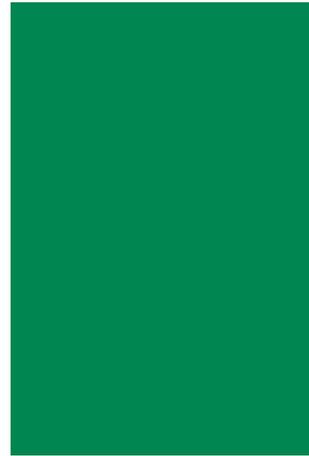
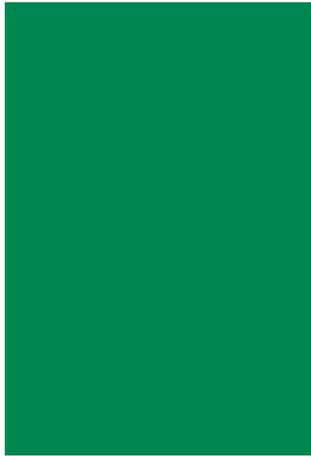


بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

A Brief Introduction





An Introduction to NIGERIA

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AIMS & OBJECTIVES



To Elaborate the Economy of Nigeria

▶ Location:

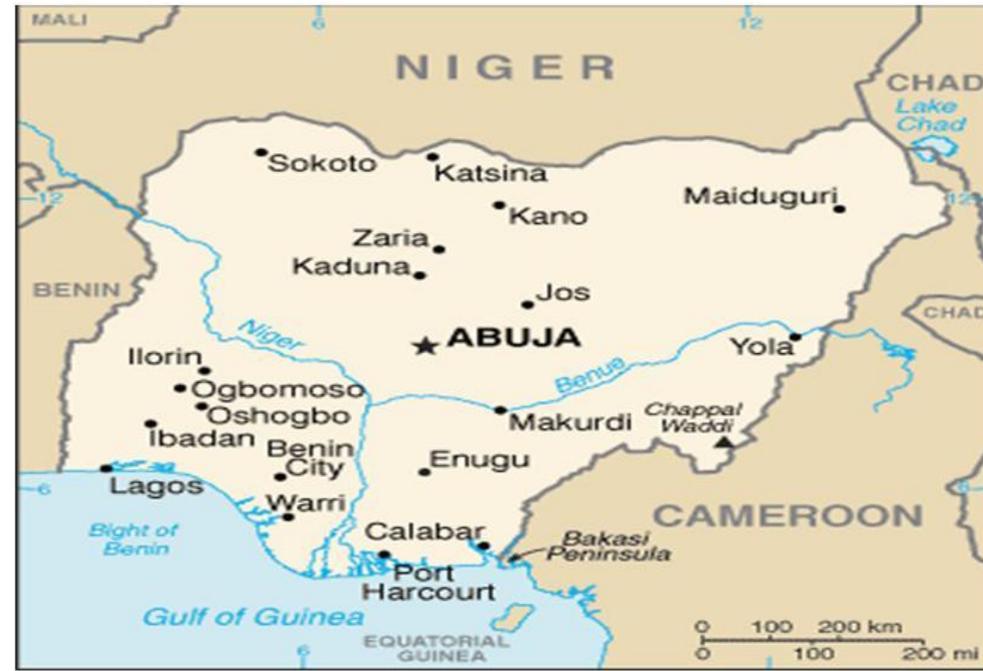
Nigeria is located in western Africa on the Gulf of Guinea

▶ Total Area:

