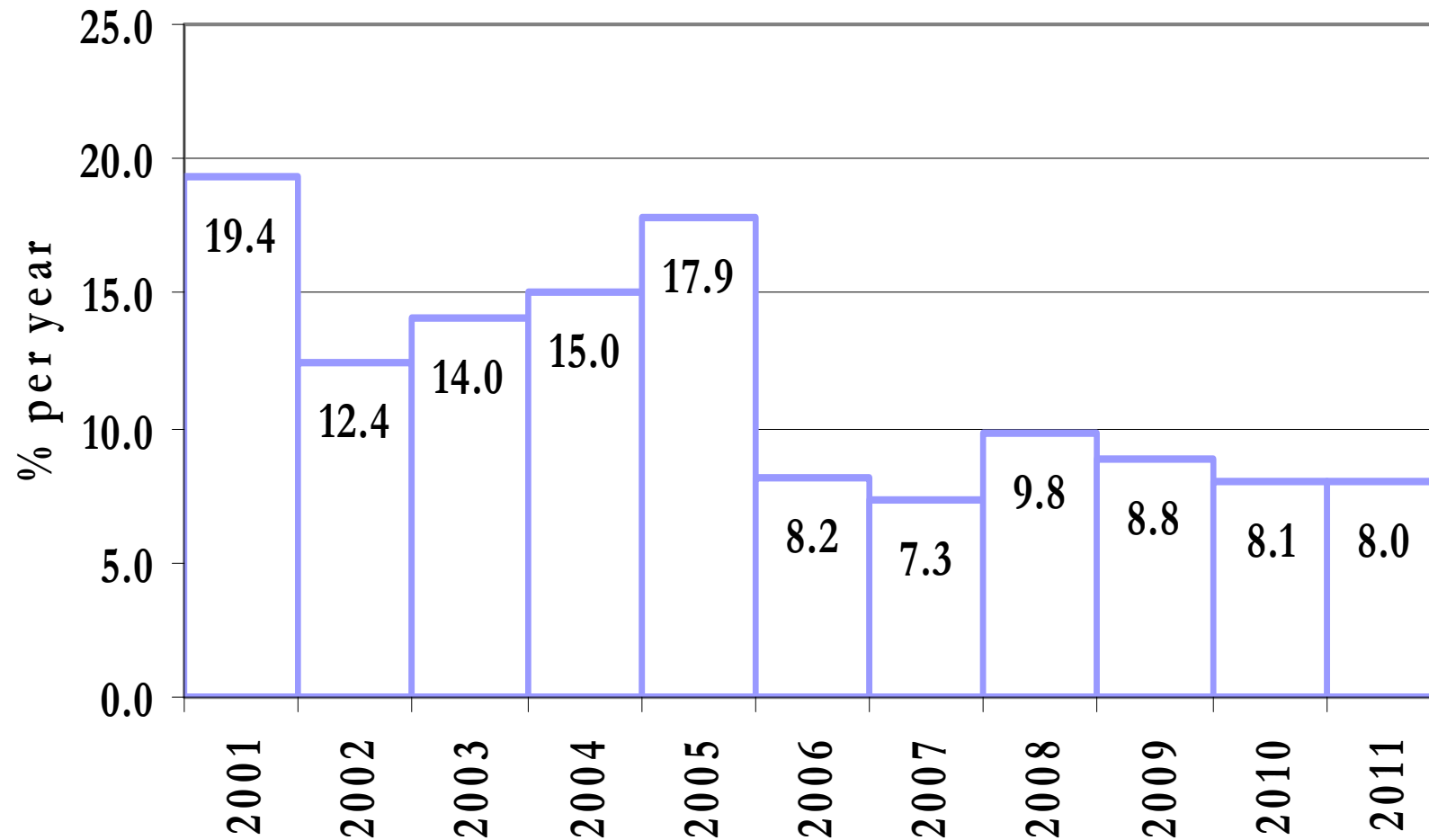


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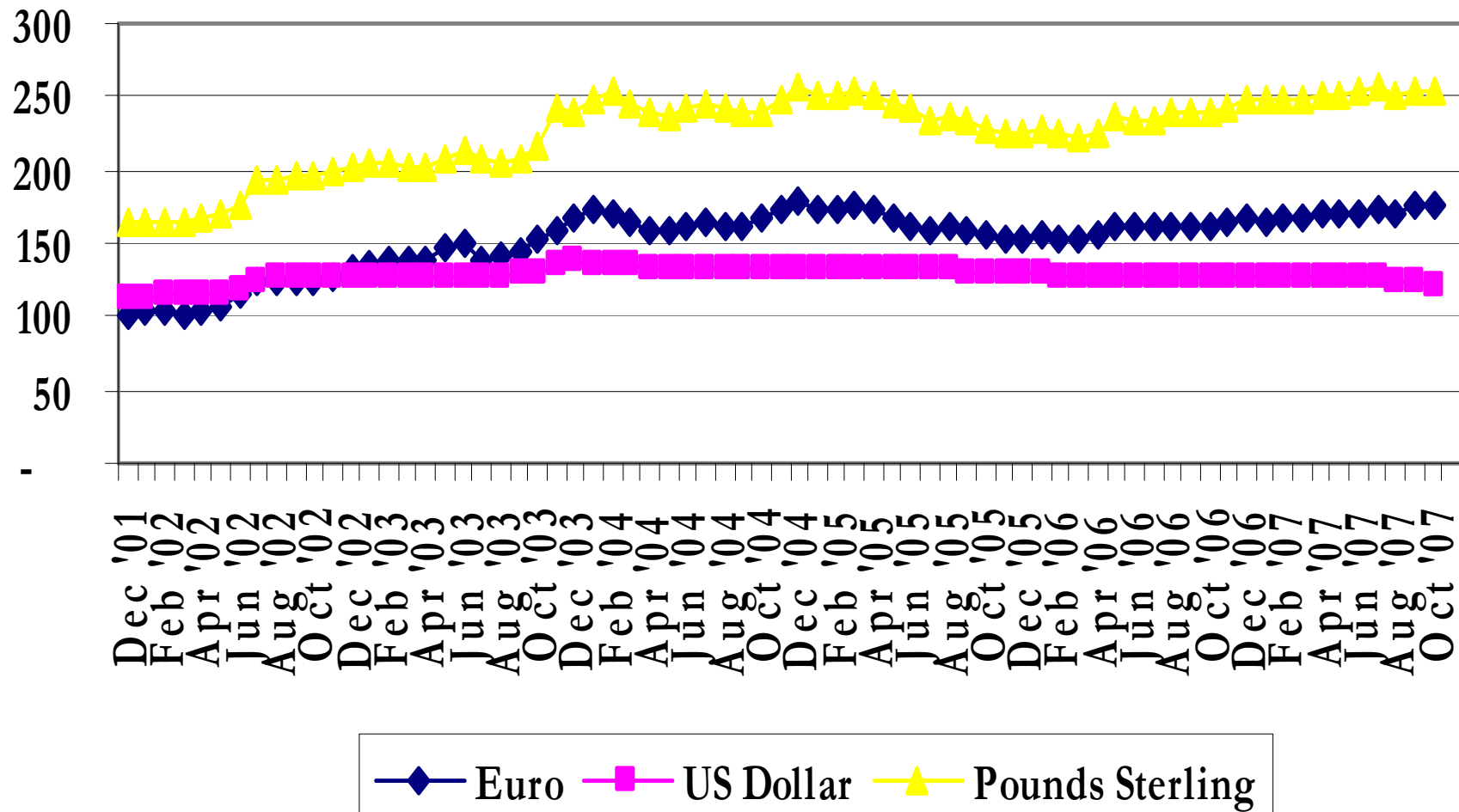
Nigeria in 2007

- End-2006 GDP US\$117.1 billion
- Overall growth rate 5.6%
- Non-oil growth rate 7.5%

