PRESS RELEASE

MEETING OF THE MONETARY POLICY COMMITTEE

The regular meeting of the Monetary Policy Committee (MPC) of the Central Bank of Nigeria is scheduled to hold on Tuesday, December 4, 2007 at the Bank’s Headquarters in Abuja. The Committee will review developments in major indicators of economic performance such as output, prices, including interest and exchange rates, balance of payments since the meeting of Wednesday, October 3, 2007. It is also expected to examine the outlook for the first quarter of 2008. The implications of the development will be reviewed and the committee will decide whether to raise, reduce or leave the monetary policy rate unchanged.

At the last meeting, the committee reviewed the major macroeconomic developments and the implementation of fiscal, monetary and exchange rate policies in the third quarter of the year 2007 as well as the challenges for the remaining part of the year. Having noted the high possibility of substantial fiscal injections in the fourth quarter following the passage of supplementary budgets at the federal and state levels, it was decided to move the monetary policy rate to 9.0 per cent; which would be the repo rate and the rate at which the CBN lends to the banks.

Another decision taken was that the deposit money banks’ deposits with the CBN will no longer earn interest in order to deepen inter-bank trading and encourage banks to free-up resources to enlarge the credit market.

The membership of the MPC currently includes Prof. Chukwuma C. Soludo, Governor, Mr. Ernest C. Ebi, Deputy Governor (Corporate Services), Mr. Tunde Lemo, Deputy Governor (Financial Sector Surveillance) and Dr. Sarah O. Alade, Deputy Governor, (Economic Policy). Others include Prof. Sam Olofin, Prof. Akpan H. Ekpo and the Permanent Secretary, Federal Ministry of Finance.

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