

THE 20TH NIGERIAN ECONOMIC SUMMIT
TRANSFORMING EDUCATION THROUGH PARTNERSHIPS FOR
GLOBAL INVESTMENT.
TRANSCORP HILTON, ABUJA

WELCOME ADDRESS: SETTING THE AGENDA

Foluso Phillips

Chairman NESG

Mr. President, Mr. Vice President, the Hon. Minister for National Planning, The Hon. Minister for Education, distinguished ladies and gentlemen

It is with great Pleasure that I welcome you to the 20th Nigerian Economic Summit. This is the 20th Summit being held in the 21 years of the formation of the NESG.

We at the NESG continue to feel proud of the great achievements and contributions we have made in influencing and formulating policies that have contributed to the development of the Nigerian economy. And I am personally humbled by the opportunity I have been given to serve as Chairman of this phenomenal organisation.

Very much like last year, this Summit will focus on a single sector. And the theme is **‘Transforming Education Through Partnerships for Global Competitiveness’**. So, all our attention and deliberations over the next few days will centre on Education.

Our annual summit this year has come really early and this has been informed by the very busy national and global calendar within which we have to work. Barely two months from now, Nigeria will be hosting, for the first time the global gathering of the World Economic Forum for Africa (WEFA), which has been meeting in different parts of Africa for the past 24 years, 18 of which have been in South Africa.

The meeting has come to Nigeria and will have in attendance global players that are looking to Africa as the next great emerging continent. This is indeed an honour for our country Nigeria, but stresses also the urgency to fix things that are clearly broken.

Beyond the need to accommodate the dates for WEFA, our choice of this week is in realization that once the WEFA is completed, preparation for the 2015 General Elections will take centre stage. In this circumstance, planning to hold a Summit later in the year will be a distraction for many.

So much has happened in the near 4 months, since we held the last Summit NES 19.

Let us recap very briefly about that summit. You will doubtless all recall, the 19th Nigerian Economic Summit was held from 3 to 5 September 2013 at this same venue. In attendance was the President, the Vice President and several cabinet ministers, and State governors, along with top CEOs and major economic players from all sectors of the economy. Of particular significance was the participation of our youths, the next generation of Nigerian farmers, named “Nagropreneurs”.

The theme of that Summit was

“GROWING AGRICULTURE AS A BUSINESS TO DIVERSIFY NIGERIA’S ECONOMY”

Some specific recommendations were made at the conclusion of the summit. Let me share with you some of the outcomes of those recommendations.

The Federal Executive Council (FEC), has adopted several agricultural policies... but beyond the adoption of policy measures, the government is currently seeking legislation to support Agricultural Transformation.

For example backing has been given by Federal Legislators to make the Growth Enhancement Scheme initiative into Law. A draft Bill has been prepared and is being reviewed by the Office of the Attorney General

There is now a formal National Policy on the Staple Crop Processing Zone and drafts of the Bill have been prepared and reviewed by key stakeholders

The creation of a Commodity exchange, under the auspices of the Ministry of Industry, Trade and Investment is being actively discussed with several international interested parties who have experience in this field.

The response from the Private Sector and Multilateral Agencies is also worthy of mention. Since the last Summit also, a number of Private Sector Agribusiness Investors have come to the table and committed investments in 2014. They include:

Cargill Inc. With a committed investment of \$100million in the processing of Cassava into sweeteners

Crest Agro Products, part of the indigenous investment group Cardinal Stone Partners , is investing \$72million in establishing a Cassava to starch processing plant in Kogi state.

Dansa Foods, the food subsidiary of the Dangote Group of Nigeria, has already commenced a \$515million investment in the large-scale production of Tomatoes, Rice, and Sorghum in Kano state.

Flour Mills of Nigeria is committed \$217 million to processing cassava into starch and sweetener in Kwara state.

From a funding point of view, there has been significant support and interest from The World Bank, The African Development Bank, The International Fund for Agricultural Development, The Islamic Development Bank, The European Investment Bank, as well as private infrastructure funds.

It is important that we note and celebrate these successes.

That is a summary of what we all did last year.

OUR ECONOMY TODAY

At 6.8 percent last year, our national economy continues to show robust growth in output. We should however note that commendable as this performance is, it remains below the levels achieved before the global financial and economic crisis.

