FINANCIAL INSTABILITY IN NIGERIA: A REVIEW OF BANKING CRISIS.

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Abstract

Financial instability mainly in the form of banking crisis has been noted as a recurrent decimal with devastating consequences in the global economy.

This article however focused on the review of banking crisis in Nigeria with emphasis on analysis of the trend, types, causes and resolution strategies employed in the country. It was noted that banking crisis in Nigeria is as old as the practice of banking itself but predominantly in the free banking era and the period of Structural Adjustment Programme (SAP) when over 160 and 181 banks got distressed respectively. Two-dimensional factors; namely; microeconomic and macroeconomic were identified to have caused bank crisis in Nigeria. Although other more serious causes of bank crisis abound in the country, monetary authorities tend to see capital inadequacy as the most critical factor in bank crisis. While appreciating the contributions of adequate capital to a stable and sound banking operations, this article rather underscored managerial inefficiency and macroeconomic policy deficiencies as the key causes of bank crisis in the country.

Therefore, an integrated, preventive and administrative as well as continuous voluntary consolidation strategies have been recommended for the management of bank crisis and improved performance and stability in the industry.

Introduction

The financial sector is the engine that propels economic development and growth in the world. It occupies the pivoted position because of the intermediary role of financial institutions mainly the banks. These institutions mobilize savings and channel the resources to different sectors of the economy for consumption and investment purposes, yet, this sector is characterized by instability or crisis of different dimensions.

Global history of financial instability or crisis is repleted in most economic, banking and finance literature. Specifically, records of banking sector crisis are quite outstanding and humiliating and the consequences devastating. For instances, Mishkin (1992:249), expressed the intensity and severity of banking instability (or crisis) in United States with serious concern when he noted that: “The American banking sector is in a sorry state. In recent years, the rate of commercial bank failures has been running at a rate more than ten times that of 1945-1981 periods.”

Ingves (2003:1) has also giving accounts of banking sector crisis in many countries of the world including Argentina, Italy, Spain and France, among others. Specifically, the account of the 1997 Asian financial crisis which affected mainly the East Asian countries of Indonesia, South Korea and Thailand (http://en. wikipedia.org/wiki/Assian) raises a lot of concern.

The banking industry in Nigeria has also experienced instability (or crisis) at different stages of its evolution and development. For example, during the period of free banking in the country (i.e. ,1945 to 1952) massive bank failures were recorded as most of the banks established failed and depositor's fund vanished. Similarly, history repeated itself between 1985 and 1995 during which the Structural Adjustment Programme (SAP) was implemented. Even after SAP, cases of serious distress and liquidation of banks still rocked the sector reducing the number of banks from 120 in 1992 to only 89 in 2004, yet, the industry was still gripped by the threat and fears of continued distress and instability since there still existed some unhealthy and unsound banks. This compelled the Central Bank of Nigeria to introduce the policy of consolidation through recapitalization, mergers and acquisition.

This article is designed to examine the financial instability in Nigeria with specific focus on the review of crisis in the banking sector. Although many experts including Alashi (2002:49), Inyang (2000:10) and Oluyemi (1995:27), among others have conducted studies and written on instability (or crisis) in Nigerian banking industry, very little or no specific efforts have been made to identify and recommend the most potent strategies for addressing the problem. These strategies are identified in tin’s article.

This paper is structured into live sections. Section one is the introduction. Section two is designed to review some conceptual and theoretical issues. In section three, empirical evaluation is made while discussions are made in section four. Recommendations and conclusions are presented in section five.

Conceptual and Theoretical Issues

In this section, the conceptual and theoretical issues relating to the history and evolution of banking in Nigeria, trend of banking crisis, nature of banking crisis, causes and consequences of banking crisis as well as banking crisis resolution strategies are discussed. Such review became necessary to set the right perspective for empirical evaluation and discussions. The issues are reviewed one after the other below.

