

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Nigeria Profile



Africa's most populous country also has the world's largest population of people living in poverty – here in a row of shacks stretching across the water near Lagos.



Image courtesy of Heinrich-Böll-Stiftung

NIGERIA

NIGERIA



OVERVIEW ANALYSIS

Nigeria dominates Africa's motion picture and broadcast content through their Nollywood film industry. While many African countries have domestic film industries, Nigeria's product is most widely exported due to their popularity. The industry is one example of how the country has creative and entrepreneurial potential to diversify away from significant economic dependency on oil exports. Poverty remains widespread in Africa's most populous country and is a hindrance to the nation's large economy. Contrary to perpetual claims by the military and government to have neutralised Boko Haram, the terror group continues their insurgency in the north-east and neighbouring countries. Nigeria dropped three ranks in their overall score in ACBR 2019, falling to 37th.

KEY OPPORTUNITIES

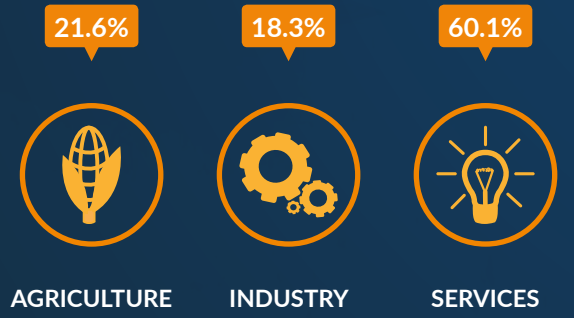
- The advanced oil industry will earn significant revenues for years to come
- Nigeria has a large domestic market that is educated and affluent
- Multiple trade links are exploitable to diversify the economy

KEY CONCERNS

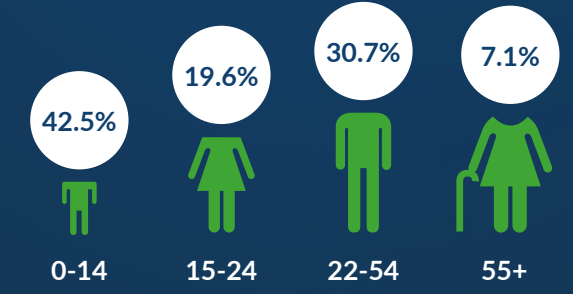
- Boko Haram's terrorism continues to destabilise parts of the country
- Government corruption is a significant drain on the country's resources
- Life expectancy is a low 53.8 years, representing lapses in healthcare

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION <p>Islam</p>	PREDOMINANT LANGUAGE <p>English</p>	POPULATION WITHOUT ELECTRICITY <p>40.7% (#20) ▼⁶</p>	LITERACY RATE <p>59.6% (#37) =</p>	PRIMARY ELECTRICITY SOURCE <p>Oil</p>
IMPORT/EXPORT <p>Refined Petroleum/ Crude Petroleum</p>	EXTERNAL DEBT <p>US\$ 35.230 billion (#6) ▲⁶</p>	ACTIVE CONFLICT <p>Yes</p>	LAND SIZE <p>923,768 km² (#14)</p>	INTERNET PENETRATION <p>25.7% (#20) =</p>



CONTRIBUTIONS TO GDP BY SECTOR



POPULATION AGE BREAKDOWN

Term:
29/05/2015 - present
4 years (2 term limit)

Political Party:
All Progressives Congress

Recent Electoral Information:
24/02/2019
15,191,847 Votes
55.6%
Voter turnout: 35.6%



