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CBN can further aid the economic development of Cross River State

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At the opening of the Calabar branch of CBN



Captain Elegbede delivers his keynote address.

CAPTAIN ELEGBEDE SPOKE ON HOW CENTRAL BANK CAN FURTHER AID THE ECONOMIC DEVELOPMENT OF CROSS RIVER STATE

THE opening of the Calabar Branch of the Central Bank of Nigeria marks a significant milestone in the evolution of financial institutions in the Cross River State; and in my view, it is at the same time a notable land-mark in the economic history of this part of the Federal Republic of Nigeria. Because of the important socio-economic roles which the Central Bank of Nigeria plays, we, in the Cross River State, should regard the 31st of October, 1978, as a day when another giant step is taken in the current economic leap forward that is prevalent in the Cross River State.

It is in the light of this economic leap forward, and the expectation therefrom that I wish to take this opportunity on behalf of myself, the Government and the entire people of the Cross River State, to welcome to the State at the same time to

thank the Governor and Management of the Central Bank of Nigeria for bringing to us this great blessing by having its branch opened to operate in our midst. Although since 1972 the Central Bank has operated a sub-centre in Calabar, apart from the State Ministry of Finance and the commercial banks in Calabar, the ordinary businessman hardly knew of its existence. Today the situation is proven different by this magnificent and equally befitting edifice which has added to the physical and general aesthetics of Calabar Municipality. In this connection, we would also like to acknowledge the good efforts of the designers of the building and the contractors who executed the construction work. To them we say, well done.

Having dwelt on these preliminaries, I wish to crave the indulgence of the Governor and Management of the

Central Bank, and indeed, of the Federal Military Government at large, to use this occasion firstly to express my deep appreciation and that of the Cross River State Government for the very laudable roles which the Central Bank has played since its establishment under the Central Bank of Nigeria Act 1958; and secondly, to outline certain vital economic problems

facing the Cross River State economy, which, I believe, the Central Bank of Nigeria is best placed to render some assistance, particularly now that it is literally in our midst.

In the first place, the Central Bank by virtue of its functions, occupies a unique position in Nigeria's economic and financial system. I believe that the bank has effectively used this position to the great advantage of the Nigeria economy. Apart from its broader normal statutory functions in respect of the national currency issues, the management of reserves, the promotion of monetary stability, serving as a banker to banks, a banker and financial adviser to the Governments in the Federal Republic, and the promotion of a sound financial system, the Central Bank of Nigeria has, over the years, been one of the greatest progenitors of the rapid economic growth of the Nigerian economy. It is easy to call to mind the obvious advantages of the series of Development Loan Stocks on which State Governments have so much depended for the

execution of their capital projects. We can also remember easily the massive advances granted for export produce on which, apart from oil, Nigeria very much depends for its foreign exchange. Of recent, the Rural Banking Programme and the implementation of the Federal Government Agricultural Credit Guarantee Scheme are current issues for which State Governments, the farmers and the ordinary businessmen in the rural areas of our economy will be eternally grateful.

It is not my intention to catalogue a series of laudable achievements recorded by the Central Bank of Nigeria. I merely wish to invite the attention of the agricultural and the business community of the Cross River State to recognise the fact that the opening of a branch of the Central Bank in Calabar, the capital of the Cross River State, has further provided the State economy with a hub around which the economic progress of the state which should be further enhanced. In this regard, the gauntlet of rapid socio-economic advancement of the state is now squarely at their feet!

Having called attention to a few of the vital roles which the Central Bank of Nigeria plays, I feel constrained to relate some of the roles to the economic problems of the Cross River State. Firstly, it is considered appropriate to use this medium to invite the attention of the Governor and Management of the Central Bank to the fact that the Cross River is a relatively poor state but very potentially rich in agricultural economy. Apart from Calabar and four other urban centres, the population of the State is predominantly rural and semi-urban. Because of this, the State Government and the people of the State welcomed the Rural Banking programme announced by the Central Bank in July, 1977.

Under that programme, it was proposed that within three years, existing commercial banks in the state would be expected to open their branches in some rural and semi-urban communities namely: Etinan, Abak, Akamkpa, Odukpani, Obudu, Oku-Iboku in Itu and Ikot Akpankuk in Ukanafun. More than a year has passed since the people of these communities