History and Evolution of Banking in Nigeria

The history of banking the wor ld over is traced to the activities of gold smith in Italy. Ubom (2003:1) observed that banking business has developed significantly from its inception during tire gold smith era when it was practiced in crude form to a more sophisticated systems of operations carried out in the world today. In Nigeria, modern banking started in 1892 when:

I he African banking corporation based in South Africa opened a branch in Lagos. This was acquired by the Elder Dempster in 1893 and reorganized as the Bank of British West Africa (BBYVA). The hank was subsequently renamed Standard Bank of Nigeria and later further renamed First Bank of Nigeria (Igweike, 2005:1)

This bank monopolized banking business in the country until 1917 when the Barclays Bank DC (now Union Bank of Nigeria, Pic) established a branch in Lagos. As at then, there was no Central Bank or Ministry of Finance in the Country to supervise, regulate and control the industry. This made it possible for many banks to be established without adequate preparation, capital and license.

Many other banks, both expatriate and indigenous, flooded the country. Such banks include the British and French Bank (1949) (now United Bank for Africa, (UBA Pic), the International Bank for West Africa (now Afribank Pic) in the foreign group and Industrial and Commercial Bank (1929), the Nigerian Mercantile Bank (1933), National Bank of Nigeria (1933), African Continental Bank (ACB) (1947) and Agbonmagbe Bank (now Wenia) (1945) in the indigenous group. Other indigenous banks followed in quick succession but collapsed at faster progression. As observed by Onoh (2002:35), between 1947 and 1952, about 100 indigenous banks were established but majority of them were grossly undercapitalized and overstretched. Of all the 185 banks registered between 1947 and 1952 only 25 survived.

There was no regulation during this period until the enactment of Banking Ordinance of 1952 and its subsequent amendment in 1958. This was the first attempt to regulate banking in the country. In 1959, the Central Bank of Nigeria was established with full regulatory and supervisory authorities. The first development bank - the Nigerian Industrial Development Bank (NIDB) was also established in the same year.

Merchant Banks started emerging in the country's banking industry in 1960 when the first two financial institutions; namely; Philip Hill Nigeria Limited and Nigeria Acceptances Limited were registered for Merchant banking Business. These two firms merged to form the Nigerian Acceptance Limited (NAL) in 1969. In 1973, the United Dominion Trust Bank Nigeria Limited (UTB) was established. This bank was later restructured and named Nigerian Merchant Bank in 1977. Both commercial and merchant banks kept on increasing in number (Inyang, 2000:11). Thus, as at 1992, 120 commercial and merchant banks were in business as against 40 in 1985 (Akpan and Ayandele, 1999:78). The growth was complemented by the establishment of specialized rural banks such as People's Bank and Community banks. Another important player in the Nigerian banking Industry is the Nigerian Deposit Insurance Corporation (NDIC) which was established in 1988 to provide coverage to deposits of insured banks and also to supervise banks. Currently, the major players in the industry include the Deposit money banks, Development banks (ie specialized banks), the Micro Finance banks and the regulatory authorities.

Chronology of Banking Crisis in Nigeria

As indicated in this work, crisis in Nigeria banking industry form part and parcel of the evolution of banks in the country. In the early stage of banking development (i.e. from 1892 to 1947) it has been widely reported that many banks were established and most of them went underground. For instance, as stated earlier, between 1947 and 1949, most of the banks established got distressed.

In 1950s, 21 out of 25 indigenous banks folded up. The situation in the 90s was shocking when 60 out of the 115 banks in operation were distressed as at 1995 (Alashi, 2002:61). The head count of banks kept on declining as a result of the distress or crisis in the industry. By 2004, the number of banks was 89 as against 120 in 1992.

Cases of inadequate capital, fraud and non-performing loans were reported as the causative agents of the distress in the system. For instance, studies highlighted that between 1989 and 1992 as much as £4137.63 million was expected to be lost in fraud; commercial banks £4128 million and Merchant banks £49.63 million (Inyang, 2000:5).

In a related development, as at the end of 2002, NDIC reported that non-performing loans rose by about 44.5% from £4135.7 billion in 2001 to £4196.1 billion in 2002. Similarly, the level of bad debt provisions by banks increased by about 57.4% from £476.7 billion at 2001 to £4120.7 billion in 2002 (Ogubunka, 2005:96).

With increasing rate of non-performing loans and provisions for bad debt, shareholders funds (i.e. share capital) got depleted. For example, as noted by Ebong (2005:22), these bad accounts represented 567.7%, 419.8% and 105.3% of shareholders funds in 1994, 1996 and 2004 respectively. This impaired the shareholders fund seriously.