As advocates for continuous improvement in the operating environment for business, we note the slowdown in inflation in 2013 falling to 8.5percent from 12.2percent the previous year.

In the context of bringing the rate of inflation to levels similar to our peers, we note with concern the continuing weakness of our currency, the Naira as a consequence of declining reserves associated with our falling oil revenue.

With our foreign reserves falling below \$39billion and expected to continue falling, our currency is extremely challenged and monetary policy options and choices are getting harder. If the continuing leakage in oil revenue is not addressed and drastic steps are not taken to slow down or stop the reduction in our foreign exchange reserves, then a tightening of monetary conditions will be required to hold the value of our currency. This will have a negative impact on lending rates, aggravating the existing challenges faced by commerce and industry.

It is pertinent to stress that allowing the Naira to weaken in response to these seemingly avoidable conditions will undermine the strategy of Import Substitution on which Nigeria's economic Development Strategy is based.

The Central Bank, recently raised concern about unaccounted for oil revenues. Whilst the actual figure is in contention, the point is that millions of poor Nigerians cannot afford to lose even a kobo because all these monies belong to the treasury and must be paid to the Treasury. Whilst we commend Mr. President for committing to thoroughly examine these allegations, we also appeal on behalf of the Nigerian populace that the outcome of this investigation be made public and more importantly those who are responsible are held accountable. Unfortunately too many investigations in the past have remained inconclusive.

POWER

The privatisation of the Power sector has become a reality. The government has sold and so privatised our Power generation and distribution assets and thus liberalized the Power sector to allow private investors to invest and build new infrastructure in the power value chain, which is expected to get constant electricity into our homes and businesses. This initiative by government has been recognized as one of the most comprehensive and transparent privatisation exercises in recent times, not dissimilar to the integrity of the Telecommunications privatisation process. We must congratulate the Federal Government for this.

However, transmission continues to be the weakest link, faced with great challenges posed by the physical state of that infrastructure. This is further complicated by the challenges to power generation from a struggling gas supply system.

Unfortunately, Nigerians expect the gains from this Electricity reform to be immediate, but the reality is that it may take 3 to 5 years to get sustainable power. So much work and additional investments need to be made by the new owners, who are also desperate to guarantee a wholesome return on their investment

INFRASTRUCTURE

Beyond electricity, it is heartwarming that our country now has a National Integrated Infrastructure Master Plan. This Master Plan has identified a need for \$2.3trillion over the next 40 years to move our investment in infrastructure up to global standards.

This is to be a Public Private Partnership initiative. That Plan must not remain on the shelf. We need to see this plan moved to the next level for execution. We appeal to our co- host, the Hon Minister for National Planning to ensure that the implementation of this Masterplan is initiated and legislated to outlive the whims and caprices of governments of the future and so create a more sustainable infrastructural development plan.

PIB

For the third year running, we must appeal to our legislators to work on the Petroleum Industry Bill and bring it to a positive conclusion. This Bill contains provisions to redefine and change the oil and gas sector and in line with the philosophy of the NESG, to turn the NNPC into a private commercial enterprise and so cease to be a wholly owned government entity.

This will make the corporation and the oil industry more transparent and accountable to all Nigerians. Once again, we call upon the National Assembly, not to fail the people they represent by asking them to have the courage and tenacity to pass this long overdue bill.

SECURITY

I will be remiss if we do not bring to the fore, the misery, which the on-going insurgency by the Boko Haram sect and indeed other militants are causing our nation. The price we have paid is much too much. As we speak, we are not too sure we have the solution.

This is a national problem for, which we all have a collective responsibility to solve, failure of which we will all pay for dearly. Look at what it cost our children trying to get an education. It cost them their lives.

Just as bad is the menace of the militants, who proceed to blow up and damage our oil and gas pipelines, they are all retardants of economic progress. The minister of Power and his team are currently fighting a near losing battle to secure the supply of an adequate quantity of gas to meet our power needs.

As we look out to foreign investors and partnerships, we must appreciate the impact, which a perceived weak security situation presents to the outside world. It not only discourages inward flow of investments, it also challenges the physical presence of those who can help to build our nation and frightens investors away as they perceive an unstable and unsustainable economy.

EDUCATION

Perhaps the most important of the areas in need of URGENT reform is our capacity to create the Human Capital we need for our national development.

