Remarks by Deputy Secretary of the Treasury Wally Adeyemo on the U.S.-Nigeria Economic Relationship in Lagos, Nigeria

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As Prepared for Delivery

Thank you all for joining me. I want to start by thanking the Lagos Business School for graciously hosting us. I’m glad to be here today representing President Biden and the United State Government.

My visit this week comes on the back of those by many other officials in the Biden Administration, including Secretary of State Blinken. President Biden is committed to a strong U.S.-Nigeria relationship built on shared values and mutual benefit. Our Administration recognizes that your economic success is not only important to the approximately 200 million people who call Nigeria home; it is important to the region, the continent, and the global economy.

Nigeria is, as you know, the largest economy in Africa and will be the fourth most populous country in the world by 2050. Nigeria’s economic and social impact can be felt well beyond your borders with a diaspora that has spread across the world, bringing with them the unbounded creativity and innovation that you find in every city and village.

As a child of the diaspora, I am humbled to be standing here in front of you as the U.S. Deputy Secretary of the Treasury. More than four decades ago, my parents left a very different Nigeria to get an education in search of opportunity for their young family. They raised us with a deep and abiding love for Nigerian culture and the struggles of a people that fought to be free of colonialism and the yolk of dictatorship. A people filled with so much potential but with too few opportunities.

In so many ways Nigeria is a different country than the one we left more than forty years ago, but progress on expanding economic opportunity has come more slowly than any of us hoped.

I am here to talk about how the United States can be your partner in accelerating progress on economic reforms.
I am here because we know that a strong and prosperous Nigeria is not only good for you, it is also good for the United States of America.

I am here because unlocking Nigeria’s economic success can transform an entire continent.

**ECONOMIC OPPORTUNITY**

This is a critical moment in Nigeria, where decisive actions by your government and the determination and shared effort of the Nigerian people can create the changes needed to unlock the unrealized opportunity of Africa’s most populous country.

Nigeria’s greatest resource is not oil, it is the Nigerian people. Nigerians have built leading companies around the world like the Dangote Group, Globacom, and Zenith Bank. Nigerians have made significant contributions to culture from Wole Soyinka to Chinua Achebe. Nigerian music and films are heard and watched around the world, and I’m excited to tour Ogidi Studios this evening to see one of many places where this art is made.

Today one of Nigeria’s greatest opportunities is the fact that around three in five Nigerians are below the age of 25, creating the possibility for Nigeria to reap a tremendous “demographic dividend,” as the proportion of working people in the country grows.

That possibility lies with you, the students here at the Lagos Business School. Creating jobs and access to opportunity for the tens of thousands of students and executives that come through here, and your peers all over this country, is essential to Nigeria’s success.

In addition to being on the right side of demographics, Nigeria is also blessed with an array of natural resources and innovative companies. It is clear from my conversations with investors and foreign companies that they are eager to invest in Nigeria to help grow a diversified economy that can meet your needs. We know that with the right macroeconomic framework, Nigeria can be a destination of choice for foreign direct investment.

While demographics and capital can fuel a Nigerian economic boom, small and medium sized enterprises will sustain your growth. There are more than 40 million micro, small, and medium sized business in the country, which employ more than 80 percent of Nigerians. These businesses represent the beating heart of the Nigerian economy. In order for these businesses to thrive, they need government policy to go from being the problem to providing solutions.

Nigerians are at the heart of the innovation that is blossoming all over Africa. From arts to technology, the economy is more diverse today than even a few years ago. Tomorrow, I’m looking forward to touring Vibranium Valley and meeting with leaders in venture capital,
fintech, healthcare, and more. These firms have the ability to be drivers of growth here in Nigeria, but they require an ecosystem of public-private partnership that fosters investment.

The Tinubu Administration and the people I’ve met with – from students to entrepreneurs to major business leaders – all share a common understanding of the challenges and opportunities Nigeria faces. The question now is how to forge a path forward that creates prosperity for the Nigerian people. I am here to say that the United States stands ready and eager to partner with the Nigerian people and government in your quest to build a better future.

**OUR PARTNERSHIP**

Before I talk about specific areas in which we are keen to partner, let me first take a minute to discuss why I have faith in our partnership. Our countries have enjoyed a decades-long relationship that has only grown since democracy returned to Nigeria in 1999. The heart of this relationship is people.