President Muhammadu Buhari

NATIONAL GOVERNANCE

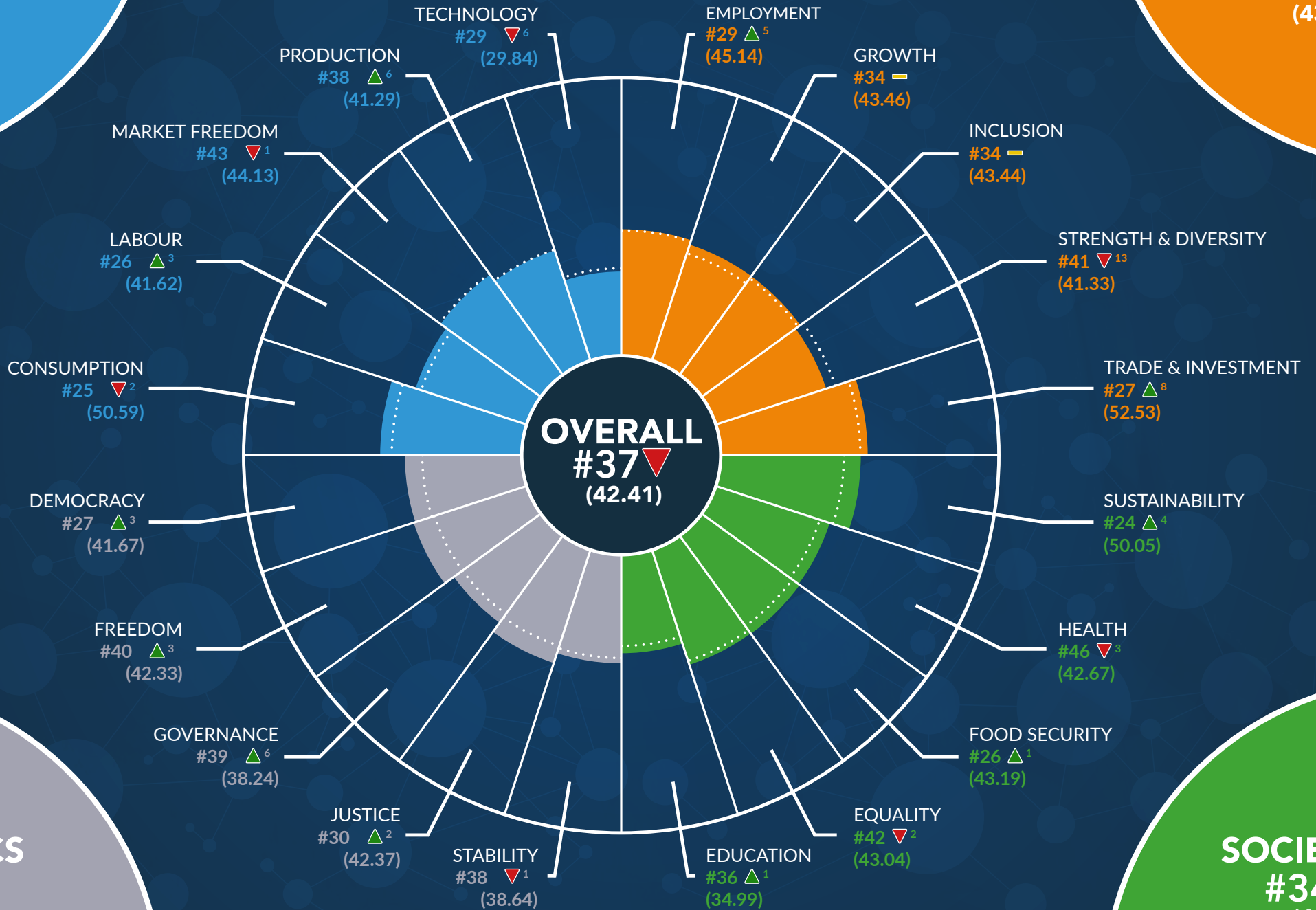
BUSINESS

#35
(41.50)

NIGERIA PERFORMANCE OVERVIEW

ECONOMICS

#29
(43.95)



▲ Increase from 2017

▼ Decrease from 2017

▬ No change

..... 2017 Score

POLITICS

#34
(40.65)

SOCIETY

#34
(43.56)

