Economic Diversification: Emefiele Woos WTO

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Editor's Note

We welcome you, our esteemed readers, to yet another exciting edition as we round off the first quarter of year 2021.

In this edition, we present an update on CBN's sustained intervention efforts at strengthening the Nigeria economy.

The edition begins with an assurance by the CBN Governor, Mr. Godwin Emefiele, that local lenders would raise credit facilities to the agricultural sector as well as pledging the Bank’s support to any firm willing to invest in the Nigerian manufacturing sector to grow the economy.

Further to this is a story on CBN’s intervention in the agricultural sector with the release of 50,000 metric tonnes of maize out of the 300,000 tonnes promised in January 2021 through its Anchor Borrowers' Programme window.

In the edition, we feature an update on the Governor’s charge to all stakeholders on the need to sustain the current effort championed by the Bank to stimulate agricultural production towards meeting the requirements of Nigeria's growing population.

This appeal got a response from the Chairman, Rice Farmers Association of Nigeria in Kebbi, Alhaji Muhammed Sahabi-Augie who confirmed that there was a rise in total rice production in the State from 700 metric tonnes to over four million metric tonnes as a result of massive support from the CBN, Federal and State Governments.

On CBN’s financial inclusion efforts and target, the Nigeria Communications Commission is set to collaborate and strategise with CBN to make more Nigerians financially inclusive. This story is backed up with an admonition by the CBN Governor, urging young Nigerians to take financial literacy seriously in order to enable them make sound financial decisions later in life.

These and other exciting stories have been packaged in this edition for your reading pleasure.

Osinbajo
Editor-in-Chief
Economic Diversification: Emefiele Woos WTO
...says Nigeria needs help to reset economy

By Onyemakonor Ogbe

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele says Nigeria needs to be given a chance to reset and diversify its economy, just as he reiterated the determination of the CBN to address identified deficiencies in the Nigerian economy.

He stated this in Abuja, on Tuesday, March 16, 2021, while playing host to the Director-General, World Trade Organisation (WTO), Dr. Ngozi Okonjo-Iweala, at the Bank’s headquarters. Mr. Emefiele, while congratulating Dr. Okonjo-Iweala on her new position, said her emergence as the Director-General of the WTO was in recognition of Nigeria as the largest economy, and most populated country in Africa. He noted that Nigeria, with an estimated population of over 200 million, remained a major player in global trade.

The Governor, acknowledged that Nigeria needs help to achieve her goals in the areas of trade and export finance logistics, stressing that Nigeria’s stance on trade was necessitated by the drive to protect local industries to create jobs and wealth as well as create an enabling environment for them to live meaningful lives.

Continuing, the Governor cited the provision of stimulus and interventions packages, restructuring of loans and the reduction of interest rates on loans as part of the Bank’s response at mitigating the impact of the Coronavirus pandemic on households and businesses. He added that through partnership with the private sector, the Coalition Against COVID-19, (CACOVID), raised about N40billion to support the efforts of Government to combat the pandemic.

While expressing the Bank’s willingness to work with the WTO, he disclosed that the CBN was determined to address the inefficiencies that led to the closure of pharmaceutical companies and other businesses that hitherto operated in the country.

He expressed optimism with the establishment of the Infrastructure Corporation of Nigeria Limited (InfraCorp.) that the infrastructure deficits in the country would be addressed coupled with the impressive rating of the country in ease of doing business index. In her response, the visiting DG, WTO, Dr. Ngozi Okonjo-Iweala, commended the CBN Governor and his team for their assistance to
the country towards receiving the first set of doses of the COVID-19 vaccines, with another 12 million doses expected soon.

Dr. Okonjo-Iweala said the COVID-19 pandemic presented Nigeria with an opportunity to change the narrative of its pharmaceutical industry. While expressing concern over statistics from the Economic Commission on Africa, which indicate that the continent imports over 90% of its pharmaceutical needs, she urged Nigeria to take advantage of the African Continental Free Trade Area (AfCFTA) and a population of over 1.3 billion people, to enhance its trade opportunities. She urged the creation of a conducive environment as Nigeria had enough talent and capacity to attract investments to the pharmaceutical sector to create jobs for the teeming population.

Dr. Okonjo-Iweala also called for an urgent transition of Nigeria’s economy from fossil fuel-based economy to one that is dependent on other sources of revenue and job creation. She equally stressed the need for Nigeria to urgently improve its trade logistics index as well as the quality of its exports.

She therefore urged the Government to take advantage of the WTO trade remedies, which can, without placing ban or restrictions on any product, help protect local industries against dumping and cheap imports, among others.

She noted that the government should take advantage of the country’s huge and vibrant youth population to reset the economy to favour them as there are opportunities that can be harnessed in AFCTA and WTO to improve trade and services and thereby diversify the economy.

In his remarks, the Ambassador of Barbados to the UN Institutions and WTO, Ambassador Chad Blackman, noted that Nigeria, being the biggest economy and having the largest population in Africa, has a comparative advantage in terms of what it could achieve.

Other members of Dr. Okonjo-Iweala delegation to the CBN were the Permanent Secretary and Management staff of Federal Ministry of Industry, Trade and Investment.

The visiting DG and her delegation were received by the CBN Deputy Governors: Mrs. Aisha Ahmad (Financial System Stability), Mr. Edward Lamtek Adamu (Corporate Services), Mr. Folashodun Shonubi (Operations), Special Adviser to the Governor on Financial Markets, Mr. Emmanuel Ukeje and some Departmental Directors.

Banks set to Increase Agricultural Loans to 10% - Emeefiele

By: Ademola Bakare

In line with its plans to key into the 2021 global economic recovery forecast, the Central Bank of Nigeria (CBN) Governor, Godwin Emefiele, has pledged the Bank’s commitment to make local lenders raise credit facilities to agriculture sector from 5 to 10 per cent. Mr. Emefiele, stated this in Lagos, during the Vanguard Economic Summit themed: ‘Bankers’ Initiative for Economic Growth’. He said that with the discovery and deployment of vaccines, 2021 will be a year of massive global recovery and Nigeria must not be left out.

The Governor said that the Bank had rolled out measures which he considered a means to drive and sustain the economic recovery.

These, according to him, are to sustain the accommodative fiscal and monetary policy measures aimed at improving access of finance to households and businesses; prevent a resurgence in COVID-19 related cases; ensure that a significant number of the populace is properly vaccinated and improving foreign exchange (forex) inflows to the country.

He further stated that “Over the next three years, we will continue to encourage the banking sector to increase its loans to the agricultural sector from 4 percent to 10 percent by 2024. The agriculture sector was a key driver in taking the Nigerian economy away from negative growth in the 4th quarter of 2020. It is important that we not only sustain measures aimed at increasing productivity of the sector, but also ensure that we continue to
produce items that can be manufactured locally rather than resorting to imports of these items.”

