

PRESS RELEASE

YOUTH PARTY CALLS FOR IMMEDIATE ACTION TO ADDRESS INFLATION AND IMPLEMENT COMPREHENSIVE ECONOMIC STRATEGY AMIDST PETROL SUBSIDY REMOVAL

Two months have passed since President Bola Tinubu declared the removal of petrol subsidy, a decision that has led to a significant inflationary impact on Nigerians. This has resulted in a decrease in purchasing power and productivity, yet the federal government has not presented a comprehensive economic strategy to address inflation, enhance wages and productivity, stimulate economic growth, and establish sufficient safety nets to shield the most vulnerable from the effects of these economic reforms.

Just few days ago, in Adamawa state, hundreds of citizens were observed looting private stores and raiding government warehouses for grains. This level of poverty and desperation has prompted the Nigerian Labour Congress to declare a weeklong strike. While the situation may worsen, much of this hardship could have been mitigated if the President had formulated and initiated an economic plan that could instil confidence in Nigerians.

Even though the country cannot justify spending less than a trillion on education and health last year while spending over two trillion on fuel subsidy, the subsidy removal could have been better planned. To prevent a potential national crisis, the federal government must take several steps:

First, the burden of the political class's incompetence should not be borne solely by the Nigerian people. Therefore, the federal government and all subnational governments must demonstrate frugality, eliminate waste, and prosecute those who have misappropriated our commonwealth.

Second, there is an immediate need to raise the minimum wage to help the poor cope with the effects of the fuel subsidy removal and the subsequent increase in

transportation costs. Employers should also consider revising their pay structures to protect their lower-level employees from the harsh impact of the fuel subsidy removal.

Third, the government should subsidize public transportation to lessen the impact on low-income earners and the vulnerable. This could be achieved by allowing public transporters to continue purchasing fuel at a subsidized rate, either through a weekly voucher system or exemption from certain statutory fees, provided they keep transport fares affordable.

Fourth, the government should expedite the transition to compressed natural gas (CNG) by prioritizing its neglected Autogas Policy. CNG is a cleaner and cheaper fuel, and some companies are already using it successfully to power their fleets. To facilitate this, the government should:

- i. Establish a legal framework that encourages gas development
- ii. Subsidize the conversion cost of 10,000 petrol or diesel engines to CNG
- iii. Ensure the availability of CNG at filling stations

In response to Nigeria's dire fiscal realities, the Youth Party released its Revenue Strategy, *A Bold Revenue Plan for Nigeria*, on March 22, 2020. The plan outlines a series of practical, economically sound, and well-considered solutions to Nigeria's revenue problem.

The plan's core philosophy is to expand our tax base while reducing tax rates to attract investments and encourage tax compliance. Our plan outlines strategies that could raise \$US30bn within three years by improving our tax and incentive policies and efficiently utilizing Nigeria's existing assets.

It is important to note that action is needed not only in Abuja but also in the 36 states of the federation. Fortunately, states like Ogun, Edo, Kwara, and Bayelsa have taken steps to provide palliatives, CNG-powered fleets, and salary increases. We urge other states to adopt similar initiatives and pursue other beneficial policies that will enhance the living standards of most citizens.

Lastly, time is of the essence for the palliatives or social safety net measures. Nigerians cannot afford medicine after death. The poor are still gasping for breath from the

Naira design policy of APC. The poor have to be protected from the vagaries of the free market as it is done everywhere it is practiced.