

Nigeria extends naira incentive offer to boost diaspora inflow

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ABUJA, Nigeria - Nigeria's central bank plans to extend a naira incentive offer to recipients of dollar remittance until further notice, it said, in a push to boost foreign currency supply.



Image: Reuters/Afolabi Sotunde

Rising dollar demand has been putting pressure on the naira. Nigeria is hoping it can attract remittances from its diaspora as providers of foreign exchange, such as offshore investors, have exited after Covid-19 triggered a fall in oil prices.

Recipients of remittances from the Nigerian diaspora made through international money transfer operators licensed by the central bank will receive 5 naira (\$0.013) for every imported dollar, the regulator has said.

Scheme to continue until further notice

The bank said the scheme, which was meant to end on 8 May, would continue until further notice.

Remittances into Nigeria increased five fold from a weekly average of \$5m to more than \$30m, Central Bank governor Godwin Emefiele said in February, after the changes to diaspora transfer rules.



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Nigeria changed the currency of remittance payments to the dollar from naira in November, after the currency fell to 500 naira on the black market. The naira was quoted at 485 per dollar on the black market on Thursday, 6 May.

Remittances, or money transfers, make up the second-largest source of foreign exchange receipts after oil revenues in Nigeria, Africa's biggest economy. Around \$26.4bn was sent to Nigeria in 2019, according to the World Bank.

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