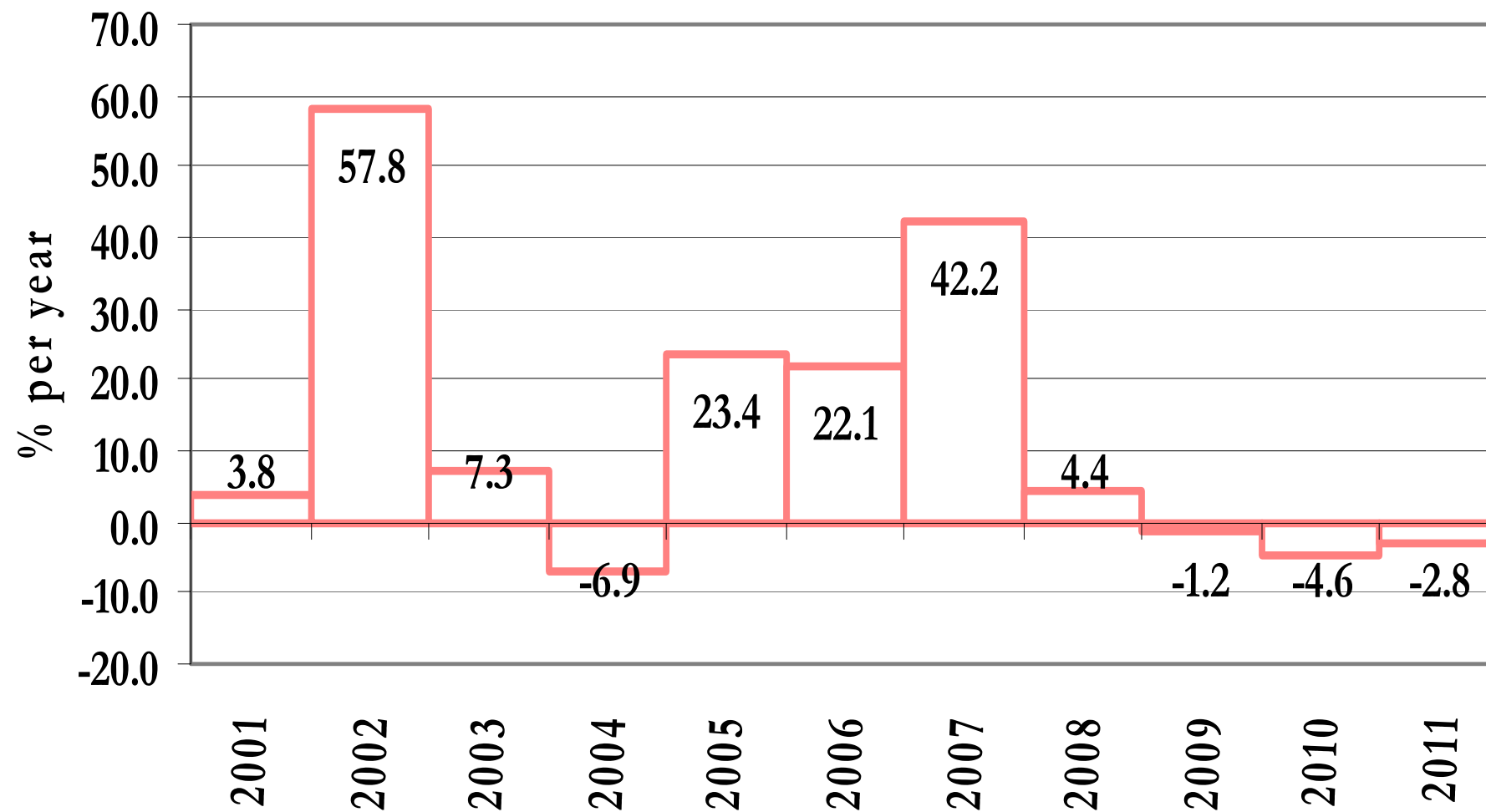
CPI - total, 2000=100



Exchange Rates



Foreign Direct Investment



Components of Output

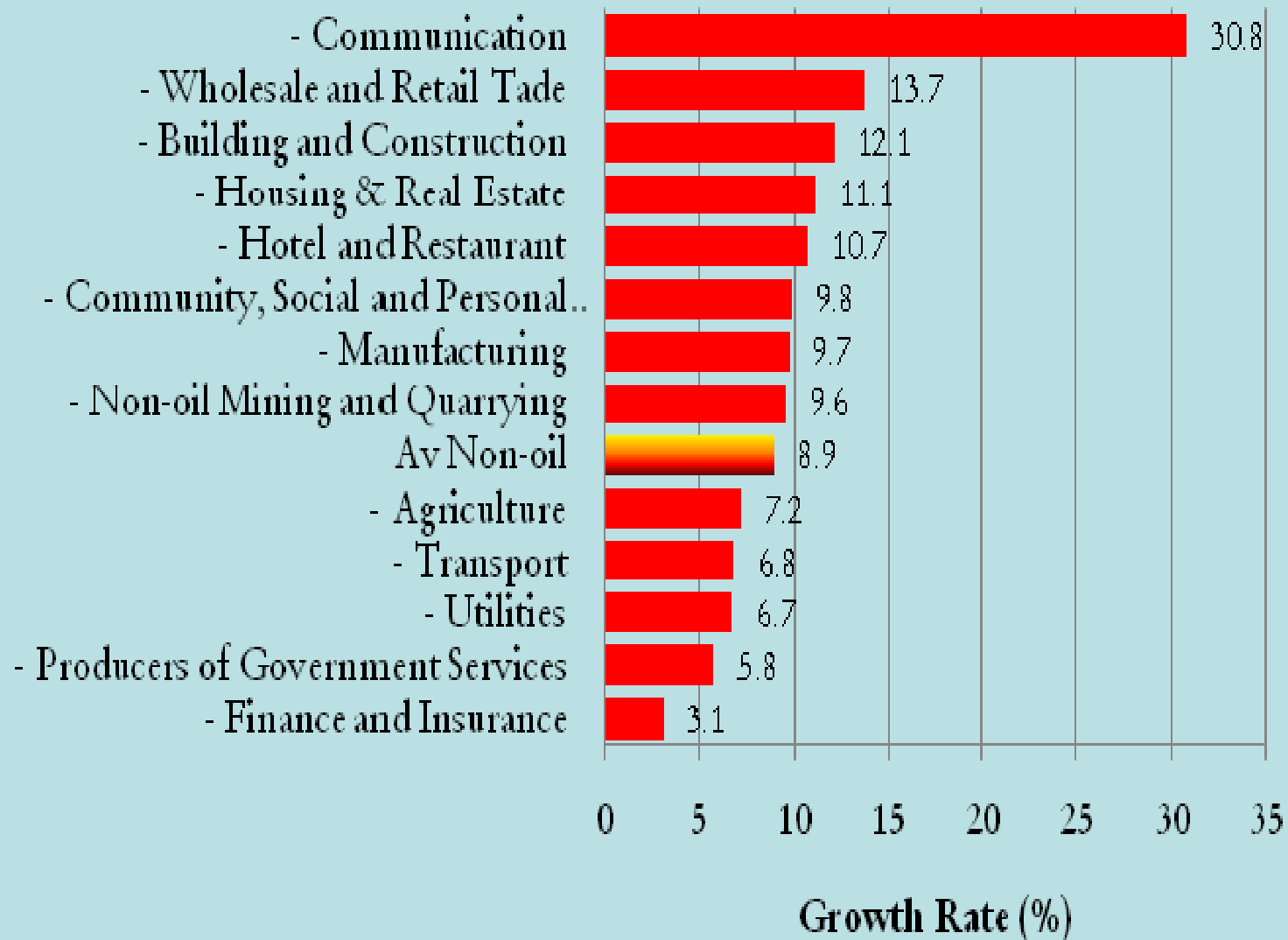
- **4 Broad Categories**

- Non-Oil Primary: Agriculture, Fishing, Forestry and Mining
