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CENTRAL BANK OF NIGERIA

Press Release

Nigeria's Current Economic Situation: Our Case

The Central Bank of Nigeria (CBN) has observed with great concern the continued and unwarranted attack on its policies by a group of Nigerians, whose real interests, findings have shown, are anything near altruistic but rather self-serving and unpatriotic.

While we respect the rights of every Nigerian or stakeholder to their respective views, we find it curious that certain interests have remained persistent in their move to misinform the larger public, with the intention of discrediting genuine efforts at managing the economy, thereby creating public distrust and panic within the financial system.

Indeed, self-centered individuals, who have failed to assail our patriotic position, have resorted to the sponsorship of serial propaganda to misinform and mislead the public on the objectives of our policies.

Intelligence reports at the disposal of the Bank reveal the involvement of some unpatriotic elements funding the push to have the CBN and the Federal Government reverse its FOREX policy, which is aimed at conserving foreign exchange, stimulating agriculture and manufacturing and also promoting exports.

The present economic challenges that we face have been worsened by our past practice of frittering away huge earnings made from oil sales, over the years.

As we have explained severally, our decisions on FOREX management are prompted by the challenge posed by the level of depletion of the country's reserves, arising from issues such as a drastic reduction in oil earnings, speculative attacks and round tripping.

It is pertinent to note that pressures on the country's foreign reserves have persisted due to a huge fall in the monthly foreign earnings, which fell from over US \$3.2 billion sometime in 2013 to below \$500 million per month sometime in 2016, when the demand for the US dollar, particularly by importers, continued to rise considerably.

In spite of the challenges and the basic economic fact that countries earn dollars from international trade, we have ensured we meet the genuine demand of importers to pay for eligible imports and other transactions within available resources.

Furthermore, the Bank has continued to ensure that there is liquidity and transparency in the FOREX market.

For the avoidance of doubt, the Central Bank of Nigeria (CBN) continues to:

- i. Ensure that inflation remains within manageable limits;
- ii. Intervene in critical sectors of the economy, through injection of much-needed capital to promote growth and employment;
- iii. Promote export-driven industrialisation;
- iv. Provide access to credit to farmers and small scale entrepreneurs at single digit rates, to create wealth;
- v. Protect the interest of Bank customers in Nigeria; and above all,
- vi. Ensure that the masses of our country's low income earners are protected from the vagaries of high naira depreciation.

Despite our positive efforts, some persons and groups have chosen to play to the gallery by focusing on negativity that does the country no good.

Nevertheless, in line with our mandate and working with the fiscal authorities, we will continue to ensure monetary and price stability as well as maintain external reserves to safeguard the international value of the Naira.

While leaving our doors open for genuine partnership with all our stakeholders, we will only take economic decisions that will impact positively on the lives of all Nigerians.

We therefore urge all concerned to be more patriotic and contribute to the soundness of the Nigerian economy; rather than engage in acts capable of undermining the efforts being made at moving the country out of the current economic situation.



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