Unlocking Liquidity in Nigeria[1][2]

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Abstract

We lay out *what Nigeria could do to get the economic, fiscal and financial narratives back to positive*. It is indeed very surprising how *Nigeria's impressively positive economic narrative from 1999 to 2014* has given way to *an unflattering post-2014 narrative* in which the *economic terrain* is about recession, inflation, unemployment, *poverty, restiveness, and insecurity*; the *financial terrain* is about foreign exchange rationing, devaluation, multiple exchange rates, *low loan-deposit ratio, and high interest rates*; while the *fiscal terrain* is about low revenue, low capital spending, large deficits, high debt service, rising debt, and *concerns about solvency/bankruptcy*.

With *huge windfalls* from the *commodity price surge* from 1999 to 2014, Nigeria enjoyed *economic expansion*- growth accelerated and commercial services, led by telecommunications and information services, outgrew agriculture and oil- that saw Nigeria's rank rise phenomenally from the 52nd to 22nd economy in the world; *financial expansion*- deepening of banks, bonds and equity markets, as well as government revenue and spending; and *stability*- single digit inflation and interest rates, and a strong exchange rate; and, a marked *reduction in misery*- falling unemployment and poverty rates.

With *shortfalls replacing windfalls* since the *crash of commodity prices* in July 2014, Nigeria's economy has endured *economic contraction*- growth reversal, recession, and a sluggish recovery to now rank as 30th economy in the world; *financial contraction*- especially bank deposits, equity market capitalization, and foreign exchange supply, as well as government revenue and spending, and *instability*- the Naira lost about two thirds of its value against US dollar, while inflation and interest rates jumped into double digits; with the *growing misery* reflected in growing number of unemployed, poor, and disenchanted.

We present data that reveals that the *common thread* between the two eras is the *quantum of external liquidity* at the country's disposal. *External liquidity surge from windfalls* fuelled the *era of expansion and stability*, just as *external liquidity shortages from shortfalls* inflicted *contraction and instability*. We show that unfolding *global realities* now mean that *Nigeria could easily adopt policies to raise external liquidity thresholds enough to switch from contraction to expansion*. *Global liquidity glut* has seen *a doubling of long-term capital inflows to developing countries* in the last decade and *Nigeria is very well-placed to strategically reposition itself to get a fair share of that*.

Despite *negative external income shock*, *domestically, Nigeria remains prodigiously asset rich*. Nigeria's large population spread in scores of urban centres and past oil booms combine to bequeath her with valuable public assets. However, while Nigeria's economic, fiscal and financial struggles resulting from the decline in income have been conspicuous in news headlines, the *solutions that the value of assets owned by Nigeria could unleash* have been less so. We draw attention to the *hidden value in vast assets owned by Nigeria*, make a case for *unlocking massive domestic and external liquidity required to arrest the economic, fiscal and financial crisis* from them, and *articulate four ways of doing so*.

We show that Nigeria could adopt the following options to raise domestic and external liquidity thresholds:

(i.) **Securitize** equity holdings in NLNG and other oil and gas Joint Ventures to shore up foreign reserve threshold, while giving *Nigerians at home and in diaspora* opportunities to invest in the assets and earn some of the dividends.

(ii.) **Privatize** to attract *brownfield FDI* by converting all wholly owned corporate assets to securitizable Joint Ventures stakes in which government owns up to 49 percent and foreign investors own up to 51 percent.

(iii.) **Liberalize** to attract *greenfield FDI* by breaking government monopoly in all infrastructure sectors to encourage entry of foreign investors who could operate in parallel to the Joint Ventures.

(iv.) **Commercialize** idle or under-utilized state-owned lands and built structures by relocating uneconomic activities from prime locations and repurposing them for leasing to open new streams of non-tax revenue.

Doing these will change Nigeria's economic, fiscal and financial narratives by unlocking the liquidity Nigeria needs to strengthen the Naira, rejuvenate fiscal, financial and foreign exchange streams, rebuild infrastructure, diversify and accelerate growth, eradicate poverty and unemployment, and lay the foundations for shared prosperity. Leading developing countries adopt different combinations of these four options to fuel their transformation.

Unlocking Liquidity in Nigeria

'The Nigerian state shall harness the material resources of the nation and promote national prosperity', 'That the State shall direct its policy towards ensuring that the material resources of the nation are harnessed and distributed as best as possible to serve the common good' Section 16, Constitution of the Federal Republic of Nigeria (1999), Sub-sections 1(a) and 2(b)

1. Liquidity- *Illiquidity vs. Insolvency*

i. Nigeria's Fiscal Stress

There are growing concerns about Nigeria's fiscal situation. Key sources of concern about Nigeria's finances are dwindling revenue, soaring deficits, growing debts levels, and escalating debt burden or debt service ratio. These led the IMF to urge the government 'to lower the ratio of interest payments to revenue and make room for priority expenditure' during its March 2019 Article IV Consultation with Nigeria, while some local/foreign media organizations and commentators have raised issues about Nigeria's solvency.

ii. IMF says, 'It's not just what Governments owe, it's what they own'

We need to address a fundamental question: Does Nigeria owe more than she owns? Nigeria's debt liabilities are well-known, but not her assets. The IMF recently *declared that, 'It's not just what governments owe, it's what they own'* … 'few governments know how much they own'[3]. It is hard not to agree with Gaspar et al (2018) that, 'Knowing what a government owns and how they can put their assets to better use matters because they can earn … as much revenue as governments make from corporate income tax receipts'[4]. Finding a new stream of non-tax revenue that can compete with tax revenue will be helpful.

iii. So, what does Nigeria own?[5]

What does Nigeria own? What are they worth, relative to what we owe? Harris et al (2019) says, 'When governments know what they own, they can make better use of the assets for the well-being of all their citizens'[6] Not knowing what we own adversely affects perceptions of our net worth as the bulk of our assets don't even come into reckoning in determining our net worth. There is a need for Nigeria to take an inventory of assets owned by government. Once we know what the assets are, we can value them, and rationalize/optimize those with higher market values than what we use them for.

iv. How can Nigeria unlock value from what she owns?[7]

This paper identifies ways of unlocking liquidity from four types of assets. We presume that, given glaring evidence of large stocks of under-exploited assets owned by the Government, Nigeria is solvent but illiquid[8]. In fact, Nigeria could be sitting on a goldmine of assets[9], whose total value could well be much larger than her GDP, not to speak of her debt[10]. Since 1997, Hong Kong has funded its capital budget with liquidity unlocked from idle land, 'with a slight surplus'[11] and India raises a substantial share of government revenue from the same source. [12][13] Peterson (2013) provides some other examples[14].

