rate at 13.5 percent, and its efforts at improving local production of key staple items.

Speaking further, Emefiele said the Nigerian financial system was now stronger since capital buffers and liquidity in the banking system have continued to improve.

According to him, industry-wide Capital Adequacy Ratio (CAR) had increased from 10.2 percent in December 2017 to 15.5 percent in September 2019. He added that the percentage of non-performing loans in the banking sector had reduced from a high of 14.7 percent in January 2017 to under 7 percent as at October 2019.

He equally disclosed that credit conditions in the banking sector had improved supported by the CBN's new policy measures announced in June 2019, which require banks to maintain a minimum 65 percent Loan to Deposit Ratio (LDR). Furthermore, Emefiele said banks in the country were now able to recover delinquent loans from customers' accounts in other banks, adding that the measures now placed Nigerian banks in a much better position towards supporting a stronger economic recovery. This, he added, had increased gross credit by N1.16 trillion between May and October 2019.

On the country's External Reserves, the Governor said the Bank's effort at supporting domestic production in the agriculture and manufacturing sectors among other policies, had continued to encourage foreign exchange inflows into the Nigerian economy. According to him, over \$60 billion worth of transaction had taken place since the inception of the Investors' and Exporters' (I&E) window in April 2017, adding that Nigeria's foreign reserves were above \$40bn as at October 2019, compared to \$23bn in the same period in 2016.

The Governor also highlighted the Bank's effort in development financing, which he said the CBN had sustained growth in critical sectors of the economy such as: agriculture and the manufacturing sectors, through programmes such as the Anchor Borrowers' Programme, the Commercial Agriculture Credit Scheme and the Bankers Committee Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS).

Alluding to the economic face-off between some countries, as well as the likely challenges the economy could face due to moderate oil prices, the Governor stressed the need for Nigeria to build up the necessary buffers that would protect the economy from pressures in the global market. He then restated the need to boost local production and diversify the country's export base.

"We should encourage Nigerians to consume goods that can be produced in Nigeria, knowing full well that a time will come when we may not have the foreign exchange to aid such activities, if we continue to rely on earnings from the export of crude oil," he emphasized.

Recalling the country's economic glorious past when the economy was heavily reliant on agriculture, with increased cultivation and exports of primary products such as cocoa, palm oil, cotton and groundnut, Emefiele posited that it is possible to envision a productive Nigerian economy that is not reliant on exports of crude oil.

The Governor urged all stakeholders to believe in Nigeria's greatness, stressing that the country was blessed with abundant human and natural resources, which if truly harnessed would propel Nigeria into one of the world's top 20 economies.

"We must redouble our efforts to continue to support actions by the monetary and fiscal authorities to diversify the base of the Nigerian economy through encouragement of made in Nigeria products.

"We must also consume what we produce and produce what we consume. We must discourage the propensity to import what can be produced in Nigeria.

This is because if we do not reduce import, the same imports will kill us knowing full well that such activities do not aid our efforts to create jobs and support the growth of our local industries.

"If we choose to follow the trend of supporting imports of goods that can be produced in Nigeria, we will lose jobs, our industries will die and insecurity and other social vices in our land will continue to increase. We must choose this alternative path of improving domestic production, which will support growth of our local economy," he charged.

As part of the Bank's priorities for 2020, Emefiele added that

the CBN was determined to maintain a stable exchange rate policy stance in the near to medium term given the relatively high level of reserves. He said the Bank would also sustain these efforts in 2020 as part of plans to reduce the financial exclusion rate to under 20 percent over the next year.

The Governor said the Bank will also improve access to credit for farmers and SMES by deepening its intervention efforts through the Anchor Borrowers' Programme (ABP),

Commercial Agriculture Credit Scheme (CACs) and the Real Sector Support Funds (RSSF), amongst others.

Similarly, he promised that the Bank, in pushing to improve access to finance and credit, would protect them from unfair banking and lending practices by maintaining oversight on the banks and other financial institutions.

In addition to ensuring that financial institutions support the growth of the real sector,

Emefiele said the CBN, working with the Nigerian Export Import Bank (NEXIM), would improve access to the N500bn facility designed to support the growth of Nigeria's non-oil exports.

The CBN Governor reiterated that Nigeria was open to business and urged investors to take advantage of the investment opportunities in Nigeria. He assured that investments in the country would be duly protected by the authorities.

