

**Ogwuma:** Yes, we are in discussion with creditors in that regard. But for debt relief to take place, we have to have a medium-term program with the IMF. Once the medium program is finalized, then we can talk about debt relief with members of the Paris Club.

**EIR:** How does Nigeria get loans for development, if the government has to pay so much money for the debt?

**Ogwuma:** For the moment, foreign exchange earnings have to go to debt service. If you left it alone, 60% of foreign exchange earnings would go to debt, which is why the government decided to bag it at 30% of foreign exchange earnings. What we intend to do is to ensure that the totality of the debt we are incurring is reduced to the barest minimum. But in any case, it is not so much the debt itself but what the debt is used for. I myself am not opposed to Nigeria incurring more debt if we need to, provided that particular debt is being put to the best advantage.

**EIR:** Is Nigeria incurring new loans and new debt now?

**Ogwuma:** The lenders are not lending us money at this time, because we do not have the IMF program in place. However, there are some new monies coming in, related to projects, in petrol and an LNG project. These are coming from national financial institutions, the U.S. Eximbank, the Eximbank of Japan, the British, and the French.

**EIR:** But the international banking consortiums are not going to lend you any more money until a medium-term program is approved by the IMF?

**Ogwuma:** As far as the international banking community is concerned, that is the London Club, we did have an arrangement with them, and that was about three or four years ago. But at this point, we are not interested in going to them, because the rates are high, the terms are short, and it is not conducive to development. We would prefer loans coming in from development institutions, rather than from the London Club.

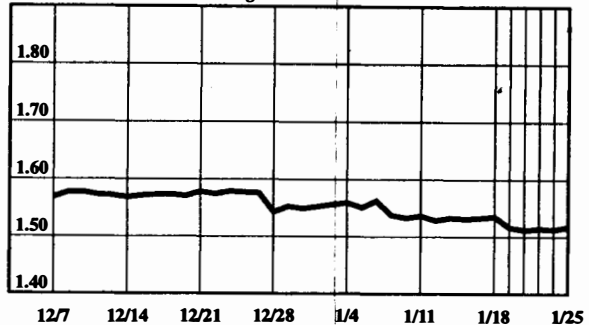
**EIR:** What do you think is the most important thing that should be done to improve the Nigerian economy in the short term?

**Ogwuma:** The most important thing is to really continue steadfastly in deregulation. The situation where you have a structural policy will not work. If, for instance, the government continues with deregulation and continues with monetary discipline and budgetary discipline, then the economy should be better in the years to come. . . . Capital markets should be deregulated in such a way that people can really invest in Nigeria. And the investments should be able to leave. There should be no exchange controls. Once you can bring in money and take out money efficiently, then there will be no capital flight. We must continue with the deregulation of the economy.

## Currency Rates

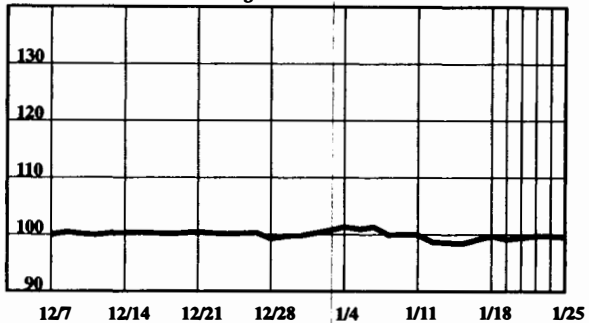
### The dollar in deutschemarks

New York late afternoon fixing



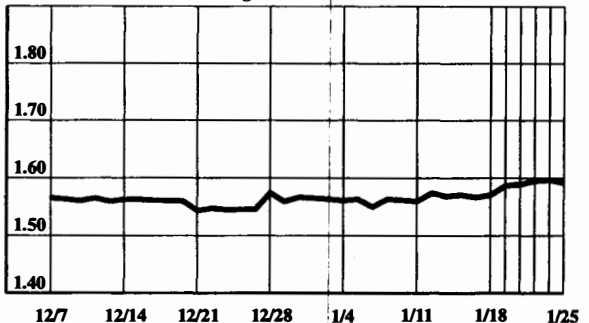
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