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2. **Options**- *Alternative Ways of Unlocking Liquidity in Nigeria*

i. ***Assets to Unlock Liquidity From:***

- ***Financial Assets****: Government's minority equity holdings in JVs and other companies-* ***Securitize***
  - Government's equity stakes in LNG and other oil sector joint ventures can be securitized, not sold, though the issuance of diaspora bonds and other foreign currency denominated bonds to provide much needed external liquidity that will lift Nigeria out of the current growth and devaluation traps.
- ***Corporate Assets****: Government's wholly owned or majority equity holdings in SOEs-* Partially ***Privatize***
  - Network of Pipelines, Rail network, Power transmission network
  - National Universities, National Hospitals
  - DICON, etc.
- ***Non-Financial Assets****: infrastructure networks, lands and built structure-* ***Commercialize*** or *Decumulate*
  - *Valuable, but under-exploited or idle, lands and buildings in MDAs, especially educational, health and sports institutions, Etc.*
    - 2000+ NIPOST offices across the country/2000+ Police Stations across the country
    - *235 aging and uneconomic inner-city prisons across the country, many of which are sitting on prime commercial land*
    - *Many aging and uneconomic inner-city barracks, most of which are sitting on prime commercial lands*
    - *Numerous aging and uneconomic inner-city stadiums, most of which are sitting on prime commercial lands*
- ***Intangible Assets****: Rights, Licences, Spectrums, flight routes-* ***Liberalize***
  - Replicate the GSM and Pension Fund Liberalization in other sectors

ii. *How to Unlock*

- **Securitization** *of future income streams from financial and nonfinancial government assets*
  - *Issuing Asset-Based Securities/Sukuks and/or Diaspora bonds against financial assets*
  - *Issuing Asset-Based Securities/Sukuks against new income streams from non-financial assets*
- **Privatization**, *Brownfield FDI, selling up to 51 percent of government equity across all State-Owned Enterprises*
- **Liberalization**, *Greenfield FDI for redevelopment of idle land and buildings, and unbundled infrastructure assets*
- **Commercialization**, *Wholesale repurposing, redevelopment and leasing of idle lands and buildings*

iii. *How much should we Unlock?*

Enough to raise our fiscal, financial and foreign exchange liquidity thresholds to required levels.

iv. *How much can we unlock?*

To be determined after compiling registers for each of the four categories of assets and coming up with reasonable assessment of market values.

v. *How easily, and how soon can we unlock?*

To be determined for each asst category in a *National Roadmap for Unlocking Liquidity* in Nigeria.

Doing these will change Nigeria's economic, fiscal and financial narratives by unlocking vast amounts of liquidity for Nigeria to strengthen the Naira, rejuvenate fiscal, financial and foreign exchange streams, rebuild infrastructure, diversify and accelerate growth, eradicate poverty and unemployment, and lay the foundations for shared prosperity. Leading developing countries, China, India inclusive, adopt different combinations of the four options to fuel their development. Nigeria's high population, scattered in hundreds of densely populated cities, and the recent oil boom, combine to bequeath Nigeria with valuable but idle public assets that the country can unlock required liquidity from.

3. **Thresholds**- *How Liquid is Nigeria?*

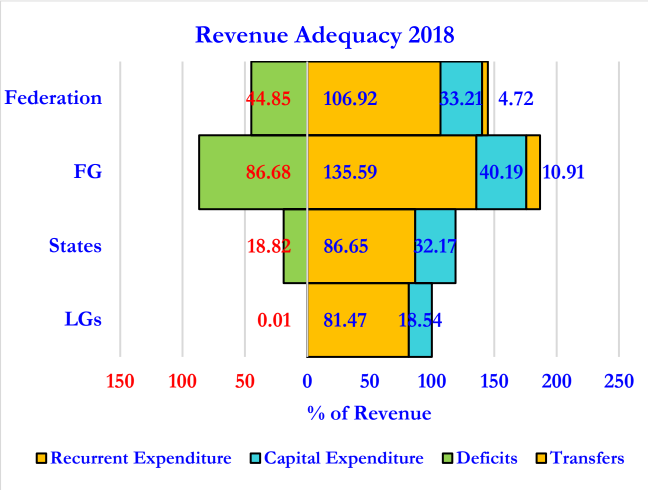
Nigeria urgently needs to address three main types of illiquidity.

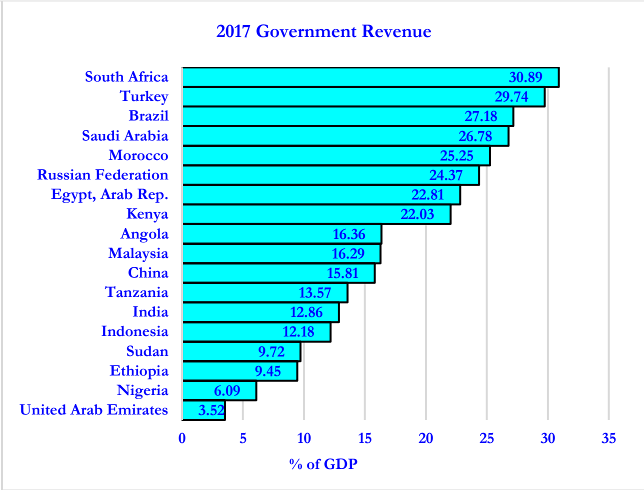
i. Fiscal Liquidity
ii. Financial Liquidity
iii. Foreign Exchange Liquidity

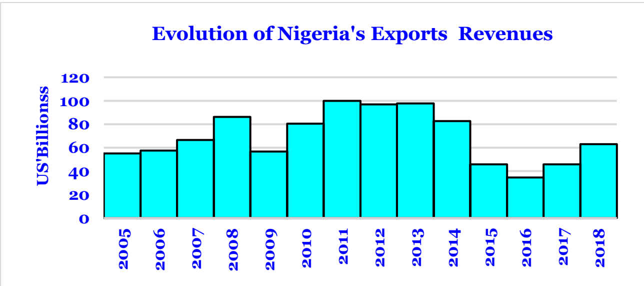
i. Fiscal Liquidity Thresholds

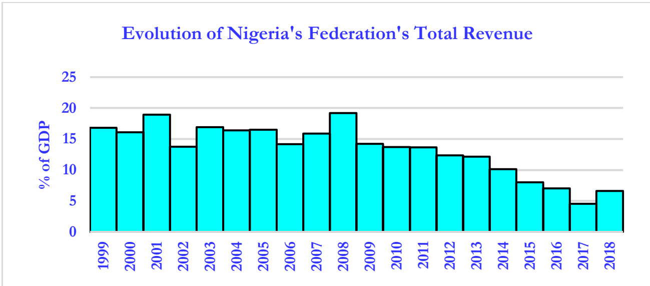
There are three thresholds of fiscal liquidity that government revenue should meet:

