



FEDERAL REPUBLIC OF NIGERIA

Opening Speech by

SENATOR UDOMA UDO UDOMA, CON
Honourable Minister of Budget and National Planning

At

**The 2017 (16th) National Council on Development Planning (NCDP)
Meetings Held at Minna, Niger State**

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Protocol

I am delighted to welcome you to the 16th meeting of the National Council on Development Planning (NCDP) taking place here in Minna, the capital city of Niger State. This meeting is organized by the Ministry of Budget and National Planning, in collaboration with the Niger State Government, under the theme, “The Economic Recovery and Growth Plan: Roadmap to Inclusive Growth, Resilient and Competitive Economy”.

2. Let me express my appreciation to His Excellency, the Executive Governor of Niger State, Alhaji Abubakar Sani Bello and the good people of Niger State for accepting to host this meeting. The warm reception and hospitality extended to me and my delegation, as well as all participants, is an indication that the choice of Niger State for this meeting was, certainly, the right one. I must also acknowledge and commend His Excellency, Governor Bello, for his passionate zeal in transforming the State, through the continued search for solutions to the challenges that affect our common interest as a people, and as a nation. The recent successful hosting of a two-day economic summit with the theme: ‘Impact Investing for Advancing Agricultural Economy and Innovation’ bears ample testimony to the desire of the Governor for rapid growth and development of the State. The Summit theme coincided with the current efforts of the Federal Government to restructure the economy for growth and development as set out in the Economic Recovery and Growth Plan (ERGP), 2017-2020. Your Excellency, I congratulate you for all you are doing for your people, and your State.

3. Your Excellencies, Distinguished Ladies and Gentlemen, when we met in Kano last year, the focus of our deliberations was the Sustainable Development Goals (SDGs) and the strategies for its successful implementation. The Communique from that meeting provided a detailed Implementation Plan which is receiving necessary action by the various governments at the Federal and State levels.

4. Economic transformation of Nigeria has always been an important element of President Buhari's agenda for Nigeria. You will all recall that on assumption of office, the Buhari Administration was confronted with serious economic challenges. The immediate cause was the collapse of crude oil prices, on which we have been overly dependent. Starting from 2014 when the crude oil price was over US\$110, it collapsed to below US\$30 per barrel in early 2016. The collapse of crude oil prices was compounded by production disruptions in the Niger Delta region, and serious mis-management and corruption under the previous administration. All this led to a continuous economic decline and the economy finally slipped into a recession.

5. And as you know, a recession can easily degenerate into a depression, if nothing is done. But this is an Administration that came in on the mantra of change and we acted decisively. We immediately launched the Strategic Implementation Plan (SIP) for the 2016 Budget which consisted of a compendium of short term actions that were aimed at stopping the economic downturn. We followed this up with the unveiling of the medium-term Economic Recovery and Growth Plan [ERGP] (2017-2020). This Plan, which was developed after extensive

consultations with the States and the private sector, is a well-articulated plan aimed at **restoring growth, investing in our people and building a globally competitive economy**. The ERGP was formally launched by His Excellency President Muhammadu Buhari, GCFR on the 5th of April, 2017, though important elements of it had already been integrated into the 2017 Budget, which was presented to the National Assembly in December, 2016.

6. Your Excellencies, Distinguished Ladies and Gentlemen, the measures introduced under the SIP and the ERGP, have had an immediate impact. As you know, the economy is now recovering as the economic slide has been reversed. We have now exited recession. This happened in the 2nd quarter of 2017, with a 0.72% growth of the GDP. This has been consolidated further with a GDP growth of 1.40% in the 3rd quarter, as announced recently by the National Bureau of Statistics (NBS). In addition, we have some more good news. The inflation rate has been continuously declining since the beginning of the year. It dropped from 18.72% in January 2017 to 15.91% by October 2017 (ERGP targeted 15.74% for 2017); our foreign reserves have increased from a low of just \$23 billion in October 2016 to over \$34.9 billion as at 13th November, 2017; and we have also witnessed a considerable decline in our import bills from an average of about \$5.5 billion a month in 2014 to \$1.9 billion a month by half year 2017.

7. Similarly, the balance of payments, stock market and purchasing managers' indices for Q3 2017 have also been positive, while stability has been restored in our foreign exchange market. An important sign that confidence in Nigeria, and confidence in the management of the Nigerian economy, is coming back is the

current trend in the volume of capital importation. As at Q1, the total value of capital imported into Nigeria was estimated to be \$908.27 million. As at Q2 it had increased to \$1,792.3 million - an increase of 95.02%. By Q3 it had risen much further to \$ 4,145.09 million. This represents a growth of 131.3% over the value in Q2.

8. But the good news does not stop there. It will be recalled that as part of our strategies to improve the environment for doing business in Nigeria, we decided to introduce reforms with the aim of improving our World Bank “global ease of doing business” rankings. We were ranked as 169 and we felt we could do much better than that. We therefore set ourselves an aggressive target of moving up by 20 places to 149 by the end of 2017. To achieve this, we introduced reforms in business registration processes, visa and border formalities, land and title registration, investment processes, amongst others. Many of these required our working closely with State Governments and I must register the appreciation of the Federal Government to the State Governors for your role in the implementation of these reforms. To our pleasant surprise when the World Bank released its latest rankings, a few weeks ago, Nigeria had not just moved up 20 places, which was our target; but we had actually moved up 24 places from 169th to 145th. In addition, we were ranked as one of the top ten reforming countries in the World!

