

Olayemi Cardoso: Press briefing - International Monetary Fund/World Bank Spring Meetings

Remarks by Mr Olayemi Cardoso, Governor of the Central Bank of Nigeria, at the press briefing to Nigerian media at the International Monetary Fund/World Bank Spring Meetings, Washington DC, 20 April 2024.

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Thank you for the opportunity to address you today. It has indeed been a fruitful few days of engaging with our esteemed international policy counterparts and stakeholders from around the world, as well as Nigeria's investors. We came here with a very clear agenda and have held highly significant, intentional meetings – each one with an objective to further support the stability and ultimate growth of the Nigerian economy.

Besides our meetings with multilateral financial institutions, and foreign investor groups with a keen interest on developments in Nigeria, including a critical gathering at the US Chamber of Commerce, we had very productive discussions with leading International Money Transfer Operators (IMTOs), where we collectively committed to doubling remittance flows through formal channels into Nigeria in the immediate short to medium term. This target is both ambitious and achievable, and we're wasting no time in setting up a collaborative task force, reporting to myself, to drive progress and address any bottlenecks that hinder flows through formal channels.

In the six months since assuming the position of Central Bank Governor, the challenges have been significant, from grappling with inflation to addressing volatility in the foreign exchange market. However, with relative stability now achieved, particularly in the FX market, we have transitioned from firefighting to strategic planning across key areas. These areas include improving the ease of doing business in Nigeria, to consolidate and sustain the gains through an efficient and transparent market system and boosting financial and economic inclusion for small businesses and households— interrogating all potential ways to leverage smarter use of technology, and remote banking to reduce the cost of transactions and expand accessibility to the financial system.

April saw the naira emerge as the best-performing currency globally, supported by bullish sentiment from leading international investment institutions. Our FX market is experiencing robust activities, with turnover reaching levels not seen in over seven years. This liquidity boost instils confidence among investors, businesses, and other partners, ensuring fluidity in their interactions with Nigeria's FX markets.

However, we remain vigilant, recognizing the challenges that persist, such as elevated inflation driven by rising food prices, transportation costs, and energy expenses. We note that inflation though rising is doing so at a decelerated rate and we are confident will soon commence a fall. Security concerns in food-producing regions and infrastructure challenges also demand attention. The CBN has implemented a number of policy reforms to address some of these various pressures and, while I am confident enough today to talk about some of our early success, I am at the same time extremely mindful of our ongoing challenges.

We still have work to do in solving all our problems, however, we do have a determined pathway and a sequenced approach to tackling all challenges ahead, working hand in hand with our key stakeholders including investors, banks, businesses – and, notably, our counterparts on the fiscal side.

We have recommitted our stance to orthodox monetary policy, and it is heartening to see the efforts being put up have started yielding results especially in terms of rebuilding trust and confidence in our economy and the leadership.

In summary, this week has been extremely productive, and we are eager to translate our discussions into tangible outcomes as we return home.