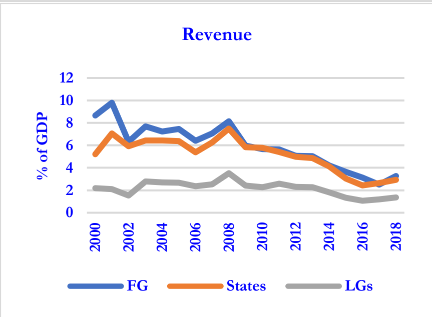
(a.) Recurrent spending (salaries, overheads, and debt service/interest payments)
(b.) Capital spending
(c.) Debt repayment and/or Rainy-Day Funds- Fiscal Buffers

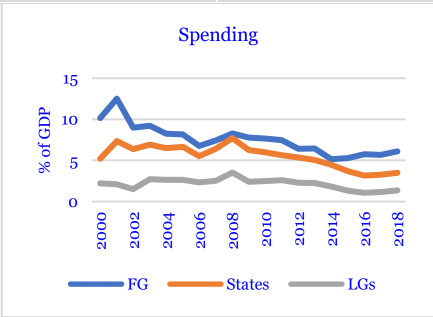


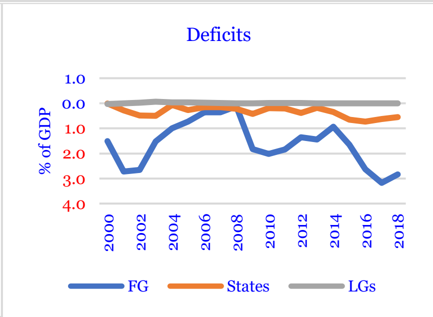












At well below 10 percent of GDP since 2015, the total revenue available to the three tiers of Government has fallen so low that they do not cover even recurrent spending threshold of fiscal liquidity, as salaries and debt service each amount to 70 percent of Federal Government revenue in 2017, and deficits had to be incurred to meet both in full, with additional borrowings to meet shrinking overheads and a small and contracting capital spending. With less access to debt markets, many States were known to have been unable to meet salary obligations in full, creating unpaid arrears of more than 12 months in a few states.

Oil exports and taxes are the main sources of government revenue in Nigeria. The weakness of the oil price since July 2014 and the oil output loses have combined to see Nigeria annual export earnings fall from average of almost US$100 billion in 2010-2014 to average less than US$50 billion since 2015, with very negative implications for government revenue. The concomitant bouts of growth reversal and devaluation since 2015 have eroded corporate profits and household incomes, with adverse implications for tax revenue.

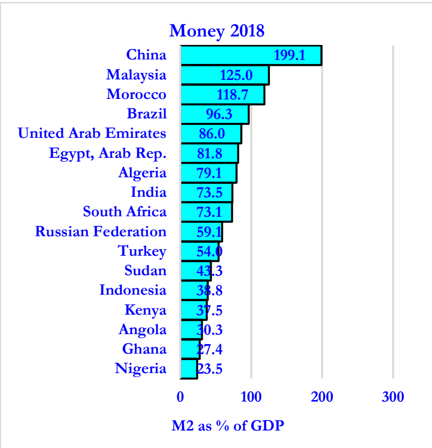
In the face of dwindling export and tax revenues, both recurrent and capital spending have been on the decline, especially as percentage of Gross Domestic Product (GDP) across all tiers of government. On the contrary, soaring deficits meant that debt stocks have risen, escalating debt service claims on the dwindling revenue, and further restricting outlays on non-debt recurrent and capital items. Incurring deficits in excess of capital spending and debt service claiming most of available revenue raise red flags about solvency, even when we know that Nigeria is clearly solvent.

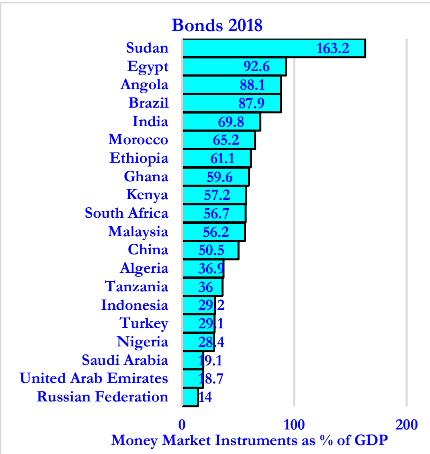
Therefore, Nigerian Government must find ways of opening new streams of non-export and non-tax revenue to be able to cover the higher thresholds of fiscal liquidity. Most of Nigeria's peers[15] currently have total revenues that range between 15 to 30 percent of their GDP, compared to about 6 or seven percent of GDP in Nigeria, and therefore able to meet much higher thresholds of fiscal liquidity. As mentioned earlier, a good number of them achieve this by opening new non-tax revenue streams that flows from optimizing national assets.

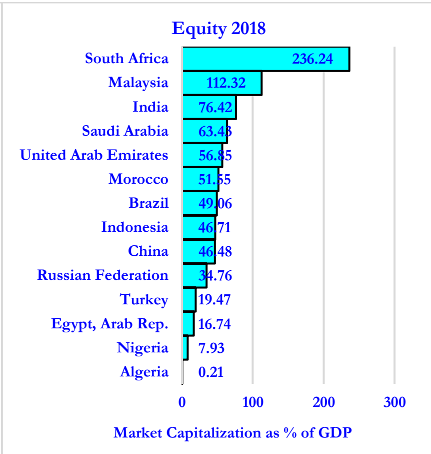
ii. Financial Liquidity Thresholds

There are three thresholds for domestic liquidity that banks, bonds and equity markets should meet to ensure adequate access to finance at low cost for households who need to fund acquisition of homes, cars, or knowledge and businesses who need to fund capital projects and infrastructure.

(a.) Transactions or payments threshold
(b.) Precautionary of savings threshold
(c.) Speculative or investment threshold- domestic money, bonds or equity buffers