According to the CBN Governor, our agricultural sector offers significant opportunity for the nation to earn foreign exchange through the export of processed agricultural products. He stated that the Bank was pursuing an in-depth restructuring of the Nigeria Commodities Exchange Board (NCX) in order to improve access to finance as well as productivity for stakeholders in the agricultural sector. Noting that with enhanced logistics and the provision of warehouse receipts, farmers will be able to access finance, expand production, and supply needed goods to off-takers.

The CBN, he further said, intends to support measures that will improve our non-oil export earnings significantly. As a result, we intend to aggressively implement our N500bn facility aimed at supporting the growth of our non-oil exports, which ultimately will help to improve non-oil export earnings. Exporters will be further encouraged to repatriate their export proceeds as stipulated under our extant laws. The CBN will continue to ensure that exporters have unfettered access to their export proceeds.

He said “In 2021, it is imperative that the CBN continue to provide accommodative monetary policy measures that will enable faster recovery of the economy, through improved flow of credit to households and businesses in key sectors of the economy such as Agriculture, ICT and Manufacturing. These measures are essential if we are to return our economy to a sustainable growth path, while reducing our exposure to volatility in commodity prices.

While accommodative monetary policy measures that will support growth remain paramount in our priorities for 2021, we would continue to pay attention to trends in inflation, as price stability is critical in guiding savings and investment decisions by households and businesses.”

According to the Governor, another sector which has emerged as a significant source of resilience in mitigating the impact of COVID-19 on the economy is Information and Communications Technology (ICT). In the Q4 2020, the ICT sector made contributions of over 14.70 percent to GDP growth, 4 percent points higher than its contributions a year earlier. Promising that the Central Bank of Nigeria in 2021 would seek to encourage banks and other financial institutions to leverage ICT in improving penetration of financial services to households and SMEs, while supporting productivity across key sectors of the economy.

In order to generate sustained economic growth, alternative ways of funding infrastructure need to be explored, given the decline in revenue due the federal and state governments. He reiterated that a well-built infrastructure system can have a multiplier effect on growth. He further expressed delight at the President’s continued approvals and support in establishing the Infrastructure Corporation of Nigeria Limited (InfraCorp).

InfraCorp will be co-owned by the CBN, the African Finance Corporation (AFC) and the Nigerian Sovereign Investment Authority and would become fully operational by the second quarter of 2021. This vehicle, he said, would enable the use of private and public capital to support infrastructure investment that will have a multiplier effect on growth across critical sectors.

According to him, the CBN had already taken several measures to increase the flow of diaspora remittances into the country using formal channels. In December 2020, the Bank instructed all International Money Transfer Operators (IMTOs) to provide remitters with the option of sending foreign exchange to beneficiaries in Nigeria. This new measure has helped to reduce the diversion of forex by some IMTOs, who had thrived from forex arbitrage arrangements, rather than on improving transaction volumes to Nigeria.

He noted that remittances had already improved from a weekly average of about $5m before this policy, to over $30m per week. The Bank believes that his measure will help to significantly boost forex inflows and create the much more liquidity in that space.
During the first official visit of the Nigerian-born Director-General of the World Trade Organization (WTO), Dr. Ngozi Okonjo-Iweala to Nigeria in March 2021, the Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele stated that Nigeria needs to be given a chance to reset and diversify its economy. He also reiterated the determination of the Bank to address identified deficiencies in the management of the Nigerian economy.

For years, economic diversification has been proposed as the solution to the economic woes plaguing Nigeria. However, efforts made to put the country on the path of prosperity through the diversification of the economy has not witnessed much success.

The glaring challenges that stemmed from the COVID-19 pandemic, disruptions in oil export, falling revenues, in addition to rising insecurity, political unrests, flooding and desertification in parts of the country, had a negative impact on the economy and further accentuated the imperative to diversify the economy across all sectors. This vigor in the call for diversification is not new.

Prior to the discovery of crude oil and its exploration, the Nigerian economy thrived mainly on the export of unprocessed agricultural commodities such as cocoa, rubber, groundnut etc. Nigeria was well on its way to becoming a developed economy. However, the discovery of crude oil and its export earnings quickly relegated agriculture to the background and led to a decline in the production of raw materials required for the manufacturing sector.

Manufacturing, consequently, suffered a decline leading to unemployment and its attendant rise in poverty rates. The provision of basic amenities such as healthcare, education, housing, transportation worsened, leading to poor living standards of the populace.

Over the years, the undue reliance on crude oil export earnings had left the Nigerian economy vulnerable to price shocks in the global market even as the oil price volatility weakened the country’s foreign exchange earning capacity. The dwindling revenues as a result, made it challenging for various levels of government to effectively carry out statutory obligations.

Economic diversification can be defined as the variation of products, exports and income sources across different sectors of the economy in order to ensure macroeconomic stability; enable job creation and minimise the vulnerability posed by a narrowly differentiated economy. It provides a
range of revenue sources and ensures the ability of an economy to deal with adverse challenges occasioned by disruptions in the global economy. Economic scholars opine that a diversified economy will assist in solving the problems of unemployment, ensure even development, moderate rising inflation, narrow income inequality, reduce poverty rates and improve security.

The Economic Recovery and Growth Plan (ERGP) 2017-2020, of the Muhammadu Buhari administration, which was developed to build a globally competitive economy through investment in infrastructure, improvement in business environment and promotion of digital-led growth; recognises economic diversification as one of the critical means of achieving inclusive growth and development. Therefore, it is critical for an emerging market economy such as Nigeria to unlock the gains within its abundant human capital, natural and mineral resources that offer opportunities for increasing revenue generation.

Since his assumption of office as the 11th Governor of the Central Bank of Nigeria, Mr. Emefiele has consistently stressed the need to embrace economic diversification. This has been a fulcrum of his development agenda as he asserts that the non-oil sector has the potentials to sustain the economy, organically drive growth, create jobs and advance national development.

The intervention programmes of the CBN aim at developing innovative infrastructural, technological and human capacity in key sectors of the economy; ensuring long-term inclusive growth; and deepening financial inclusion through the provision of inputs, credit and access to markets.

Some of these sectoral interventions include-
- Agriculture – Anchor Borrowers’ Programme (ABP), Commercial Credit Scheme (CACS)
- National Food Security Programme (NFSP), Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS), Presidential Fertilizer Initiative (PFI); Industry/Manufacturing – Real Sector Support Facility (RSSF), Textile Sector Intervention Facility, CBN-BOI Industry Financing Initiative (CBIF), and COVID-19 Intervention for the Manufacturing Sector (CIMS).