NIGERIA BUSINESS ANALYSIS

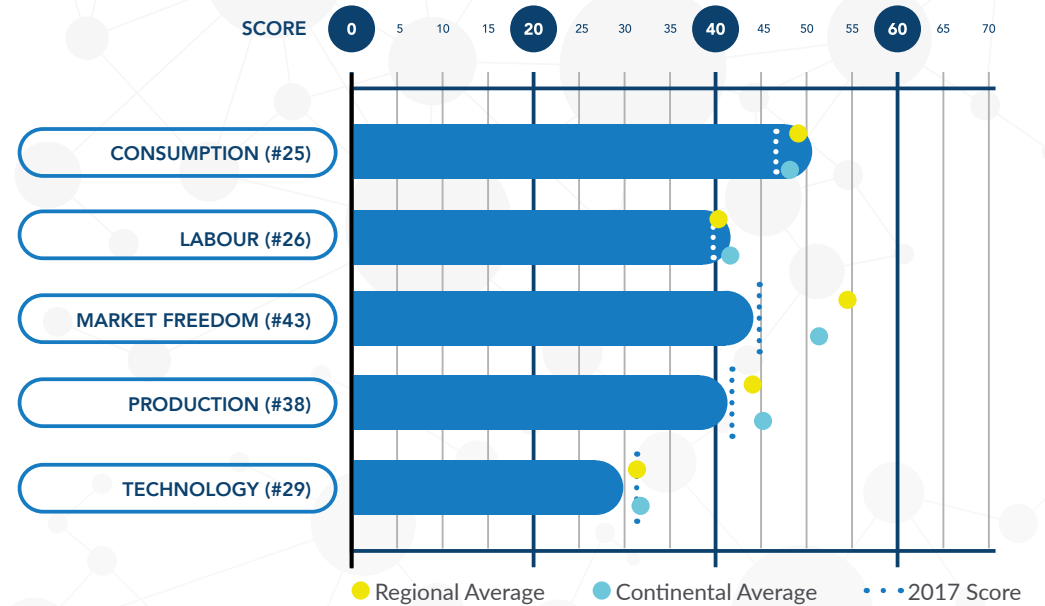


BUSINESS OVERVIEW

Offering numerous thriving sectors for investment, Nigeria has the tools to diversify their economy. While the Boko Haram terror insurgency is destabilising the north-east, the area is not in the business mainstream and, overall, presents less of a drag on business operations than other factors. Other hindrances to business include government corruption, infrastructure inadequacies and uneven social development among Nigerians. These factors and changing world energy prices were responsible for temporarily relinquishing their position as Africa's largest economy. However, much of Nigeria's mineral resources have not been fully exploited. Current production includes bauxite, coal, gold, iron ore, lead, limestone, natural gas, niobium and zinc.

Industry is centred on crude oil extraction and transportation. Nigeria is the world's 12th-largest oil producer and 8th-biggest exporter. Other industry includes the manufacturing of leather, rubber products, cement, ceramics and steel. Automobiles are assembled for Peugeot and Nissan and is also planning to manufacture in Nigeria. The financial and information and communications technology sectors are of growing importance. The Nigerian Stock Exchange is the 2nd-largest in Africa. Nigeria descended three positions in the Business quadrant to 35th place. This is the only quadrant that saw a decline in position. Lower scores in Consumption, Market Freedom due to government corruption and particularly in Technology that is tied to a decline in Consumption accounted for the lower score.

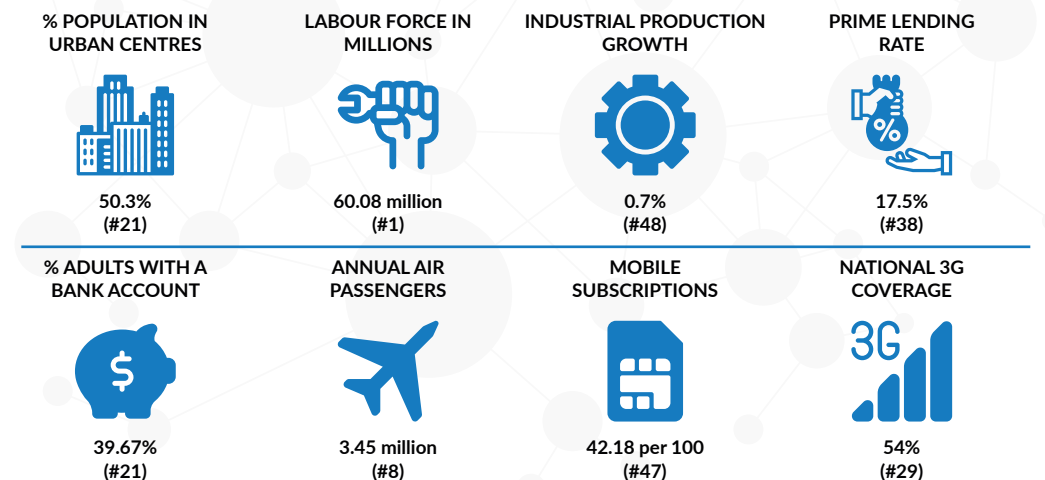
BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

<p>Nigeria data availability 100%</p>	<p>REGIONAL AVERAGE 79.53%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #1</p>
	<p>The largest country in Africa by GDP, Nigeria's score for business data availability is a perfect 100%, thus ranking 1st along with 9 other countries. This stands high above both the regional average for Western Africa, currently at 79.53%, as well as the continental average of 77.78%. Over the past four years, many Nigerian states have implemented federally driven reforms geared toward enhanced commercial growth, with further success requiring comprehensive and reliable business data coverage.</p>		