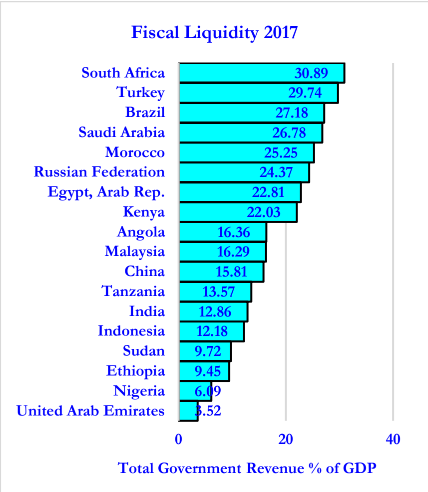


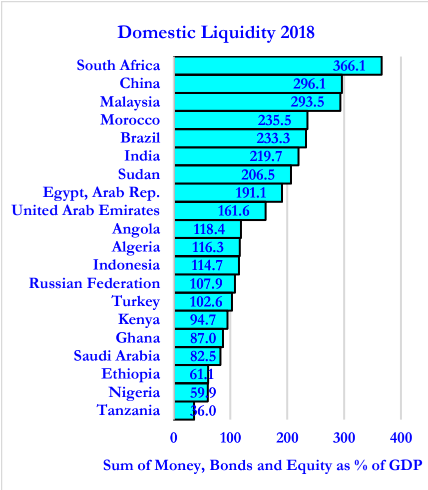
Nigeria meets only the lowest threshold of domestic financing as funds at the disposal of Nigerian banks could only adequately meet transactions or payments needs, meaning that Nigerian banks do little more than honour demand for cash and e-payments at points of sale and domestic funds transfer, which they do so remarkably well; they disappoint when it comes to extending loans, as the total deposits at their disposal are so low, just around 20 percent of GDP that they don't have the funds to intermediate- effectively making them financial intermediaries in name only. This is to be compared with bank deposits of 40 to 200 percent of GDP in peer countries.

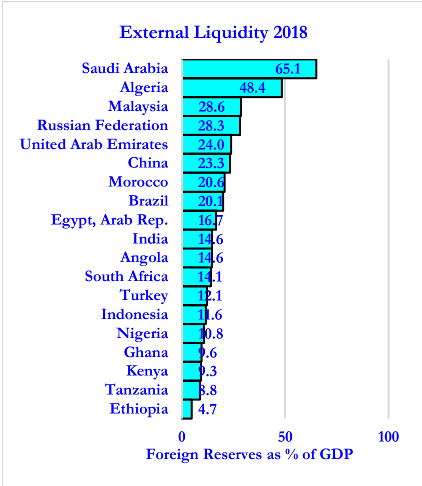
Nigerian bonds and equity markets are just as shallow as the banks, with the consequence that access to these markets are restricted to only the biggest issuers: with the government dominating the bond market,

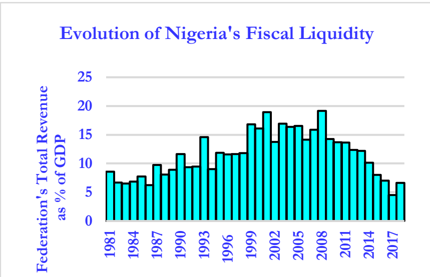
[15] Nigeria's peers include BRICS (Brazil, Russia, India, China and South Africa), MINT (Malaysia, Indonesia and Turkey), African countries with GDP of US$50 billion or more, and Saudi Arabia and United Arab Emirates from the Middle East.

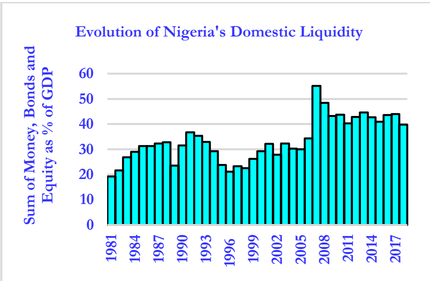
and raising alarm about the cost of accessing the bonds and indeed increasingly issuing foreign bonds that offer much lower rates in recent times; and the biggest companies dominating the equity market. Our peers have deeper banks, bonds and equity markets that offer access to low cost financing to government, companies and households.

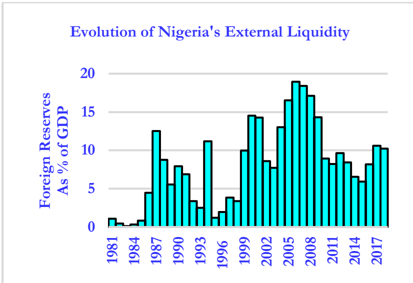












The *weakness of Naira* relative to the US dollar and other currencies is main reason Nigerian banks and bonds and equity market have become and remain shallow *as assets denominated in a weak currency will be poor stores of wealth*, and *asset holders will be better off holding hard currency or real estate* than keeping wealth they do not require for imminent transactions in Naira denominated bank deposits, bonds or equity beyond.

iii. Foreign Exchange Liquidity Thresholds

There are three thresholds of external liquidity that foreign exchange market or the national foreign reserves holdings should meet for the market and the exchange rate to remain stable:

(a.) Transactions or external payments threshold
(b.) Precautionary or insurance threshold
(c.) Speculative or investment threshold- foreign reserve buffers

With foreign reserves at 10.8 percent of GDP, compared with 20 percent of GDP or much more held by many of our peers, Nigeria struggles to meet the transactions or external payments thresholds defined to include trade obligations, such as payments for imports, and financial obligations, such as short-term external financial claims on households, businesses and financial institutions.

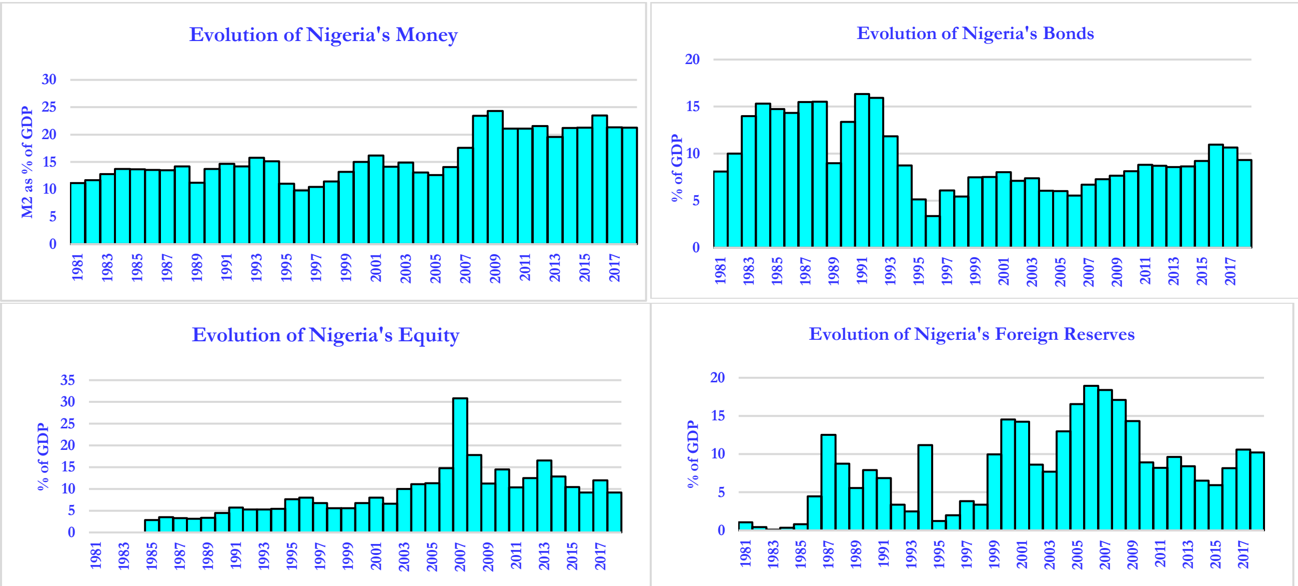
It is well known that foreign exchange at Nigeria's disposal could not meet transactions demand and the central bank has adopted various methods of excluding a growing number of lawful buyers from the market since 2014, resulting in multiplicity of exchange rates. Despite this, the Naira has lost nearly two thirds of its value against the US dollar over the past four years to reflect the forex market illiquidity.