CBN Intervention to Boost Rice Production

By: **Louisa Okaria**



Intervention to Boost Rice Production

In a bid to end the importation of foreign rice, improve quality of local rice and reduce the cost of production, the Central Bank of Nigeria (CBN) is set to avail Nigerian farmers with access to funding to revive local rice industries in Nigeria.

In a series of tweets on the Bank's twitter handle, circulated on November 20, 2019, the Bank had said that the price hike on rice was a temporary phenomenon that would fizzle out soon, as the CBN was committed to ensure access

to funds for local rice production value-chain.

The Bank restated that border protection would not only help to tackle the problem of smuggling of rice, it will also help to boost the Nigerian economy and help to create jobs for Nigerians. The CBN had said that it would remain committed to policies to develop industries come alive, create jobs and reduce insecurity in Nigeria. It was believed that with the CBN intervention that Nigeria would not only be the leading rice

producing country in Africa but the world at large.

In agreement with the CBN, the Chief Executive Officer of the Nigeria Export Promotion Council (NEPC) said "It is also our fervent belief that together we can succeed not only in the diversification of the economic base by moving the country from a mono-product foreign exchange earner to a multiproduct exchange earner through rice production from States".

Credit: Demand for Secured Lending on the Increase

By: **Ademola Bakare**



Increase on Secured Lending

The Central Bank of Nigeria's mandate to nurture an efficient monetary and financial system has been boosted by an affirmation from money lenders that there has been an increase in credit and demand for secured lending. The development includes credit conditions, secured and unsecured lending to households, lending to public non-financial corporations (PNFCs), small businesses and other nonfinancial corporations (OFCs) in the last quarter of 2019.

The credit condition survey for households, small businesses and corporate entities indicated increased availability of both

secured and unsecured credit to households, as well as corporate entities. Spreads on overall secured lending to households and all firm sizes narrowed in the last quarter of 2019 and were expected to remain unchanged in the first quarter of 2020. Lenders reported that demand for total unsecured lending from households increased in the fourth quarter and was expected to increase in the first quarter of 2020. Demand for corporate lending also increased across all firm sizes.

Improved liquidity positions and increased market share objectives were identified as the major factors behind the increase.

The proportion of loan applications approved in the quarter increased, even though lenders left their credit scoring criteria unchanged in the last quarter 2019. Lenders were expected to loosen the credit scoring criteria and the proportion of approved households' loan applications in the first quarter of 2020 to increase.

The availability of unsecured credit provided to households accounted for the improvement in market share objectives and higher appetite for risk as factors responsible for the increase. Credit conditions in the corporate sector vary by size of the business.

Emefiele Unveils New Visual Identity & Branding Guidelines

By: **Onyemakonor Ogbe**



Central Bank of Nigeria

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has unveiled the visual Identity & Branding Guidelines of the Bank with a charge to all the departments in the Bank to adhere strictly to the provisions of the document.

Mr. Emefiele stated this on Monday, November 4, 2019, at the flag-off of the maiden Communication Week of the Bank with the theme "The Emergence of Smart Communication: Practice, Stakes, Challenges and Impact for Modern Central Banking" held at the Bank's Head office in Abuja.

The Governor, represented by the Deputy Governor in charge of Economic Policy Directorate, Dr. Okwu Joseph Nnanna, recalled that Central banks, in the past, used to be conservative. He, however, noted that the Bank could not afford to be aloof in a constantly evolving society hence the need to embrace the paradigm shift. Earlier in his remarks, the Deputy Governor in charge of Corporate Services, Mr. Edward Lametek Adamu, said proper brand definition for the Bank had been one of the initiatives on the front burner since his assumption of office as a Deputy Governor.

According to him, the event marked the culmination of several years of collaborative efforts at ensuring standardization of the Bank's brand elements and the beginning of a brand-new day for the CBN Brand Philosophy of "One Standard".

Describing the CBN as global brand because of its mandate, unique positioning and organizational culture, he stressed that synergy remained the fastest route to collective success. He therefore expressed optimism that through the power of one standard, the Bank would achieve its vision.

Mr. Adamu also urged all Departments and Business units to cooperate with the Corporate Communications Department in implementing the One Standard Philosophy by complying with the provisions of the guidelines as applicable to the Bank's brand position to achieve the renewed quest for standardization, long-term brand development, sustainability, growth and success.

