

Nigerian Sovereign Fund Doesn't Expect State to Tap It for Funds

Matthew Martin

March 2, 2015 — 10:55 AM GMT

The government of Nigeria is unlikely to make withdrawals from the sovereign wealth fund in Africa's largest oil producer, even as the price of crude declines.

The Nigeria Sovereign Investment Authority, set up in 2012, isn't yet large enough to make withdrawals worthwhile, Uche Orji, managing director and chief executive officer, said in an interview with Bloomberg Television at the Global Financial Markets Forum in Abu Dhabi. Withdrawals will be an option in future years once the fund is larger, he said.

The Nigerian government has proposed cutting the oil-price benchmark to \$52 a barrel from \$65 a barrel suggested in December as a result of slumping prices. The plan, supported by the Nigerian senate, must be approved by lawmakers in the House of Representatives.

Nigeria relies on oil exports for more than 90 percent of foreign exchange income and 70 percent of government revenue. Revenue raised from oil sold for more than the budgeted benchmark is saved in the Excess Crude Account.

The NSIA, as the sovereign fund is known, has around \$500 million to invest in Nigeria, Orji said. The fund will focus on allocations to Nigerian power, real estate, agriculture and health care this year, he said.

Before it's here, it's on the Bloomberg Terminal.