9. This is all very cheering news! As a country, there is no doubt that we are moving in the right direction. Our reforms are working. However, we cannot rest on our oars. We have more work to do to sustain, and accelerate the momentum. With an estimated population growth of almost 3%, a growth rate of a little over

1% can hardly be felt. We need to work hard to ensure that we achieve our ERGP growth target of 3.5% for 2018 and 7% by the year 2020. Indeed, if we keep on working hard and sustaining the tempo there is no reason why we cannot achieve a growth rate of up to 10% in succeeding years. Nigeria has the people, we have the energy and we have the resources to achieve this. Let us not relent until we are growing at a rate that can turn us into the economic powerhouse of Africa, and even the World.

10. Your Excellencies, Distinguished Ladies and Gentlemen, we are gathered here to develop more measures to keep up this tempo. At this year's National Council on Development Planning (NCDP), we must deliberate on how we can sustain and accelerate this momentum. This has to be our focus. At the various meetings of top planners, policy experts, and managers which have been going on for the last two days, here in Minna, I believe the deliberations must have focused on the strategies to drive further the successes we have achieved, so far, in the implementation of the ERGP. In short, participants should have spent the last two days examining how we can more effectively use the ERGP as our roadmap to achieve inclusive growth, and build a resilient and competitive economy. In this way, we will be able to achieve the goal this Administration set for itself of building a sustainable, inclusive and diversified development and growth of our country. Let us always keep in mind that the goal is to be the economic powerhouse of Africa. A country where, as our President, Muhammadu Buhari reminds us, we must be able to ***grow what we eat and consume what we make***. And beyond that, produce enough for our neighbours, and the African continent.

11. And how does the ERGP expect this to be achieved? Firstly, by focusing on our five key execution priorities. These five priorities are (i) Stabilizing the macroeconomic environment; (ii) Achieving agricultural productivity and food security; (iii) Ensuring energy sufficiency in power and petroleum products; (iv) Improving transport infrastructure; and (v) driving industrialization with a strong focus on Small and Medium Scale Enterprises (SMEs).

12. Your Excellencies, Distinguished Ladies and Gentlemen, we cannot achieve any of these five priorities unless we work closely with the States. As Honourable Commissioners responsible for Economic Planning and Budget in your respective States, your support is critical to the realization of the objectives of the ERGP. This is particularly pronounced in areas such as agricultural transformation because agricultural land is in the States. The Federal Government owns only very minimal land with agricultural potential. Indeed, almost all commercial activity is conducted in States. So, whether one is talking about solid minerals development or manufacturing, MSMEs development or employment generation, the Federal Government has to work very closely with the State Governments to achieve any meaningful impact. This was why we collaborated extensively with the States in developing the ERGP. We are also encouraging States to align their development plans with the ERGP so that there can be synergy between the Federal Government and the States.

13. At the Federal level, we have ensured that our annual budgets are drawn from the ERGP. Government spending is therefore driven by the Plan. As mandated by the ERGP, we have increased the allocation to capital expenditure from the 16%

provided for in the 2015 Budget, to a minimum of 30%. We achieved this in 2016, as well as in 2017. We have provided for this in the 2018 Budget proposals which His Excellency, President Muhammadu Buhari submitted to the National Assembly early this month. As you know we are currently working with the National Assembly to try to secure an early passage of the 2018 Budget so that we can return to a predictable January to December fiscal year. There is no doubt that, given the size of the recurrent budget we inherited it has not been easy to achieve the 30% minimum allocation to capital expenditure. But this has enabled us to fund critical infrastructural projects, such as the major road, power and rail projects we are undertaking in all parts of the country. For instance, under the 2016 Budget, whose execution ended in May this year, we released more than N1.2 trillion for capital expenditure. It is this capital spending that has stimulated private sector spending resulting in our early exit from recession in the second quarter of this year.

14. An important innovation we are introducing to speed up the implementation of the ERGP are Malaysian style labs. As you may already know we have set up a special implementation unit to ensure effective delivery of the ERGP. In the coming weeks, this special implementation unit will be running sector-focused style labs in Agriculture and Transportation, Power and Gas, and Manufacturing and Processing. To help us in running these labs, we have retained PEMANDU, which was the Malaysian agency that spearheaded the transformation of the Malaysian economy using these labs. PEMANDU will act as consultants to support the members of our implementation unit.

15. It is important that I explain how these labs will work. For each lab we will assemble relevant stakeholders (in the public and private sectors) into unbroken weeks of intensive working sessions to brainstorm on practical steps to overcome identified challenges in the selected sector. We will be reaching out to all the States to participate in these labs. The central objective of the labs will be to harness private capital to finance projects across the country. Indeed, at the end of each lab the participants would have developed very detailed implementation plans with identified funding support. Both public and private sector participants, from within and outside the country, will be invited to participate in these labs. Some of the staff we have already retained for this purpose are available in this meeting to interact with you and give you more information on the proposed labs, as well as all other implementation initiatives.

16. Your Excellencies, Distinguished Guests, Ladies and Gentlemen, as I conclude, let me, once again, express my profound appreciation to the Government and people of Niger State under the dynamic leadership of His Excellency, Alhaji Abubakar Sani Bello, for accepting to host this event. I commend the excellent arrangements and logistics put in place for the success of this meeting. I also acknowledge the contributions of all participating private sector institutions, resource persons and all development partners. I acknowledge and salute the tireless efforts of the members of the Joint Planning Committee as well as the Local Organizing Committee for their sacrifices and dedication.

17. I look forward to a discussion of the contributions which will be presented this morning at the plenary session. These contributions will surely help us to

move further towards achieving our goals of transforming the economy of our dear country, Nigeria into a Nation where we grow what we eat and consume what we make.

18. I thank you all for listening.