923,768 km² (356,669 sq mi),

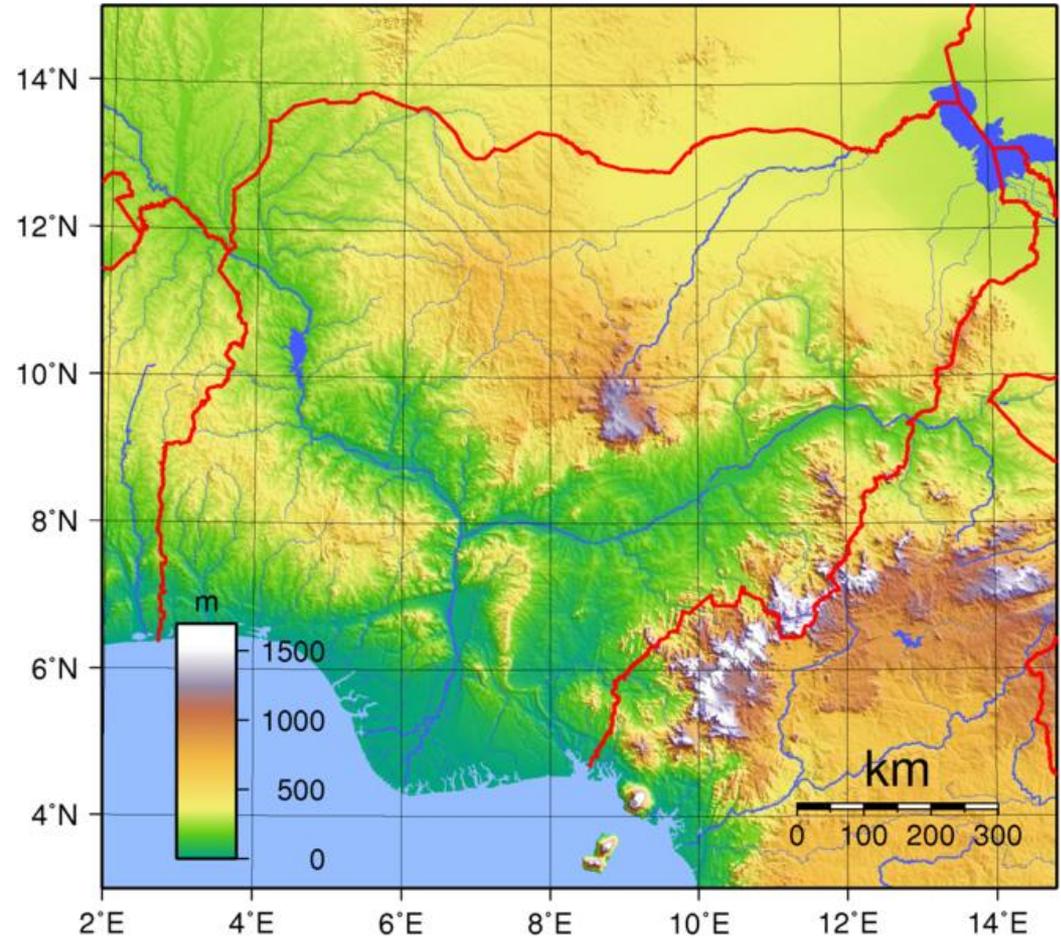
Bordering countries:

- ▶ Benin (W)
- ▶ Niger (N)
- ▶ Chad (N/E)
- ▶ Cameroon (E)
- ▶ Equatorial Guinea (S)
- ▶ Ghana (S)
- ▶ São Tomé and Príncipe (S)



Nigerians weather

- ▶ Equatorial in south,
- ▶ tropical in centre,
- ▶ arid in north



About Nigeria

➤ **OFFICIAL NAME:** FEDERAL REPUBLIC OF NIGERIA

➤ **Capital :** Abuja

➤ **Historical Background:**

The name *Nigeria* was taken from the Niger River running through the country. This name was coined by Flora Shaw, the future wife of Baron Lugard, a British colonial administrator, in the late 19th century.

➤ **Ethnic Groups:**

The **Hausa**, **Igbo** and **Yoruba**. In terms of religion Nigeria is roughly split half and half between Muslims and Christians with a very small minority who practice traditional religion.

➤ **Population:**

In 2010 the population was 155,215,573

➤ Nigeria is the most populous country in Africa, the seventh most populous country in the world, and the most populous country in the world in which the majority of the population is black. It is listed among the "Next Eleven" economies, and is a member of the Commonwealth of Nations.

The Military ERA



▶ THE OIL BOOM:

- ▶ 1970s, Nigeria joined OPEC,
- ▶ billions of dollars generated by production in the oil-rich Niger Delta
- ▶ But the government became dependent on oil revenues and the international commodity markets for budgetary concerns eschewing economic stability
- ▶ In 1979, Nigerians got democracy but the regime was overthrown by the military coup in 1984, it was generally viewed as a positive development by most of the population



This regime was also overthrown by yet another military coup in 1985

The new head of state, instituted the International Monetary Fund's Structural Adjustment Program (SAP) to aid in the repayment of the country's crushing international debt, which most federal revenue was dedicated to servicing.

▶ Nigeria's Crisis:

Although free and fair elections were held on 12 June 1993, the results were declared null and void, sparking mass civilian violence in protest which effectively shut down the country for weeks.

The new ruler avoided coup plots by bribing army generals. Several hundred million dollars in accounts traced to him were discovered in 1999.

The regime came to an end in 1998 when the dictator was found dead amid dubious circumstances.

Recent History

- ▶ Nigeria re-achieved democracy in 1999 when it elected the former military head of state, as the new President of Nigeria ending almost 33 years of military rule (from 1966 until 1999) excluding the short-lived second republic (between 1979 and 1983)
- ▶ Although the elections which brought democracy in power in 1999 and again in 2003 were condemned as unfree and unfair, Nigeria has shown marked improvements in attempts to tackle government corruption and to hasten development.
- ▶ The People's Democratic Party came into power in the general election of 2007 – an election that was witnessed and condemned by the international community as being severely flawed.