The banking system prior to the consolidation was highly oligopolistic with remarkable features of market concentration and leadership (Adeyemi, 2005:32). As observed by Lemo (2005) in Adeyemi (2005:32), the top ten (10) banks were found to control:-

(i) More than 50% of the aggregate assets
(ii) More than 51% of the aggregate deposit liabilities and
(iii) More than 45% of the aggregate credits.

These imply that the industry was dominated by small and low capitalized banks with heavy reliance on government deposits. These were signs of instability and unhealthiness of the banks.

Even after the recent merger and recapitalization, some banks in the country are not yet fully consolidated. Signs of weakness; example non-lending, low volume of transaction, poor customer relationship and cultural diversities among branches are quite explicit. Some of the banks, in order to cope with the wave of competition in the industry, over expanded their product portfolios. These are indications of another phase of crisis looming in the industry.

Nature of Banking Crisis

Generally, banking crisis or instability has to do with the inability of a bank or group of banks to meet and sustain operational, supervisory and regulatory requirements. For instance, a bank that finds it difficult to satisfy customers withdrawals and loans needs is in trouble. Invariably, such a bank has lost the confidence of its customers (Colander, 2004:279) and could not mobilize sufficient pool of deposits to supplement its capital. In this case, the problem is a firm specific one.

However, when many banks or a larger segment of the industry is affected, it becomes systemic. The country can be said to be having banking crisis (Alashi, 2002:49). In a further analysis, the expert observed that:

> A typology of banking crisis is easily discernable; illiquid but solvent; insolvent but liquid and illiquid and insolvent. Also, the degree of banking crisis is a continuum from mild to severe. Banking crisis becomes severe when a bank reveals most or all of the following conditions: i. Gross under capitalization in relation to the level and character of business (ii) high level of non performing loans to total loans (iii) illiquidity reflected in the inability to meet customers' cash withdrawals and or persistent overdrawn position, with the CBN; (iv) low earnings resulting in huge operational losses, and (v) weak management as reflected by poor asset quality, insider abuse, inadequate internal controls, frauds, unethical and unprofessional conduct.

In another attempt to identify the different forms of banking crisis, Ingves (2003:1) observed that while eacli banking crisis has its own dynamics, most of the main ingredients are always present. Based on their causes, the expert classified banking crisis into two categories; namely; microeconomic (or bad banking) and macroeconomic (or bad operating environment).

The microeconomic crisis relates to the banking crises caused by poor bank operations such as poor lending practices, excessive risk taking, poor governance, lack of internal controls, focus on market share rather than profitability and currency and maturity mismatches in the banks themselves or among their borrowers.

On the other hand, the macroeconomic dimension of banking crisis arises from bad operating environment caused by macroeconomic factors. These factors are external to the banking system. They include-harsh monetary policies, such as unfavourable exchange and interest rates as well as rising fiscal deficit and tax policies, among others.

it should be noted that the emergence of illiquidity in one bank can quickly spread to others through contagion, as bank or payment system weaknesses destroy creditability of all banks and lead to creditor and depositor runs irrespective of the soundness of individual banks. Contagion in this case local, but can also be international when it is caused by the emergence of a systematic crisis in a country related with others through financial and trade channels (Ingves, 2003:3).

Causes and Consequences of Banking Crisis

As stated earlier in this paper, instability or crisis in the banking sector is caused by both internal and external factors. The internal factors include weak capital base, poor management, specifically in the areas of lending, risk management, internal controls, fraud, poor governance, insider trading and mismatches of maturity, among others (LaBorde, 2005:1-2) (Nnanna, 2003:32) and (Alashi, 2002:50).

However, Nnanna (2003:50) while appreciating the role of weak capital base in the banking sector crisis rather dwelt extensively on the influences of risk, poor risk management and contagion. In his words, he noted that:

> *Risk could result to bank distress, failure and financial crisis in an economy. The worst problem associated with a bank crisis is that of contagion, in which the problem in one bank result to a run on the entire banking system. Depositors and other creditors, who are worried about the safety of their money are compelled to move their funds from those hanks which are perceived to be unhealthy, to the banks that are solvent. The panic- withdrawal may not only be from one hank to another, it could lead to a total withdrawal of funds from the banking system.*

The loss of confidence of depositors on the banks can therefore destabilize the banking system and the economy as a whole as in the cases of US financial crisis of 1930s and the East Asian financial crisis of 1997. The linkage and interdependent effects associated with banking business make contagion a rapid crisis promoter in the banking industry. Thus, bank supervisory and regulatory authorities need to monitor the activities and operations of banks very closely in order to detect easily warning signals in individual banks and move swiftly to correct them. This is one of the most potent approaches to crisis control measures in the banking industry.

