

Godwin I Emefiele: Official launching of the 100 for 100 Policy for Production and Productivity

Opening remarks by Mr Godwin I Emefiele, Governor of the Central Bank of Nigeria, at the official launching of the 100 for 100 Policy for Production and Productivity (PPP), Lagos, 31 January 2022.

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Good afternoon, Distinguished Ladies and Gentlemen.

I am pleased to welcome you to the official launch of the **100 for 100 Policy for Production and Productivity (PPP)**, an intervention of the Central Bank of Nigeria designed to stimulate investments in Nigeria's priority sectors with the core objective of boosting production and productivity, which will aid our efforts to stimulate greater growth of our economy and create employment opportunities. Under this initiative, every hundred days, manufacturers in critical sectors that seek to engage in greenfield projects or in expanding their existing facilities will have access to cheaper forms of credit at single digit rates, as well as foreign exchange to procure plants and machineries. This Programme has the potential to significantly accelerate manufacturing output, promote further diversification of our economy and enable faster growth of our non-oil exports. More specifically, the PPP will help to reduce our over-reliance on imports, and stimulate productivity in agriculture, healthcare, manufacturing, extractive industries, logistics services, trade-related infrastructure, and renewable energy.

This launch also fulfills the commitment we made during the unveiling of the first central bank digital currency (CBDC), the eNaira, by His Excellency, President Muhammadu Buhari GCFR, on the 25th of October, 2021, when we announced that the CBN will introduce a 100 for 100 – Policy on Production and Productivity (PPP), under which eligible companies in priority sectors will be screened and 100 companies will be selected to receive funding from the CBN every 100 days, beginning from 1st November 2021. The selection of subsequent beneficiaries will be rolled over every 100 days with new sets of 100 companies and details of these companies will be published in the major national dailies.

Today's launch of the 100 for 100 Policy for Production and Productivity (PPP) initiative and cheque presentation to selected companies, is a culmination of our engagements with critical stakeholders in the manufacturing sector and financial institutions, as we have here today pioneer beneficiaries of the initiative and the participating financial institutions.

Your Excellencies, distinguished ladies and gentlemen, over the past seven (7) years, the government under the visionary leadership of President Muhammadu Buhari has made significant efforts at reducing our economy's over-reliance on imports for food and industrial raw materials, towards one that is self-sufficient and self-reliant, with strong commitment towards ensuring that Nigerians produce what they eat and eat what they produce. In line with the administration's policy focus to stimulate domestic production and productivity, the Central Bank of Nigeria (CBN) has continued to

introduce various policy measures, in the form of interventions, to stimulate low-cost and sustainable financing to priority sectors and segments of the economy.

The 100 for 100 Policy for Production and Productivity (PPP) is one of such interventions designed to fast track productive activities in priority sectors. Under this Programme, eligible applicants will be required to submit their applications to their banks, after which, a notification is submitted on a dedicated portal – <https://100for100ppp.ng>, which has been created to ensure transparency and allow applicants track the status of their applications.

Specifically, for this first cycle of the initiative ending today, 243 applications valued at N321.06 billion, spread over key sectors such as agriculture, energy, healthcare, manufacturing, and services sectors were submitted on the portal. After much engagement, 79 applications were received from banks, valued at N121.87 billion, for projects in six (6) sectors, namely agriculture, energy, healthcare, manufacturing, mining, and services sectors. The requests were carefully screened and scrutinized against a set-out selection criteria, which is categorised into: production efficiency and scalability; local content capacity; job creation and human capital development; operating sector relevance; and potential contribution to economic growth.

Your Excellencies, distinguished ladies and gentlemen, following due screening of the applications received, I am pleased to inform you that 28 companies with projects that have clearly articulated proposals were selected for funding. These projects, valued at N23.20 billion, comprise 14 in the manufacturing sector, 12 in the agricultural sector, and 2 in the healthcare sector. When fully operational, these projects are expected to create over 20,000 direct and indirect jobs across multiple sectors of the economy, as well as generate close to US\$125.80 million in foreign exchange earnings. It is important to note that five (5) of the selected projects are greenfield projects seeking to exploit the huge opportunities in key sectors of our economy.

