

Regional Integration Key to Nigeria's Economic prosperity - DBN Managing Director/CEO – Tony Okpanachi

Managing Director, Development Bank of Nigeria, Tony Okpanachi has stated that Africa Continental Free Trade Area (AfCFTA) slated to commence in July 2020, will fully unlock Africa's intra-trade potential and drive Economic prosperity in Nigeria.

Okpanachi, in his keynote address at the 41st Kaduna International Trade Fair Seminar of the Kaduna Chamber of Commerce, Industry, Mines and Agriculture (KADCCIMA), said intra-regional trade in Africa remains relatively low compared to other continents, and this continues to make business environment challenging for Africans.

In his words, *"Comparative trade data shows why Africa is the least developed region of the world. Intra-African trade in goods was US 135.4 billion in 2017, representing only 14.6% of Africa's total trade. This means that over 85% of Africa's total trade (exports and imports) was with countries outside the continent. This is in sharp contrast with intra-EU trade (69.8%), intra-American trade (46%) and intra-Asian trade (59.6%)."*

There is no doubt the potentials that can be unlocked through regional integration particularly through trade. In fact, according to a study conducted by the IMF, a 5% increase in the export weighted growth rate of intra-regional partners is associated with about a 0.5% increase in the growth of a typical sub-Saharan African Country. Regional integration is pivotal to economic prosperity in Nigeria, hence an important step in unlocking Nigeria's economic potentials.

The Managing Director noted that regional integration through trade would propel Nigeria's economic growth by offering preferential access to a much bigger single continental market for goods and services worth \$416bn and \$121.8bn respectively.

This will also, lead to increase investments in the real sector which provides opportunity to grow and diversify non-oil exports, improve export capacity and the current government reforms will also improve the country's attractiveness for foreign direct investments.

Speaking further, Okpanachi said that unlocking Nigeria's economic potential through regional trade is not the responsibility of the government alone, adding that raising the productivity growth of the private sector is key for regional integration to be beneficial to the country.

For Nigeria to optimally reap dividend of AfCFTA, he said the country needs to: Operationalize existing trade agreements that includes provisions to deal with trade barriers and settling trade disputes; Implement policies, operational/technical,

governance and financial interventions to restore the financial viability of the power sector, improve service delivery and reduce losses.

He further stressed that the Development of a sustainable financing strategy will upgrade and maintain the quality of the nation's transportation systems, particularly those on the export corridors; Technical assistance and Capacity building of all relevant MDAs that drives organizational reforms, and ease of doing business in the Country.

Okpanachi reiterated the DBN's commitment to driving economic growth through funding and capacity building for MSMEs in Nigeria. *"Development Bank of Nigeria (DBN) has committed to enhancing the competitiveness of the real sector through the provision of the right types of loans, de-risking the sector and capacity building. This is to augment efforts of all stakeholders in preparing the Country to effectively participate in regional integration. While we have made significant strides in our relatively short time of operations, we have barely even scratched the surface, in terms of market demands. We remain committed to leveraging partnerships that align with our mandate to further deepen and achieve a catalytic impact of sustainable growth for our great Country,"* he said.