In his welcome remarks, the Director, Corporate communications Department, Mr. Isaac Okorafor, explained the evolution of the CBN's

communication, adding that the Bank should leverage the current communication tools in dissemination of information.

Mr. Okorafor said modern smart communication was not just an added element but also a core part of monetary policy, development financing, price and financial system stability and payment systems management. He added that, given the high level of demand for transparency by the Stakeholders, Central banks could not afford to remain opaque about its operations but continue to integrate communication as a management tool to deliver the Bank's mandate.

Highpoints of the event were the unveiling of the approved Visual Identity and Branding Guidelines by the representative of the Governor, Dr. Okwu Nnanna in company of the Mrs. Aishah Ahmad (Deputy Governor, Financial System Stability Directorate), Mr. Edward Adamu (Deputy Governor, Corporate Services) and Mr. Folashodun Shonubi (Deputy Governor, Operations Directorate) as well as the rendition of the envisaged CBN song by the members of Staff from the Corporate Communications Department.

Nigerians Applaud Revised Guide to Bank Charges

By: **Ruqayyah Mohammed**

The Central Bank Nigeria (CBN) has received applaud from contributors on the official twitter handle of the Bank over the revised guide to bank charges.

This report had been collaborated by the Consumer Protection Department of the

Bank, as no complaints had been received and banks were gradually adhering to compliance.

It will be recalled that the CBN had released a revised guide to charges by banks, other financial and non-bank financial institutions to replace the one

issued in May 2017.

The revision was intended to foster and build an inclusive banking system that adequately catered for the needs of bank customers while preserving the financial sustainability of banks, other financial and non-bank financial institutions.

FREQUENTLY ASKED QUESTIONS ON FINANCIAL AND CONSUMER PROTECTION

1. Why did it become necessary to establish a Consumer Protection Department in the Central Bank of Nigeria?

Answer: The Consumer Protection department (CPD) was created in April 2012 in furtherance of one of CBN's core mandates of promoting a sound financial system. The CPD was established to develop and implement an effective consumer protection framework that would promote consumer confidence in the financial system.

2. What are the functions of the Consumer Protection Department?

Answer: The Department performs 3 primary functions;

- **Complaints Management:** This involves resolving consumer complaints against financial institutions under the purview of the CBN.
- **Market Conduct and Development:** This is to entrench fair and responsible market conduct amongst the financial institutions in relation to their customers.
- **Consumer Education/Financial Literacy:** This is to promote and disseminate financial education and awareness amongst existing and prospective consumers for the enhancement of their economic well-being.

3. What is the expected impact of the Consumer Protection Department?

Answer: A major expected impact is the entrenchment of fair and responsible business conduct amongst financial service providers as well as the existence of a consultation and feedback mechanism to periodically determine the extent of consumer satisfaction.

Another expected impact is a general improvement in financial capability as a result of the various financial literacy programmes which would ultimately result in an increase in participation.

Although there is the likelihood of an increase in the level of consumer complaints against financial institutions due to the growing awareness of a redress mechanism in the CBN, the Department will continue to ensure fair and responsible market conduct among the financial institutions under the purview of the CBN. In the long-run, this would lead to a reduction in the number of complaints.

4. What is Financial Literacy?

Answer: Financial Literacy means possession of knowledge and skills by individuals to manage financial resources effectively to enhance their economic well-being. It also includes knowledge and understanding of financial products and services, the service providers, the terms and conditions and the benefits derivable from accessing these financial products and services.

5. How does the Consumer Protection Department intend to succeed in achieving its financial literacy objectives?

Answer: The financial literacy framework articulates a multi stakeholder approach to the delivery of financial education across various target groups. To this end, several programmes are being developed and implemented with the active collaboration of other stakeholders to reach several target groups. For instance, the Department is collaborating with relevant agencies towards introducing financial education into the school curriculum at the primary and secondary levels. The Department is also partnering with the media for mass education and enlightenment as well as organizing Mentoring Programmes in Primary and Secondary Schools in Nigeria.

6. What are the benefits of becoming financially literate?

Answer: Financial Literacy enables Nigerians to be empowered with relevant knowledge, understanding and the ability to evaluate financial products and services in order to make informed decisions. In the end, the citizenry would become capable and confident in managing their financial system which is crucial to the economic growth of the nation.