As we struggle to meet the lowest threshold, any unforeseen shock that requires precautionary reserves holding, such as a shock to our export volume or export price or a shock to capital outflows, will push the country and the Naira into another tailspin for as long as the shock lasts, just as any opportunity that requires the deployment of speculative reserve holdings cannot be seized. *Thus, our perennial external illiquidity crisis is the bane of the weak Naira, and the weak Naira is in turn the bane of the shallow banks, bonds and equity market, and shallow domestic financial markets is the reason for growth reversals.*

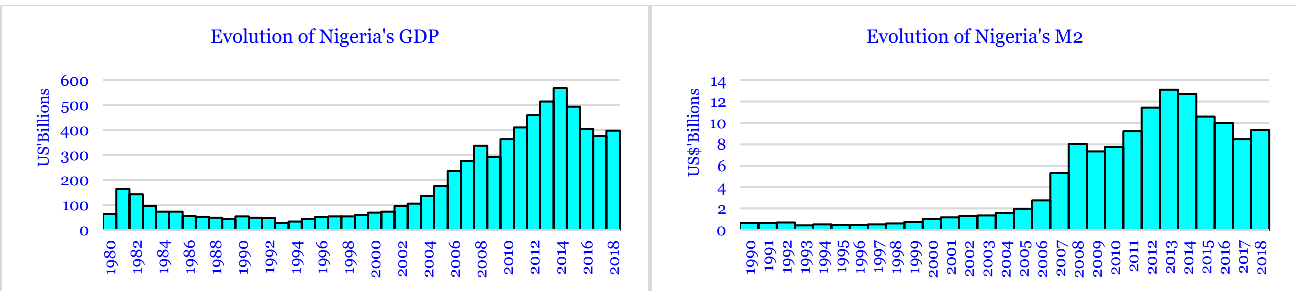
4. **Headwinds**- *How Illiquidity Holds Nigerian Economy Down*

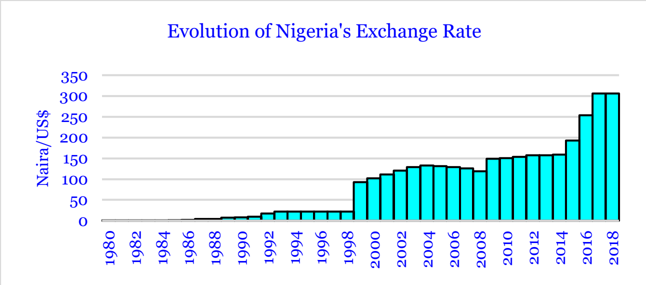
i. External Liquidity is Key

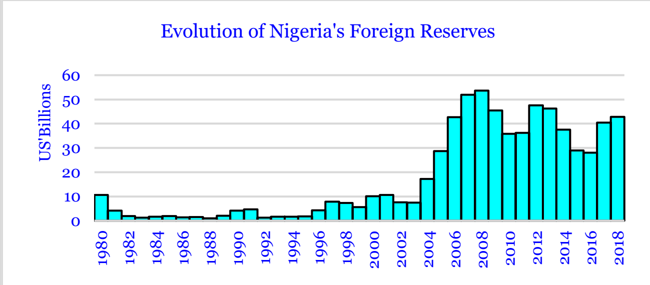
Since the early eighties, Nigeria has *struggled with growth* because of *domestic illiquidity*, and *struggled with exchange rate stability* because of *external illiquidity*. Nigeria needs to recognize the fact that unless liquidity concerns are addressed, growth and stability aspirations will remain elusive. The 2004-2008 growth acceleration episode in Nigeria was fuelled by the surge in our external liquidity as a result of steady increases in the price and volume of oil exports.



The period stands out in Nigeria's post-1980 history as the only time the Naira appreciated, the banking system, bond market and equity market deepened markedly, and growth accelerated. Such was the magic of adequate external liquidity. Nigeria must ensure adequate internal and external liquidity to restore growth and stability, and the *sequencing* is very important: *External liquidity is required for Exchange Rate Stability; Exchange Rate Stability is required for Domestic Liquidity, Domestic Liquidity is required for Growth.*



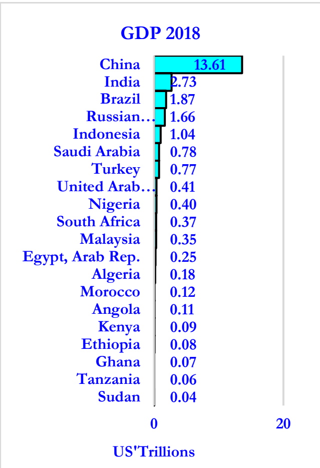


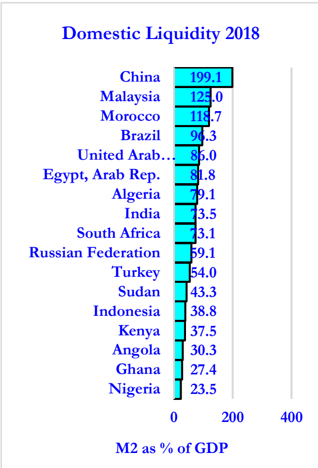


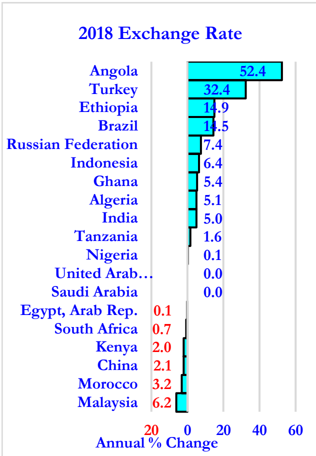
Nigeria must *reorder economic policy priorities* to:

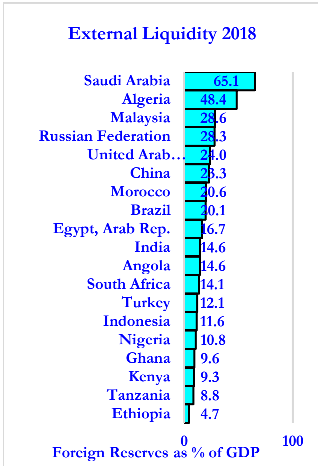
External Liquidity → Exchange Rate Stability → Domestic Liquidity → Growth

Stimulating enough foreign capital inflows is key for: stability, getting business done, even if when business is easy to do, rebuilding infrastructure, growth acceleration, growth diversification, employment, jobs, wellbeing, prosperity, and security.









