

MINUTES OF MEETING ON ACCESS TO CREDIT ORGANIZED BY IMO STATE INVESTMENT PROMOTION AGENCY (ISIPA) FOR MSMEs, INVESTORS, COMMERCIAL BANKS, AND OWERRI CHAMBER OF COMMERCE, INDUSTRY, MINES, AND AGRICULTURE (OCCIMA)

Venue: Ahiajoku International Conference Center, Owerri

Date: 21st November 2024

Agenda

1. Relevant processes involved in obtaining finance.
2. A list of finance institutions, their contact points, and requirements.

Attendance

The meeting was well attended by representatives of commercial banks, Owerri Chamber of Commerce, Industry, Mines, and Agriculture (OCCIMA), Manufacturers Association of Nigeria (MAN) as well as artisans, traders, and MSME operators.

Keynote Address

The event was declared open by the Director General of the Imo State Investment Promotion Agency, **Prof. Jude Nzeako**, on behalf of the Executive Governor of Imo State, **His Excellency, Dist. Sen. Hope Uzodimma**.

The DG welcomed participants and reiterated the Governor's commitment to creating a conducive environment for businesses to thrive in the state. He expressed gratitude to representatives of private financial organizations for their high turnout and encouraged investors to actively engage in the discussions.

Challenges Militating Access to Credit by Investors in Imo State

Representatives of business operators presented the following common challenges faced in accessing finance:

- a. Stringent loan requirements.
- b. Short loan tenors.
- c. Rigorous application processes.
- d. High-interest rates.

Bank Responses

Banks acknowledged the availability of various credit facilities, including overdrafts, short-term and long-term loans, commercial loans, and specialized funding for manufacturing, processing, export, and agriculture.

However, banks highlighted the following challenges in lending to businesses in Imo State:

- a. Structural issues in facility frameworks, processes, automation, and databases.
- b. High rates of loan defaults, with Access Bank reporting over 100 SME defaulters.
- c. Failure of applicants to meet collateral security requirements.
- d. Failure of Ministry of Land in perfecting collateral instrument for banks on behalf of businesses in the State.

Bank Loan Requirement Checklist

Banks outlined the following requirements for loan applications:

- a. Maintenance of a bank account for 3–6 months.
- b. Defined loan purpose.
- c. Adequate turnover.
- d. Sufficient security or collateral.
- e. Compliance with Know Your Customer (KYC) guidelines.
- f. Special Purpose Vehicle (SPV) loans.
- g. Cooperative loans (check-off dues).
- h. Women credit facility (12% interest).
- i. Bank of Industry's N75 billion facility for 75 million MSMEs (on-lending facility).
- j. Pre- and post-shipment facilities via Letters of Credit (LC).

Resolutions

The meeting concluded with the following resolutions to foster collaboration and streamline access to credit:

1. **Quarterly Meetings:** Beginning in 2025, meetings will be held quarterly. The DG, ISIPA, will communicate the schedule to commercial banks and other stakeholders.
2. **State Economic Agencies:** Agencies will collaborate with banks to resolve property registration and other identified challenges to ease credit access.
3. **Support for OCCIMA:** Banks will consider providing special support to the Owerri Chamber of Commerce, Industry, Mines, and Agriculture.

4. **Partnership with the Bank of Industry:** The DG, ISIPA, will engage with the Bank of Industry to explore collaboration opportunities for MSMEs in Imo State.
5. **Special MSME Fund:** A proposal will be made for the Governor of Imo State to launch a dedicated fund for MSMEs.

Conclusion

Effective collaboration between banks, investors, and the state government is essential to improving access to credit, driving business growth, and fostering economic development. The role of the government in creating a business-enabling environment remains central to achieving ease of doing business and sustainable economic progress.

Closing Remarks: Delivered by the Honorable Commissioner for Land of Imo State and DG ISIPA.

The meeting adjourned at 4:00 p.m.

A handwritten signature in black ink, appearing to read 'Prisca Okoro', written over a set of horizontal lines.

Recorder:

Prisca Okoro
Director, Investment, ISIPA