7. What is Financial Inclusion?

Answer: Financial Inclusion simply means enhancing access and usage of financial services at affordable costs to the vast majority of disadvantaged and vulnerable low income groups; it is the availability and accessibility of financial products and services to the entire population without discrimination.

8. Why is Financial Inclusion important in Nigeria?

Answer: Financial Inclusion is important due to its capacity to unlock the huge potential of the large population of Nigerians that are excluded from the formal financial system. Providing access would enable the excluded take advantage of the opportunities the formal financial system presents and

ultimately promote economic growth and development.

9. What is the relationship between Financial Literacy and Financial Inclusion?

Answer: Financial Literacy is a prerequisite for financial inclusion. Even if all necessary structures are put in place to make financial products and services available and affordable, it is only the possession of knowledge and skills that can engender trust and confidence in the use of these products and services. It is this knowledge (Financial Literacy) that would empower the financially excluded to come on board the formal financial system. Financial literacy enhance Financial Inclusion.

10. What Significant milestones has the Consumer Protection Department achieved since its inception?

Answer: Automation of Consumer Complaints Management System (CCMS)

- i. Establishment of Help-Desks in banks to manage customer complaints
- ii. Review of the "Guide to Bank Charges" (GBC)
- iii. Compliance Examination of banks to ensure adherence to regulations
- iv. Development of the Financial Literacy Framework
- v. Conduct of Financial Literacy Sensitization and Awareness Workshops
- vi. Stakeholder Engagement
- vii. Financial Literacy mapping Exercise
- viii. Establishment of the Financial Literacy Governance Structures
- ix. Conduct of Financial Literacy baseline Survey to determine the Financial Literacy levels of Nigerians, and
- x. Development of Financial Literacy Publications.

11. Does the Consumer Protection Department treat complaints against all financial?

Answer: The Consumer Protection department treats complaints only from Financial Institutions that are under the regulatory purview of the CBN; the Department handles only complaints against institutions that are licensed by the CBN.



**Agriculture is growing and
our economy is getting better**

Gradually our economy is reaping the fruits of agriculture, but we still have a long way to go. That is why the Federal Government of Nigeria is partnering with other agencies of the government to implement programmes and interventions to provide cheaper and more accessible funding for the agricultural sector. Get involved and tap into these initiatives today, so together we can further grow the nation's economy.

COME, LET'S GROW NIGERIA TOGETHER

**To access any of the Agricultural and other initiatives,
visit the CBN branch nearest to you.**

- **ABP** - Anchor Borrowers Programme
- **MSMEDF** - Micro, Small and Medium Scale Enterprises Development Fund
- **NIRSAL** - Nigeria Incentive Based Risk Sharing for Agricultural Lending
- **AADS** - Accelerated Agricultural Development Scheme
- **RSSF** - Real Sector Support Fund
- **CACS** - Commercial Agriculture Credit Scheme
- **ACGSF** - Agriculture Credit Guarantee Scheme Fund



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DO YOU KNOW

- **Cash Reserve Ratio (CRR)** is the amount of minimum cash and reserve that the Central Bank requires commercial banks to hold (rather than lend out) as a proportion of customer deposits and notes
- **Quantitative Easing (QE)** is the process by which a Central Bank or money authority purchases financial assets from banks and other institutions with new electronically created money.
- **Expansionary Monetary Policy (EMP)** involves monetary decisions and action taken by a Central Bank to increase the level of money supply in order to boost aggregate demand and support economic activities.
- **Contractionary Monetary Policy (CMP)** is an action deployed by a Central Bank to reduce supply of money in an economy by raising interest rate to curtail inflationary pressures.
- That if you make a complaint to your bank, you must insist on getting the Consumer Complaint Management System (CCM) tracking number from your bank? This will enable the Central Bank do a follow up.
- That if you make a complaint to your bank on card related and funds transfer issues, and after 72 hours the issue was not resolved. You can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226
- That if you make a complaint to your bank on account management issues and after 14 days grace for resolution the issue was not resolved, you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226
- That if you make a complaint to your bank on excess charges and was not rectified within 30 days allowed for resolution, you can contact the CBN by sending an email to: cpd@cbn.gov.ng, contactcbn@cbn.gov.ng or call +234 7002255226



Central Bank of Nigeria