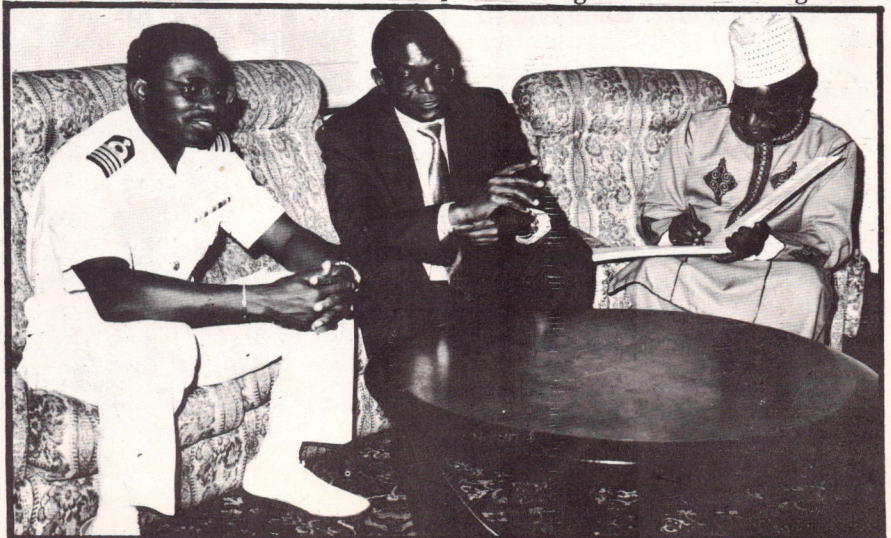
enthusiastically welcomed the news and have been expecting action to be taken on the matter. With the opening of the branch of the Central Bank of Nigeria in Calabar, the Government and people of the State not only look forward to the encouragement of commercial banks to implement as early as possible the Rural Banking Programme in the designated communities; but it will also appeal to the Central Bank branch to identify other areas of need for extension of the programme. In this regard, the need for this programme to be pursued with despatch cannot be over-emphasized, bearing in mind the urgent necessity to mobilise, harness and effectively channel large rural savings into productive enterprises, as well as inculcating banking habit into the people. Also to be borne in mind are the difficulties of transport and communication between rural communities and urban centres where commercial banks exist. These difficulties lead to the tying up of large savings, thus preventing the rapid circulation of money because of hoarding by the rural communities.

Closely associated with the Rural Banking Programme is the need to encourage the growth of Cooperative Banking. The Co-operative Movement in the Cross River State was, before the Nigerian Civil War, a virile business institution. The ravages of the civil war nearly killed the co-operative spirit. However, with the relentless effort of the Cooperatives, there has, since the end of hostilities in 1970, been significant revival

of the Co-operative Movement. Funds have been raised, but they have not succeeded in being granted a banking licence. With the opening of the branch of the Central Bank in the State Capital, it is hoped that it will now be easier for the Central Bank to

appreciate the problems and needs of the co-operative societies in the state for the early establishment of a Co-operative Bank, as it is difficult for the normal commercial banking system to accommodate the ever increasing credit needs of our Co-operative Societies. With the establishment of a Co-operative Bank, I am confident that the role of the co-operative societies in the agricultural, industrial, commercial and social development of this state will be greatly facilitated.

The next vital economic problem facing the Cross River State is the lack of credit facilities for agricultural development. The State is recognised to be abundantly rich in agricultural potentials. With the variety of rich soils, vegetation and favourable climate conditions, the farmers of the state can, given adequate agricultural credit support, make a very significant contribution to the Nigerian economy in terms of increased food production, cash crop production, livestock production through guided ranching and the effective exploitation of the abundantly rich fisheries and forest resources. Because of the rigid requirements by commercial banks for collateral support for loans, the farmers of this state cannot fully benefit from the Federal Government agricultural credit guar-



Before the opening ceremony, the Governor, Mr. O. Ola Vincent and the Deputy Governor, Alhaji A. Ahmed paid a courtesy call on Captain Elegbede.

ntee scheme which the Central Bank is currently implementing. It is our humble request that the Central Bank branch in Calabar being opened today should look closely into this problem and evolve an immediate arrangement whereby our farmers can, with minimum constraint, avail themselves of the facility so as to ensure a successful operation of the scheme.

Finally, as I have stated earlier, the state is predominantly an agrarian economy. There is no industrial basis to generate external economies and attract other large scale industries to polarise around existing nucleus. However, because of the rich natural resources, there is a lot of potential for agro-based and forest-based cottage small-scale industries with intermediate technology. Given the financial wherewithal, it is my belief that the rural countryside can very easily be transformed by the establishment of small-scale industries. Like the current agricultural credit guarantee scheme, which aim is not only to boost food and cash crop production but, also to improve rural incomes and arrest rural exodus, a similar small-scale industries credit guarantee scheme sponsored by the Central Bank in the country at large, will go a long way to improve the rural environment thus discouraging the usual rural-to-urban exodus and narrowing the existing wide gap between urban and rural communities. In my view, it is one of the easy ways of implementing one of the national policies, such as even development. I would, therefore, commend to the Central Bank Authority this policy for small-scale industries credit guarantee scheme.

I must apologise for taking much of your time. You will however appreciate that all what I have said is borne out partly for the happiness of the Government and people of the Cross River State for the opening of the branch of the Central Bank and partly to express our anxieties, expectations and problems so that where possible, the Central Bank can come to our aid.

Lastly, I would like to wind up by expressing my gratitude to the Management of the Central Bank of Nigeria

for inviting me to perform the opening ceremony of the Calabar branch of the bank. I am also appreciative of the fact that this invitation and privilege have enabled me to say a few words of appreciation as well as to make some suggestions and appeal for help. I have no doubt, that with the opening of this branch, the clearing system for the Government and the commercial banks, as well as dealings in foreign exchange and other aspects of banking, the monetary transactions of the citizens of this state will now be much easier and faster. These aspects in themselves

will certainly boost the economic activities to the greater advantage of the state's socio-economy than hitherto.

Once again, I welcome the Honourable Commissioner for Finance, the Governor and Directors of the Central Bank and their entourage to Calabar and wish all of you a safe return to your destinations. With these, Mr. Chairman, Distinguished Ladies and Gentlemen, I have the honour to declare open the Calabar branch of the Central Bank of Nigeria. May God further guide the staff for effective and successful operation.

Thank you all.



The Governors also paid a courtesy call on the Obong of Calabar.



Traditional Dance — essential part of opening ceremony.