- Oil Sector
- Secondary: Manufacturing, Building & Construction; Utilities
- Tertiary: Services

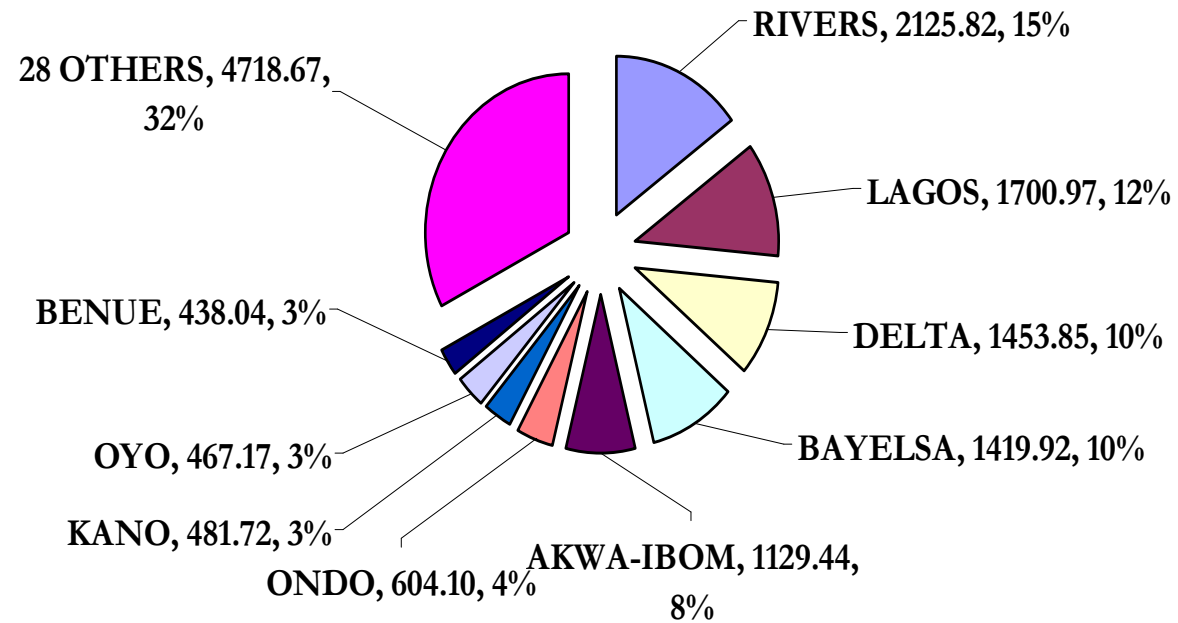
- **Contribution to 2006 output**

- Non-Oil Extractive: 42.1%
- Tertiary: 26.9%
- Oil Sector: 21.9%
- Industrial: 9.2%

