



**CENTRAL BANK OF NIGERIA**

# **KEYNOTE ADDRESS**

**To 31<sup>st</sup> Meeting of the Committee of Governors of the West  
African Monetary Zone (WAMZ)**

By  
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**Keynote Address to the 31<sup>st</sup> Meeting of the Committee of Governors of the West African Monetary Zone (WAMZ), Central Bank of Nigeria, Abuja-Nigeria, 16<sup>th</sup> July 2014**

His Excellency, The President of ECOWAS Commission,  
Honorable Governors of Central Banks of WAMZ Member States  
Director-General, WAMA,  
Director-General, WAIFEM,  
Director-General, WAMI,  
Distinguished Delegates, Members of the Press, Ladies and Gentlemen

It is with great pleasure that I, on behalf of the Board and Management of the Central Bank of Nigeria, warmly welcome you to Nigeria and to the beautiful city of Abuja for the 31<sup>st</sup> Meeting of the Committee of Governors of Central Banks of the West African Monetary Zone (WAMZ). Nigeria is especially delighted to host this Meeting, at this time, given our deep commitment to the achievement of the ECOWAS integration agenda and the WAMZ objectives.

First, let me appreciate and commend the Honourable Governor of the Central Bank of The Gambia (CBG) and the outgoing Chairman, Committee of Governors of the WAMZ, Honourable Amadou Colley, for his leadership abilities in piloting the affairs of the Committee

during his tenure as Chairman. We particularly commend his efforts at surmounting daunting challenges during his tenure to attain critical milestones towards the convergence and integration of the economies of Member States, particularly in the area of payments system integration project.

Honourable Governors, your presence today at this 31<sup>st</sup> Meeting of the Committee of Governors of the WAMZ does not only testify to your commitment to the objectives of the WAMZ, but also, our collective resolve to overcome the numerous challenges that have hindered the establishment of a sustainable monetary union in the sub-region. The spirit of our collective commitment to the emerging union is on display today as the Federal Government of Nigeria graciously agreed, at very short notice, to host this meeting.

Towards this collective resolve and commitment, I must reiterate the importance of the need for a continuous, objective and comprehensive review of the economic conditions of Member States to ascertain the levels of our preparedness for the establishment of a sustainable monetary union in the Zone. It is gratifying to note that the Zone is making significant progress; especially in terms of building the necessary infrastructure and institutional capacity to support the establishment of a sound monetary union. Amongst these milestones is the progress made in the integration of national payment systems in the WAMZ;

establishment of the College of Supervisors of the West African Monetary Zone (CSWAMZ); formation of Ministers of Trade Forum and the ratification of Protocols on the ECOWAS Trade Liberalization Scheme (ETLS).

Honourable Governors, Distinguished Delegates, Ladies and Gentlemen, it is imperative at this meeting for us to objectively examine the numerous challenges before us, assess the state of preparedness of Member States for monetary integration at short notice, and realistically appraise the directive of the Heads of State and Government for a Modified Gradualist Approach to monetary Integration by 2020. This meeting provides a veritable platform for this comprehensive exercise and enables us to adopt appropriate strategies towards meeting our set objectives. It is, therefore, imperative that while we work towards an ECOWAS-wide monetary integration programme, we must not forget to re-examine the future of WAMI at this meeting. WAMI has become an integral aspect of our integration agenda in the WAMZ as well as a forum for our meeting to rob minds and share similar experiences on issues of common interest.

Over the years, our appraisals have continued to show that the level of macroeconomic convergence in the Zone remained inadequate relative to the set targets. Since 2009, no two countries satisfied all the four primary convergence criteria consistently for two

consecutive years. Accordingly, we have missed several launch dates for the monetary union. This may have informed the decision of the Heads of State and Government to approve the Modified Gradualist Approach to monetary integration by 2020. Our role, therefore, is to honestly appraise this directive and design strategies to ensure a sustainable monetary union in the zone. In doing this, we may have to think outside the box, realistically assessing and providing innovative options as well as the costs and benefits of implementing the Modified Gradualist Approach.

Let me at this juncture, share with you the results of the state of preparedness study commissioned by the 32<sup>nd</sup> meeting of the Convergence Council. The study showed that the performance of Member States' on the convergence scale relative to that required for the establishment of a monetary union is still inadequate. Also member countries' business cycle synchronization in terms of real GDP, inflation, broad money and interest rates remained weak, and their level of institutional preparedness for the monetary union remain inadequate. On a positive note, the study, noted that member countries continued to make remarkable progress towards the establishment of a common market and the implementation of the ECOWAS Trade Integration Protocols and Convention as well as significant progress towards the reforms of their financial systems.

In the meantime, Honorable Governors, it is important that we remind ourselves of the need for the buy-in of all Member States in the WAMZ Project. We need to constantly up-date ourselves with the level of progress made, challenges and level of cooperation required. In this regard, there is need for the intensification of efforts in the area of sensitization of all stakeholders. We must individually endeavor to evaluate, sign and ratify the various WAMZ Protocols and strive to implement them accordingly.

It is my belief that with our strong commitment to the WAMZ Project as demonstrated so far, combined with the necessary political will, we can use our various state machineries to foster the Union Project by promoting trade integration. As Central Banks and financial sector regulators, we must commit to develop and support sound banking system and efficient, reliable and integrated payments network capable of facilitating the required rapid trade expansion in the sub-region. Our efforts should also continue to focus on effective co-ordination between fiscal and monetary policies to support our price stability mandate, as well as create the appropriate macroeconomic environment conducive for intra-regional trade and economic development in the Zone. To that end, we must double efforts towards implementing the framework for quoting and trading in WAMZ member countries' currencies to improve trade integration.

Honourable Governors, Ladies and Gentlemen, It is my sincere hope that the spirit of Abuja-reputed for fostering Evergreen International Agreements, Protocols, and Accords, will once again prevail in our efforts towards the actualization of our goal of a Monetary Union in the WAMZ.

I wish you all very fruitful deliberations.

Thank you for your kind attention.