Conflict in the Niger Delta

The current conflict in the Niger Delta arose in the early 1990s over tensions between the foreign oil corporations and a number of the Niger Delta's minority ethnic groups. Ethnic and political unrest has continued throughout the 1990s and persists as of 2007.

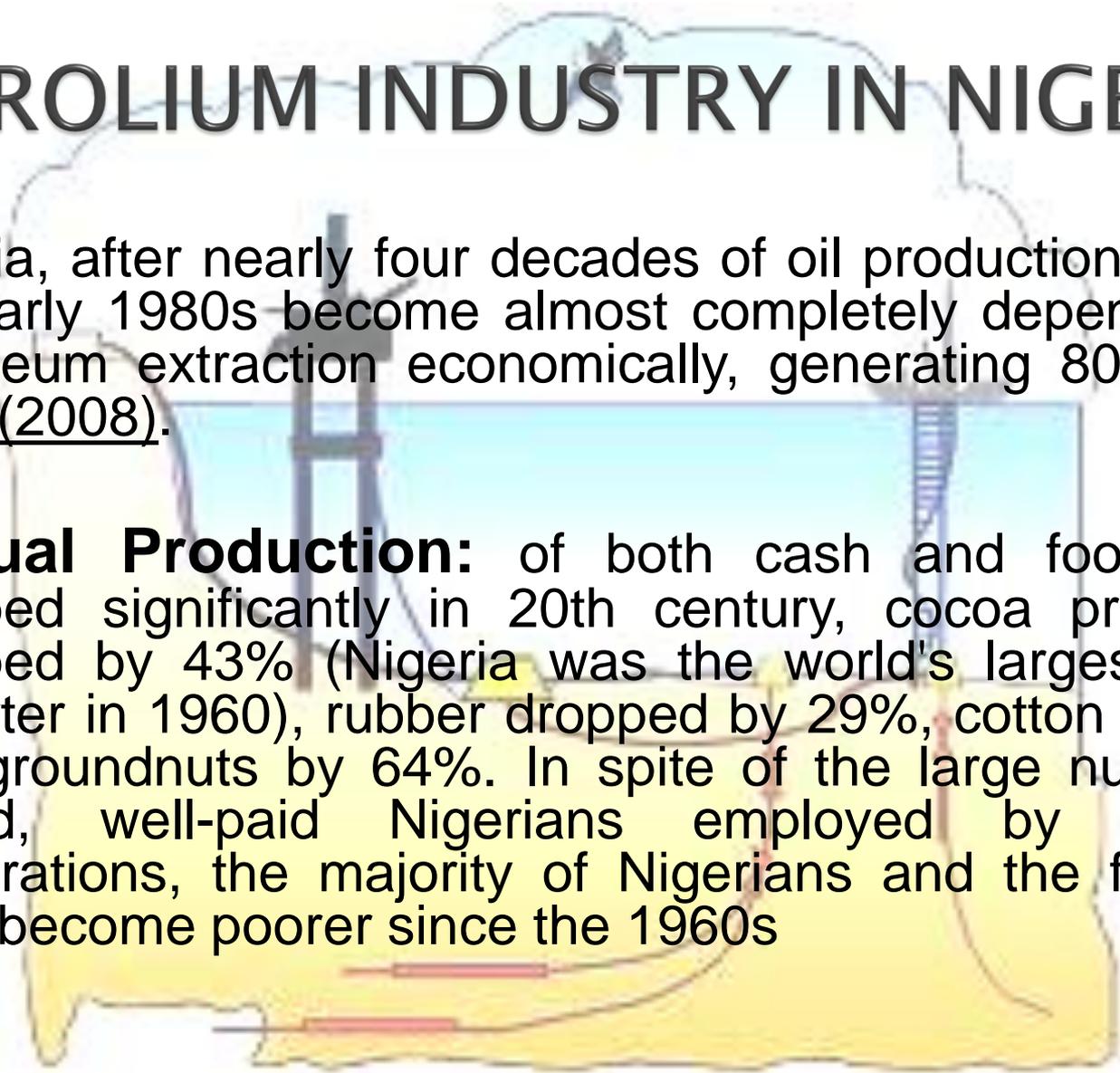


Conflicts amid Competition

- ▶ Competition for oil wealth has fuelled violence between innumerable ethnic groups, causing the militarization of nearly the entire region by ethnic militia groups as well as Nigerian military and police forces (notably the Nigerian Mobile Police).