Fastest Growing Sectors: 2006

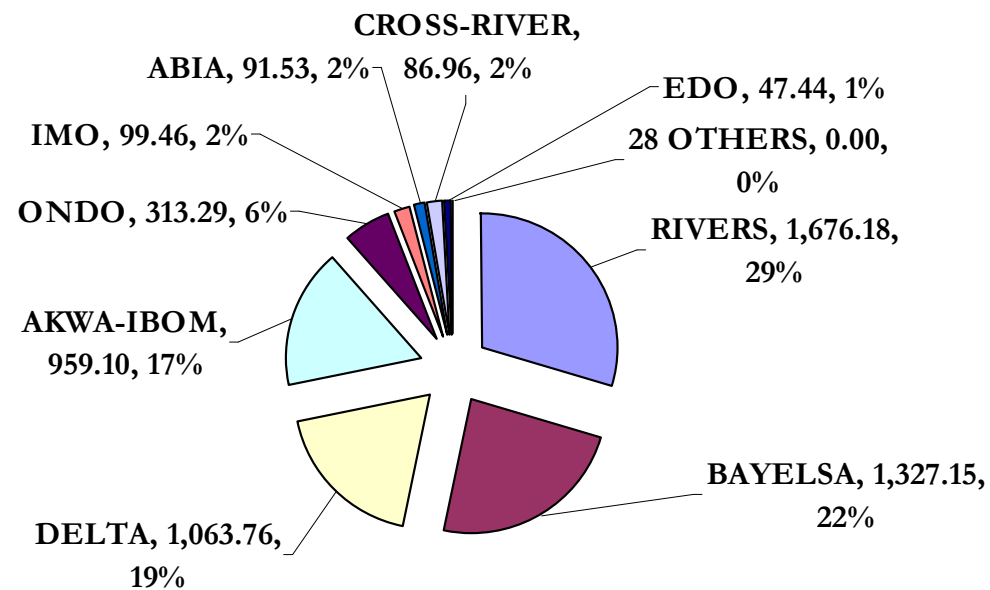


GROSS STATE PRODUCTS



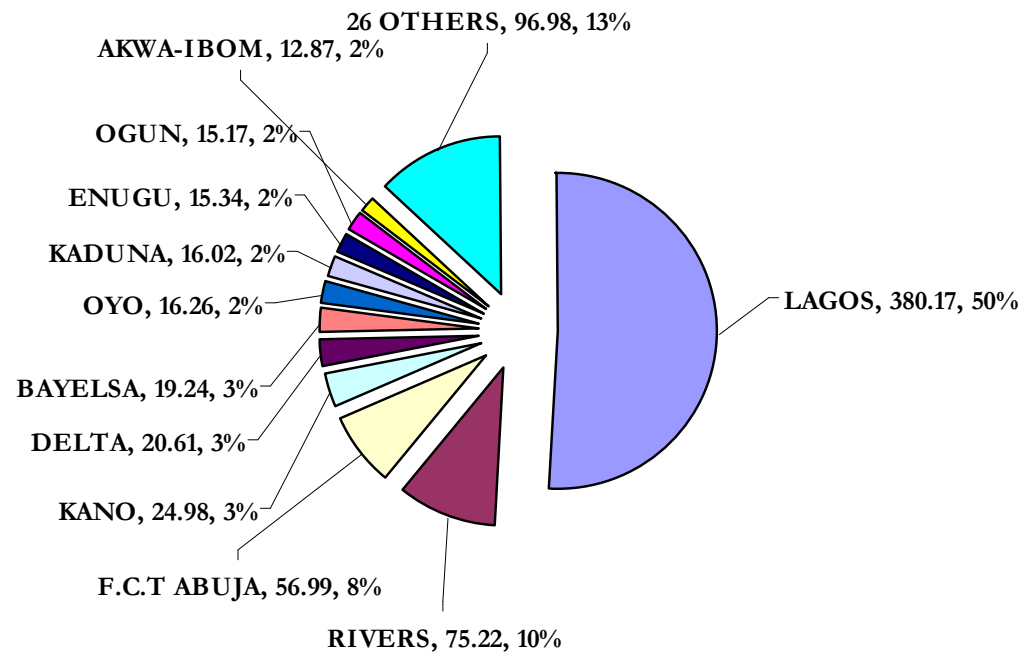
Oil Output by State

CRUDE PETROLEUM & NATURAL GAS

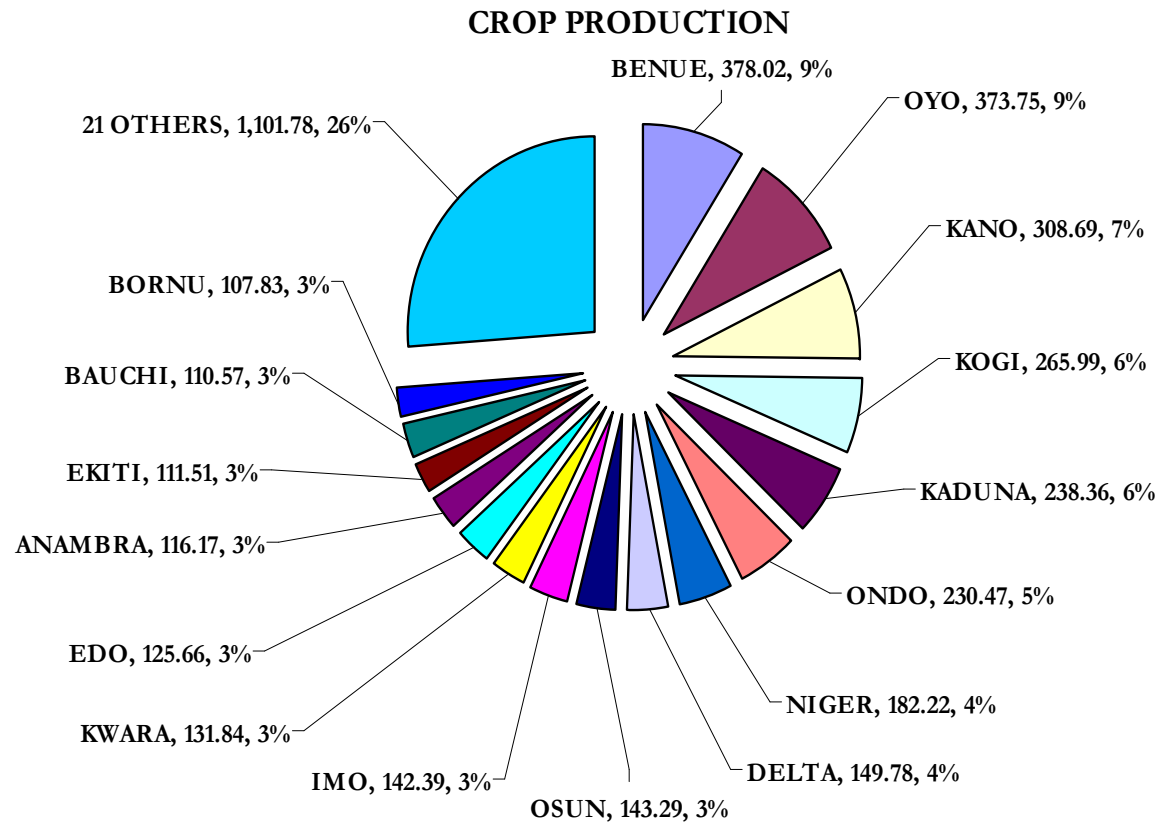


Banking and Finance

FINANCIAL INSTITUTIONS



Agricultural Spread



STATES	IGR/BUDGET (%)
LAGOS	64.25
KADUNA	22.93
PLATEAU	19.18
OYO	17.70
OGUN	16.19
KWARA	14.92
OSUN	14.44
ANAMBRA	14.16
RIVERS	11.97
KOGI	10.98
IMO	10.61
GOMBE	10.33
ONDO	10.11
ZAMFARA	10.11
AKWA-IBOM	9.75
DELTA	9.62
ENUGU	9.49
SOKOTO	8.87
EDO	8.81
KANO	6.76
CROSS-RIVER	6.76
NASARAWA	6.75
KASTINA	6.03
ABIA	4.72
BAUCHI	4.66
ADAMAWA	4.41
BORNU	4.25
BENUE	3.92
NIGER	3.79
KEBBI	3.77
TARABA	3.36
YOBE	3.17
EKITI	3.16
JIGAWA	2.15
EBONYI	1.89
BAYELSA	1.28
F.C.T ABUJA	#N/A

Fiscal Independence

IGR = Internally
Generated Revenue

Nigeria States Risk Ranking

- Rates all 36 states on economic, societal, political and security risks to investors
- Uses 0 to 5 rating system, in increments of 0.5 - the higher the number, the higher the risk
- Developed using continuous monitoring, as well as interview, fieldwork, documentary research

Why do states matter?

