

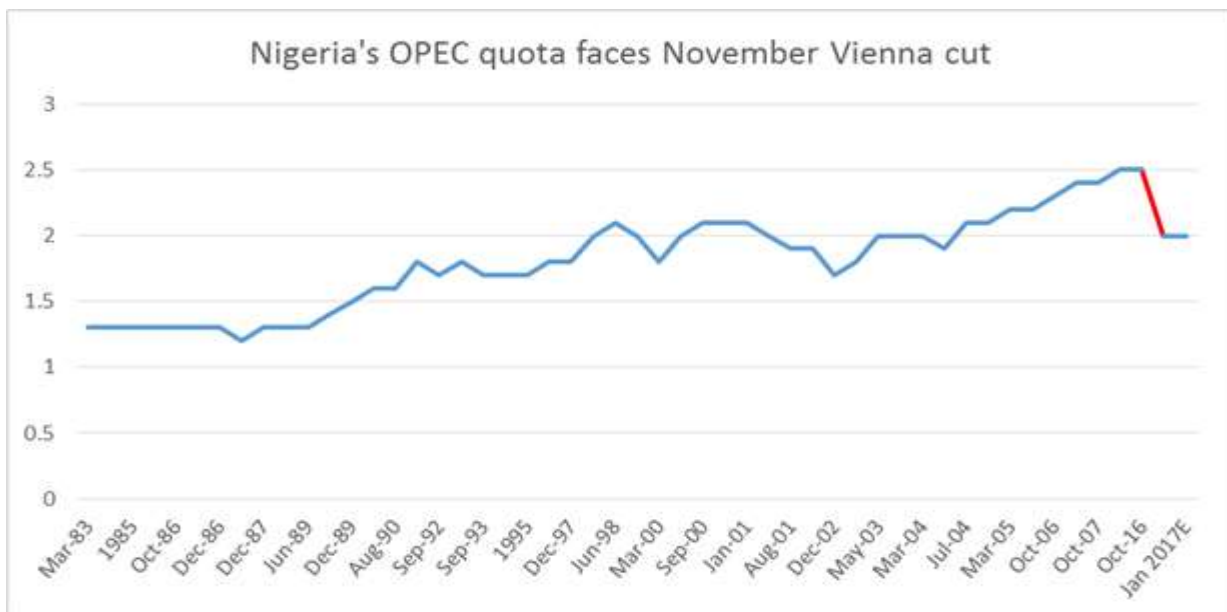
Astroturf campaign against Nigeria’s central bank chief could see him abruptly resign

October 12, 2016

Beset by growing domestic anger over the sorry state of the Nigerian economy, and unwilling to sack the country’s finance minister partly because of her close ties to the national leader of the ruling party, powerful political allies of Nigerian President Muhammadu Buhari have set their worried eyes on the central bank governor’s job, baying for his ouster believing that his removal will allow Buhari to fully re-align Nigeria’s divergent fiscal and economic policies.

The past year has seen the Nigerian federal government frantically accelerating fiscal expenditures to revive the sagging economy, while the central bank has conversely hiked interest rates despite poorly managing a free floatation of the country’s once pegged local currency, the Naira.

Over the past week a series of bizarre sophisticated astroturf events have targeted the central bank governor. His wife was mysteriously kidnapped by uniformed army soldiers who supposedly abandoned their official military posts more than a 100km away to intercept her convoy. According to current accounts, her security detail escaped unharmed while she was briefly held hostage until ransom was paid. A few days later a paid crowd of over 100 well-clad non-spontaneous protesters descended on the central bank offices demanding that the governor resign. Earlier a motion had been introduced in the country’s parliament calling for the central bank chief to be sacked. Despite public assurances to the contrary, Governor Godwin Emefiele seems to have lost the confidence of Buhari and his key political advisors. Buhari’s kitchen cabinet believes that Emefiele departure is necessary if the economy is to be revived.



Source: OPEC/DaMina Advisors

If the campaign against Governor Godwin Emefiele is successful, and he succumbs to the pressures being piled on him, and abruptly resigns, a new central bank chief is very likely to reverse significant sections of the current forex policy and possibly move to re-institute a managed currency peg.

Emefiele was appointed by former President Goodluck Jonathan in the dying days of his administration after his predecessor alleged that billions of dollars were being stolen from the national treasury by allies of Jonathan. With Buhari accelerating his anti-corruption campaign and looking possibly to charge even Jonathan himself, Buhari may have additionally come to see Emefiele as an obstacle to getting to the bottom of the multibillion dollar accusations made against Jonathan by former central bank Governor Lamido Sanusi.

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