



Statement of the IDB Governor for the Federal Republic of Nigeria

The 43rd Annual Meeting of the IDB Board of Governors
Tunis – Republic of Tunisia
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Original Text
(English)

**His Excellency, Chairman of the BoG of the Islamic Development Bank,
Your Excellencies, Governors and Alternate Governors,
His Excellency, President IDB Group,
Distinguished Ladies and Gentlemen,**

It is my honour and distinct privilege to address this 2018 Annual Meeting of the Board of Governors (BOG) of the Islamic Development Bank (IDB). On behalf of the government and the people of Nigeria, I would like to thank the government and the people of Tunisia for the warm hospitality and reception accorded us since our arrival. I also want to use this opportunity to congratulate the President Bandar Mohammed. H. Hajjar and Management of the IDB Group for a well-organized Annual Meeting.

I want to use this opportunity to acknowledge the various initiatives by the IDB group and its cordial working relations with Nigeria, in different aspects of IDB's partnership with Nigeria, especially the change in status of the Country Gateway Office to a Regional Hub for the sub-region. I also want to appreciate the continuing support and encouragement received from the IDB and other members of its Group, which has put Nigeria in good stead particularly in addressing the current challenges facing the Country including, restoring macroeconomic stability, re-starting the growth engine after emerging from recession. IDB's support for the North East of the country is also well appreciated. In this regard, the Federal Government of Nigeria wishes to thank the IDB for its intervention in form of a grant of US\$274,000 for emergency relief assistance in the region. There is still much to be done and the Government of Nigeria is willing to further partner with the IDB to rebuild the entire zone.

I am glad to inform you that the Bilingual Education Project involving a selected number of States in Nigeria which had been stalled for a while has finally kicked off. The Federal Government of Nigeria wishes to thank the IDB for its cooperation and guidance in actualizing the objectives of this programme.

Permit me also, to draw attention to the recent sales price and terms on IDB Loans to Nigeria linked to LIBOR particularly on recent facilities negotiated with the Bank. The Federal Government of Nigeria is concerned about the level, affordability of foreign currency loans. In this respect rising loans service charges is becoming an issue of concern. . Therefore, I would like to call specific attention to this, with a view to IDB reconsidering its loan pricing to some of our countries. This is to avoid unnecessarily prolonged period of negotiation and subsequently the effectiveness of future loans to Nigeria.

The Nigerian Economy

I will like to use this opportunity to speak briefly on our focus and expectations for the Nigerian economy. It is heartwarming to note that Nigeria has successfully exited economic recession and is now on a path of steady growth. To move Nigeria towards a stable macroeconomic situation and sustainable growth trajectory, the Federal Government came up with a comprehensive plan – The Nigerian Economic Recovery Growth Plan (ERGP), which was launched on March 7, 2017. The Federal Government with support from the 36 State Governments is systematically implementing the ERGP.

Central to this Plan is the diversification of the economy, away from the dominance of crude oil. There has been a change in the growth model to deliver inclusive and sustainable growth by broadening the range of economic activities in the country. The tax base is being widened to garner more revenue and provide resources to plug the huge infrastructure gap. In this vein, the Federal Government of Nigeria is investing massively in the area of infrastructure – Power, Road, Rail, Water Resources, among others. Also, Government is investing hugely in Agriculture, Solid Minerals and generally improving the business climate to encourage private investments in other sectors of the economy.

Nigeria and indeed the wider African region with their extensive and expansive population and market are potential destinations for the development of Islamic financing/investments. In Nigeria, our focus is on how to attract Foreign Direct Investment and effectively mobilize domestic resources. As you may already know, one of the critical economic thrusts of President Muhammadu Buhari's administration is the diversification of the Federal Government revenue away from overdependence on oil so that our economy can be shielded from the vagaries of oil prices which are mostly determined exogenously. As such, a significant amount of efforts has gone in to driving domestic revenue mobilization, particularly through increase in tax collection and plugging loopholes in order to improve our economy and foster sustainable growth and development. We call on IDB to complement our efforts by coming up with innovative financing mechanism to finance and grow the economy, particularly the private sector which is the sector that can fast track this growth and put the economy on a path of sustainable economic development.

Huge opportunities abound in Nigeria. These opportunities are huge in the Power sector, in road, railway, housing, water supply, education and health. This is complimented by government's efforts at improving governance and the Ease of Doing Business, which is rapidly yielding results as evidenced in Nigeria's recent 24-point-leap on the latest EODB list recently released by the World Bank. On this note, I implore the IDB to take a closer look at the new and attractive opportunities in Nigeria with a view to supporting Nigeria in financing and investing in the numerous projects across the vast expanse of the country.

I will be remiss if I do not express Nigeria's appreciation to the IDB for its support to Nigeria over the years and particularly in recent time. I assure you also of our cooperation and will continue to give adequate support to the IDB regional office in Abuja, Nigeria. Once again let me thank the Tunisian authorities and all those who have in one way or the other contributed to the success of this 2018 Annual Meeting of the IDB. We look forward to a continuing cordial relationship between IDB and Nigeria.

I thank you all for listening.