Over the years, many of Nigeria's peers have learnt to deepen external liquidity, stabilize exchange rate, deepen domestic liquidity, and grow the economy, *with external liquidity as the silver bullet, or the magic button*[16]. The other three, exchange rate stability, domestic liquidity, and growth acceleration, will happen automatically once steps needed to boost external liquidity are effectively implemented, as evidenced by Nigeria's 2004-2008 episodes of external liquidity surge, exchange appreciation, financial deepening growth acceleration.

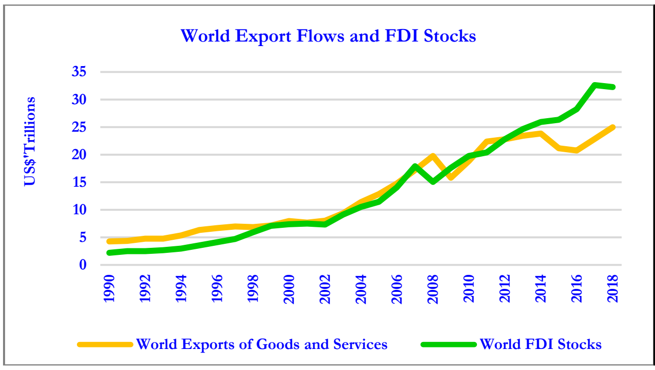
Egypt is fast emerging as an example of how to change macroeconomic narrative from negative to positive in a short space of time, having been in a similar situation to Nigeria in 2016, but has managed to attract a significant amount of capital inflows from a variety of sources that include a loan from the IMF, new issuance of foreign currency bonds, in addition to attracting more foreign direct investment inflows and diaspora remittances than Nigeria. Meeting higher thresholds of external liquidity is restoring the strength of the Egyptian pound as a store of wealth, making assets denominated in the pound preferable to forex or real estate in wealth owners portfolio, thereby further deepening the Egyptian financial system and this will in turn enable more access to low cost finance to Egyptian households and businesses who wish to take up profitable growth opportunities.

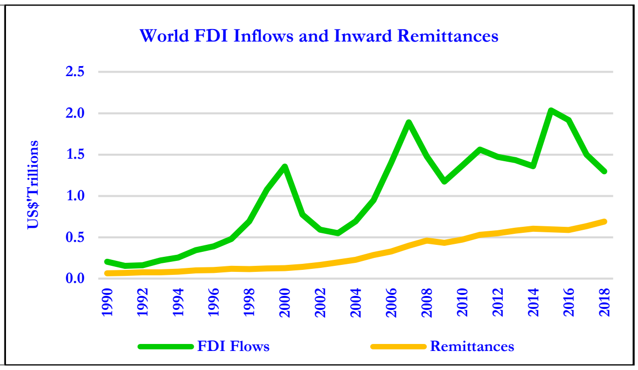
[16] Joyce, J (2018), 'External Balance Sheet as Countercyclical Crisis Buffers', *International Economics and Economic Policy*, vol. 15, no 2, April.

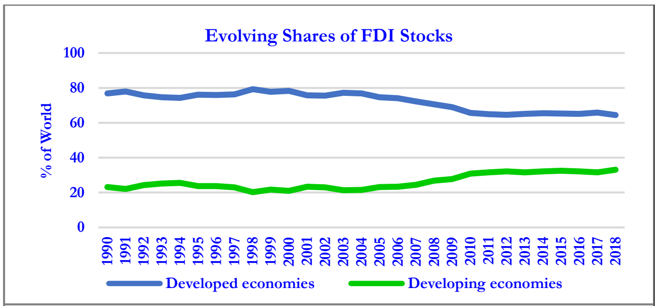
5. **Tailwinds**- *Favourable Factors- Global and Domestic: The Silver Linings*

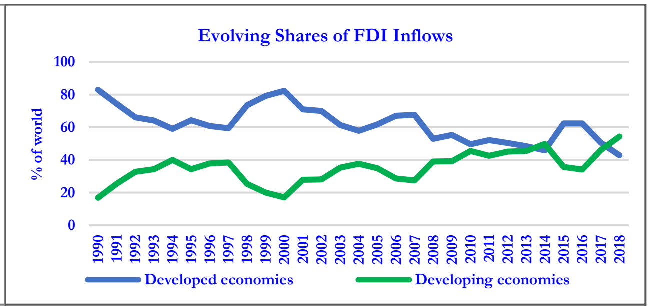
i. The Global Liquidity Glut

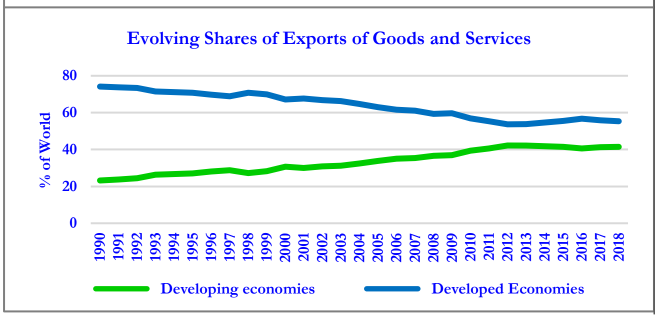
The global liquidity glut currently offers unprecedented opportunities for Nigeria to attract easy capital inflows to stabilize the Naira, deepen domestic liquidity and fuel growth. Annual inflows of Foreign Direct Investment (FDI) and Diaspora Remittances inflows into developing countries now exceed a trillion US dollars, but these are concentrated in short list of developing countries that have strategically adopted investment friendly policies[17].

