



CENTRAL BANK OF NIGERIA

PRESS RELEASE

CBN INITIATIVES HELPING TO ADDRESS INFRASTRUCTURAL GAP, President Jonathan

President Goodluck Jonathan, GCFR, has again given kudos to the initiatives of the Central Bank of Nigeria (CBN), aimed at addressing the infrastructural gap in Nigeria.

The President, who, was the special guest of honour at the Infrastructure Finance Conference organized by the CBN, on Monday, December 6, 2010 at Sheraton Hotel and Towers, Abuja with the theme, **“Infrastructure Financing in Nigeria: The Way Forward”**; said that the initiatives of the Bank have in no small measure addressed the huge challenges confronting the nation and added that such proactiveness has provided a roadmap for resuscitation of critical infrastructure.

He noted that the present administration appreciates the key role of infrastructure in economic development of the country, hence, “concerted efforts are being made to reverse the decay”. President Jonathan, who was represented by the Honourable Minister of Finance, Dr. Olusegun Aganga, however, noted that “government sources are not enough to finance infrastructural development, as such the options of ‘Public, Private Partnership’ (PPP) and ‘Build, Operate and Transfer’ (BOT) are being explored.

He also gave the assurance that the government shall continue to create conducive environment to attract foreign investments in the area of infrastructural development.

Earlier in an address, the CBN Governor, Mallam Sanusi Lamido Sanusi, CON, noted the symbiotic relationship which exists between infrastructure and economic development and decried the absence of their convergence due to poor performance of state-owned enterprises involved in

infrastructural development, huge financing gap and absence of maintenance culture.

Mallam Sanusi further identified major challenges confronting infrastructure financing in Africa and indeed, Nigeria to include non-availability of long term funds, harsh economic environment, absence of risk sharing structures and lack of refinancing facility to boost liquidity for banks engaged in infrastructure financing . Other impediments to infrastructure finance according to the Governor include inadequate capacity building for stakeholders and policy reversal by government.

He noted that “it was the concern to reverse this ugly trend and put Nigeria on a permanent path of development through infrastructure finance platform, that the conference was conceived. He hinted that the Bank has taken far reaching measures to encourage commercial banks to lend to the real sector and also approved the amended prudential guidelines on loan loss provisioning and rules and regulations on margin lending. The Governor also said that universal banking structure is being reversed to give room for specialized banks that would be involved in infrastructural financing.

The opening ceremony was attended by the Deputy Governor, Financial System Stability, CBN, Dr. Kingsley Chiedu Moghalu, Director General, Bureau for Public Enterprise, Bola Onogoruwa, Director General, Infrastructure Concession and Regulatory Commission (ICRC), Mansur Ahmed, Country Director, World Bank, Onno Ruhl and Director General, Security and Exchange Commission, Aruma Oteh, represented by the Technical Adviser among other dignitaries.

Signed

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