Various consequences accompany banking crisis. In any economy, whenever there is crisis in the banking industry, it is always very difficult for that country to achieve her economic development and growth objectives. At a microeconomic level, the affected banks stand to lose earnings, shareholders funds, depositors confidence and to have declining volume of deposit. Where the situation persists, it may result in massive retrenchment, closure of shops and subsequent liquidation exerting negative influences on the economy. For instance, a large volume of capital may be lost or tied down, increased unemployment rate as a result of retrenchment and declining standard of living and so, economic performance remains poor or low in the country (Masha, 2002:30).

Banking Crisis Resolution Strategies

The causes of banking crisis examined above were designed to serve as a prelude to evaluation of banking crisis resolution strategies or approaches. It should be noted here that the banking system is highly sensitive such that even a temporary liquidity problem experienced by a bank for one day is capable of instigating systemic crisis. Also, when a wrong approach is adopted to address a certain dimension of banking crisis, the consequences is always devastating.

For effective and efficient resolution of the different forms of crisis in the industry, the following steps should be followed:-

(i) Identification and description of the nature of crisis.
(ii) Evaluation of the operational strategies of the banks involved and managerial composition.
(iii) The structure and historical antecedents of the bank.
(iv) Examination of the state of the industry and developments within it.
(v) Analysis of legal, supervisory and regulatory framework of banks and the economy as a whole.
(vi) Evaluation of the state of economy and macroeconomic framework.
(vii) Examination of the state of infrastructure and level of economic absorption within the economy.

When these issues are carefully analyzed, it is possible therefore to identify the remote cause of the crisis and the most potent strategy to solve it.

Although Alashi (2002:64-66), has discussed extensively bank failure resolution options with emphasis on pay-off, insured deposits transfers, bridge bank, purchase and assumption (P&A) and open bank assistance, some of these options are associated with delays and high cost which make them not very attractive mainly considering the legal requirement and documentations. Also, the publicity required in some of these options, for instance, the purchase and assumption usually gives wrong signals to members of the public and force them to take adverse decisions.

It is interesting to note that the most potent bank crisis resolution strategies or options are these options with minimal delays, cost and less publicity. Timing of action is very crucial in crisis resolution. Wrong timing is capable of increasing the crisis intensity, severity and control costs. Above all, when the crisis and the options adopted for its resolution are unnecessarily publicized, a sense of insecurity, lack of safety and instability in the industry is announced to the public. This has been the case in Nigeria and the consequences are devastating. In the section that follows, empirical details of banking crisis in the country are examined from 1990 to 2007.

Empirical Review

In this section, the pattern and trend of banking crisis in Nigeria are described using statistical data and facts reflecting the number of banks, capital base, deposit volume, loans and investment, non performing assets, fraud cases and shareholders funds, among others. These data are presented in tables as shown below:

Table 1:
Indices of Bank Crisis in Nigeria

Period	Number of Banks	Number of distressed Banks	Ratio of deposit of distress banks to total deposit (%)	Ratio of distressed banks to total assets of banks (%)	Amount required for recapitalization of distress Banks (₦billion)
1990	107	9	14.6	23.7	2.0
1991	119	8	4.4	16.4	2.4
1992	120	16	18.1	20.9	5.5
1993	120	33	19.2	16.1	13.6
1994	116	55	29.4	18.6	23.4

1995	115	60	14.1	19.8	30.5
1996	115	50	14.7	1 1.0	43.9
1997	1 15	47	9.0	7.6	42.8
1998	89	15	3.5	3.9	15.5
1999	90	13	1.6	1.5	15.3
2000	89	12	2.5	20.0	10.3
2001	90	9	2.0	3.0	12.1
2002	90	-	-	-	-
2003	90	-	-	-	-
2004	89	1	N/A	-	N/A
2005	25	-	-	-	-
2006	-	-	-	-	-

Sources: (i) **NDIC** - Annual Report for various years.

(ii) CBN Statistics bulletin for various years.