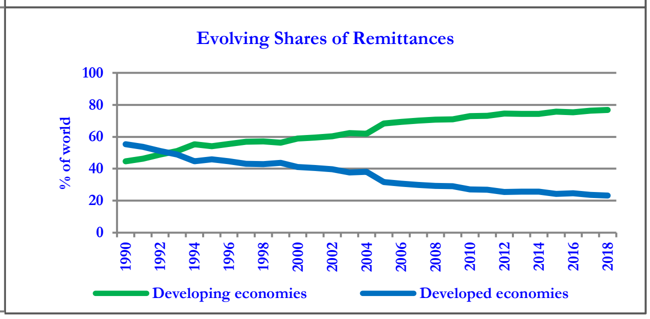








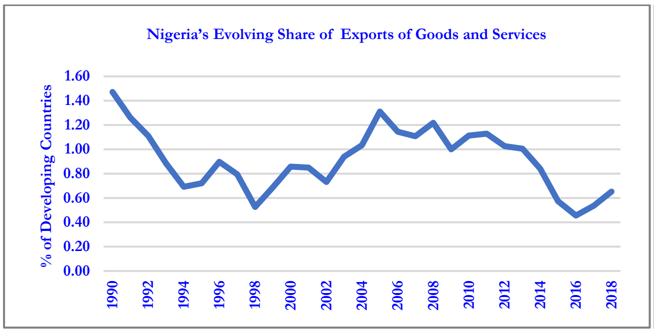


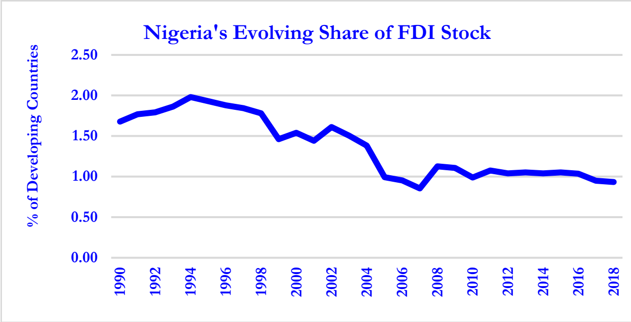


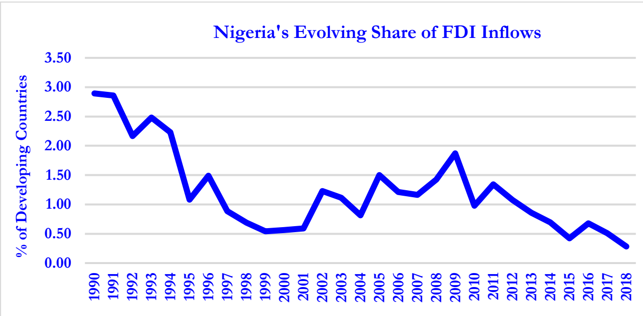
Nigeria is not on that list as Nigeria's shares of both types of inflow have been on a steep downward trajectory even as these flows have doubled over the past decade and a half. Nigeria got a peak share of 7.53 percent US$200 billion total remittances to developing countries in 2005 as the fourth largest developing country recipient then (after China, India and Mexico) but that had fallen steadily to 4.59 percent of the US$520 billion by 2018, with Nigeria dropping to the sixth largest developing country recipient (having been overtaken by Philippines and even Egypt, our continental peer and emerging exemplar for investment friendly policies whose share rose from 2.58 in 2005 to 5.46 in 2018.). Nigeria's peak share of total FDI Stock in developing countries was 1.98 percent of US$100 billion in 1994 but this

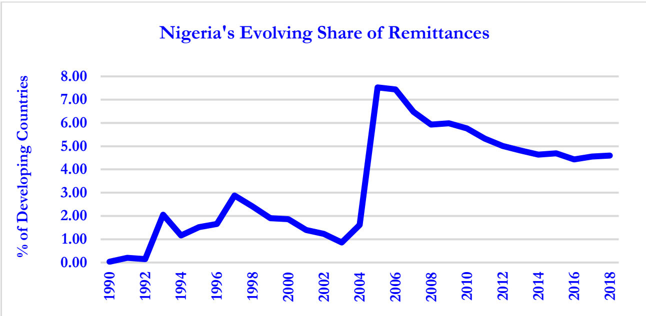
[17] Chhaya, K. (2018), 'Diaspora as an Asset for Economic Development of India', presented at the Conference on, 'Transnationalism, Culture, and Diaspora in the Era of Globalization', Centre for the Study of Diaspora, Central University of Gujarat, 21-23 February 2018.

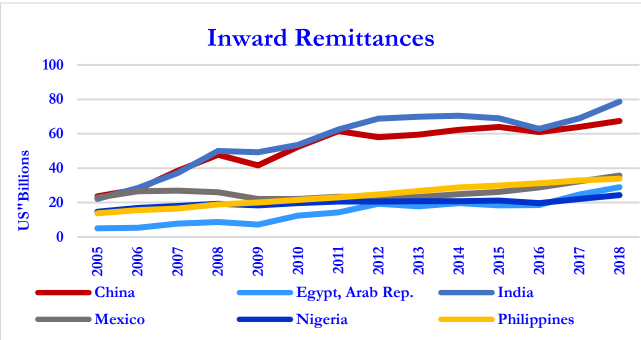
has dropped to 0.93 percent of US$500 billion by 2018. By contrast, India's share rose from 0.33 percent (one-six of Nigeria's share) in 1994 to 3.62 percent (four-times Nigeria's share) in 2018.

