

---

## Interview: Chief Anthony Ani

---



# Nigeria's perspective for achieving economic growth

*Chief Anthony Ani, minister of finance of Nigeria, was interviewed by Lawrence Freeman and Uwe Friesecke in Abuja on Oct. 27.*

**EIR:** We were here a couple of years ago, and we discussed the condition of the "Asian Tigers," and there was some discussion in Nigeria that that was the path to follow. Given the developments over the summer, with the collapse of the currency, the collapse of the Hongkong market, what do you think is going on in Asia? Do you think Nigeria now has to look at a different model for its economic development?

**Ani:** In the case of Asia, I believe that we should look at certain fundamentals. The first one is what happened in Mexico, when they were using major market sector funds to invest in medium- and long-term projects. The result of that is that when the demand for this money comes along, the countries aren't able to pay, and there is a run-down of the economy.

Secondly, the issue of some countries' trading in their currencies would have to be looked at; the Asians have a convertible currency traded upon, and this is something that would have to be looked into. This is a great lesson to us here in Nigeria; because the economies in Asia having failed, the tendency will now be for the emerging markets to come to Africa and target Nigeria, maybe South Africa, and Egypt, and we must be very, very careful.

In Nigeria, we must be able to put in place guidelines that will prevent the collapse, what is happening in Asia. We are currently looking into that. We cannot allow the situation of the trading in our currency—when our currency is convertible, in this case. And, secondly, we will not allow the issue of short-term funds being used for long-term projects. Anyone bringing money into Nigeria must deposit it with the Central Bank, because our currency is the naira and not the dollar. The government is not going to go out and borrow money, but if anyone in the private sector borrows money, he must bring the money to Nigeria and not bring the money abroad, and the money brought to Nigeria must be used to generate currency that will be used to repay the loan. We are not going to accept the situation, as previously, when we had companies borrowing money, using the money to buy things that turned out to be useless, that were brought to Nigeria. We've got sand; we've got saw-dust, and these things. This is not going

to happen again. So, it is a great lesson we have learned from the Asians. And, as I said, it is something that is eventually going to come to this part of the world, and we must be able to prevent it.

**EIR:** You were at the IMF meeting in Hongkong in September, and you are familiar with Prime Minister Mahathir of Malaysia's outspoken attacks on speculators coming in and disrupting their economy, for no other purpose than making money on trading currencies, and including George Soros, who was very upset about this. Do you support this kind of statement that is coming from Prime Minister Mahathir?

**Ani:** Well, I do not—I suppose, Mahathir and Soros have had dealings previously, and I would not want to be thrown into their controversy, because they know themselves. Soros has been a currency speculator—in 1992 or 1991, when the pound sterling was at its worst ebb, Soros was involved. And, maybe Soros was also involved in Southeast Asia, because of the weaknesses in those areas. It could also be that the so-called Tigerish attitude of the Asians—they were not Tigers; they were still make-believe, because otherwise I cannot see how Thailand could collapse, and what is happening in Hongkong now, and what is happening in Malaysia. What I am saying, is that we would not accept a situation where our currency is traded upon. The Malaysian currency was being traded upon, and they suffered the consequence. The speculators are there, and they are very big, and we cannot afford that now. So we are not going to take the part of Malaysia, or Thailand or Hongkong, or any of those areas. We have adopted our own guided deregulation, and we are following that religiously, to see that we do things our own way to meet our own aspirations and conditions in Nigeria.

**EIR:** Now, there is an emerging bloc of Asian nations, also supported by China; and Japan came up with the idea of the Asian Monetary Fund, which was supported by the Secretary of the Treasury of the United States, Mr. Rubin. The IMF was very upset about this, because they thought they were going around the International Monetary Fund. But the emerging concept in Asia, is that "we have to protect our currencies and engage in trade." And, of course, the Chinese are leading the world in trade at this point. How does Nigeria see this pro-

development physical economy approach of the Asian countries, now with China and Japan?

**Ani:** I believe that the group of countries can do things to protect their economies, and I do not see anything wrong in China and Japan leading the crusade to have this monetary union that would provide funds to protect their countries. Of course, it is understandable that the IMF would not be very, very supportive, but I suppose with Secretary Rubin supporting that, they will change. The IMF would not like competitors, and this to me is what is wrong; this is what they are afraid of. I believe that in a situation where you would have the Americans support Mexico—as it happened in Mexico—any group of countries, like Japan and China, can come together to have an association that should be able to put their currencies and economies in their own separate terms; I believe that is right. And if we in Nigeria had those facilities that those countries have in Southeast Asia, we would do the same thing for the Ecowas [Economic Community of West Africa States] countries, to protect them. Because after all, we live together; we are the same people; we trade together; we must be able to protect ourselves. Any sovereign nation should be in the position to protect its economy.