PETROLIUM INDUSTRY IN NIGERIA



Nigeria, after nearly four decades of oil production, had by the early 1980s become almost completely dependent on petroleum extraction economically, generating 80% of its GDP (2008).

Annual Production: of both cash and food crops dropped significantly in 20th century, cocoa production dropped by 43% (Nigeria was the world's largest cocoa exporter in 1960), rubber dropped by 29%, cotton by 65%, and groundnuts by 64%. In spite of the large number of skilled, well-paid Nigerians employed by the oil corporations, the majority of Nigerians and the far north have become poorer since the 1960s

POPULATION OF NIGER DELTA

- ▶ The Delta region has a steadily growing population estimated to be over 30 million people as of 2005, accounting for more than 23% of Nigeria's total population.
- ▶ The population density is also among the highest in the world with 265 people per kilometre-squared (reference NDDC). This population is expanding at a rapid 3% per year and the oil capital, Port Harcourt, along with other large towns are growing quickly.

- ▶ **Poverty And Urbanization:** in Nigeria are on the rise, and official corruption is considered a fact of life. The resultant scenario is one in which there is urbanization but no accompanying economic growth to provide jobs. This has led to a section of the growing populace assisting in destroying the ecosystem that they require to sustain themselves.





The case of Ogoniland (1992–1995)

- ▶ Ogoniland is a 404-square-mile (1,050 km²) region in the southeast of the Niger Delta basin. Economically viable petroleum was discovered in Ogoniland in 1957. The Movement for the Survival of the Ogoni People (MOSOP) was formed in 1992 which became the major campaigning organization for Ogoni people.
- ▶ The conflict between Ogonis and the oil infrastructure escalated to a level of greater seriousness and intensity on both sides. Both parties began carrying out acts of violence and MOSOP issued an ultimatum to the oil companies (Shell, Chevron, and the Nigerian National Petroleum Corporation) which demanded some \$10 billion in accumulated royalties, damages and compensation, and "immediate stoppage of environmental degradation", and negotiations for mutual agreement on all future drilling .
- ▶ The Ogonis threatened to embark on mass action to disrupt their operation if the companies failed to comply.



- ▶ By this act, the Ogoni shifted the focus of their actions from an unresponsive federal government to the oil companies engaged in their own region.
- ▶ The rationales for this assignment of responsibility were the benefits accrued by the oil companies from extracting the natural wealth of the Ogoni homeland, and neglect from central government.
- ▶ Military repression escalated in May 1994 and four Ogoni chiefs were brutally murdered.



Niger Delta Development Commission

The Niger Delta Development Commission is a Federal Government agency established by Nigerian president, Olusegun Obasanjo in the year 2000 with the sole mandate of developing the oil-rich Niger Delta region of southern Nigeria. In September 2008, President Umaru Yar'Adua announced the formation of a Niger Delta Ministry, with the Niger Delta Development Commission to become a parasitical under the ministry After launching a mission to wipe out (Niger Delta People's Volunteer Force)NDPVF, approved by President Olusegun Obasanjo



The Nigerian oil crisis

- ▶ In early September, Mujahid Dokubo–Asari declared “all-out war” with the Nigerian state as well as the oil corporations and threatened to disrupt oil production activities through attacks on wells and pipelines

2008 Crackdown

- ▶ In August 2008, the Nigerian government launched a massive military crackdown on militants. They patrolled waters and hunted for militants, searched all civilian boats for weapons, and raided numerous militant hideouts



2009 Government offensive

- ▶ On May 15, 2009, a military operation undertaken by a Joint Task Force (JTF) began against MEND militants operating in the Niger Delta region.
- ▶ Granting of Amnesty on June 26, 2009, the Nigerian Government announced that it would grant Amnesty and an unconditional pardon to Militants in the Niger Delta which would last for 60 days. Former Nigerian President Umaru Musa Yar'Adua signed the amnesty after consultation with the National Council of State.
- ▶ During the 60 day period armed youths are required to surrender their weapons to the Government in return for training and rehabilitation by the government. During the 60 day period militants led their groups to surrender weapons to end war.



ECONOMY OF NIGERIA



Introduction

- ▶ The economy of Nigeria is one of the fastest growing in the world, with the International Monetary Fund projecting a growth of 9% in 2008 and 8.3% in 2009. The IMF further projects a 8% growth in the Nigerian economy in 2011.

- ▶ **Salient Features:**

It is a middle income, mixed economy emerging market with well-developed financial, legal, communications, transport, and entertainment sectors. It is ranked **31st** in the world in terms of GDP (PPP) as of 2009, and its emergent, though currently underperforming manufacturing sector is the second-largest on the continent, producing a large proportion of goods and services for the West African region.

