



CBI Hosts Discourse on CBN FX Restrictions on Food Imports, in line with its Business Action Against Corruption (BAAC) Mandate

On Tuesday, September 24, 2019, the Convention on Business Integrity (CBI) in partnership with *ActionAid, Nigerian Economic Summit Group, Lagos Chamber of Commerce & Industry, BusinessDay Newspapers and Proshare* hosted its 4th instalment in the series of the “Regulatory Conversations” in fulfilment of the objectives of the Business Action Against Corruption (BAAC) project. The focus of the discourse was “Foreign Exchange Restrictions on Food Imports and Implications on regulating and growing the Nigerian economy”.

The Rationale

Giving the opening remarks at the event, a Director of the Integrity Organization, Dr Bala Magaji informed stakeholders that the essence of the event was *“to improve the regulatory philosophy, that can engender the growth and development of the country”*.

According to Dr Magaji, the forum was an opportunity to enlighten stakeholders on the policies and regulations in the economy and address corrupt tendencies.

The CEO of the Convention on Business Integrity, Mr Soji Apampa speaking on the issues around the CBN Forex restrictions on Milk Imports in the country, asserted that the decision would restrict access to \$1.2bn forex for the Dairy Industry. According to him, annual demand of milk in the country was about 1.7bn litres per annum with Nigeria producing only 600million litres.

Mr Apampa noted that the FX restrictions come at a time the nation faces some critical challenges around nutrition (especially the protein gap, in which milk plays a major role), access to water, sanitation and hygiene which has resulted in Nigeria having the second highest number of under 5s with stunted growth in the world, of about 11million.

Apampa stated that the local production in the dairy industry, which the FX restrictions policy is premised on will not be solved in the short-medium term, and costs will have to be passed on to consumers; however conceding that investment opportunities will open up but it will take a number of years (over the medium to long term) to reach the volumes needed by industry.

The costs according to him will be passed to a population for which 84% live on less than \$2 per day; 90million are poor and of which 70% of those living in poverty are based in the rural areas.

The CBI boss called for enabling incentives for inclusive business models from the government that improve access to good quality locally produced



products and services by the poor, or includes the poor as producers earning higher incomes; employs the poor or partners with their collectives in the value chains and processes for achieving local production in the dairy industry.

He harped on a business environment in the country, that allows growth and profits whilst channelling the might of business to making social impact at scale.

A Call for Policy Dialogue

The Director, Human Resource and Organisational Effectiveness, ActionAid, Mrs Funmi Onyefusi in her remarks called on regulators like the CBN to engage stakeholders extensively, before taking critical decisions like FX Restrictions on Food Imports.

She was of the view that regulators must always explore channels of communications in articulating their policies and getting feedback, for the overall benefit of the citizens and the economy.

Mr Muda Yusuf, the Director-General of the Lagos Chamber of Commerce and Industry, LCCI also advised the Central Bank of Nigeria to focus on its core function of monetary policy stability and reduce its intervention in the trade policy space which covers tariffs, imports and exports.

He believed the fundamentals of the Nigerian economy has to be addressed alongside its competitiveness before steps like FX restrictions are considered.

Mr Yusuf said the LCCI as a trade group is committed to the continuous engagement with regulators like the CBN on steps that can move the economy forward.

Professor Pat Utomi, a renowned Political-Economist in Nigeria who was a panellist at the event called for a national economic strategy, that will anchor industrialization and boost the country's competitiveness.

Both Mr Olusegun Osundipe of the Manufacturers Association of Nigeria, MAN and Mrs Susie Onwuka of the Federal Consumer Competitiveness Protection Council, FCCPC agreed that there should be broader levels of consultations and engagement between regulators and stakeholders on key policies that will have impact on the economy.

He stressed the need for an Isolated Industrialization Policy that will leverage the areas where Nigeria has factor endowments, to gain comparative advantage in international trade.

Highlights of the event included a press briefing where Mr Soji Apampa the CEO of the CBI, asserted that the Regulatory Conversations is part of the initiative of the Business Action Against Corruption, BAAC project. He stated



that the platform is expected to draw the attention of policy makers to the need for a dialogue before policies are made and drive collective action to improve corporate governance and reduce corruption in the business environment.

The event had in attendance M. Tinuade Awe, Executive Director, Regulations, Nigeria Stock Exchange, NSE, Mrs Bunmi Oke, CEO/Lead Consultant LadyBird Limited, representatives of food and beverage companies and Yemisi Ransome-Kuti, Social Activist amongst others.

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