In Entrepreneurship, we have the SME Credit Guarantee Scheme (SMECGS), Youth Entrepreneurship Development Programme (YEDP), Creative Industry Financing Initiative (CIFI); Non-Oil Exports Development – Export Development Facility (EDF), Non-Oil Export Stimulation Facility (NESF), Export Facilitation Initiative (EFI); Financial Inclusion – Shared Agent Network Expansion Facility (SANEF). Others include – Family Home Finance Initiative, Solar Connection Facility, Nigerian Bulk Electricity Trading Payment Assurance Facility (NBET-PAF), Nigeria Electricity Market Stabilization Facility (NEMSF).

Available data indicate that the Anchor Borrowers'
The Central Bank of Nigeria (CBN) has released 50,000 metric tonnes of maize into the Nigerian market. The Bank, in February 2021, made good its promise to release 300,000 tonnes of maize in fulfilment of its pledge to reduce the price of the commodity due to its scarcity.

This release was done through the CBN Anchor Borrowers’ Programme (ABP) to major poultry feed producers in the country. Feed producers had been badly hit with the scarcity of maize, a major ingredient in poultry feed components, leading to high cost of poultry feeds.

Major beneficiaries of the release according to a statement from the Bank on Wednesday, March 4, 2021, include: Premier Flour Mills, Crown – Olam, Grand Cereals, Animal Care, Amobyn and Hybrid Feeds. Others include Zartech, Wacot, Sayeed Farms, Pandagri Novum and Premium Farms as well as the South West, South-South, North West and North Central chapters of the Poultry Association of Nigeria (PAN). The benefiting companies represent the major players in the poultry value chain in the country. The release of the 50,000 metric tonnes of maize therefore forestalls the pressure of, and reduces the activities of intermediaries (middlemen) in the Nigerian Maize market.

The current shortfall in the quantity of maize available in the market, prompted the CBN to embark on mitigating the challenge, attributable to activities of banditry, drought in some parts of the country last year, activities of hoarders and middlemen as well as insecurity around the major maize producing belt of Niger, Kaduna, Katsina, Zamfara and part of Kano States.

As part of the Bank's financing framework, the CBN provides funding to Maize farmers and processors through the Anchor Borrowers’ Programme (ABP) Commodity Association, Private/Prime Anchors, State Governments, Maize Aggregation Scheme (MAS), and the Commercial Agricultural Credit Scheme (CACS).
Big Boom Looming

10 Commodities, 10 Million Jobs in 5 Years

Within the financing of viable projects in the agro-allied industries involved in Livestock, Poultry and Fish production, the Central Bank of Nigeria is boosting our nation’s capacity to produce what we consume and consume what we produce. It is one of the many ways that we drive growth to make life better for all Nigerians.

Call your banker today for more details on how to get involved.
The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has challenged stakeholders in private and public organisations to ensure all-around gender development and equal opportunities in order to increase the number of women in leadership positions in Nigeria and across the world.

The Governor made this charge on March 18, 2021 while delivering a paper titled “Positioning Women for Leadership in a Changing World” during a commemorative webinar hosted by the CBN Deputy-Governor, Financial System Stability (FSS), Mrs. Aishah Ahmad as part of activities to mark the 2021 International Women’s Day with the theme – “Women in Leadership: Achieving an Equal Future in a Covid-19 World”.

Mr. Emefiele reaffirmed the Bank’s commitment to continually promote gender diversity in the workplace, empower women and increase their active participation in the economy. He noted that in recognition of the potential of female leaders in different organisations and the Nigerian economy at large, the CBN has ensured equal opportunities for both male and female staff across every cadre of the Bank.

He also noted that the CBN/Bankers’ Committee is also engaged in the affirmative action of 40 percent and 30 percent representation for women in top management and boards of banks respectively. He also added that there is overwhelming evidence that organisations with a high level of female participation fared better than others. The Governor identified unequal access to education, healthcare, finance and cultural barriers with gender stereotyping as some of the barriers limiting the participation of women in leadership.

He noted therefore, the importance of creating appropriate policies in addition to making the right investments in programmes and services to promote women’s leadership and gender parity in order to enable them to contribute to the economy. He noted that the Bank has through various policies, afforded women access to finance and support in order to improve their lots.

In her keynote address, Former Vice-President, World Bank, Ms. Arunma Oteh noted that women were key to societal advancement even as she emphasized the critical roles of leadership occupied by women globally. She noted that women economics was ‘SMART’ economics as statistics indicate that women re-invest up to 90 percent of their resources into their respective families and communities.

She also noted the need to critically address the security challenges in the country in order to ensure economic prosperity as she noted that women were Nigeria’s last hope to tackling insecurity and life-endangering situations. As part of her charge, she challenged women to always strive for excellence, invest in themselves as there is a need for women to do, think and act differently.
The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has underscored the need for all stakeholders to sustain current efforts championed by the Bank to galvanize agricultural production towards meeting the requirements of Nigeria’s growing population.

Mr. Emefiele gave the charge in Zabra, Kebbi State, on Tuesday, March 2, 2021, during the flag-off of the 2021 dry season input distribution under the CBN-Rice Farmers’ Association of Nigeria (RIFAN) Anchor Borrowers’ Programme, as part of the fifth anniversary of the Anchor Borrowers’ Programme (ABP).

He noted that Nigeria was naturally blessed to meet her food requirement and had no reason to continually repeat mistakes of the past of neglecting agriculture. “The rhetoric around neglect of previous years will remain part of our history and the best time to correct those mistakes is now and every stakeholder must contribute their quota to guarantee the realization of these national targets.

“Covid-19 and the associated lockdowns globally have shown that nations only export out of their reserves. Let us start building our own reserves now,” he added.

The flag-off, which came barely three months after the CBN showcased sky-high pyramids in Minna, Niger State, to highlight its intervention in the maize value chain, also featured the display of pyramids, which were rice harvests brought in by farmers in the state.

He noted that the ABP, which was an essential part of President Muhammad Buhari’s drive for economic diversification, had improved the fortunes of rural farmers, transforming agriculture into a potential for economic growth.

According to Emefiele, the ABP, in the past five years, had been characterised with huge successes, learning points and challenges. Specifically, he noted that a total of 2,923,937 farmers cultivating 3,647,643 hectares across 21 commodities through 23 participating Financial Institutions had been financed in the 36 States of the Federation and the Federal Capital Territory from inception till date.