Economy Past & Present

- ▶ Previously hindered by years of mismanagement, economic reforms of the past decade have put Nigeria back on track towards achieving its full economic potential. Nigerian GDP at purchasing power parity more than doubled from \$170.7 billion in 2005 to \$374.3 billion in 2010,
- ▶ Although estimates of the size of the informal sector (which is not included in official figures) put the actual numbers closer to \$520 billion. Correspondingly, the GDP per capita doubled from \$1200 per person in 2005 to an estimated \$2,500 per person in 2009 (again, with the inclusion of the informal sector, it is estimated that GDP per capita hovers around \$3,500 per person).



Geographical, social, and Economic Indicators (in 90s)

- ▶ Population 127 million in (1990–2000)
- ▶ Population annual growth rate 2.8%
- ▶ Gni per capital US \$300(2000)
- ▶ Gni per capital ppp US \$790(2000)
- ▶ GDP Per capital
- ▶ (Average growth rate); -0.4 %(1990–2000)
- ▶ Agriculture as share of GDP: 17 %(1997)
- ▶ Exports as share of GDP; 17 %(1997)
- ▶ LIFE Expectancy at birth: 47(1999)
- ▶ Under age 5 mortality rate
- ▶ (per1, 000 live births): 151(1999)
- ▶ Child malnutrition
- ▶ (Underweight) 39%



Current Economic Scenario

- ▶ Nigeria's economy is struggling to leverage the country's vast wealth in fossil fuels in order to displace the crushing poverty that affects about 57% of its population. 80% of Nigeria's energy revenues flow to the government, 16% covers operational costs, and the remaining 4% go to investors. However, the World Bank has estimated that as a result of corruption 80% of energy revenues benefit only 1% of the population.

Current Macro-economic trend

This is a chart of trend of **GDP** of Nigeria at market prices estimated by the International Monetary Fund with figures in millions of Nigerian Naira.

For purchasing power parity comparisons, the US Dollar is exchanged at 160.75 Nigerian Naira only.

Current **GDP** per capita of Nigeria expanded 132% in the Sixties reaching a peak growth of 283% in the Seventies. But this proved unsustainable and it consequently shrank by 66% in the Eighties. In the Nineties, diversification initiatives finally took effect and decadal growth was restored to 10%.

About 57% of the population lives on less than US\$1 per day. In 2005 the GDP was composed of the following sectors: agriculture, 26.8 percent; industry, 48.8 percent; and services, 24.4 percent.

Year	Gross Domestic Product	US Dollar Exchange	Inflation Index (2000=100)	Per Capita Income (as % of USA)
1980	50,849	0.78 Naira	1.30	7.22
1985	98,619	2.83 Naira	3.20	1.87
1990	286,374	8.94 Naira	8.10	1.49
1995	1,928,642	54.36 Naira	56	1.28
2000	4,676,394	102.24 Naira	100	1.11
2005	14,894,454	131.01 Naira	207	1.96

IMPORTANT FEATURES OF ECONOMY

1. It is the largest economy in the West Africa Region,
2. 3rd largest economy in Africa (behind South Africa and Egypt),
3. It is on track to becoming one of the top 30 economies in the world in the early part of 2011.
4. Nigeria produces only about 3.3% of the world's supply, and though it is ranked as 15th in production at 2.2 million barrels per day (mbpd), the top 3 producers Saudi Arabia, Russia, and the United States produce 10.7mbpd (16.8%), 9.8mbpd (15.4%), and 8.5mbpd (13.4%) respectively
5. Nigeria's anticipated revenue from petroleum is about \$52.2 billion. This accounts for less than 14% of official GDP figures and drops to 10% when the informal economy is included in these calculations.
6. The largely subsistence agricultural sector has not kept up with rapid population growth, and Nigeria, once a large net exporter of food, now imports some of its food products

Recent statistics of economy

GDP

\$374.3 billion (2010 est.) (PPP)

GDP growth

7.8% (2010 est.)

GDP per capita

\$2,500 (2010 est.)

GDP by sector

Agriculture: 41.8%; industry:
29.6%; services: 28.6% (2009 est.)

Inflation (CPI)

12.8% (2010 est.)

**Population
below poverty line**

45% (2010 est.)

Gini index

43.7 (2003)

Labour force

47.33 million (2009 est.)

**Labour force
by occupation**

Agriculture: 70%; industry: 10%;
services: 20% (1999 est.)

Unemployment

4.9% (2007 est.)

HDI

0.423

INDUSTRIAL SECTOR



Main industries

Crude oil, coal, tin, palm oil, peanuts, cotton, rubber, wood; hides and skins, textiles, cement and other construction materials, food products, footwear, chemicals, fertilizer, steel, small commercial ship construction & entertainment, & machinery.