**EIR:** I agree with that. It appears now more and more the case, that the IMF is not really working; it's not helping. It makes loans to Thailand; it is now in negotiation with loans to Asia, but this does not stop the hemorrhaging; this does not stop the collapse of the currencies of the market. As you know, Mr. LaRouche is calling for a New Bretton Woods System,

saying that the IMF doesn't function. And you may know that there was extensive coverage of Mr. LaRouche, alleging that he was behind some of the statements that Dr. Mahathir made in Asia. What are your views on this question, in terms of our approach; and whether this is going to grow, as it becomes clear that the IMF policies are not succeeding?

**Ani:** One would not—one would want the IMF to be in existence, because there are some countries, poorer countries, that may be condemned for the future. But, as I said, I support the idea of regional integration and general assistance, and I would not think that the IMF would succeed in preventing Japan and China from protecting the economies in their sub-region. China is the biggest economy in the world today. And Japan is also as big as any other country. They have a right to protect themselves, in these areas. I think that is what they should do. Nigeria supports them.

**EIR:** Following the presentation of your budget here in Nigeria, we have seen in the press a lot of discussion that says: Yes, your tight internal monetary supply policy has brought down inflation, but it has also created other problems, which are at least as severe as inflation. For example, I saw a report in the press by the Association of Manufacturers, which says that capacity utilization is down to 30%—

**Ani:** Thirty-three percent.

**EIR:** —and that this is hurting the little money supply that is there, and is hurting the economy. How do you address this problem, and how do you respond to that?



A scene in Lagos. "My job now," says Finance Minister Chief Ani, "is to release some funds, get things in place, go for growth, development, and then make the people feel the impact of what we have been trying to do."

**Ani:** When we took over the Ministry, we had a situation where the inflation had skyrocketed. The deficit for 1993 was 13% of GDP. That of 1994 was 9% of GDP. We had to take some action to bring the macro-economic variables into line with what is internationally accepted. That entails withdrawing money from the system and trying to get inflation under control. We have now been able to control inflation. We have now been able to get sufficient reserves in the economy. We have now been able to get the interest rates in check. If I wanted deficit budgeting, I could do that, but it must be for the purpose of growth and development. It would not be in the laissez-faire attitude that we had adopted.

So, having done all this now, our next problem is to attack the issue of growth and development, and this is what the next budget is going to be. It would have been very difficult for me to check inflation, and at the same time to have growth. I don't know, it wasn't magic, that people expected me to do. But I've been able to contain the macroeconomic variables that are affected, whatever anybody would have done. My job now is to release some funds, get things in place, go for growth, development, and then make the people feel the impact of what we have been trying to do.

When I came in here, I had \$700 million in national reserves; today, I have about \$7.5 billion in national reserves. So one can talk of confidence in the economy, confidence in the currency. I'm not borrowing money, again. I've been able to reduce my debt stock from 32 billion to 27 billion. If you take all these things—I know that the debt overhang is one of the things that most cripples any economy. You find that we are doing our best. But, having done the three-year period of economic stability, we are now narrowing down to economic growth and development.

With respect to your question about the Association of Manufacturers, I've spoken to them. In countries where you have domestic markets not improving, you go for exports. I've told them to manufacture for exports. We have the Eco-was region, with about 200 million people; there is a market there. They should be competitive, and make their goods at an international standard, so that they can compete in the markets abroad. By doing that, they should be able to get capacity utilization. I know that we have not been able to increase wages for anybody for the past few years, but then again, it was to enable us to take control of a situation that was running away from us. That is going to be done. When that is done, there will be more cash in the hands of people, to stimulate business. We have been able to pay the local contractors their debts. That again, continues to stimulate the economy. The point now is that people know their rights; if you manufacture, and it is not up to standard, they will not buy. So, let the manufacturers do their own work properly. As I said, we have got one side of the balance sheet right. My next target is to get the rest of the balance sheet in place. When I do that, we are okay.

**EIR:** What is your time-frame on that? Because if one looks

at certain situations, for example, that lecturers at universities are paid 7,000 nairas a month—

**Ani:** The minister of finance is paid 5,000 nairas a month—

**EIR:** But that's hardly enough for the average man in Nigeria to live a month, in a family.

**Ani:** It's because I have worked before. I have made a living. I have been comfortable. I don't need the salary as minister of finance to live.

**EIR:** But a lecturer at a university does need his salary.

**Ani:** Yes, a lecturer at a university does. We are going to look into that next year. Definitely, the 1998 budget would take care of all things like that.

**EIR:** Again, dealing with the domestic situation, you have \$7 billion reserves, which is very good, but you have a situation where people are not living well in Nigeria. You have an informal economy as bad as the last time we were here.

**Ani:** Yes, yes.

**EIR:** Now, from our standpoint of economics, through looking at history, the best way to stimulate the economy directly, would be for the government to involve itself in massive infrastructure development. There has been some in road improvements and rehabilitation, but that's not significant. What plans does Nigeria have for hiring millions of people who are presently misemployed, unemployed, putting them to work? We were told that the budget allows 65% of the revenue goes to pay salaries; 25% goes to pay for development. How would we—

**Ani:** That's not right.

**EIR:** Okay, it would be good to correct us on that. But the question that we have seen in developing countries—and this was the weakness of the Asian Tigers—is that if there is massive, not minor, but significant infrastructure development which brings in new technology and employs people, this is one of the ways to stimulate an economy that has a so-called weak domestic market. What plans does Nigeria have for this?

