



Jeddah 2017
42nd ANNUAL MEETING
ISLAMIC DEVELOPMENT BANK GROUP

Statement of the IDB Governor for the Federal Republic Of Nigeria

The 42nd Annual Meeting of the IDB Board of Governors
Jeddah – Kingdom of Saudi Arabia
20 – 22 Sha’baan 1438H (16 - 18 May 2017)

Original Text
(English)

Your Excellency, Chairman of the BoG
Your Excellency, Governors and Alternate Governors.
Your Excellency, President IDB Group.
Distinguished Ladies and Gentlemen.

On behalf of the government and the people of Nigeria, I would like to thank the Custodian of the two holy Mosques, His Excellency, the government and the people of Saudi Arabia for the warm hospitality and reception accorded us since our arrival. It is also an honour and distinct privilege to address this 2017 Annual Meeting of the Board of Governors (BOG) of the Islamic Development Bank (IDB). I want to use this opportunity to also congratulate the President, Dr. Bandar M. H. Hajjar and Management of the IDB Group for a well-organized Annual Meeting.

I will also like to join other Governors who spoke before me to put on record Nigeria's appreciation to Dr. Ahmad Mohamed Ali Al Madani for his lifelong service to the Islamic Development Bank and wish him well in the next phase of his life. I also want to acknowledge the various initiatives by the IDB group and the cordial working relations with Nigeria, especially since the establishment and official opening of the Country Gateway Office which will serve as a regional hub for the sub-region. The support and encouragement received from the IDB Group has put Nigeria in good stead particularly in addressing the current challenges facing the Country including that of rebuilding and restoring economic reconstruction of the North East and the Delta region.

I will now speak briefly on the Nigerian economy.

The Nigerian Economy:

As you are all aware, Nigeria was one of the countries hardest hit by the commodity price decline in this case oil. The budgetary impact of revenue losses to the country and balance of payment pressures remain considerable. Given the foregoing scenario, the present administration of President Muhammadu Buhari, embarked on series of measures/reforms to mitigate these pressures through series of interventions, such as growing of the non-oil sector base through increased efficiency of tax and customs collections, reduce cost of doing business, support for agriculture, infrastructure and manufacturing as well as reflating the economy through special fiscal support to sub-nationals among several other measures. The security situation has improved considerably, and investor confidence is on the rebound. Through all these, we have remained steady and focused in our fight against corruption, strengthening institutions and improving overall governance. Arising from all these, among others, it is heartwarming to say that Nigeria will be out of recession soon.

All these efforts and interventions are anchored on the Nigerian Economic Recovery and Growth Plan (NERGP). Let me now say a few words about the Nigeria Economy and Growth Recovery Plan

The Nigerian Economic Recovery and Growth Plan (NERGP)

Given Nigeria's resource endowments both in terms of its human and natural resources endowments, there is no doubt that Nigeria has the potential to become a major player in the global economy. However, these potentials have remained largely untapped, leaving the

economy to operate at a sub-optimal growth level. In order to move Nigeria towards a stable macroeconomic situation, re-start the growth engine after the recent growth slump, towards a strong, virile and sustainable growth trajectory, The Federal Government came up with a comprehensive plan – The Nigerian Economic Recovery Growth Plan (NERGP). which was launched on March 7, 2017.

The Focus of the NERGP is to restore macroeconomic stability and diversify the economy (especially from oil domination); make business environment more conducive and competitive; and improve Nigeria’s governance and security.

In implementing the NERGP, Government of Nigeria will deploy the core Strategic Implementation Plan (SIP) which encapsulates the necessary measures required for increasing public and private investments, prioritization of the support for sectors with comparative and competitive advantages, tackling the inherent obstacles to doing business, providing high-quality infrastructure and the promotion of social inclusion. The target is to grow the GDP to a 7% level, a rate which would be driven strongly by the non-oil sector growth, particularly agriculture, manufacturing and solid minerals.

The NERGP differs from previous plans in several ways. As a four- year plan, the implementation focuses on the very core of the delivery strategy of the plan (within the 4-years span). More than ever before, there is a strong commitment and political will at the highest level to facilitate the implementation of this Plan. Also, the Plan outlines specific new and bold initiatives which is anchored on collaboration with the private sector. Under this plan, the intention to expand and deepen private sector investments in agriculture, power, manufacturing and solid minerals and services sectors of the Nigerian economy. The government will support the private sector to become the engine of national growth and development, away from the hitherto heavy dependence on the government and oil. As part of its overall strategy to carry everyone along, The Federal Government will actively collaborate with the sub-nationals government about 36 of them to foster cohesion in the management of the Nigerian economy

Even though, the approach under the new ERGP is to de-emphasize the role of oil, but given the contribution of oil to fiscal revenue and foreign exchange earnings, the plan provides for comprehensive reform of the entire oil and gas sector across the whole value chain to ensure that Nigeria obtains maximum benefits from this vital sector. Part of this effort is , privatizing selected public enterprises/assets and revamp local refineries to reduce petroleum products imports by 60% by target year 2018. Other important and strategic initiatives include: huge investments in infrastructure especially power, economic reconstruction of the North East and environmental restoration projects in the Niger Delta as part of Governments’ efforts to bring environmentally sustainability to the forefront of its policies. Let me say here that ERGP is an ambitious plan the implementation of the Nigeria ERGP by the year 2020 will require all hands on deck. Nigeria expects all partners- most importantly the Islamic Development Bank to join us in this very ambitious journey to meet the development aspirations of our people. It is this regard that we want IDB to be more visible and deliver signature infrastructure projects in Nigeria. Already, we appreciate their intervention in Water, health, education with a number of our State Governments, but we want IDB to do more. Also, given IDB’s unique role as Islamic Bank with multiplicity of intervention instruments not available to traditional development banks, we expect

IDB to bold and work collaboratively with other MDBs to ensure overall complementarity in all development intervention in Nigeria. Let me put

Conclusion

In conclusion, I want to express Nigeria's appreciation to IDB in supporting our economic and development aspirations and for upgrading the Nigerian office to a regional hub which will be responsible for other countries in the sub-region. This no doubt go along way cementing the already good relationship the I will however, use this opportunity to reiterate our call on IDB, to increase its financial and technical assistance to Nigeria to fast track the achievement of her numerous economic, developmental and inclusive growth goals.

I thank you all for your attention.