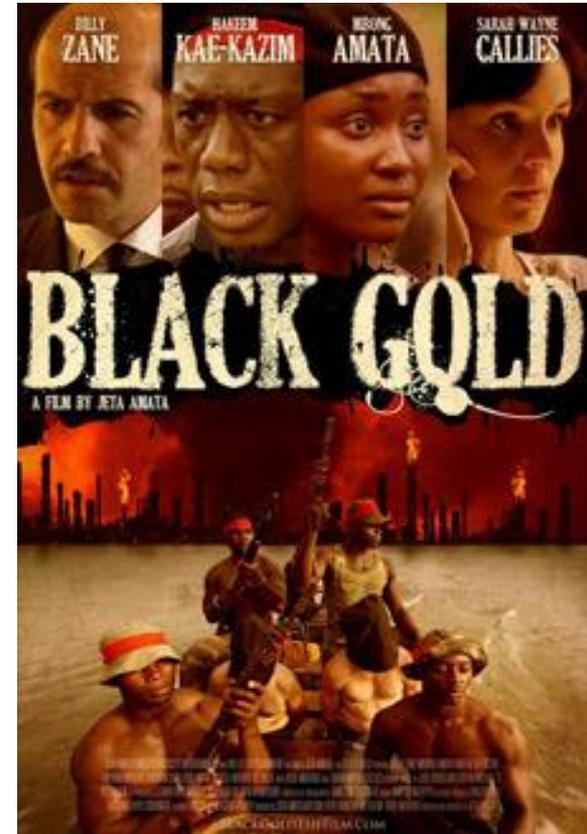


Prominent Industries

- ▶ **Agriculture – products:**
Cocoa, peanuts, palm oil, maize, rice, sorghum, millet, cassava (tapioca), yams, rubber; cattle, sheep, goats, pigs; timber; & fish.
- ▶ **ELECTRICITY**
Electricity – production: 15.59 billion kWh (2003)
- ▶ **Electricity – production by source:**
fossil fuel: 61.69%
hydro: 38.31%
nuclear: 0%
other: <.1% (1998)
- ▶ **Electricity – consumption: 14.46 billion kWh (2003)**
- ▶ **Electricity – exports: 40 million kWh (2003)**
- ▶ **Electricity – imports: 0 kWh (1998)**

NOLLYWOOD

The **cinema of Nigeria** grew quickly in the 1990s and 2000s to become the second largest film industry in the world in terms of number of annual film productions, placing it ahead of the United States and behind the Indian film industry. Nollywood is a US \$ 250 million movie industry, churning out some 200 videos for the home video market every month.



Salient Features

- ▶ Nigeria ranks 44th worldwide and third in Africa in factory output
- ▶ The oil boom of the 1970s led Nigeria to neglect its strong agricultural and light manufacturing bases in favour of an unhealthy dependence on crude oil. In 2000, oil and gas exports accounted for more than 98% of export earnings and about 83% of federal government revenue
- ▶ Nigeria's proven oil reserves are estimated to be **35 billion barrels** (5.6×10^9 m³); natural gas reserves are well over 100 trillion cubic feet (2,800 km³). Nigeria is a member of the OPEC, and in mid-2001, its crude oil production was averaging around 2.2 mn barrels per day (350,000 m³/d).



Foreign Investments

- ▶ In 2007, Nigeria received a net inflow of US\$5.2 billion of foreign direct investment (FDI), much of which came from Nigerians in the Diaspora. Most FDI is directed toward the energy and banking sectors.
 - ▶ Foreign exchange reserve
 - ▶ \$43,360 billion (December 2010 est.)
 - ▶ External Debt
 - ▶ \$9.689 billion (December 2009 est.)
- 

Imports / Exports

- ▶ **Imports – commodities:**
- ▶ Machinery, chemicals, transport equipment, manufactured goods, food and live animals
- ▶ **Imports – partners:** the People's Republic of China 9.4%, United States 8.4%, United Kingdom 7.8%, Netherlands 5.9%, France 5.4%, Germany 4.8%, Italy 4% (2004)
- ▶ **Imports:** \$45.95 billion f.o.b. (2005 est.)
- ▶ **Exports:** \$72.16 billion f.o.b. (2005 est.)
- ▶ **Exports – commodities:** petroleum and petroleum products 95%, cocoa, rubber
- ▶ **Exports – partners:** United States 47.4%, Brazil 10.7%, Spain 7.1% (2004)

