

WELCOME ADDRESS

BY

**CHIEF (DR.) J. O. SANUSI
GOVERNOR
CENTRAL BANK OF NIGERIA**

**DELIVERED ON THE OCCASION OF THE NATIONAL WORKSHOP
ON AREPOSITIONING THE NIGERIAN FINANCIAL MARKETS FOR
COMPETITIVENESS IN THE 21ST CENTURY®, ORGANISED BY THE
FINANCIAL SERVICES REGULATION COORDINATING
COMMITTEE (FRSCC), AT THE SHEHU MUSA YAR=ADUA
CENTRE, ABUJA, JUNE 24TH B 26TH, 2002.**

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**Your Excellency, Vice President of the Federal Republic of Nigeria, Alhaji
(Dr.) Atiku Abubakar, GCFR
Distinguished Senators,
Honourable Ministers,
Honourable Members of the House of Representatives,
Director-General, Securities and Exchange Commission (SEC),
Director-General, National Insurance Commission (NAICOM),
Director-General, Corporate Affairs Commission (CAC),
Deputy Governors, Central Bank of Nigeria (CBN),
Chief Executives of Banks, Insurance and Other Financial Institutions,
Distinguished Guests,
Ladies and Gentlemen.**

On behalf of the Central Bank of Nigeria (CBN) and the Financial Services Regulation Coordinating Committee (FSRCC), it is my pleasure to welcome you to this national workshop on the development of Nigeria=s Financial system organised by the FRSCC, the first since its establishment.

2. Your Excellency, for the benefit of some members of the audience who may not be familiar with the FRSCC and what it sets out to accomplish, let me take a few moments to acquaint us with the role and objectives of the committee. The FRSCC, was established in 1998 sequel to the Amendment 37 of 1998 to the CBN Act No. 24 of 1991. Charged with the primary responsibility to promote safe, sound and efficient financial sector in the country, its membership is drawn from the key regulatory and supervisory institutions in the nation=s financial system, namely: Central Bank of Nigeria (Chairman), Securities and Exchange Commission (SEC), National Insurance Commission (NAICOM), Corporate Affairs Commission (CAC) and the Federal Ministry of Finance (FMF). Specifically, the Committee is charged with the responsibility to articulate strategies for the promotion of safe, sound and efficient

financial institutions; coordinate the supervision of financial conglomerates; harmonize regulatory and supervisory standards across the financial sector; and ensure information sharing among regulatory authorities.

3. It is in the pursuance of these responsibilities that this workshop has been organised with the aim of involving other stakeholders in examining issues relevant to the promotion of enhanced efficiency and competitiveness of financial markets in the country. The theme of the workshop, *ARepositioning the Nigerian Financial Markets for Competitiveness in the 21st Century®* is germane and timely given the need for Nigeria to integrate into an increasingly competitive globalized financial market and the imperative of mobilizing domestic financial resources while at the same time ensuring their efficient allocation for productive investments. Indeed, the same structural reforms that have improved the access of emerging economies to international financial markets and opened their domestic financial markets to foreign investors are necessary in our endeavour to improve the competitiveness of our financial markets in the 21st Century.

4. This workshop I believe, is coming at the most opportune time, given the apprehensions that have been expressed at different fora by concerned individuals and groups about the safety, health and soundness of our financial sector, particularly in the wake of some of the actions taken by the regulatory authorities to lay a solid foundation and engender credibility in the nation=s financial system. Repositioning the nation=s financial markets for competitiveness in the 21st century, becomes more compelling now in the context of the challenges posed by current developments in the international financial scene, which are likely to impact on our financial system.

5. First, is the challenge posed by the development and acceptance of an internationally accepted standard *ACode of Good Practices on Transparency in Monetary and Financial Policies®*. This Code requires the monetary and financial agencies to disclose to the public in an understandable, accessible and timely basis, the objectives of policy, its legal, institutional, and economic framework, policy decisions

and their rationale, data and information related to monetary and financial policies, as well as the terms of agencies= accountability. While the Code focuses on the regulatory authorities, it also has implications for the operators in the financial market to the extent that information provided by them are inputs to policy formulation. Thus, operators have the key responsibility of ensuring that information provided to the regulatory authorities are accurate and timely, more so that international stakeholders are interested in such information.

6. Second, is the rapid globalization and continuing improvement in information technology, which means that our financial markets have no option, but to be more competitive to remain in business, as financial markets around the world have become interconnected. Financial globalization has brought about considerable benefits to national economies and to investors and savers alike, but it has also changed the structure of markets, creating new risks and challenges for market participants and policymakers. Thus, for our nation=s financial markets to take advantage of the benefits of globalization and information technology, it must adapt to the rapidly changing terrain or lose out.

7. Finally, is the issue of good corporate governance in both the public and private sectors that has dominated international public discourse in recent times. In our desire to reposition our financial markets for improved performance, we must pay adequate attention to the issue of good corporate governance. This requires all stakeholders, either as regulators or operators/regulated, to entrench good governance principles in their operations, such that the integrity and credibility of the nation=s financial markets are not compromised.

8. Your Excellency, distinguished guests, ladies and gentlemen, I have taken the liberty of my welcome address to touch on some of these pertinent issues, which I believe are relevant to the workshop theme, and which I think participants at the workshop should focus on, as they go into the technical sessions. I am confident that all stakeholders participating in this workshop will be open and make meaningful

contributions that will move the Nigerian financial market forward so that it becomes more competitive and integrated into the global financial system.

9. This workshop is a welcome development, which I believe should be held regularly. It is also important for the various regulatory/supervisory agencies to improve on the level of their co-operation as we have a joint responsibility to see that the objectives of ensuring the soundness, efficiency and competitiveness of Nigeria=s financial system is achieved. We must avoid working at cross-purposes and seek clarification from each other when in doubt. This is the only way to enhance the effectiveness of our surveillance activities.

10. Once again, I welcome you all to this maiden workshop of the FRSCC and hope that participants will, during the next three days exchange ideas and come up with recommendations that will guide policy makers in the task of repositioning Nigeria=s financial markets for improved performance that will be adequate to meet the challenges of the 21st Century.

11. I wish you happy deliberations and thank you for your attention.

June 24, 2002.