



# Nigeria

## Is Nigeria a good country to do business in now?

Nigeria is definitely a country to watch, but corruption, religious and ethnic tensions, and a lack of infrastructure make it a risky endeavour at the current time.

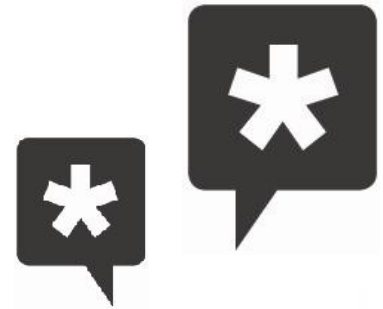
### Here's why

Nigeria is the most populous country in Africa and one of the world's largest oil producers. It gained independence from Britain in 1960 and a series of military dictatorships followed. Nigeria has had a civilian, democratic government since 1999, however oil revenues have been squandered through corruption and mismanagement, leaving the Nigerian people mostly impoverished. Nigeria's latest election, in 2011, received approval from International observers, marking it the first elections since the end of military rule, which were not condemned for allegations of fraud.

Nigeria suffers from severe religious and ethnic tensions, and with some states declaring Islamic law, many Christians have been forced to flee. According to some estimates, up to half of Nigeria's annual oil revenue is stolen or wasted. The trade in stolen oil has fuelled violence in the region and attacks on oil facilities and kidnapping of foreign workers remains a very real threat, although the current government has made some inroads into curtailing this situation.



## Fast Facts



**Population:** 158.2 million

**Language/s:** English (official), Hausa, Yoruba, Ibo, Fulani and more than 200 tribal languages

**Religion/s:** Islam (50%), Christian (40%), indigenous beliefs

**Land area:** 923,768 square km

**Currency:** Naira

**Capital:** Abuja

**Internet domain:** .ng

**International dialing code:** +234

**Innovation ranking<sup>1</sup>:** 79 (out of 82 countries)

**Digital economy ranking<sup>1</sup>:** 61 (out of 70 countries)

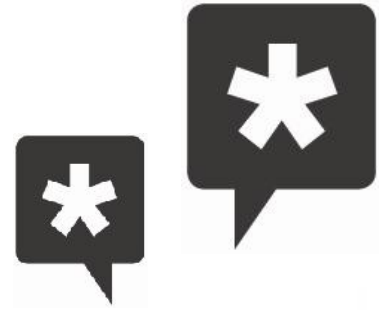
### Macroeconomic indicators:<sup>1</sup>

	2010	2011	2012
GDP (US\$)	\$187.4 billion	\$202.8 billion	\$219.9 billion
GDP per capita (US\$)	\$1,200.89	\$1,264.68	\$1,334.78
Real GDP growth	8.4	6.9	n/a
Inflation (CPI)	10.1	8.5	8.5

## Economy

Oil-rich Nigeria has been plagued by political instability, religious and ethnic tensions, inadequate infrastructure and poor macroeconomic management. Some reforms have been implemented in the past decade and since 2008, Nigeria has been complying with IMF demands for market-oriented reforms, which are contingent on debt relief and payments from the Paris Club. Based largely on increased oil exports and high crude oil prices, GDP has been rising strongly over the past three years. The government is working toward developing stronger public-private partnerships for roads and electricity.





## Fast Facts

### Politics

Following the death of the military leader, Sani Abacha, in 1999, Nigeria adopted a new constitution and peacefully converted to a civilian government. Nigeria is governed by a president, who serves as both head of state and government and is directly elected by popular vote. It is a bicameral system of government with a Senate and a House of Representatives, both directly elected by popular vote for four-year terms.

Previous elections were marred by controversy and accusations of vote-rigging by the incumbent government; however the most recent election in 2011 changed this outlook. The current president, Goodluck Jonathan, was sworn in when his predecessor died after a long illness in May 2010. At his inauguration, he named bedding down the peace process in the Niger Delta, fighting corruption and enacting electoral and energy reforms as his main priorities, although it remains to be seen whether Mr Jonathan has the political capital to deliver such change.

### Doing business

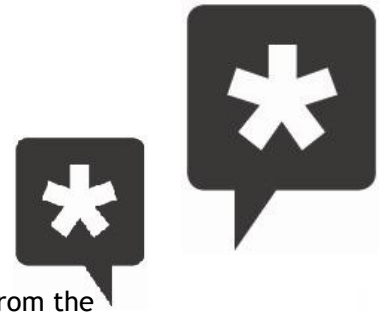
Understanding some of the customs and cultural differences of Nigeria makes it easier for foreigners to conduct business there:

- At the opening of business meetings, handshakes are the most common greeting, although men should wait for women to extend their hands first. Business cards are exchanged by offering a card with the left hand and receiving one with the right. Greetings should not be rushed. Nigerians appreciate spending time to speak on a personal level.
- Nigeria is a hierarchical society and people are respected for their age and position. When meeting more senior people or elders, it is common to lower the eyes or make a slight bow. It is important to use people's titles and never to use first names until explicitly invited to do so.



## Doing business (continued)

- Owing to cultural differences between Nigeria's diverse population, various communication styles exist. People from the southwest tend to enrich their conversation with proverbs and sayings, while southern Nigerians may be more frank and direct. As a general rule, most Nigerians strive to present their position in a polite and formal manner.
- Nigerians are relationship driven. Foreigners should use initial meetings to get to know their counterparts on a personal level. Meetings will remain more formal until a level of comfort and trust has been established.



## References

<sup>1</sup> Taken from the Economist Intelligence Unit's report: 'A new ranking of the world's most innovative countries' that ranks innovation in 82 countries. Innovation is defined as the application of knowledge in a novel way, primarily for economic benefit. Companies deem it vitally important as a competitive tool. Government policymakers see it as essential for economic growth.

<sup>1</sup> Digital economy ranking is the Economist Intelligence Unit's measure of the quality of a country's information and communications technology (ICT) infrastructure and the ability of its consumers, businesses and governments to use ICT to their benefit. When a country uses ICT to conduct more of its activities, the economy can become more transparent and efficient.

<sup>1</sup> Source: Organisation for Economic Co-operation and Development, [www.oecd.org](http://www.oecd.org) (Real GDP growth and inflation), and International Monetary Fund, [www.imf.org](http://www.imf.org) (GDP and GDP per capita). 2009 and 2010 figures are OECD and IMF staff predictions. Real GDP growth and inflation are defined in percentage change from previous period.



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