He also disclosed that the Bank, under the 2020
wet season CBN-RIFAN partnership, financed 221,450 farmers for the cultivation of 221,450 hectares in 32 States. “The North-West zone with 85,261 farmers that cultivated 120,218 hectares represented 38.5% in total number of farmers and 54.3% in total number of hectares financed,” he disclosed, adding that the massive pyramids being launched in Kebbi were harvests from various fields across Kebbi State and a confirmation of the positive outlook of the Anchor Borrowers’ Programme.

Speaking further, Mr. Emefiele said that the partnership between the CBN, Kebbi State Government and RIFAN was aimed at strategically complementing the Economic Sustainability Plan of the Buhari Administration. Following the President’s approval of the resuscitation of the Nigeria Commodity Exchange (NCX) and the commitment of N50b by the CBN and other stakeholders, he said that a vibrant commodity exchange would enhance post-harvest handling, guarantee effective pricing for farmers, minimize the adverse effect of middle men and ultimately transfer the gains from primary production to other nodes of the value chain.

While acknowledging the importance of loan repayment to the sustainability of the programme, he stressed that the CBN was constantly engaging the farmers to enhance their trust in the system, provide a competitive price arrangement and facilitate effective market linkages for their outputs. To further create value and transfer these gains along the value chain, he said that the CBN also maps miller to off-take the paddies and track the release of outputs to the market as the Bank strives to manage inflation and grow the rice value chain in Nigeria.

The CBN Governor expressed optimism about Nigeria’s capacity to achieve food self-sufficiency within the shortest time possible, adding that the CBN and RIFAN both target cultivation of 1million hectares of rice farms; which is over 350% increase from the 221,450 cultivated in 2020. He said that the Bank and RIFAN equally nursed an ambitious two cycles of production in the dry season, which will trigger a continuous drop in price of rice in the country.

In his remarks at the event, which featured the sale of paddy to millers as loan repayment by rice framers under the CBN-RIFAN 2020 wet season cultivation, the Kebbi State Governor, Sen. Abubakar Atiku Bagudu, commended the CBN Governor and his team for the novel initiatives. He noted that the moves had not only brought succour to the country in terms of food security and diversification but had also successfully made the country exit recession in two quick successions.

Also speaking, the President, Rice Farmers Association of Nigeria (RIFAN), Alhaji Aminu Goronyo expressed gratitude to President Buhari for his vision that Nigeria must feed herself by producing what she eats and eat what she produces. While also noting that the CBN had done well to actualise the Buhari vision, Goronyo said the CBN Governor had proved to the world that agricultural revolution was actualisable.
CBN Restates Support for Manufacturing Firms
...Stresses on Import Substitution

By: Mohammed Haruna

The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele has restated the Bank’s resolve to encourage firms willing to invest in the Nigerian manufacturing sector in order to grow the economy.

Mr. Emefiele made the pledge in Lagos on Friday, March 5, 2021, while hosting the signing of the Memorandum of Understanding (MOU) between Procter & Gamble (P&G) and Colori for the local production of its Oral Care products, Oral B, as part of efforts towards localisation of production in Nigeria. The partnership represents a new investment of $35 million dollars.

According to the Governor, the manufacturing industry in Nigeria remained a key focus of the efforts by the monetary and fiscal authorities towards driving recovery of the Nigerian economy, following the downturn due to the impact of the COVID-19 pandemic, hence the push for import substitution.

To match its words with action, he said the CBN set up a N1 trillion facility in April 2020, aimed at supporting growth and expansion of manufacturing firms in Nigeria. He disclosed that close to N300 billion of the amount had so far been disbursed to 76 manufacturing firms, which would boost local manufacturing across critical sectors over the next few years.

“Our efforts have aided the recovery of the manufacturing sector as reflected in the Purchasing Managers Index which shows that the index on manufacturing activities rose from a low of 41 points in May 2020 to 49.6 points in December 2020,” Emefiele added.

While admitting that growth remained fragile, the CBN Governor noted that driving further growth of the economy would require that the Bank and the fiscal authorities continue to support more investments that will enable the growth of the manufacturing sector in Nigeria.

Emefiele therefore encouraged multinational firms to emulate Procter and Gamble by considering the opportunities that Nigeria offers and begin to set up their manufacturing lines in Nigeria. He also expressed belief that this move would help to enable the country build a more resilient economy that creates jobs and supports skills transfers for the nation’s growing and youthful population.

Given the size of the Nigerian population and market, he asserted that Nigeria offered significant advantages for multinational manufacturing firms...
that choose to invest in domesticating their productions lines in Nigeria.

“Rather than import goods that can be produced in Nigeria, companies should invest in Nigeria,” he charged, adding that “We can’t afford to continue to rely on a model that encourages imports of goods and exports of jobs away from Nigeria, as the ramifications will be huge on our economy.”

In their separate remarks, the P&G Managing Director for Nigeria, Mr. Adil Farhat and the Managing Director of Colori Cosmetics Nigeria, David Feng commended the CBN and the Governor for being a champion of localisation.

Mr. Farhat assured that P&G will continue to partner with the Nigerian government as the company increases its economic and social footprint, in support of the diversification and localisation objectives of Nigeria.

Feng, on the other hand, said the company aimed at working with local businesses to provide a healthier lifestyle for the Nigerian population.

ACGSF: Best Farmer of the Year 2020 Emerges

By: Louisa Okaria

The Central Bank of Nigeria (CBN) has adjudged Mr. Martin Ibeabuchi of Nemat Farms, Enugu as the best farmer of the year under the Agricultural Credit Guarantee Scheme Fund (ACGSF). The ACGSF Award recognizes selected farmers who borrowed and repaid their loans timely under the Scheme while seeking to encourage and motivate participating farmers under the ACGSF.

In second place was Mr. Sunday Udoakang of Akang Farms and Ventures Limited, Akwa-Ibom State while Mr. Vitus Ubah of Summit Agro Services, Abuja came third. LAPO Microfinance Bank Limited was named as the “Best Supporting Financial Institution for 2020.

The Central Bank of Nigeria (CBN) in 43 years, had guaranteed cumulative loans of N122.63billion to 1, 190,970 farmers across the country under the ACGSF.

Speaking during the 2020 ACGSF “Best National Farmer Award” ceremony on March 4, 2021 in Abuja the ACGSF Board Chairman, Mr. Stephen Okon noted that the Fund which was established in 1977, guaranteed a total of 30,267 loans valued at N4.32billion in 2020 even as the scope of the fund had expanded to cater for the entire agricultural value chain in Nigeria.

Speaking further, Mr. Okon noted that the Fund encourages banks to lend to persons engaged in agriculture by providing guarantees of repayment to banks, 75 percent of the net amount in the case of a default. He also added that these guarantees mitigates the risks associated with lending to the

Presentation of awards to beneficiaries
agricultural sector with the aim of increasing the level of bank credit to the agricultural sector.