BUSINESS STATISTICS



NIGERIA ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Prior to the mass extraction of oil in the 1970s, agriculture was the main export earner, and today, cocoa and rubber are the largest non-oil exports. Because agriculture employs 70% of the workforce but mostly in low wage or subsistence farming capacities, this sector can be boosted with modernisation to create value-added products from raw agricultural outputs. More oil production brought about better balance of trade in 2018. Nigeria imported US\$ 36.5 billion worth of goods from around the world in 2018, down by 18.3% since 2014, but up by 26.1% from 2017. Chinese products account for one-fifth of imports and one-third of exports are purchased by India. Crude oil and petroleum products account for 95% of exports. Cocoa and rubber constitute the remaining 5%.

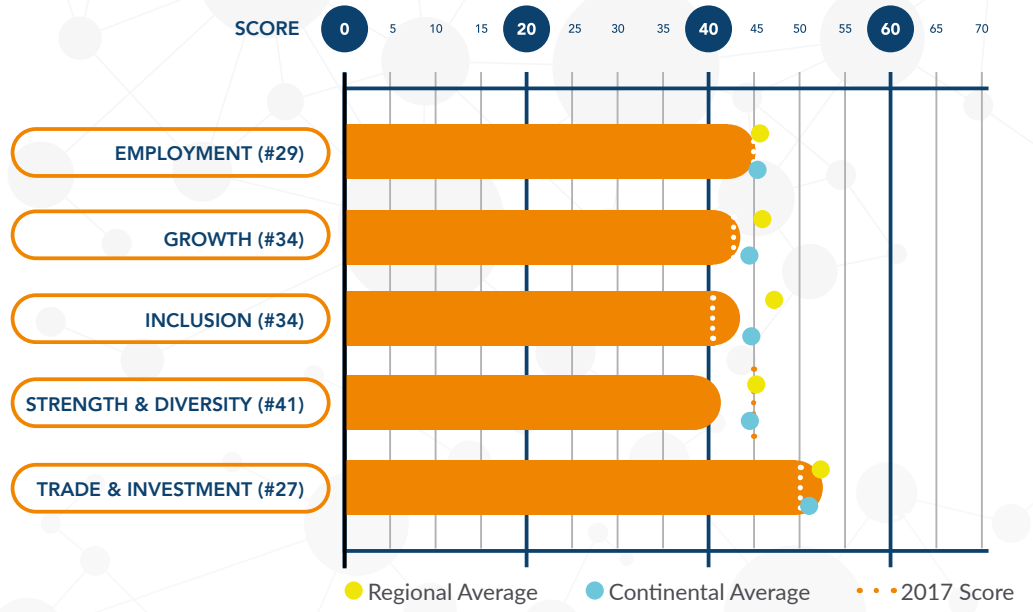
Inflation is high, recording over 11% since 2018. The Central Bank's attempt to cool inflation has led to a current prime interest rate of 13.5%. Essential to Nigeria's economy is the remittances from the 18 million Nigerians living abroad, two million in the United Kingdom and the US, who send money back to their families.

Currently ranked in 29th place in the Economics quadrant, Nigeria advanced three positions from ACBR 2017. Higher scores in Employment and Trade & Investment offset a precipitous score drop in Strength & Diversity, a segment performance capturing Nigeria's inability to diversify their economy away from oil.

ECONOMIC DATA COMMENTARY

<p>Nigeria data availability 100%</p>	<p>REGIONAL AVERAGE 80.88%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #1</p>
	<p>Despite boasting the largest economy on the continent, Nigeria's economy is still in the process of reform and diversification, with the liberalization of the oil sector currently on the cards. Naturally, comprehensive economic data availability is indispensable for ongoing growth and development, thus resulting in a current score of 100% along with a corresponding rank of 1st alongside 5 other countries. This compares favourably with the respective regional and continental averages of 80.88% and 77.78%.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 5,900 (#17)</p>	<p>UNEMPLOYMENT RATE</p> <p>7% (#30)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>ECOWAS</p>	<p>INFLATION RATE</p> <p>16.3% (#45)</p>
<p>GDP AT PPP</p> <p>US\$ 1,119 billion (#2)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 31.08 billion (#5)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 3,497 million (#4)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-2.1% (#10)</p>