As indicated in table 1 above, the number of Banks in Nigeria increased from 107 in 1990 to 120 (i.e. 10.83%) in 1992. it however declined from this number to 1 15 (i.e. 4.16%) in 1997 and slid further to 89 in 2004. However, this was reduced to 25 (i.e. 71.91%) as at December, 31, 2005 following the consolidation exercise in the industry.

Also, it should be noted that before the implementation of bank consolidation policy in the country, the number of distressed banks was on the increase. For instance, in 1993, 1994, and 1995, 33, 55 and 60 banks respectively were distressed. However, the number of distressed banks declined from 60 in 1995 to 50, 47, 15, and 13 in 1996, 1997, 1998 and 1999 respectively. The Number of distressed banks kept on decreasing sharply thereafter and as at 2004, it had reduced to just 1. The sharp decrease in the rate of bank distress in the country within this period was due to the improvements in the macroeconomic environments following the enthronement of democratic government in 1999. For instance, some forms of fiscal discipline through policy of public accountability and due process and economic reforms were introduced into the economy. The financial institutions were made to be more alert and sensitive to the dynamics of their operational environments mainly following the directives by the Central Bank of Nigeria (CBN) to all banks to transfer government deposits to it.

With the declining rate of bank distress in the country mainly from 1997, the ratio of deposit of distressed banks to total deposits and the ratio of assets of distressed banks to total assets of banks in the nation also declined rapidly. As indicated by the data in table 1 above, as at 2001 the ratio of deposits of distressed banks to total deposit mobilized by banks in the country had dropped from 14.6% in 1900 to 2.0%. While the ratio of assets of distress banks to total assets of banks in the country declined from 23.7% in 1990 to 1.5% in 1999. It jumped again sharply the following year to 20.0%. The rise in this value was not unconnected with inflammatory pressure on the economy. However, in 2001, the said ratio of assets of distressed banks to total assets of banks had declined to 3.0%.

Even with the decline in the variables as noted above, a large portion of shareholders' funds had been lost. This coupled with other factors such as frauds and forgeries. The statistics in table 2 below are vital for further explanations and discussions.

Table 2

Period	**Deposit mobilized (N'billion)**	**Total Bank Credit (N'billion)**	**Ratio of Non-Performing Credit to Total Credit (%)**	**Ratio of Nonperforming credit to shareholders Fund _1%)**
1990	**43.87**	**42.58**	**44.10**	**344.0**
1991	**59.48**	**49.41**	**39.00**	**22.0**
1992	**87.74**	**59.25**	**45.00**	**299.0**
1993	**143.85**	**125.75**	**41.00**	**380.86**

1994	166.13	162.83	43.00	567.70
1995	196.82	194.05	32.90	496.00
1996	239.28	266.44	33.90	419.80
1997	295.16	302.31	25.81	253.09
1998	349.31	378.08	19.35	89.20
1999	569.81	608.44	-	-
2000	838.6	807.091	21.5	92.2
2001	1,017.2	1,033.64	16.9	77.1
2002	1,226.6	1,302.20	21.3	85.9
2003	1,415.8	1,591.2	21.6	89.7
2004	1,661.5	2,078.1	23.08	105.3

Sources: (i)Oboh in Ebong (2005): "The Banking Industry and the Nigeria Economy Post Consolidation" Union Digest Vol. 9 Nos. 3&4, Dec.
(ii) NDIC, Annual Reports & Statements of Accounts for Various years.
(iii) CBN, Annual Reports and Statement of Accounts for various years.

The data in table 2 portrayed the trend of bank deposits, credits and ratio of non-performing loans to total credit and shareholders funds. In 1990, N43.87billion was mobilized by banks as deposit in the country while a total of N42.58billion credit was granted to the economy. Out of this amount, 44.10% of the total loans granted was rated as non-performing. This represented 344.0% of shareholders funds in the industry.

As at 1995, when the volume of deposit mobilized by banks in the country rose to N 196.82 billion against N43.87billion recorded in 1990, the volume of credit granted by banks had risen from N42.58billion to N 194,05 billion. The ratio of non-performing loans rather declined from 44.1% in 1990 to 32.9% in 1995. However, the ratio of non-performing loans to shareholders' funds rather increased from 344.0% in 1990 to 567.7% in 1994. But in 2001, it declined rapidly to 77.1% and jumped again to 105.3% in 2004 when deposit mobilized by banks stood at Nl,661.5billion and N2,0781 billion as total credit granted to the economy. The ratio of non-performing credit then rose from 16.9% in 2001 to 23.08% in 2004.