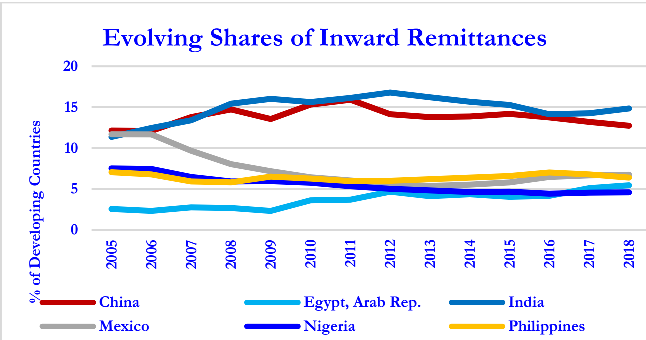


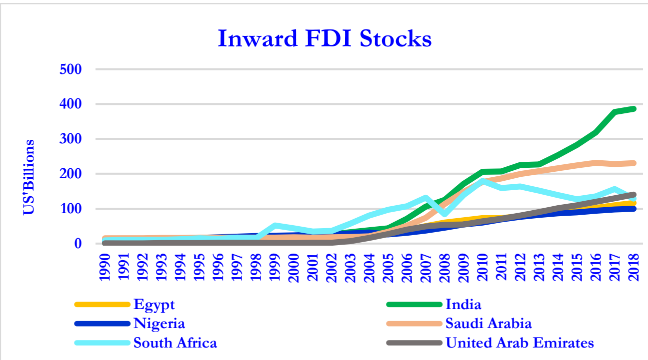


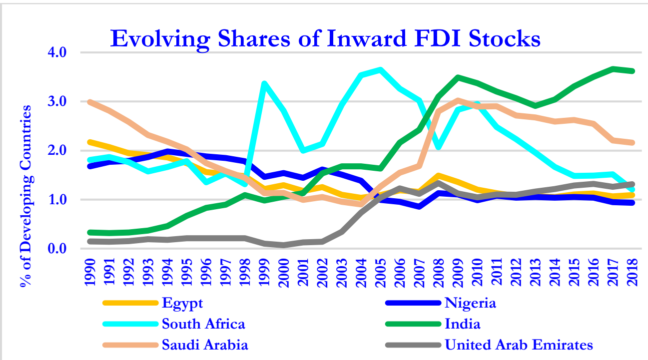












ii. Emerging Market Economies (EMEs) Race for Global Liquidity

It is imperative that Nigeria joins the small list of developing countries who are getting increasing shares of both flows as those flows continue to surge. Unfolding *global realities* now mean that *Nigeria could easily adopt policies that will raise external liquidity thresholds enough to switch from contraction to expansion*. Nigeria must join the race for massive private-to-government remittances from her non-resident citizens and narrow the gaps between her and China and India. Nigeria's peers like Egypt, India and Saudi Arabia and other emerging markets are taking full advantage of the opportunities to deepen external liquidity, stabilize their currencies, and deepen domestic liquidity to fuel growth, infrastructural development, employment generation and poverty eradication. In the mid-1990s, Nigeria had larger stocks of FDI than India, Saudi Arabia or the United Arab Emirates, but these have all since overtaken Nigeria, with India now having more than triple, and Saudi Arabia having more than double, Nigeria's FDI stock.

Many Emerging Market Economies (EMEs) recognize the benefits of financial globalization and have implemented reforms to attract record inflows of Greenfield and Brownfield Foreign Direct Investment (FDI), typically by (a) *liberalizing infrastructure and other sectors*, and (b) *privatizing a growing share of government ownership in infrastructure and other assets*, and a few have also attracted record inflows of Diaspora Remittances, typically by (a) *minimizing the costs of remitting funds* and (b) *getting the government to issue foreign currency bonds* to give non-resident citizens greater opportunities to send money home[18][19][20]. With its Liberalization, Privatization, and Globalization (LPG) policies since 1992, India exemplates this, but Saudi Arabia, with its National Transformation Plan (NTP) announced in 2016 and the 16-sector privatization programme announced in 2017, is fast becoming another exemplar.

iii. Domestic Public Wealth Conversion Headroom

Despite the *negative external income shock*, the *domestic reality* is that *Nigeria remains prodigiously asset rich*. However, while Nigeria's economic and financial struggles resulting from the decline in income have been conspicuously prominent in economic news headlines, the *value of assets owned by Nigeria* and the *solutions the assets could unleash* have been less so. It is time to pay attention to the *hidden value in vast assets owned by Nigeria* and *unlock massive domestic and external liquidity required to arrest the economic and financial crisis* from them.

Data Sources

i. Central Bank of Nigeria's *Annual Statistical Bulletin* for data on Nigeria's Money, Bonds, Equity, Government Revenue, Spending, Deficits, Exports, Net Exports, Price of Bonny Light Exchange Rate, Foreign Reserves
ii. World Bank's Online *World Development Indicators* for comparative data on Bonds, M2, Equity, Government Revenue, Exchange Rate Devaluation and Foreign Reserves, and GDP
iii. World Bank's Online *Remittances Database* for comparative data on Remittances data are from
iv. Annex Tables to UNCTAD's *World Investment Report* for comparative data on FDI Stocks and FDI flows
v. WTO Online Database for comparative data on Exports
vi. MSCI World Equity Index Performance for data on World Equity Index

[18] Amendolagine, V and Coniglio, N D (2014), 'Economic Enclaves or Bridges to the Global Economy? Foreign and Diaspora Investments in Developing Countries', EUI Working Paper 2014/10, European University Institute, Robert Schuman Centre for Advanced Studies, Global Governance Programme., January 2014.
[19] Wickramasekara, P., Tennant, E. and Taran, P, (2017), Engaging the Diaspora and Migrant Workers for Home Country Development: Diaspora Finance and Remittances', November 2, 2017, ADBI, OECD and ILO (eds.) Labour Migration in Asia: Increasing the Development Impact of Migration through Finance and Technology., Asian Development Bank Institute, Organisation for Economic Co-operation and Development, and International Labour Organization, 2018, https://ssrn.com/abstract=3172249.
[20] Diaw, A. K., (2017), Exploring the Potentials of Diaspora Sukuk for OIC Member Countries', April 1, 2017, *Islamic Economic Studies*, Vol. 25, No. S, 2017, https://ssrn.com/abstract=3149516.

About Ayo TERIBA

Ayo is *CEO* of *Economic Associates* (EA) where he provides strategic direction for ongoing research and consulting on the outlook of the Nigerian economy, focusing on global, national, regional, state, and sector issues. Ayo is also the *Vice-Chairman* of the *Technical Committee of the National Council on Privatization* (TC-NCP), where he highlights the links between privatization programmes and the macroeconomy, a *Member* of *Board of Economic Advisers* in the Office of the Economic Adviser to the President, where he contributed to the conception of economic policy ideas for the country, a *Member* of *Nigeria's Industrial Council*, where he shapes efforts to ensure Nigeria's industrial advancement. He was a *Member* of *Presidential Technical Advisory Committee on Implementation of New National Minimum Wage* and was a *Member* of the defunct *National Economic Intelligence Committee* (NEIC), where he conducted periodic reality checks on macroeconomic, fiscal and monetary policies.

Before becoming CEO of EA in 2004, Ayo worked as *Chief Economist* at ThisDay Newspaper (2001-2004), *Faculty Member* at Lagos Business School (1995-2001), *Head of Research* at Lagos Chamber of Commerce (1993-1995), and *Company Economist* at UAC of Nigeria (1992-1993).

Ayo has served as *Consultant* to many blue-chip companies, a host of federal ministries, departments and agencies, numerous State Governments, DfID, USAID, UNIDO, World Bank, and was a *Visiting Scholar* to the IMF Research Department in Washington DC and he has received grants from Ford Foundation and Rockefeller Foundation, and chaired the steering committee of Money, Macroeconomic and Finance Research Group of Money Market Association of Nigeria. He is a Council Member and Chair of Economic and Statistics Committee of Lagos Chamber of Commerce and Industry, and a Non-Executive Director of Greenwich Trust Group.

Ayo earned *B.Sc. in Economics* from University of Ibadan with *Sir James Robertson Prize and Medal*, *UAC Prize in Economics*, and *Economics Departmental Prize* as the all-round best economics graduate in 1988, *M.Sc. Economics* from Ibadan in 1990, *M. Phil. Economics of Developing Countries* as *a Cambridge-DfID Scholar* at University of Cambridge in 1992, and *Ph.D. in Applied Econometrics and Monetary Economics* from University of Durham in 2003. He is an *Alumnus* of Lagos Business School (*AMP 5*) and Henley Business School (BDP) Executive Programmes.