America is home to over half a million Nigerian-born American citizens and permanent residents. This vast diaspora community brings rich culture, a penchant for entrepreneurship, and wide-ranging economic and social contributions.

Thousands of Nigerians study each year in the United States, including through educational exchanges like the Fulbright and Humphrey fellowship programs and the Mandela Washington Fellowship that seeks to foster the next generation of young African leaders.

Thousands of United States citizens call Nigeria home. We also have a number of American companies from different sectors that have made significant investments in Nigeria, from Google to General Electric.

Today, the United States is one of the largest foreign investors in Nigeria and Nigeria stands as America’s second largest African trading partner.

In addition to our countries’ trade, the U.S. government provided Nigeria with over $1 billion in assistance last year, helping to support Nigerians with access to health care and reducing food insecurity.

**FOUR ECONOMIC REFORM PRIORITIES**

There are many reasons why the United States is committed to this partnership – from our people-to-people relationships to our shared values to our common economic and security
interests. I want to spend the remainder of my remarks highlighting some of the steps needed for the type of growth that creates economic opportunity for the Nigerian people.

First, Nigeria needs a stable Naira. You stop into any small business or market, and you will hear shop owners and customers bemoaning the lack of a stable currency. Unifying Nigeria’s foreign exchange rates will create the kind of macroeconomic stability that is essential to attracting foreign investment. We commend the difficult steps your government has already taken to accomplish this goal. The path to unification is not easy, but going backwards would be even worse.

Second, the government needs to articulate and implement a fiscal strategy that will provide the resources to make critical investments. I recognize the decision to end fuel subsidies is hard for many Nigerian households, but it was an important early step to create resources the government can use to invest in physical and digital infrastructure, education, and a strong small business environment.

There is nowhere this need is greater than the agriculture industry, which despite the digital revolution taking place remains Nigeria’s top employer. Its full potential is held back by issues like access to fertilizer, limited use of new technology, access to water and land, the availability of credit, and high market entry costs.

The need for economic reform does not demand indifference to the pain caused by this transition. This is why partners like the World Bank and African Development Bank are committed to working with your government to provide resources and advice to help smooth this transition for the Nigerian people.

The third factor for growth is a rooting out of corruption and the perception of corruption in the business environment. I know the Nigerian people are willing to make sacrifices in the service of progress but have a legitimate fear that corruption and mismanagement will dash their hopes that the benefits of these reforms will enrich the people rather than the powerful. I know that Nigerians agree with Wole Soyinka that “it is not fair to those who fight corruption that they have to fight the aggressiveness, the impunity of the corrupt.” Creating economic opportunity will require a government-driven effort that addresses these fears by shining a light on corruption, holding people accountable, and taking meaningful steps to improve the business climate.

For example, Nigeria is a hotbed for digital entrepreneurship. Taking simple steps like moving government functions online, so Nigerians can apply for business licenses and visas using their
smart phones and computers will help improve services and reduce opportunities for fees to go into pockets rather than government coffers. This new government also has the ability to fight skepticism by making reforms that will allow the Nigerian people to better understand how federal, state, and local resources are being used.

Fourth, and finally, is protecting the integrity of Nigeria’s financial system. The cowardly kidnapper, corrupt official, and fraudster all are seeking to launder their money. Taking steps to make your banking system more secure will help reduce the ability of criminals, terrorists, and others to illicitly use the Nigerian financial system.

I applaud the leadership of the Tinubu Administration in committing to work with the Financial Action Task Force to tackle money laundering and terrorist financing. Our government stands ready to help work through these steps and challenges in financial institution supervision, implementing controls in high-risk sectors, and pursuing investigations and prosecutions.

DEEPENING OUR RELATIONSHIP

President Biden and our whole administration are committed to taking steps in these key areas that are at the heart of long-term economic growth. As I said at the start, over the past few decades, progress in Nigeria has not been as fast as many hoped or anticipated.

But, at the same time, the opportunity has never been greater. Your government is pursuing difficult and bold reforms. Your businesses and founders are bursting with ambition and new ideas. And the students I talk to are optimistic and demanding; you all are ready to lead Nigeria to a new chapter. And the United States looks forward to being a partner as you build an economy that works for all Nigerians.

With that, I am eager to hear from you all and have a conversation. Thank you all.

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