- Nigeria is a hugely diverse country
- Devolution of decision-making and policy
- Independent fiscal powers: to tax, to spend, to issue debt

General Risk Developments

- **Tribunals** have defused or postponed post-poll tensions, but electoral reform agenda is slow
- **EFCC** faced problems, opposition from former governors, spat with Attorney General
- **NNPC** ‘unbundling’, review of relations with commercial partners
- **Delta crisis** of summer focused on Rivers State
- **Infrastructure** – continued problems, massive investment and focussed project management needed.

And...

Environmental developments

- Rainfall causes extensive flooding – damage in Lagos as well as flash floods in far north – a global warming trend?
- Urban health risks – sanitation, air quality, rubbish
- Agriculture – production increase mainly from extensification not productivity gains – unsustainable land use?

Societal Risk

Three sub-factors:

- Ethnicity
- Religion
- Social Dynamics

Societal Risk Rankings May 07

STATES	SOCIETAL RISK RANKING
Plateau State	4.2
Kaduna State	3.8
Adamawa State	3.0
Bauchi State	3.0
Delta State	2.8
Anambra	2.7
Edo State	2.5
Rivers State	2.5
Taraba State	2.5
Abia	2.5
Ondo State	2.5
Enugu State	2.5
Gombe State	2.5
Ebonyi State	2.5
Kano State	2.5
Benue State	2.0
Imo State	2.0
Yobe State	2.0

Bayelsa State	2.0
Akwa Ibom State	1.8
Lagos State	1.7
Cross River State	1.7
Borno State	1.5
Oyo State	1.5
Nassarawa State	1.5
Jigawa State	1.5
Katsina State	1.5
Kogi State	1.5
Ogun State	1.5
Kebbi State	1.5
Zamfara State	1.5
Niger State	1.5
Osun State	1.0
Ekiti State	1.0
Kwara State	1.0
Abuja	1.0
Sokoto State	0.5

Societal Risk December 2007

STATES	SOCIETAL RISK RANKING
Plateau State	3.7
Kaduna State	3.5
Adamawa State	3.0
Rivers State	3.0
Bauchi State	3.0
Delta State	2.8
Anambra	2.7
Edo State	2.5
Taraba State	2.5
Abia	2.5
Ondo State	2.5
Enugu State	2.5
Gombe State	2.5
Ebonyi State	2.5
Kano State	2.5
Benue State	2.0
Imo State	2.0
Yobe State	2.0

Bayelsa State	2.0
Akwa Ibom State	1.8
Lagos State	1.7
Cross River State	1.7
Borno State	1.5
Oyo State	1.5
Nassarawa State	1.5
Jigawa State	1.5
Katsina State	1.5
Kogi State	1.5
Ogun State	1.5
Kebbi State	1.5
Zamfara State	1.5
Niger State	1.5
Osun State	1.0
Ekiti State	1.0
Kwara State	1.0
Abuja	1.0
Sokoto State	0.5

Societal Risk Changes...

- Rivers state societal risk higher due to pre-eminence of politically linked cultism
- Plateau societal risk lowered due to better management of communal conflicts and prevention of reoccurrence.
- Kaduna societal risk lowered due to continued lack of reoccurrence of communal or religious clashes.

Political and Governance Risk

- **Four sub-factors:**
 - Corruption
 - Local Governance
 - National and Party Politics
 - Current Issues

Political and Governance Rankings

May 07

STATES	POLITICAL RISK RANKING
Enugu State	4.5
Ekiti State	4.5
Edo State	4.0
Anambra	4.0
Imo State	4.0
Osun State	4.0
Oyo State	4.0
Plateau State	3.8
Rivers State	3.8
Delta State	3.5
Adamawa State	3.5
Taraba State	3.5
Abia	3.5
Borno State	3.5
Benue State	3.5
Zamfara State	3.5
Ondo State	3.0
Yobe State	3.0

