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CENTRAL BANK OF NIGERIA

Press Release

CBN Clarifies Proposed Policy on FX Restriction to Importers of Milk

The attention of the Central Bank of Nigeria (CBN) has been drawn to attempts by some interests, who feel hurt by the planned policy aimed at promoting the local production of milk in Nigeria, to mislead the general public by misrepresenting the ordinarily unassailable case for investments in local milk production and the medium to long-term benefits of the planned policy.

While we are aware that some of our policies may hurt some business interests, we are thankful to Nigerians for the buy-in and intense interest in the policies of the CBN. As a people-oriented institution, however, we shall remain focused on the overarching and ultimate welfare of the Nigerian masses.

We therefore wish to, once again, reiterate our policy case as it relates to the planned restriction of access to the Nigerian Foreign Exchange market by importers of milk:

Nigeria and the welfare of all Nigerians come first in all our policy considerations. Being an apolitical organization, we do not wish to be dragged into politics. Our focus remains ensuring forex savings, job creation and investments in the local production of milk.

For over 60 years, Nigerian children and indeed adults have been made to be heavily dependent on milk imports. The national food security implications of this can easily be imagined, particularly, when it is technically and commercially possible to breed the cows that produce milk in Nigeria.

About three years ago, we began a policy to encourage backward integration to conserve foreign exchange and create jobs for our people. Included in this policy package was the introduction of the highly successful policy which restricted sale of forex from the Nigerian foreign exchange market for the importation of some 43 items goods that could be produced in Nigeria. Arising from the success of the restriction policy, we approached some milk importers, like we did for rice, tomato and starch and asked them to take advantage of

CBN's low-interest loans to begin local milk production instead of relying endlessly on milk imports.

Today, although there have been some successful attempts at producing milk locally, the vast majority of the importers still treat this national aspiration with imperial contempt.

For the avoidance of doubt, **Milk importation is not banned**. Indeed, the CBN has no such power. All we will do is to restrict sale of forex for the importation of milk from the Nigerian foreign exchange market.

We wish to reiterate that we remain ready and able to provide the needed finance to enable investors who genuinely want to engage in milk production.

The ongoing resort to blackmail and undue politicization through the use of social media attacks can only serve to strengthen our resolve to wean our country from the clutches of powerful and highly influential traders and dealers who have kept the masses of our people hostage to foreign consumption and condemned our youths to perpetual unemployment.

We call on Nigerians to enlist in this vanguard to take our economy back from vested interests, make our country a productive economy and create jobs for our teeming youths.



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