
ATHENA NOTES

Opinion Articles of Athena Centre Staff and Guest Writers

Seven Months Later: Where is the Economic Council and Task Force?



Tinubu sets up Presidential Economic Council, names Shettima, Dangote, Elumelu others

It's been seven months since Bola Ahmed Tinubu announced the establishment of the Presidential Economic Coordination Council (PECC), the Economic Management Team Emergency Taskforce (EET), under the Economic Management Team (EMT). These economic structures are intended to address Nigeria's growing crises. So far, Nigerians have yet to feel the impact of these bodies.

As I struggled to come to terms with the spiralling cost of food items, fuel, and energy costs increases, I am increasingly alarmed at the lack of coherent policy direction to tackle these issues.

The inauguration of the Presidential Economic Coordination Council came three months after the announcement of the council's creation in March 2024, which signified a lack of urgency. Since the inauguration of the Council, Nigerians remain in the dark about the activities of the bodies set up to respond to the worsening economic conditions in the country as inflation continues to gallop, fuel costs soar, and the naira loses value daily.

Informed sources confirm that neither the PECC nor the EET had met since the inaugural meeting—a worrying signal of the absence of leadership in a government premised on renewed hope.



The Economic Management Team Emergency Task Force has the urgent mandate "... to meet twice weekly and submit a comprehensive plan of economic interventions for 2024 to the PECC." We have not heard anything about this "comprehensive plan" due within 2 weeks of the EET's inauguration.

The EET has a six-month time frame during which the Economic Management Team will suspend its regular meetings as the EET will "Over the next six months,... focus on the rapid implementation, monitoring, and evaluation of critical initiatives, strengthening the Tinubu-led administration's collective approach to advancing Nigeria's economic objectives." According to the government's directive, the EET's mandate should end by September 2024.

I fear the EMT may have obeyed the directive to suspend its regular meetings while the EET has yet to convene. I hope our national plane is not flying with a flight plan and the air traffic controllers are not AWOL.

Rising Food and Overall Inflation

If the PECC, EET and the regular EMT had been functioning without publicity, their combined impact on the economy in the six-month timeframe by the NBS report is negative.

In September 2024, according to the National Bureau of Statistics (NBS), food inflation hit an alarming 37.77% on a year-on-year basis, a significant increase from the 30.64% recorded in September 2023. Prices of staples like guinea corn, rice, maize, and beans continue to rise, making it challenging for households to afford basic meals. Even more concerning, the twelve-month average for food inflation reached 37.53%, a steep 11.88% increase from September 2023's average of 25.65%.

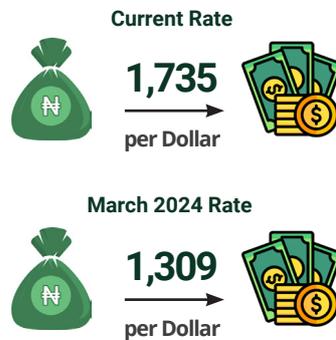
This trend, the NBS reported, is not limited to urban areas. In rural Nigeria, year-on-year inflation reached 30.49% in September 2024, up from 24.94% in September 2023, as rising food and fuel prices continue to erode purchasing power. Urban inflation reached 35.13%, a rise from 28.68% the previous year, reflecting similar struggles in rural and urban communities.

Fuel Price Crisis

Fuel prices are another clear indicator of the economic strain Nigerians are facing. In Lagos, the fuel cost is N1,025 per litre, while in Abuja, it's even higher at N1,060 per litre. In contrast, in March 2024, when the President announced the economic bodies, the price per litre was N696.79, meaning prices have risen by over 52% in just half a year. The energy sector's instability has driven up transportation and household expenses, further contributing to the rising cost of living.

Naira's Free fall Against the Dollar

Within six months, the naira has also seen dramatic devaluation, severely impacting the cost of imports and everyday goods. Today, the black market exchange rate stands at N1,735 to the dollar, a stark rise from the end of March 2024 rate of N1,309 per dollar. This devaluation continues to increase the costs of goods and services, making it nearly impossible for many Nigerians to keep up with daily expenses. The gap between the Central Bank and parallel market rates is nearing ₦50.



Declining Economic Conditions and the Call for Action

The Nigerian economy faces severe challenges that demand urgent and immediate action. Creating the PECC, EET, and EMT was a step in the right direction. Still, without committed and focused work together with stakeholder involvement and national participation, these bodies would remain mere promises. President Tinubu must immediately refocus attention on the PECC, EET, and EMT to address these crises.

Mr President, the country needs to see that you are working on the issues that impact citizens. Renewing focus on the economic teams would ensure they begin their work on developing, implementing, and overseeing solutions against unprecedented inflation, rising food and fuel prices, naira's persistent devaluation and renewed suffering.

President Tinubu must immediately refocus attention on the PECC, EET, and EMT to address these crises.



Osita Chidoka
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***N.B:** The opinions expressed are those of the authors and do not necessarily reflect the position of Athena Centre on the issues canvassed.*