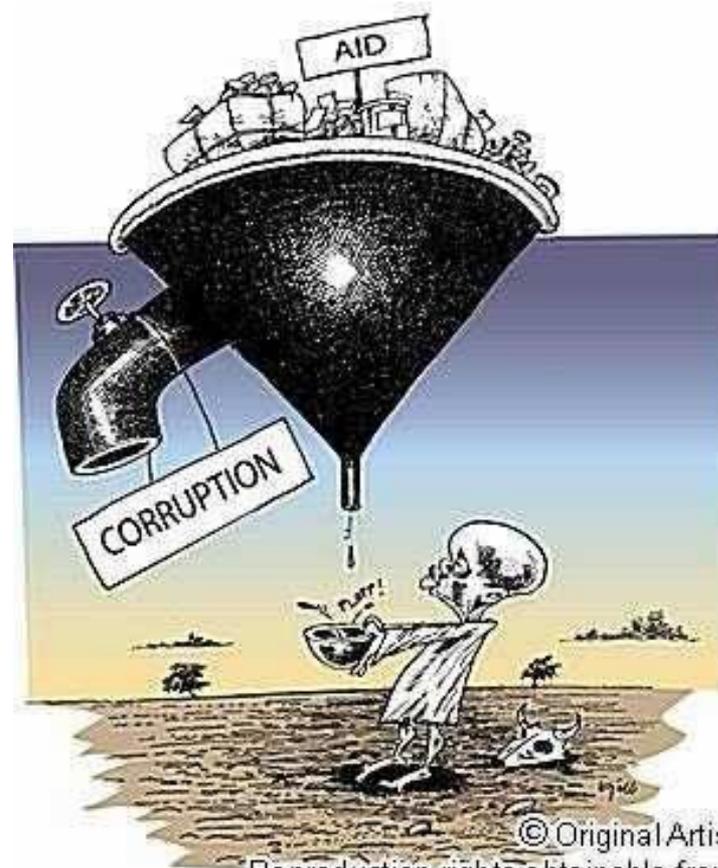
Current Position of Oil

- ▶ Poor corporate relations with indigenous communities, vandalism of oil infrastructure, severe ecological damage, and personal security problems throughout the Niger Delta oil-producing region continue to plague Nigeria's oil sector. Efforts are underway to reverse these troubles. In the absence of government programs, the major multinational oil companies

Economic Composition



Corruption in Nigeria



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Scenario

- ▶ Widespread corruption in the Nigeria Police Force is fuelling abuses against ordinary citizens in Nigeria.
 - ▶ On a daily basis, countless ordinary Nigerians are accosted by armed police officers who demand bribes and commit human rights abuses against them as a means of extorting money.
 - ▶ These abuses range from arbitrary arrest and unlawful detention to even extrajudicial killings.
- 

Nigeria: Corruption Fuelling Police Abuses

- ▶ Extortion and Bribery
- ▶ System of "Returns"
- ▶ Embezzlement
- ▶ Justice and Public Safety for Sale
- ▶ Failures of Oversight