Your Excellencies, distinguished ladies and gentlemen, permit me at this juncture to mention other intervention programmes and schemes of the Central Bank of Nigeria targeted at catalysing production and productivity in the real sector of our economy. These interventions include the N1.0 trillion Real Sector Facility (RSF), Real Sector Support Facility (RSSF), Anchor Borrowers' Programme (ABP), Commercial Agriculture Credit Scheme (CACs), Non-Oil Export Stimulation Facility (NESF), and Textile Sector Intervention Facility (TSIF).

Specifically, these programmes and schemes have continued to receive resounding commendations, as they have proven to be effective in expanding credit and stimulating investments in the real sector. For instance, under the N1.0 trillion Real Sector Facility, the Bank has released a total of N1.40 trillion to 331 real sector projects in agriculture, manufacturing, mining, and services sectors. Under its Real Sector Support Facility (RSSF), the CBN has disbursed N166.21 billion to 25 projects. In the agricultural sector, the Bank's Anchor Borrowers' Programme (ABP) has disbursed N927.94 billion to over 4.5 million smallholder farmers for the cultivation of 21 commodities across the country. Also, the Bank has financed 666 large-scale agricultural projects with the potential of creating an estimated 70,070 direct and indirect jobs under its Commercial Agriculture Credit Scheme (CACs).

Your Excellencies, distinguished ladies and gentlemen, with the significant opportunities in the real sector, there remains sufficient room for additional investments in the various sub-sectors and I would like to urge potential investors to take advantage of the various CBN intervention programmes and schemes, as well as other financing options out there, to invest in key sectors of our economy given the potential gains that could be generated from them. Let me assure all current and prospective operators in the industrial sector that the Central Bank of Nigeria stands ready to continue to provide the needed support, financial and otherwise, to fast-track the development of our industrial sector.

For those seeking to invest in new greenfield or existing brownfield projects, the Bank will continue to provide all the needed support, both in Naira and dollars specifically for the importation of plants and equipment to actualize these investments. It is pertinent to point out that the foreign exchange support will be solely for the importation of spares, plants and equipment needed to increase production capacities of these companies. Let me emphasize that our mission through this initiative is to ensure that priority is accorded to companies who display verifiable progress in our imports substitution and job creation drive. Consequently, we would soon unveil a new FX bidding regime that is market driven and supports companies that accord utmost priority for our local production and job creation drive.

Your Excellencies, distinguished ladies and gentlemen, cheques will also be presented to the seven (7) participating financial institutions whose customers have been selected as pioneer beneficiaries under the PPP's first cycle. These beneficiaries are among the many who have submitted their notifications on the dedicated portal and their applications received from their banks. I would like to urge the beneficiaries to judiciously use the funds for the purpose for which they had indicated in their applications, as independent monitors and evaluators will be engaged to regularly follow up on the progress of the project, with particular focus on the socio-economic impact of the financed projects on their immediate community and the economy in general.

Your Excellencies, distinguished ladies and gentlemen, before I conclude my remarks, permit me to seize this opportunity to announce that the next cycle for submission of applications for the 100 for 100 Policy for Production and Productivity (PPP) will start tomorrow, February 1, 2022, and will be ending on April 30, 2022. I want to appeal to all prospective investors to take advantage of the huge opportunities provided for investment in the real sector under the PPP and approach their banks to submit their applications for participation under the initiative.

In closing, let me thank the Secretary to the Government of the Federation, His Excellency, Mr. Boss Mustapha, the Honourable Minister for Industry, Trade and Investment, His Excellency, Otunba Adeniyi Adebayo CON, and the Honourable Minister for Labour and Employment, His Excellency, Dr. Chris Ngige, for their support to the Central Bank of Nigeria and its various interventions targeted at creating an enabling investment ecosystem. I would also like to commend the Managing Directors of all Nigerian banks for their partnership in the successful implementation of our interventions as they continue to be the channel for the delivery of our mandates. My

appreciation also goes to the Manufacturers Association of Nigeria (MAN) whose support is critical to the successful development and implementation of the 100 for 100 Policy for Production and Production (PPP).

Last and certainly not the least, I would like to congratulate the beneficiaries and participating financial institutions, for the efforts in aiding our efforts to enable greater growth of the Nigerian economy.

Ladies and gentlemen, I thank you for your attention.