Nassarawa State	3.0
Jigawa State	3.0
Kogi State	3.0
Bayelsa State	2.9
Kaduna State	2.8
Gombe State	2.5
Ebonyi State	2.5
Akwa Ibom State	2.5
Lagos State	2.5
Kwara State	2.5
Sokoto State	2.5
Kebbi State	2.5
Kano State	2.4
Ogun State	2.3
Cross River State	2.1
Katsina State	2.0
Niger State	2
Bauchi State	1.5
Abuja	1.1

Political and Governance Risk

December 07

STATES	POLITICAL RISK RANKING
Enugu State	4.0
Ekiti State	4.0
Edo State	4.0
Rivers State	4.0
Imo State	4.0
Osun State	4.0
Adamawa State	4.0
Oyo State	4.0
Plateau State	3.5
Delta State	3.5
Taraba State	3.5
Abia	3.5
Borno State	3.5
Kogi	3.5
Benue State	3.5
Zamfara State	3.5
Anambra	3.0
Ondo State	3.0
Yobe State	3.0

Kebbi State	3.0
Nassarawa State	3.0
Bayelsa State	2.9
Kaduna State	2.8
Gombe State	2.5
Ebonyi State	2.5
Akwa Ibom State	2.5
Jigawa	2.5
Lagos State	2.5
Kwara State	2.5
Sokoto State	2.5
Kano State	2.4
Ogun State	2.3
Cross River State	2.1
Katsina State	2.0
Niger State	2
Bauchi State	1.5
Abuja	1.1

Political and Governance Changes

- Rivers State higher risk due to misgovernment and new uncertainty after court ruling
- Plateau political risk reduced due to Dariye exit, consensus behind more experienced Governor Jang
- Kogi, Kebbi risk heightened due to court rulings, uncertainty
- Jigawa risk lowered due to new policy drive
- Ekiti and Enugu risks lowered due to cooling of political conflicts
- Anambra State much lower due to uncontested court ruling reinstating Governor Obi

Security Risk

- Three sub-factors:
 - Crime
 - Communal Violence
 - Law Enforcement

Security rankings May 07

STATES	SECURITY PROFILE RANKING
Edo State	4.0
Rivers State	4.0
Delta State	4.0
Ondo State	4.0
Bayelsa State	3.7
Plateau State	3.5
Anambra	3.5
Abia	3.5
Benue State	3.5
Lagos State	3.2
Akwa Ibom	3.0
Borno State	3.0
Imo State	3.0
Osun State	3.0
Oyo State	3.0
Nassarawa State	3.0
Kano State	2.8
Kaduna State	2.8

Taraba State	2.5
Adamawa State	2.5
Enugu State	2.5
Yobe State	2.5
Ebonyi State	2.5
Katsina State	2.5
Bauchi State	2.5
Kwara State	2.5
Ogun State	2.2
Gombe State	2
Jigawa State	2
Kogi State	2
Zamfara State	2
Niger State	2
Sokoto State	1.5
Cross River State	1.5
Abuja	1.5
Kebbi State	1.5
Ekiti State	1.0

Security rankings December 07

STATES	SECURITY PROFILE RANKING		
Rivers State	4.5	Taraba State	2.5
Delta State	4.0	Adamawa State	2.5
Bayelsa State	4.0	Enugu State	2.5
Edo State	3.5	Yobe State	2.5
Ondo State	3.5	Ebonyi State	2.5
Plateau State	3.5	Katsina State	2.5
Anambra	3.5	Bauchi State	2.5
Abia	3.5	Abuja FCT	2.5
Benue State	3.5	Kwara State	2.5
Kano State	3.3	Ogun State	2.2
Lagos State	3.2	Gombe State	2
Akwa Ibom	3.0	Jigawa State	2
Borno State	3.0	Kogi State	2
Imo State	3.0	Zamfara State	2
Osun State	3.0	Niger State	2
Oyo State	3.0	Sokoto State	1.5
Nassarawa State	3.0	Cross River State	1.5
Kaduna State	2.8	Kebbi State	1.5
		Ekiti State	1.0

Security changes...

- Rivers State risk up due to security crisis since elections, including gang wars, child kidnap, army deployments in response
- Bayelsa risk up – raids, kidnappings
- Abuja security risk up due mainly to armed property crime
- Kano security threats round local polls
- Edo and Ondo security risk slightly reduced since tensions peaked at elections and immediate aftermath

Look out for...

- Other Governorship races overturned – prime candidates include Edo, Ekiti and Ebonyi
- Local Government elections over next 6 months
- PDP Party chairmanship race
- Emergent inter-state cooperation – Niger/Kwara, Lagos/Ogun

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