

Actions Tinubu must take to transform economy

By Dr. Adeoye



It is important to state that President Bola Tinubu is known for making men. People close to him have confirmed that he does not turn down any requests for help. He is said to be a giver; perhaps he learnt that from Chief MKO Abiola. For over 30 years, he has had his eyes on the seat he is currently occupying. He worked towards it with all his energy and he built bridges all over the country to achieve that aim. That implies that the preparation and building of bridges across the country are not cheap. You need money and time. The emi lokan (it is my turn) slogan is not just a mere wish

He worked for it over the years. Let no one make a mistake about this. The above preamble implies that the president has good intentions to make a point that through a Yoruba man, citizens and the country can get better with abundance, joy and economic boom as expected from Awolowo or MKO if they had become President and of course when Olusegun Obasanjo was there Nigeria was great. I believe these are his desires, and they probably account for the 'renewed hope agenda.' However, there is a Yoruba proverb that says if we don't know where we are

going, we must know where we are coming from. This going back to where we are coming from is not a sign of weakness but a decision not to go too far in the wrong direction.

Medical practice requires that when advertising drugs, you must add a clause that says, if symptoms persist after two days, consult your doctors. It seems the symptoms have persisted too long in our economy. It is time to consult stakeholders (who are the doctors) so we can jointly take Nigeria out of the current situation. Usually, to see the light at the end of the tunnel implies that those who travel under the tunnel will be alive to end the journey and if that assumption fails to be a reality, the light at the end of the tunnel will be of no use to them. The president should revisit the policy of floating the naira. Currency devaluation is dangerous for any import-dependent nation. Russia tried floating its currency, leaving it for market forces, but it reversed it and today Russia is one of the strongest economies in Europe despite the war with Ukraine.

Germany once floated its currency and the result was terrible until they fixed the same. China once floated its currency and the result was terrible but today its currency is fixed against the dollar and it is a world power at the rate of about 7RMB to a dollar. Exporting countries with a positive balance of trade can devalue their currency against the dollar to attract United States buyers and the world to buy from them. Canada is an example and it will not allow the Canadian Dollar to be stronger than the US dollar because 70 per cent of its exports are sold to the US market. Nigeria is not yet there. We should lead all African countries in terms of currency value. Kuwait controls its currency which is stronger than pounds. 1KWD is about \$3.279. In China, \$1 exchanges for about 7.16 RMB. The main objective is to sell to the US and the whole world, where the dollar is a means of exchange in most

international trade transactions. At that rate, you are in a better position to buy from China even if you are in the US as your \$1m will become over RMB7m. The value of a country's currency has a lot to say about that country.

May we not get to the state Zimbabwe was at a time when a bottle of coke was selling for over ZWL1m. Before it is too late, let us review this policy. If the main reason is to stop round-tripping, that can be controlled through technology and close monitoring of the few entities that are qualified for forex. We can then invest in technology to ascertain and ensure that forex obtained is used for the purpose it was given. Those involved in round-tripping are not ghosts or spirits. We should deal with them rather than allow naira to keep falling. As regards subsidy removal, there is no country without one form of subsidy or the other. Food, energy etc are subsidised in many countries. It is not logical for a producer to pay the same price for a product as those who do not have the same product. Yam is cheap in Benue because Benue produces a lot of it. Orange is cheap in Benue because Benue produces a lot of it. A cow is cheaper in the North than in Lagos because the North produces a lot. Ofada Rice and Adire are cheaper in Abeokuta than in other parts of Nigeria because they are produced a lot there. Therefore, the federal tax rate can be used to take back from big entities what the lowest people in society enjoy in terms of subsidy in Nigeria. I know The President truly wants to end the corruption prevalent in the fuel subsidy but the policy rather than hurt the big companies and all parties involved in subsidy scam, is obviously injurious to the citizens, especially the poor. Prices will continue to rise if we don't review the policy. Those who take subsidy without importing fuel are not spirits, they are not ghosts and as such, it is not beyond the government's capacity to catch them and ensure that subsidy is not paid on fake documents. The effort to ensure that subsidised fuel is not smuggled out of the country through the land borders is not beyond the capacity of the government. The Nigeria Customs Service is capable of achieving it if given the mandate backed with resources. I have seen efficiency and effectiveness in these guys and I know they are capable.

In 2012, there was a Presidential Committee on Verification and Reconciliation of Fuel Subsidy Payment headed by Aigboje Aig-Imoukhuede. They identified 21 companies that should refund money to the Federal Government and so a ghost does not collect subsidy with fake papers. Hence it can be controlled. While we may forget the past issues, we can set new standards now to ensure we do not pay subsidy on exported fuel through land borders. If the government is unable to reverse the subsidy removal because of the difficulty to block the leakages therein, then the Subsidy Trust Fund should be created like the Petroleum Trust Fund for intervention programmes. Through this Subsidy Trust Fund, solar power projects can be embarked upon. Interventions such as the creation of ranches and clusters, fertilisers, farm

implements among others can be provided. Primary health care interventions can be handled from the Subsidy Trust Fund. Using interest rate as a major weapon to control inflation is dangerous for business. It will make foreign entities take over all sectors over time.

If a Chinese businessman gets loans at say five per cent from China, he will have leverage over a Nigerian who gets the same loan at a 30 per cent interest rate. For example, \$1m from China at five per cent will imply that his \$1m will become like N1.6bn and even with that exchange rate, he will only pay N80, 000,000 interests per annum. If a Nigerian gets the same N1.6bn, annual interest will be N480, 000,000 at 30 per cent. The Nigerian businessman will be pushed out of business over time. The devaluation of currency and high interest rate is a step in the wrong direction. The CBN should review this as the signs are not good when businesses owned by Nigerians are compared with those owned by Chinese or other foreigners.

As regards national security and state policing especially on the farms, the Federal Government does not require any admonition. Even the blind and the deaf know no farmer will go to farm without assurance of security. The President and all the military chiefs know this and I think the strategy should be to deal with those sponsoring the killers of farmers. More policemen should be recruited and farmers should be assured of safety. Farm settlements owned by states should be revived and I'm glad the Federal Government is looking at that. Clusters should be created in each local government based on what we can grow in each state. Make it a crime for any child in the North and all other parts of the country not to go to school. The recent protest and outcome clearly show a direct correlation between uneducated hungry people and violence aimed at looting. State police should not just be a mere paper discussion; it should be implemented as fast as possible.

The National Orientation Agency needs to be reformed. I see the level of ignorance in people who cut off railings on bridges. I suspect they lack knowledge. Poverty is not the only problem but economic power will solve 80 per cent of the problem. The NOA needs to promote patriotism on radio, motor parks, marketplaces, villages and cities. Tinubu needs to rejig his cabinet and fire those adding no value. It will not be too good to have people remaining in his cabinet if they cannot perform; hence there must be a key performance index. If need be, Tinubu should look around, even among the opposition and harvest the best brains to proffer solutions to our problems. The President must review the current policies, as the focus should be on the citizens first. I suspect that the interactions between interest rate, naira floatation and subsidy removal are not in the best interest of the people and it is never too late to review them. I love my country and I want the President to succeed. Tinubu, don't listen to those people saying all is well.

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