He reiterated that over the years, the Fund had increased from N3 billion to N5 billion, noting that the maximum loans given to farmers without collateral had been increased from N20,000 to N100,000 while the maximum for collateralised loans had been increased from N10 million to N50 million.

In his remarks at the event, the Director, Development Finance Department, Mr. Philip Yusuf Yila commended the ACGSF for the awards and urged the awardees to see the recognition as encouragement to do more.

He also opined that those who did not win should view the event as a clarion call to increase their efforts in improving their yields.

USSD Gets Framework for Pricing Model

By: Olusola Amadi

As part of its commitment to promote cheaper, seamless access to mobile and financial services for all Nigerians, the Central Bank of Nigeria (CBN) in collaboration with the Nigerian Communications Commission (NCC) has announced a framework for Unstructured Supplementary Service Data (USSD) services pricing model for financial transactions.

The decision was made known in a joint statement issued by the CBN and NCC following a meeting chaired by the Minister for Communications and Digital Economy on March 15, 2021. The meeting was held with key stakeholders following protracted disagreements concerning the appropriate USSD pricing model for financial transactions which had led to the accumulation of outstanding payments for USSD services rendered and subsequently, leading to potential service withdrawals by the Mobile Network Operators (MNOs), in order to discuss amicable resolution in the interest of the general public.
The framework states that effective from March 16, 2021, USSD services for financial transactions conducted at Deposit Money Banks (DMBs) and all CBN-licensed institutions will be charged a flat fee of N6.98 per transaction. The fee replaces the current per session billing structure, ensuring a much cheaper average cost for customers to enhance financial inclusion.

The approach which is transparent, will ensure the amount remains the same regardless of the number of sessions per transactions.

Also, in order to promote transparency in its administration, the new USSD charges will be collected on behalf of MNOs directly from customers’ bank accounts with no additional charges on customers for use of the USSD channel.

To ensure that the matter is fully resolved by the MNOs, the statement notes that a settlement plan for outstanding payments incurred for USSD services, previously rendered by the MNOs, was being worked out by all parties in a bid to ensure that the matter was fully resolved.

With a commitment by MNOs and DMBs to engage further on strategies to lower costs and enhance access to financial services, agreements will be reached on the operational modalities for the implementation of the new USSD pricing framework. This would include sharing of Application Programme Interface (API) to enable seamless, direct and transparent customer billing.

Following the resolutions, DMBs were no longer to be disconnected from the USSD channel and the impending suspension of DMBs from the USSD channels was vacated.

In conclusion, the statement reiterates that the USSD channel was optional as alternative channels such as mobile apps, internet banking and ATMs may be used for financial transactions.

CBN Extends Regulatory Forbearance for Intervention Facilities

By: Daba Olowodun

Determine to deliver on its monetary and price stability mandate, as well as mitigate the impact of COVID-19 pandemic on the economy, the Central Bank of Nigeria (CBN), has extended the regulatory forbearance to restructure credit facilities of Other Financial Institutions (OFIs) sub-sector by 12 months.

A circular issued on March 3, 2021 by the Director, Financial Policy and Regulatory Department, Dr. Kevin Amugo, conveyed the Bank's extension of the policy by another 12 months to February 28, 2022.

The policy, which was issued on March 1, 2020, stipulates that in order to mitigate the impact of the pandemic on households, businesses and regulated institutions, interest rates on the CBN intervention facilities availed through participating OFIs were reduced from 9% to 5% for one year. This is in addition to granting a one-year moratorium on all principal repayments on the facilities.

Following the expiration of the timelines, the circular notes that the roll-over of the moratorium on the above facilities will be considered on a case by case basis.

CBN said OFIs were granted the leave to consider temporary and time limited restructuring of the tenor and loan terms for households and businesses affected by COVID-19 subject to the recently issued guidelines for restructuring affected credit facilities in the OFIs sub-sector.

Regulatory forbearance is a policy implemented by central banks and regulatory authorities, permitting banks and financial institutions to continue operating within extended periods of time in order to stimulate and improve businesses.

In Nigeria, the CBN in this case has effected it in order to cushion the impact of the COVID-19 pandemic on Nigerian households, businesses and other stakeholders.
The Governor, Central Bank of Nigeria (CBN), Mr. Godwin Emefiele says that a vibrant and innovative healthcare system is vital for the country’s national security, hence the need to encourage research and innovation in the treatment of health conditions for the Nigerian citizens.

He stated this at the Bank’s headquarters in Abuja on March 9, 2021, during the presentation of grants to successful beneficiaries of the Health Sector Research and Development Intervention Scheme.

Mr. Emefiele disclosed that 68 proposals out of the 286 submissions received by the Body of Experts, had been reviewed and evaluated with five proposals with significant merits valued at N253.54 million recommended by the experts for financing. He added that the recommended proposals also have the potential to enable the development of the Nigerian vaccine for COVID-19.

The Governor said the grant award was a testimony to the significant role research and development in healthcare could play in supporting economic growth, particularly as growth was highly dependent on a strong and healthy workforce.

Mr. Emefiele also noted that the outbreak of the coronavirus pandemic, which had an unprecedented effect on world economy, underscored the fact that a healthy and safe workforce remained critical for a continued economic growth as well as the stability of the financial system.

He equally emphasized that the need to move from a consumer-based economy to a more productive economy necessitated the CBN’s development of intervention programmes and schemes across various sectors including the health sector.

Continuing, the CBN Governor said that the Bank introduced the Healthcare Sector Research and Development Intervention Scheme (HSRDIS), as part of measures to support the growth of the Nigerian healthcare sector. According to him, the facility aimed at strengthening the sector’s capacity to meet the increasing demand for healthcare products and services, particularly pharmaceutical companies and other healthcare value chain players intending to build or expand capacity. The CBN Governor also disclosed that 82 projects, valued at N85.89-billion, comprising 26 pharmaceutical and 56 medical projects across the country had been financed through the HSRDIS.
While congratulating the recipients of the grant award, Emefiele urged them to judiciously utilize the opportunity offered to them by the CBN and strive to achieve the purpose of their research by ensuring that their projects meet the set targets. He expressed optimism that the CBN HSRDIS grant will offer an average Nigerian access to the much-needed vaccines and drugs for not just COVID-19, but other communicable or non-communicable diseases.

In his remarks at the occasion, the Secretary to the Government of the Federation (SGF) and Chairman of the Presidential Task Force on COVID-19, Mr. Boss Mustapha commended the CBN for what he described as the modest efforts of the Bank at helping future generations to combat any outbreak of health pandemic.

