

## ***INVESTING IN NIGERIA'S NEW ECONOMY***

*ADDRESS DELIVERED AT THE CAPITAL MARKET SOLICITORS ASSOCIATION 2018 ANNUAL BUSINESS LUNCHEON*

*LAGOS CONTINENTAL HOTEL, LAGOS STATE*

***Wednesday, April 25, 2018***

### **PROTOCOL**

1. Distinguished guests, ladies and gentlemen, good morning.
2. It is my pleasure to welcome you all to the Capital Market Solicitors Association 2018 Annual Business Luncheon.
3. Let me start by commending the organizers for coming up with an event like this, where leaders of thought in various areas of finance and the capital market, as well as regulators, gather to share ideas on advancing the Nigerian economy.
4. There is no doubt that the topic '**Investing in Nigeria's New Economy**', is very relevant to the Nigerian economy as investment plays a critical role in the growth and development of economies.
5. As a matter of fact, it is practically impossible to see remarkable economic progress in the absence of adequate and quality investments.
6. Investments have to be analyzed in the context of the economy of a country. A brief background on the Nigerian economy will be useful.
7. The Nigerian economy is structured such that Agriculture contributed 25.08% to the 2017 GDP; the Industrial sector contributed 22.26% while the Services sector contributed 52.66%.
8. Further, there has been a steady decline in the inflation rate to 13.34% in March 2018, which is now below the benchmark interest rates of 14%. The official and parallel exchange rates have stabilized at N305.7/\$ and N362/\$ respectively. Unemployment/underemployment on the hand has risen to about 40% by the end of the third quarter of 2017.
9. Nigeria's new economy can be looked at in two aspects. The first is **the new structural changes emanating from the rebasing of the economy** and the second is **the planned/envisaged structural changes in the economy, especially those that derive from the government's Economic Recovery and Growth Plan (ERGP)**.
10. The rebasing led to the inclusion of sectors which were previously not captured or were underreported; such sectors include ICT, Art, Culture and Entertainment, etc. These are definitely new and growing sectors that require investments.

11. The ERGP aims to diversify the Nigerian economy by achieving food and energy sufficiency, doubling manufacturing output, focusing on Small and Medium Scale Enterprises and raising internet access, among others.

12. These new areas will require both domestic and foreign investment; since the country's current level of investment will not be sufficient to bring about the desired changes.

13. At the domestic level, government and private investments are required. The Government will need to allocate more to capital expenditure, and this should cut across all tiers of government.

14. The private sector should be encouraged to save more and these savings will be aggregated and channeled towards productive investments.

15. Foreign investment should be a balance between Foreign Direct Investment and Foreign Portfolio Investment coupled with the right policies and enabling environment to attract investments in the new Nigerian economy.

16. Constraints such as multiple exchange rates, high interest rate, regulatory bottlenecks as well as other market imperfections will need to be removed.

17. The capital market will definitely play an important role in attracting and sustaining the needed investment in the new Nigeria's economy through many of its investment vehicles such as Infrastructure funds, Sukuk, Revenue bonds, corporate bonds and equities listings.

18. Having seen the profile of the keynote speaker, especially the new initiatives being implemented at the Nigerian Investment Promotion Commission as well as those of other Panelists, I have no doubt that justice will be done to the topic before us today.

19. I, therefore, urge you all to take full advantage of this forum to learn from and contribute to the discussions towards raising investments in the critical sectors of the Nigerian economy.

20. Once again, I congratulate the Capital Market Solicitors Association for organizing this event and wish you all a successful outing.

21. Thank you and God bless.

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