**Ani:** Well, in 1997, the infrastructures, we allocated 23.6% of our budget, to infrastructure. We allocated 11.5% of our budget to education. We allocated 8.8% of our budget to agriculture, water resources, and rail development. We allocated 11.9% to defense. We allocated 8.4% to police and security. We allocated 8.5% to industry, solid minerals, commerce and tourism.

So, there was quite a spread of the funds into infrastructure. But I am not particularly satisfied, as minister of finance. The point you raised was right. What is the point of having \$7.5 billion, when things are not happening? But, don't forget that the \$7.5 billion is an accretion of excess over what we are budgeted. We have budgeted the oil at \$17 a barrel. The excess over \$17 is what we have put in reserve. So, we have actually spent the \$17, but the excess is what we have put in reserve. It is now for us to decide in 1998 what we are going to use this excess for. In 1997, we used part of the excess to augment

the deficit. We had a deficit of \$45 billion, but we used the excess to wipe out this deficit. So, we are using this excess to meet the budget. We intend to look critically in 1998, at how we are going to use this excess, that accrued in 1997.

We have indications that the educational system has collapsed; we would look at how we can revamp the education from grammar schools, high schools, to the universities, using the excess money that we have. We will look at infrastructures again; the PTF is looking at the roads; we will look at our communications systems, because we believe that, if we have a good communication system, we can link up with the international community abroad and get things going in our educational system. The World Bank has a system now, where you can link up with universities abroad through the E-mail and Internet, and [which] sells the books from the other universities. We want to do that, but we have to improve our communications system.

These are things that we want to do in 1998. So, your question is very, very relevant. It is not that we want to keep this money perpetually, or keep it in foreign banks, where the foreign banks have to use it to develop their own countries, but we are going to use it to develop our own country, and that is what we want to do in 1998.

**EIR:** One final question. We were here in 1995—

**Ani:** I know—

**EIR:** — and did a presentation at the Second Nigerian Summit, and I think people in Nigeria and in the government are familiar with *EIR* and Mr. LaRouche and his forecasts of the economy and his solutions. Would you say that what we had discussed two years ago, has turned out to be accurate, and are you looking for Nigeria to be part of—

**Ani:** We adopted some of your suggestions, in 1995. The people were hostile to you, some of the people, at the economic summit, were hostile to your suggestions. But, we, at Finance, adopted some of your suggestions and *they have worked!* And so far as I'm concerned, I mean, the economy that we put in place, the economic policies that we put in place in 1995 and 1996, they have worked.

All that we need now, is to get growth and development, and we are planning towards that. If we are able to do what I've just told you, invest heavily in education, invest in infrastructure, get the people at the grassroots— We have divided the grassroots into 8,005 wards. The government is going to finance every ward to do cottage industry, using our own local technology. The question of employment will come in that regard; we are going to finance, to turn them into cooperatives; every ward will be a cooperative, and we are going to give them loans, interest-free loans, payable in 10-20 years, for them to be masters of their own destiny, and have their own industries. So, this is the answer to our employment policy.

## Videotapes Available from FDR-PAC

### The U.S. Backers of Britain's Africa Genocide



EIRNS/Stuart Lewis  
**FRONTMAN:** New Jersey Congressman Chris Smith



Courtesy of Adelta Hardin, Elko Daily Free Press  
**KINGPIN:** Former President George Bush, who is a board member of Barrick Gold, which led the 1996 mining companies' invasion of Zaire. Here, Bush visits Barrick's Goldstrike facility in Elko, Nevada, along with former Canadian Prime Minister Brian Mulroney.



EIRNS/Stuart Lewis  
**FRONTMAN:** Virginia Congressman Frank Wolf



EIRNS/Stuart Lewis  
**FRONTMAN:** New Jersey Congressman Donald Payne, former head of the Congressional Black Caucus



EIRNS/Stuart Lewis  
**BLOODSUCKER:** Televangelist 'Diamond' Pat Robertson



EIRNS/Stuart Lewis  
**KABILA'S BUDDY:** U.S. Refugee Committee chief Roger Winter

**Africa: Looting Ground for 'Bush, Inc.' or Breadbasket for the World? Part 1,** Jan. 11, 1997: 1 hour, \$20 [FDP 97-002]; or, 2 hours, \$55. [FDP 97-005]; (dubbed for Spanish: 1/2 hour, \$20 [FDP 97-007]).

**Africa: Looting Ground for "Bush, Inc." or Breadbasket for the World? Part 2,** Jan. 25, 1997: 1 hour, \$20. [FDP 97-004]

**Never Again! London's Genocide Against Africans,** June 18, 1997: 1 hour, \$20 [FDP-97-012]; or 90 minutes, \$30 [FDP-97-013].

Make checks payable to:  
**FDR-PAC**  
P.O. Box 6157, Leesburg, Va., 20178 (703) 777-9451