

**STATEMENT BY
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(Original : English)

**His Excellency, Chairman of the Board of Governors,
Your Excellencies, Governors and Alternate Governors,
His Excellency, President, Islamic Development Bank Group,
Distinguished ladies and gentlemen.**

I wish to congratulate the President and Management Team of the IDB Group for a well-organized Annual Meeting. I also wish to thank the President and the Government and the people of Indonesia for the warm hospitality accorded to us since our arrival here, in this beautiful capital city of Jakarta. I am honoured for the opportunity to address this 2016 Annual meeting of the Board of Governors of the Islamic Development Bank (IsDB) on behalf of the government and people of the Federal Republic of Nigeria. I wish to commend IDB for its assistance to Nigeria particularly the establishment of a country field office and initiating a Member Country Partnership Strategies (MCPSs) Program for Nigeria. These initiatives will strengthen the relationship with the Bank and allow it to increase its assistance to Nigeria, especially during these trying times.

Nigerian Economic Outlook:

The Nigerian economy is still experiencing a slow down due to the global fall in commodity prices particularly the steep fall in oil prices. Although oil only accounts for about 12% of our GDP, it unfortunately accounts for about 70% of Government revenues and 90% of our foreign exchange earnings. It is therefore not a surprise that our reserves have been adversely affected. We have been forced to take some administrative measures to reduce the pressure on our reserves. This has also adversely affected the performance of the Nigerian economy. In 2015, Nigeria's GDP grew only by 2.79%, less than half of the 6.22% recorded in 2014. As at March 2016, inflation was 12.8% , going up from the single digit reflecting a pass through effect of the foreign exchange rationing and import restrictions.

Government Agenda:

Given the current down-turn in the economy due to the oil price slump, the new Administration which came into power in May 2015 has taken several measures to reposition the economy on the path of prosperity. The key focus of the measures are in the following areas:

1. Ensuring adequate security of life and property by intensifying the fight against insurgency.
2. Revamping and rejuvenating the economy; and
3. Fighting corruption.

In recent times, the government has defeated the Boko Haram insurgents in the North-East of the country and taken over all the territories under their control. The military is currently conducting mopping up exercises to ensure a complete return to normalcy in the North-East Region and resettlement. We call on IDB to join other Multilateral Development Banks to provide humanitarian assistance needed to restore normalcy. The Government has also embarked on

measures to root out corruption by prosecuting corrupt officials and eliminating fraud and wastages from the system through greater efficiency and accountability in public expenditure. For example we have been able to eliminate a large number of ghost workers from the pay roll system which accounts for Over 70% of recurrent expenditure. In 2016, we have increased capital expenditure in the Federal Government budgets to 30% of total spending compared to 11% in 2015. Savings realized from greater efficiencies, from the fight against corruption as well as borrowings from domestic and foreign sources will be channelled into infrastructure projects in the power, transport, agriculture and social sectors which will lead to economic growth and improvement in the livelihood of Nigerians.

While the fall in oil price has been unfortunate and led to hardship for our people, many analysts say it is a blessing in disguise. It has forced us to pay greater attention to diversification of the economy and the forces of government revenues and exports earnings. The measures being taken will put us on a more sustainable and inclusive growth path. They will make us less vulnerable to future commodity price shocks. It has also gingered us into increasing our efforts at internal revenue mobilization which has great potentials considering the low level of contributions of oil revenues to our GDP. These measures have yielded very promising results thus far.

We will at this juncture, like to call on IDB to increase its financial, humanitarian and technical assistance to Nigeria to enable us achieve these laudable goals. (In addition, we call on the Bank Group to create forum where member-states who are almost all commodity exporting countries particularly oil, to share ideas on how they are dealing with the loss in revenue from oil exports. Such exchange of ideas enable member countries avoid pit falls and difficulties experienced by others, while imbibing success achieved by others).

Conclusion:

On behalf of the Government and people of the Federal Republic of Nigeria, I wish to place on record our appreciation to the Islamic Development Bank under the able leadership of its distinguished President, Dr. Ahmad Mohamed Ali Al Madani, for their dedication to assisting Nigeria in its quest to engender inclusive growth, alleviate extreme poverty, promote private sector development, and addressing the critical infrastructure needs of the country.

Finally, we must state that we were very sad to learn of the departure of the President of the IDB, Dr. Ali Al Madani from the Bank which he nurtured for the past 45 years from a very humble beginning to its current enviable position of one of the best Multilateral Development Banks in the world (on the same level as the Bretton Woods Institutions founded since 1945 and the African Development Bank). We do not wish to try to mention all the numerous achievements of Dr. Ali because this will require many hours which we don't have but suffice it to say that history will record Dr. Ahmad's name in gold. While we are sad to see him leave, we respect his decision to relinquish his appointment and pray that Allah (SWT) will bless him and reward him for all the good things he has done for the Bank. On behalf of the Federal Republic of Nigeria, we bid Dr. Ali farewell and welcome his successor Dr. Bandar bin Mohammed bin Hamza Asaad Hajjar who comes to the job with a rich experience and qualifications which will ensure that he hits the ground running and take the Bank to greater heights.

Thank you for your attention.