NIGERIA POLITICAL ANALYSIS



POLITICAL OVERVIEW

President Muhammadu Buhari won a commanding election victory to extend his incumbency in February 2019. Nevertheless, Nigeria is one of Africa's most dangerous environments due to the indigenous Islamic jihadist militant group, Boko Haram. President Muhammadu Buhari was elected in 2015 on a platform of Boko Haram extermination. He has yet to achieve that campaign promise. Through ultra-violent terror attacks, Boko Haram seeks to make Nigeria, which is 50% Muslim and 40% Christian, an Islamic Caliphate of their own invention that forbids Western influences, from education to gender equality. Nigeria is a major force in African diplomacy, intervening with mediation when crises occur, particularly in West Africa. Nigeria's army is one of Africa's most active in peacekeeping missions.

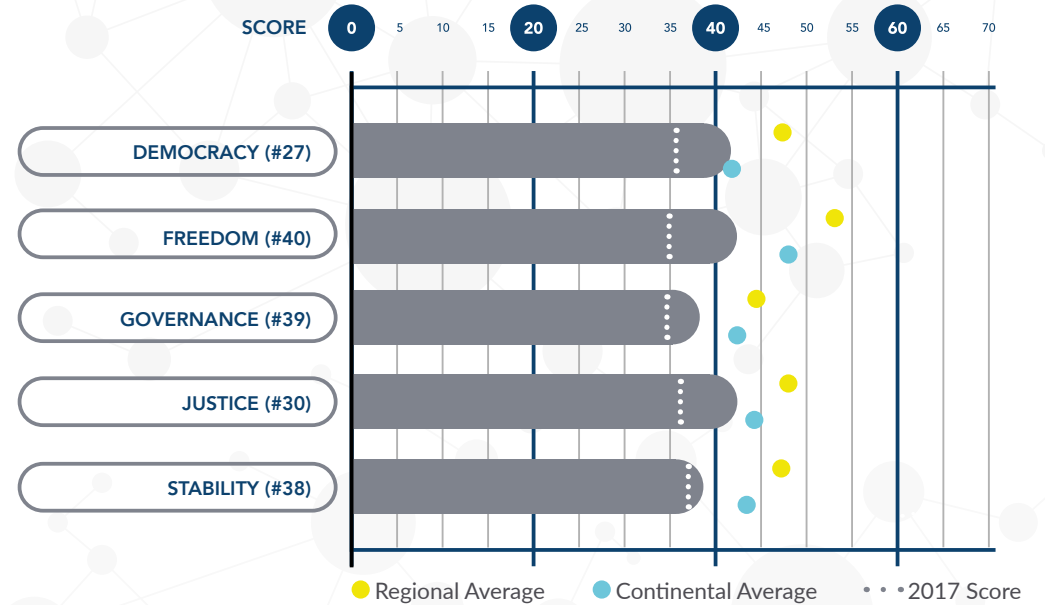
Corruption remains so pervasive that all major political parties commonly engage in voter fraud. While anti-corruption prosecutions are underway, these have a long way to go before corruption can be eradicated. The military is currently subject to civil rule under President Buhari, yielding to his authority perhaps because Buhari is a former general.

However, military intrusion into political affairs is a constant danger. Nigeria progressed bygone placement in the Politics quadrant to reach 34th place. Higher Politics scores in all segments but Stability accounted for the rise. Nigeria climbed six ranks in Governance, three in Democracy and Freedom and two in Justice.

POLITICAL DATA COMMENTARY

<p>Nigeria data availability 100%</p>	REGIONAL AVERAGE 87.10%	AFRICAN AVERAGE 82.86%	CONTINENTAL RANK #1
	Along with the previous quadrants, Nigeria also scores a perfect 100% for political data availability, thus ranking 1 st continentally along with 6 other countries. Once again, this too stands far above the respective regional and continental averages of 87.10% and 82.86%. However, despite this high score, Nigeria remains racked by a host of political challenges, including widespread political corruption and recurrent security threats. To maintain ongoing growth and stability, future transparency will have to improve.		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

NUMBER OF POLITICAL PARTIES <p>6 (#39)</p>	MILITARY EXP AS % OF GDP <p>0.4% (#41)</p>	REFUGEE INFLOW <p>N/A (#N/A)</p>	NUMBER OF RIGHTS <p>57 (#18)</p>
DATE OF INDEPENDENCE <p>10/01/1960</p>	NET OFFICIAL DEVELOPMENT ASSISTANCE <p>US\$ 2,501 million (#2)</p>	WOMEN IN PARLIAMENT <p>5.6% (#54)</p>	CAPITAL PUNISHMENT <p>Permitted</p>