He assured of President Muhammadu Buhari’s support to HSRDIS as the President had supported similar responses to curb the current COVID-19 pandemic. Mr. Mustapha said the coronavirus pandemic had exposed the fragilities of different sectors of the economy and governance but called for a collective resolve to overcome the challenges posed by the pandemic.

The SGF who disclosed that the COVID-19 vaccines were safe and efficacious, and therefore urged members of the public to avail themselves the opportunity when the time arose to be
vaccinated. Also speaking, the Minister of State for Health, Dr. Sen. Adeleke Olorunnimbe Mamora and Director-General of the National Agency for Food and Drug Administration and Control (NAFDAC), Prof. Mojisola Christiana Adeyeye, both commended the CBN for the initiative and reiterated that the HSRDIS was a step in the right direction in ensuring the vibrant and functional healthcare system as well as the socio-economic well-being of Nigerians.

Responding on behalf of the five grant award recipients, Dr. Ejofodomi appreciated the CBN for the opportunity and pledged to utilize the resources for the purpose of the grant.

The CBN Healthcare Sector Research and Development Interventions Scheme (HSRDIS) was introduced with the release of the implementation guidelines and subsequent inauguration of the Scheme’s Body of Experts in July 2020.

The Scheme is part of the CBN’s policy response to the coronavirus pandemic aimed at prompting intense research and developing vaccines and drugs against the spread of other communicable and non-communicable diseases.

Highlights of the event was the presentation of the symbolic cheques of the award of grants to the successful recipients.

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**Emefiele Charges Youths on Financial Literacy**

By: Zichat Abuja-Kato

The Governor, Central Bank of Nigeria, Mr. Godwin Emefiele, has urged young Nigerians to take financial literacy seriously in order to enable them make sound financial decisions later in life.

He stated this on Thursday, March 25, 2021, at a webinar, which was part of activities lined up to mark the 2021 Global Money Week (GMW) at the Redeemers International School, Maryland, Lagos.

Mr. Emefiele, represented by the Director, Banking Supervision Department, Mr. Haruna Mustapha, noted that the awareness would help youths to better understand the value of money as well as how to save and spend responsibly, thereby creating a sustainable and independent means of livelihood.
Emphasizing on the theme of the GMW 2021: “Take care of yourself, take care of your money”, he said that the financial literacy engagement was an avenue for the youth to learn about financial management and be financially capable adults that would ultimately contribute to Nigeria’s economic growth and development.

He therefore urged the students to imbibe the culture of saving, which he said would help them take care of themselves as they grow older.

While mentoring the students at the event, the Head, Financial Literacy Office, Consumer Protection Department, Mr. Oludamola Atanda, noted that the GMW promotes the efforts aimed at improving financial literacy of young people. He therefore implored the students to open bank accounts and spend money primarily on what they need rather than what they want.

The Global Money Week is an annual global awareness-raising campaign on the importance of ensuring that young people are financially aware and gradually acquire the knowledge, skills and attitudes necessary to make sound financial decisions necessary for achieving financial well-being and resilience.

A cross section of students of Redeemers International School with staff of the Bank at the event centre

GLOBAL MONEY WEEK

“Take Care of Yourself
Take Care of Your Money”
CBN Introduces Naira for Dollar Scheme

By: Ruqayyah Mohammed

The Central Bank of Nigeria has announced the introduction of the “Naira 4 Dollar” Scheme with a N5 incentive for every US$1 remitted into the country by Nigerians in the Diaspora.

This was contained in a circular issued by the Director, Trade and Exchange Department, Dr Ozoemena Nnaji on March 5, 2021 to all Deposit Money Banks and International Money Transfer Operators in which the Bank states that the Naira 4 Dollar Scheme is part of efforts to sustain and encourage increase in inflows of diaspora remittances into the country.

The Scheme, which takes effect from March 8, 2021 and ends on May 8, 2021, stipulates that all recipients of diaspora remittances through the CBN licensed IMTOs will be paid N5 for every $1 received as remittance inflow as an incentive for senders and designated recipients of International Money Transfers.

The Bank notes that the incentive is to be paid to recipients whether they choose to collect the dollars as cash across the counter in a bank or transfer same into their domiciliary account.

In further developments, the Governor, Mr. Godwin Emefiele has explained that the introduction of the CBN Naira 4 Dollar Scheme was aimed at providing Nigerians in the Diaspora with cheaper and more convenient ways of sending remittances to Nigeria.

Mr. Emefiele stated this while delivering the keynote address at the Fidelity Bank Inaugural Diaspora Webinar on the Implications and Impact of the New FX Policy on Diaspora Investments.

He added that the action was also to increase the transparency of remittance inflows and reducing rent-seeking activities, even as he expressed optimism that the new policy measure will encourage banks and financial institutions to develop products and investments vehicles, geared towards attracting investments from Nigerians in the diaspora.

He expressed optimism that the new policy would...
enlarge the scope and scale of foreign exchange inflows into the country and ultimately stabilize the exchange rate and support accretion to external reserves.

More importantly, he said, it would provide an opportunity for Nigerians living abroad to make investments in their home country. Restating the provision of the new circular, Mr. Emefiele said the CBN introduced the rebate of N5 for every $1 of fund remitted to Nigeria, through International Money Transfer Operators (IMTOs) licensed by the Central Bank in order to incentivize the process of remittance.

He explained that the rebate will be provided to the bank accounts of beneficiaries, following receipt of remittance inflows.

The Governor emphasized that the new measure would help to make the process of sending remittance through formal bank channels cheaper and more convenient for Nigerians in the diaspora.

Justifying the Bank’s action, Mr. Emefiele said the employment of reimbursements of remittance fees had been critical in supporting improved inflow of remittances to countries in South Asia and in improving their balance of payments position following the COVID-19 pandemic.

While observing that the average cost of sending $200 worth remittances to Nigeria from the United States was about 4.7 percent, he said studies had shown that even a one percent decrease in cost of sending remittance could result in a significant boost in inflows.

Going further, the Governor disclosed that countries in South Asia such as Pakistan and Bangladesh were aware of this impact and as such they introduced reimbursement schemes to support inflows. He noted that in Pakistan, the scheme had enabled record number of inflows of over $2bn per month even during the COVID-19 pandemic while Bangladesh which introduced its own scheme in June 2019 with a 2 percent rebate on remittance inflows has seen a 20 percent boost in remittance inflows.

Speaking on the issue of round-tripping, the Ag. Director, Corporate Communications Department, Mr. Osita Nwanisobi, said that there was a maximum amount that could be remitted through an IMTO, adding that the decision was a right step in the right direction in reducing the cost burden for Nigerians remitting funds to Nigeria.
The Central Bank of Nigeria (CBN) at its second Monetary Policy Committee (MPC) meeting of the year 2021 has assured members of the public that there was enough foreign exchange in the till to meet their obligations.