Unemployment

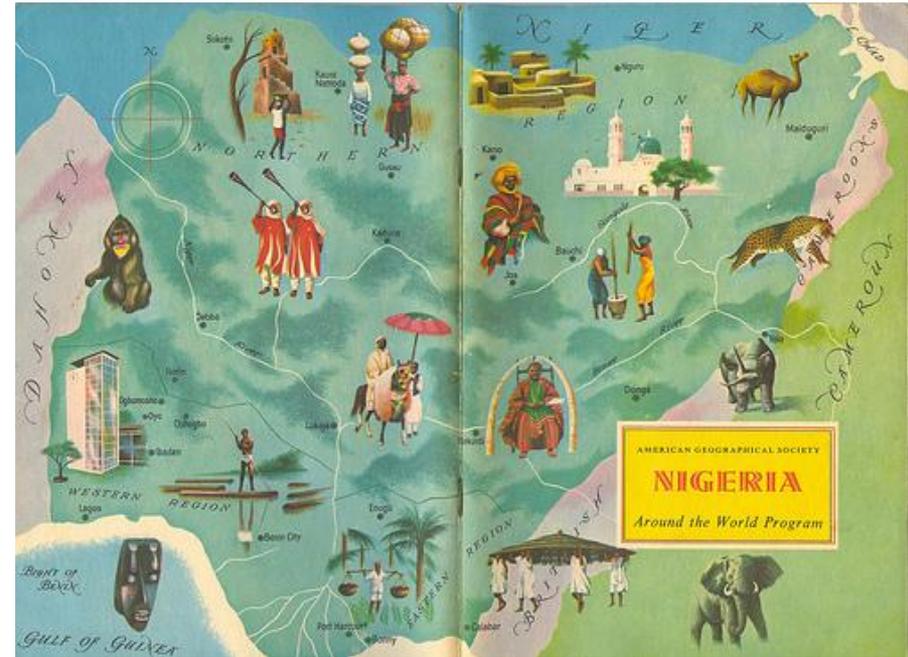
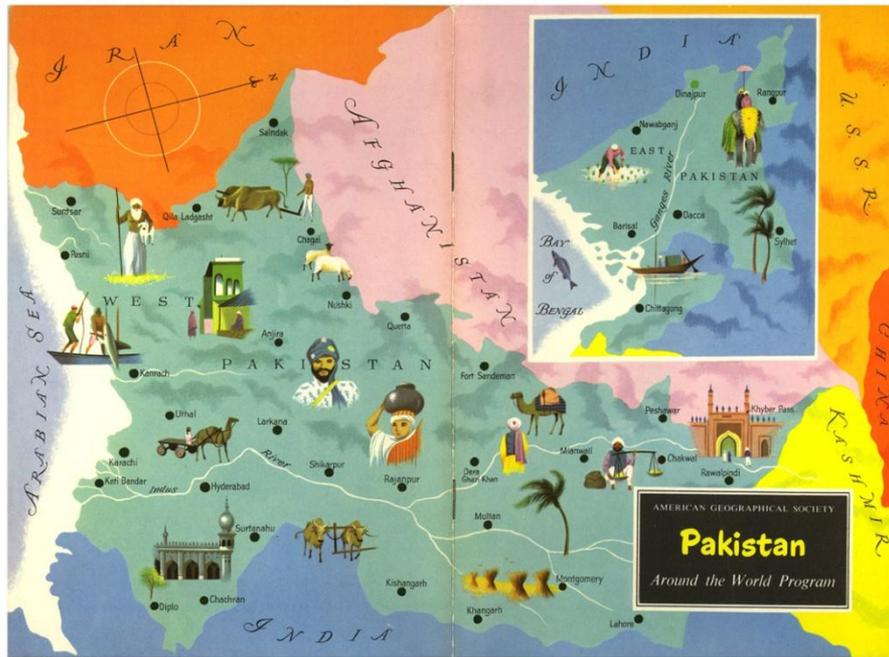
- ▶ Due to a rise in corruption and scarcity of resource utilization, Nigeria is facing the challenge of unemployment which further fuels greater social mishaps like crime and injustice. Nigeria has a labor population of 47.33 million (2009 est.) of which 4.9% (2007 est.) are unemployed.



Nigeria Economy Statistical Snapshot

Labour force	47.33 million (2009 est.)
Labour in agriculture	70%
Budget revenues	\$10.49 billion
Budget expenditures	\$18.08 billion (2009 est.)
Industrial production growth rate	-1.8% (2009 est.)
Current account balance	-\$9.394 billion (2009 est.)
Exports	\$45.43 billion (2009 est.)
Imports	\$42.1 billion (2009 est.)

Pakistan and Nigeria



Relations

- ▶ From the above discussion we come to know that **Nigeria–Pakistan relations** refers to bilateral and ever growing. Pakistan has a High Commission in Abuja and Nigeria has an embassy in Islamabad, as well as a Consulate–General in Karachi.
- ▶ Pakistani government plans to open trade mission in Lagos, while Nigeria was expected to open its trade mission in Karachi. The two states have maintained a close relationship, a relationship which is described by the Nigerian Defense Minister as "friendly" and like a "family tie"
- ▶ In January 2009, Nigeria's Minister of Defense, Shittima Musa, announced that "Nigeria and Pakistan would continue to maintain closer relations" and stated that the two countries have also declared to forge closer military ties, especially in the areas of military training and transfer of technology.
- ▶ Nigeria and Pakistan are both members of the Organization of Islamic Cooperation.

Agreements and Ties

The two nations maintain good trade relations, with visits by trade delegations, in domains of textiles, pharmaceuticals and other areas in order to increase the volume of trade between the two.

Meetings were conducted in January 2006 and, more recently in March 2008, in which diplomats emphasized the importance of increasing bilateral trade. At the time of the meeting, Pakistan's exports to Nigeria stood at **US\$23.2 million**, whereas, in the same period, imports from Nigeria were around **US\$10 million**



Trade Composition

- ▶ Bilateral trade between Nigeria and Pakistan reached US\$56 million in 2010.
- ▶ Pakistan main export items included textile garments, home appliances, surgical equipments and rice.



Conclusion

From the discussion above, we learn that both Nigeria and Pakistan have numerous similarities based on which the countries have maintained a good friendly tie with each other even in times of need. However it is about time that both the countries learn from one another's blunders and falls to not only correct themselves but the nations as a whole.





Questions and Critics are welcome