NIGERIA SOCIETAL ANALYSIS



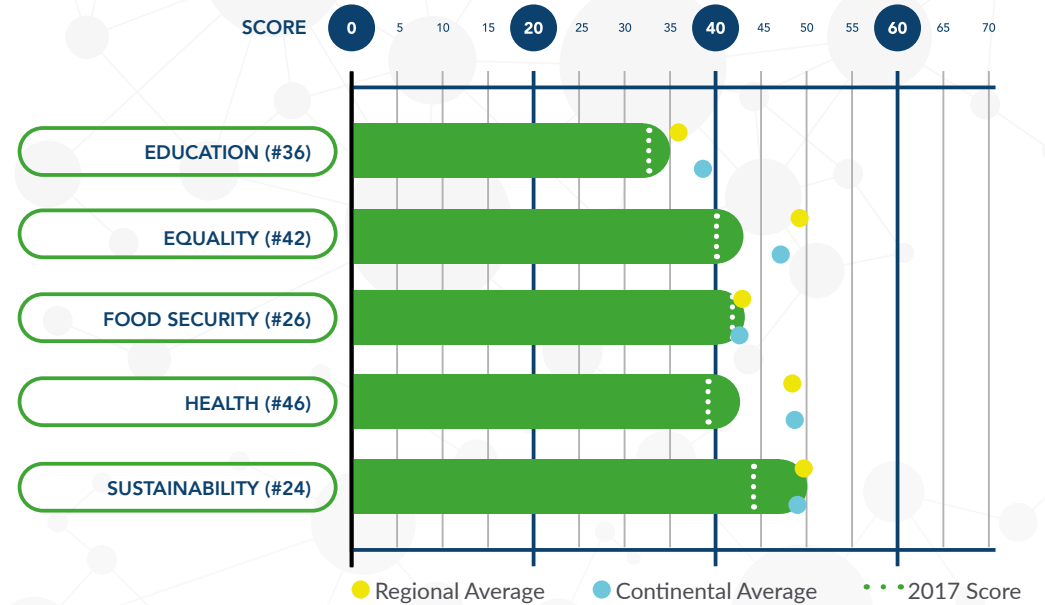
SOCIETAL OVERVIEW

Boko Haram has set back decades-long efforts to eradicate polio in Africa. Just as Nigeria was about to be declared polio free, new cases were documented in areas under Boko Haram control. Over a million children have been displaced from their homes, fleeing the terror group. Another one million children remain trapped under Boko Haram control. The terror group also uses children to carry out suicide bombings.

Because of extreme poverty, 31.5% of Nigerian children under the age of five were underweight in 2018, up from 20% in 2017. Poverty is increasing due to the populous country's high fertility rate of five children born to the average Nigerian woman. At this rate, the country's 2018

population of 191 million will more than double to 392 million by 2050. Government has no population policy. Over 11 million children, representing 29% of all children, toil as child labourers. Nigeria has the world's 2nd-highest population of people living with HIV/AIDS and the world's highest death rate from the disease. Life expectancy of 53.8 years is low, and the low literacy rate of 60% reflects an inadequate education system. Nigeria remained stationary in their position of 34th in the Society quadrant from the previous review period. Nigeria's position is low for a country with Africa's largest economy and its considerable media influence. Scores earned for individual Society segments were affected by widespread poverty and Boko Haram terrorism.

SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY

<p>Nigeria data availability 100%</p>	<p>REGIONAL AVERAGE 81.63%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #1</p>
	<p>Once again, Nigeria manages to score a perfect 100% for societal data availability, thus ranking 1st along with 5 other countries. This too compares very favourably with the respective regional and continental averages of 81.63% and 75.28%. Despite its high performance, Nigeria faces a number of key development challenges, including underdeveloped human capital, infrastructure deficits, conflict, poverty and widespread lack of basic service provision.</p>		

SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>190,632,261 at 2.43% p.a. (#1)</p>	<p>LIFE EXPECTANCY</p> <p>53.8 years (#44)</p>	<p>HIV PREVALENCE</p> <p>2.9% (#20)</p>	<p>SEXUALITY TOLERANCE</p> <p>Illegal</p>
<p>ACCESS TO DRINKING WATER</p> <p>68.5% (#34)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>3.56% (#45)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>N/A (#N/A)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>10% (#23)</p>

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