A recent survey on *Education and Employability* estimates that 24 million jobs are needed over the next ten years to reduce the current unemployment level by half.

That is why you would have over 100,000 people applying for 4,500 jobs, with some losing their lives in the process.

In addition to the deficit in jobs created relative to new entrants, the quality of labour poses a major challenge.

While improvements in the business and economic environment will go a long way towards creating jobs, the new challenge we face will then be whether there are enough suitably skilled Nigerians to take up the jobs created.

We at the NESG believe it is time to undertake a fundamental review of our education system and sector. That, Mr. President, Mr. Vice President, distinguished ladies and gentlemen is why we are here today.

Our institutions, at all levels, are producing graduates not fit for purpose. In other words, our children are leaving school without the skills required to sustain them or contribute to the growth and development of the national economy.

The challenge of inadequate Human Capital is fast becoming THE biggest challenge of all. We must face our education system with passion and vigor and do so as a collective objective between the public and the private sectors. Each cannot do it adequately alone.

This summit on Education will achieve three things.

The first is to draw everyone's attention to the fact that we do have a problem and to understand the nature of that problem.

The second is to consider our capacity and ability to effect the necessary changes based on the magnitude of what needs to be done and...

The third is to devise a structure that will ensure sustainability of an improving educational system.

The Summit has been structured to follow the value chain of any sound educational system, starting with a vision and philosophy, which we want the President to share with the country at the opening Presidential Policy dialogue.

Thereafter we will spend time reviewing the various elements of technology, funding, access, curriculum and vocational training. Within the context of all these we will discuss and recommend solutions for early years of education, primary, secondary, tertiary, employability, teacher education, education management and accountability and on the last day we will be engaging state governors to competitively share with the nation their strategy and achievement in education.

I cannot think of any other subject that will capture the concern and interest of Nigerians more than this issue – dare I say even beyond the ongoing National conference.

The challenge before us is tough but not impossible; difficult but not hopeless.

There is already an army of competent, committed, and capable women and men hard at work, and rightly positioned to drive forward the change we want to see in the sector.

Education is everyone's business, and must not be left to any one stakeholder group, to define and deliver without real accountability, feedback, and a system that enables continuous improvement.

I therefor call upon Parents, Teachers, Education Administrators and Policy Makers, Education professionals and practitioners, Employers, community, civic and religious leaders, consumers, consumer groups, professional associations, professional coaches and trainers – everyone to create the change.

The change we seek, may require us to think differently about the purpose of education and how the burden of responsibility for educating the Nigerian people at all levels, is shared and what form this takes.

As I bring my remarks to a close, it will be remiss if I do not touch on some aspects about the future of our economy going forward.

We as a country are not doing enough to stamp out corruption and we are not pursuing and punishing those engaged in corrupt practices. We agree with the school of thought that places more emphases on building institutions, systems and processes, which provide a more enduring and sustainable war against corruption.

But we need to have a much more collective and uncompromising approach to dealing with corruption. We need Mr. President to come down much harder on culprits and to stamp out the level of impunity that exists today AND We must be able to rely on the power of the rule of law.

Maintaining our economic stability will not be easy in an election year and the ability to meet our budgeted revenue targets could be tough, based on our past and current level of oil production.

Our budget for discretionary spending is quite high. We do have increasing domestic debt and the attendant cost of financing such debts eventually puts pressure on interest rates. These are all pressure points against effective economic governance.

We all have to pay attention to the impact of the ongoing and fast rising political tempo and ensure that the approaching general elections do not destabilise the economy and ensure that the political manoeuvring that is going on, on all sides, do not create risks which are inimical to our economic progress.

We ask all the major players to be careful. There is great pressure on our socio economic and political system. They must all put the country's interest first.

The NESG is a non partisan organisation. We focus on the formulation of national policy, to create opportunities to improve the quality of life of every individual.

Over the past 21 years, we have focused relentlessly, through the hard work and commitment of noble Nigerians to make our voice heard in a quest to create a better society. I feel honoured for having the opportunity to lead the NESG in this mission over the past four years.

Our focus on education over the next three days is all about building a better society for all.

This NES20 is going to be a 'Game Changer' as we present an important platform to crystalize, catalyse and amplify past efforts on Education.

Mr. President, Mr. Vice President, distinguished ladies and gentlemen, I welcome you all to the 20th Nigerian Economic Summit.