The Governor, Mr. Godwin Emefiele, gave the assurance at the end of the bi-monthly Monetary Policy Committee meeting of the Bank in Abuja, where it held the Monetary Policy Rate at 11.5 per cent and retained all other parameters by maintaining the Asymmetric Corridor of +100/-700 basis points around the MPR; Cash Reserve Ratio (CRR) at 27.5 per cent; and the Liquidity Ratio at 30 per cent.

Mr. Emefiele, while responding to concerns that some customers complained of scarcity of forex at the banks, to meet their obligations abroad, allayed their fears disclosing that the nation’s foreign reserves stood at $36.5 billion as at the end of February, representing a rise from its $34.5 billion position in January.

“There is enough foreign exchange for people to meet their obligations. If you have forex obligations, they will be met. There is no need to panic or for everyone to rush to the bank at the same time and create an atmosphere of panic to give some people the opportunity to rip-off innocent people.

CBN disburses not less than $80 million to banks weekly. In fact, we will create a help-desk where people can call the CBN directly to complain if you need forex to pay school fees or BTA and say, he added.

Addressing journalists, Mr. Emefiele said that Nigeria had not changed its foreign exchange management policy, as the Bank has continued to adopt the managed-floating strategy. The Governor said, “Nigeria has not changed its foreign exchange policy. CBN, as the organisation that has the core mandate to manage the foreign
The Governor said, the MPC was concerned that persons and groups were causing insecurity in the food producing areas of the country, thus leading to unprecedented rise in food prices across the country. “MPC reiterates its concerns about persons and groups causing security challenges in the food producing areas of the country as this has contributed to the high food prices across the land.

The Committee, therefore called for a coordinated and collaborated efforts by all relevant agencies and stakeholders towards addressing the security issues and challenges,” Emefiele said.

He added that the members want an urgent action to arrest the ugly situation, which had serious consequences for food security in the country.

On the reason rates were retained with inflation rate at 17.33 per cent and desirous of stimulating growth in an economy that had just exited recession, the Governor admitted that the MPC faced a dilemma during the meeting.

He, however, disclosed that after exhaustive deliberations on whether to cut, hold or raise the MPR, the majority of the members chose to hold the rate with all its parameters.

According to him, “We were faced with contradictions. Tight monetary policy makes credit difficult and so people will not be able to easily access capital to stimulate output growth. As rising inflation confronts you, you want to take steps to reduce the rate of inflation.

However, if you slow down inflation, growth will be affected. Since the country just came out of a recession, care must be taken not to tighten monetary policy in such a way as to discourage activities that will stimulate growth thereby taking us back to recession. We should therefore continue to stimulate economic growth.”

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**CBN disburses N123.34bn to Discos**

... NEMSF gets N89.89bn

By: Ruqayyah Mohammed

The Central Bank of Nigeria (CBN) has disbursed a total of N123.34 Billion to Distribution Companies (DisCos) to improve electricity supply in the country. Nine (9) Discos received N33.45 billion for the procurement of 605,852 meters and N89.89 Billion under the Nigeria Electricity Market Stabilization Facility (NEMSF) to 11 DisCos.

This was disclosed by the CBN Governor, Mr. Godwin Emefiele at the Monetary Policy Committee press briefing held on Tuesday March 23, 2021. Reading the communique, he said “Under the National Mass Metering Programme, N33.45 billion has been disbursed to 9 distribution companies for the procurement of 605,852 meters, while N89.89 billion has been disbursed under the Nigeria Electricity Market Stabilization Facility (NEMSF 2) to 11 distribution companies to improve the electricity supply industry in Nigeria.”

It will be recalled that the Federal Government of Nigeria approved the National Mass Metering Program (NMMP) to close the metering gap of over 10 million which comprises of unmetered customers as well as customers with obsolete meters.

The initiative is to increase Nigeria’s metering rate, eliminate arbitrary estimated billing, support Nigeria’s economic recovery by creating jobs in the local meter value chain, manufacturing, assembling and deployment capacity. This will also increase financial flows to achieve market remittance obligations of the DisCos and improve investment decision making.
The Central Bank of Nigeria (CBN) has emphasized the importance of Information and Communication Technology (ICT) to the growth and development of the Nigerian economy. This is even as the Acting Director, Corporate Communications Department of the Central Bank of Nigeria, (CBN), Mr. Osita Nwanisobi admonished Nigerians, particularly women and youth, to take advantage of the various CBN intervention programmes to enable them to contribute to the nation’s Gross Domestic Product (GDP).

Nwanisobi stated this on Friday, March 26, 2021, during the ‘CBN SPECIAL DAY’ at the 32nd Enugu International Trade Fair with the theme: “Promoting New Technologies, Business Ideas and Strategies for Rapid Economic Growth and Development in Nigeria”.

He noted that the ICT sector emerged as a significant source of resilience in mitigating the impact of COVID-19 on the economy, by contributing over 17.8 percent to GDP growth, by the end of last year - 47 percent higher than its contributions before the advent of COVID.

Mr. Nwanisobi disclosed that the CBN was pushing Deposit Money Banks and other financial institutions to consider viable IT firms in key areas that have the potential to not only serve the needs of the local market but are also able to export ICT related services to countries across the world. “I believe that our ICT industry can make significant contributions to our export earnings,” he added.

The Acting Director equally noted that the Bank had sustained a deliberate drive to deepen financial inclusion by ensuring that majority of eligible Nigerians are banked. To achieve this, he said that “the CBN last year issued Payment Service Banks licenses to three firms, which are expected to leverage ICT channels in improving the penetration of digital financial services and products in Nigeria”.

Meanwhile, the Bank has urged Nigerians, particularly women and youth, to access the Bank’s intervention schemes such as the Anchor Borrowers Programme (ABP), Targeted Credit Facility (TCF), Commodity Development Initiatives (CDI), the Creative Industry Financing Initiatives (CIFI), the Micro Small and Medium Enterprises Development Facility (MSMEDF) and the Agri-
business/Small and Medium Enterprises Investment Scheme (AGSMEIS), amongst others, in order to make their contribution to the country's Gross Domestic Product (GDP).

Highlighting the impact of the schemes, Nwanisobi said the Bank's targeted interventions in critical sectors such as agriculture, manufacturing, electricity and construction among others, cumulatively represented over 3.5 percent of Nigeria's GDP.

Specifically, the Acting Director said the Bank created a N150 billion Targeted Credit Facility (TCF), for affected households and Small and Medium Enterprises (SMEs) through the NIRSAL Microfinance Bank with the extension of one-year moratorium on principal repayments for CBN interventions facilities, adding that the fund was increased to N300 billion in order to accommodate many beneficiaries and boost consumer expenditure for the purpose of positively impacting output growth.