As observed by Ebong (2005:21-22), between 1992 and 2004 when the ratio of nonperforming credit to total credit declined from 45% to 23.08% respectively, banks lost an average M30.60 for every N 100.00 lent during the period. The expert regretted that the losses contributed immensely to the erosion of shareholders funds as the bad accounts represented 567.7%, 419.8% and 105.3% of shareholders funds in 1994, 1996 and 2004, respectively.

Discussions

The focus of this article has been on the examination of financial instability in Nigeria with particular reference to the review of banking crisis. Tracing the history and evolution of modern banking system in the country from 1892, it has been noted that the banking sector had witnessed a lot of problems mainly during two notable periods; namely; the period of free banking and era of banking deregulation.

The free banking era coincided with the period from 1892 to 1952. During this period, there was no regulatory and supervisory authority and instrument to determine the pre-requisites for incorporating a bank, and to supervise banking operations to ensure that banks were managed according to the laid down rules and regulation and in line with international practice (Onoh, 2005:37). This period was characterized by influx of banks and collapse of most of such banks. For instance, between 1947 and 1952, 185 banks were established and only 25 managed to survive.

The era of banking deregulation featured between 1986 and 1995. This was the period of Structural Adjustment Programme (SAP) when some legal and regulatory requirements for establishment and operations of banks were relaxed as an integral part of economic adjustment and liberalization in the country. Throughout the period, the number of banks was on the increase mainly when it rose from 40 in 1985 to 120 in 1992 with a total of 2,391 branches. This was a period of full scale crisis in the Nigerian banking industry as about 181 banks had been declared distressed between 1990 and 1995.

The negative effects of SAP on the banking industry and the economy as a whole extended beyond the adjustment era. As noted earlier and in consonance with the views of Ogubunka (2005:96) in his profile of the banking industry in Nigeria, the situation from 2000 and beyond was very critical with adverse implications as shown below:

(i) High write-off of bad debts being undertaken by banks with negative consequences for banks profitability, shareholders' wealth and continued existence of the banks.
(ii) High level of non-performing loans; implying that the quantity of bank's risk assets is being lowered.

(iii) As banks create more loans and advances, increasing proportion thereof gels bad while greater amount is being written off from profit and loss account of banks.

These have been the integral parts.of the features of instability and crisis in the banking industry in Nigeria. These features are not completely out of the industry. They are still lingering. Although everybody lends to see inadequate capital as a major cause of banking sector crisis, this article rather considers it as an outcome of ineffective and inefficient management and macroeconomic policy defects. In oilier words, ineffective and inefficient management is identified as Ihe prime factor responsible for financial instability in Nigeria as a whole and in the banking industry in particular. Such managerial problems are in areas of poor risk management, poor credit analysis, poor fraud management, weak internal control, poor corporate governance, lack of environmental monitoring, the use of non-professionals, lack of skills and experience to follow and interpret macroeconomic policies and shape banking operations to match the prevailing macroeconomic, legal and-regulatory framework. Others include fiscal indiscipline and conflicts in macroeconomic policy management.

Recommendations and Conclusion

It is important at this juncture to point out that crisis is still looming in the banking industry in Nigeria. Even after consolidation, some banks operating in the economy are not really consolidated. They are still wearing some distress looks and the next round of distress in the industry will be more devastating. To this end, it is instructive for bank regulators or monetary authorities to look beyond recapitalization in their quest for stability, soundness and improved performance of banks in Nigeria.

Integrated preventive and administrative approaches are therefore recommended. Such approaches should involve the monetary authorities, bank owners, management and customers. Also, a continuous and voluntary consolidation exercise should be embarked upon by banks in the country from time to time.

In conclusion, it should be noted that crisis is a developmental and growth feature of banks everywhere in the world. Whenever it occurs, banks are usually better positioned for improved services to the economy. Most advanced countries of the world today including the United States of America (USA), France, Japan, Germany, Britain, Argentina as well as the Asian tigers such as China, and Korea among others, had tasted banking crisis. Such African countries such as Kenya and South Africa, among others had tasted it. These countries had managed them very well to their own economic and competitive advantages in the world market. We therefore need to follow their own path by implementing the recommendations put forward above and other measures with sustainable response potentials.

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