According to Nwanisobi, the Bank also established a N1trillion facility to boost local manufacturing and production across the country, adding that the Bank recently disbursed the first batch of grants under the Health Sector Research and Development Intervention Scheme (HSRDIS) to five researchers in various medical fields, who were assessed by the Body of Experts (BoE), and chaired by the Director General of the Food and Drug Administration and Control (NAFDAC), to ensure credibility of the process.

Explaining further on interventions in the health sector, he said that “the HSRDIS was designed to trigger intense national Research and Development activities to develop a Nigerian vaccine, drugs and herbal medicines against the spread of COVID-19 and any other communicable and non-communicable diseases through the provision of grants to biotechnical and pharmaceutical companies, institutions, researchers and research institutes for the research and development of drugs, herbal medicines for the control, prevention and treatment of infectious diseases”.

Earlier in his opening remarks, President of the Enugu Chamber of Commerce, Industry, Mines, and Agriculture, (ECCIMA), Sir Emeka Nwandu commended the CBN and the Bankers' Committee for their efforts at ensuring that affordable credit facilities are made available to the SMEs at the rate of 5% interest.

He, however, expressed worry at the slow pace of disbursement, especially since the second quarter of 2020 and counselled the Bank to develop a better disbursement strategy to save the indigenous businesses and the industrial sector from imminent collapse.

The event was attended by management team of ECCIMA, other stakeholders in the agricultural sector, Small and Medium Enterprises and the general public etc.

Highlight of the event was a tour of the CBN Pavilion, where the Director of CCD led staff of the CCD and other SBUs in attending to enquiries from members of the general public.
The Central Bank of Nigeria (CBN) has rewarded Udeng Benett Etido from Enugu, Enugu State, who emerged overall winner of the Social Media Challenge organized by the Bank on March 21, 2021, as part of its activities to commemorate the 2021 Global Money Week.

Other winners of the talent hunt organized for Nigerian youth between the ages of 18 and 35 years, were Fortune Oluwatimilehin from Lagos, who emerged first runner-up and Ephraim Okoi Arikpo, a 23-year-old graduate of the University of Calabar, who clinched the third prize.

Presenting Etido with the star prize in Enugu, recently, the Head, Consumer Education Division of the CBN Consumer Protection Department, Mrs. Chinyere Nwobilor disclosed that his entry was adjudged the best out of the ten on the final short-list for its uniqueness and didactic message, which she noted majority could identify with.

Speaking in Lagos, where the second-place winner, Oluwatimilehin, was presented his prize, the Acting Director, Consumer Protection Department, Mr. Yinka Ahmed said the Bank was committed to inspiring children and youth to learn more about money, by caring for, earning and saving money, with a view to becoming entrepreneurs.

Mr. Arikpo, who came third, was presented his prize in Calabar by Mr. Oludamola Atanda, the Head, Financial Literacy Office of the Consumer Protection Department of the CBN, who represented the Acting Director.

Over 500 contestants submitted entries for the talent competition, from which ten of the top entries were shortlisted for the final selection by a panel of judges from the CBN.

Other activities during the Global Money Week aimed at deepening financial inclusion included School mentoring programmes by the CBN Deputy Governor, Financial System Stability, Mrs. Aishah Ahmad.
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1. **Why is the CBN the only bank that can issue the Naira?**

Section 2b and Section 17 of the CBN act gives the CBN the sole right to issue currency notes and coins throughout Nigeria and neither the Federal Government nor any state Government, Local Government, other person or authority shall issue currency notes, banknotes or coins or any document or token payable to bearer on demand being document or token which are to pass as legal tender. Section 18 of the CBN act also gives CBN the power to print banknotes and mint coins.

2. **Are machines for printing money available for purchase by the public?**

No. The machines are only available to issuing authorities on request.

3. **What Department of the CBN is responsible for the printing of money?**

Currency Operations Department.

4. **What is the purpose of printing polymer notes?**

To extend the life span of the banknotes as the polymer notes lasts three times longer than the paper banknotes.

5. **How long does the polymer note last?**

18 to 24 months.

6. **Where can one change currency notes?**

Deposit Money Banks (DMBs) and CBN.

7. **Can coins be deposited in the Banks?**

Yes.

8. **How are new currencies circulated?**

CBN evacuates the finished banknotes form Nigerian Security Printing & Minting (NSPM) Plc for distribution to all CBN branches. The branch further distributes the banknotes to DMBs where they are finally released to the public via withdrawals.

9. **Why are there no new currencies in circulation?**

Analysis of the currency in circulation showed that a large and increasing proportion of the Nigerian currency outside the commercial banking system (COB) is held by the general public who hoard a lot of the new banknotes.

10. **Why are the lower denomination banknotes scarce?**

The scarcity of lower denomination could be linked to the fact that these notes are held by the public. Absence of Automated Teller Machines (ATM) dedicated to dispense lower denominations has also contributed to the dearth of lower denomination in circulation.

11. **Why are there huge numbers of dirty One Hundred Naira notes in circulation?**

Handling habits of the general public such as, squeezing, staining, spraying etc. greatly contributes to soiling of the banknotes.

12. **In view of the fact that our politicians and leaders abuse the naira at rallies and public events, how do we expect the people to treat the naira with care?**

CBN constantly sensitizes the general public, politicians and leaders through public enlightenment campaigns through the print and electronic media on how to properly handle the naira. Further sensitization campaigns are arranged to engage politicians, leaders and other respected elders to make them change champions of the Bank’s Clean Notes Policy. This would enable the public follow suit.
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Discretionary Monetary Policy: These are deliberate actions taken by the monetary authority to influence money supply in the system with a view to achieving its mandates.

Direct Monetary Policy: This involves the use of quantitative monetary controls such as credit ceilings, credit rationing and statutory liquidity ratios to control the amount of money in circulation.

Indirect Monetary Policy: This involves the use of market based instruments such as open market operations for the implementation of monetary policy.

Price stability: In an economy this means the general price level does not change much over time. Prices neither goes up or down.

Exchange Rate Channel: This arises when the exchange rate become the intermediate policy variable for transmission of monetary policy impulses.

Interest Rate Channel: This is a monetary policy transmission mechanism channel where by changes to the policy are propagated through interest rates to inflation.

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 Nigeria do a follow up.

That if you make a complaint to your bank on card related and funds transfer issues, and it is not resolved after 72 hours, 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 is not resolved after 14 days grace period stipulated the by Central Bank of Nigeria (CBN), 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 recitified 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