



Scott Wilcox Middle East

Management & Advisory Services

Nigeria Report: 23 - 28 March 2012





Key Judgements

- National Emergency Management Agency warned that a famine may sweep across Nigeria as farmers are displaced after fleeing from Boko Haram attacks.
- Al-Qaeda in the Islamic Maghreb has experienced a rising influence amongst extremists in Nigeria, as they claimed responsibility for the abduction of a German hostage which took place in January in northern Nigeria.
- On 24 March, six people were killed in the city of Maiduguri amidst gunfire which lasted for several hours, and a car bomb exploded near the city's main railway depot.
- Workers continue to strike in Oyo state after rejecting a national wage compromise from the state government.

Political Situation

Boko Haram attacks may lead to famine: On 27 March, the National Emergency Management Agency (NEMA) warned that a famine may sweep across Nigeria as farmers are displaced after fleeing from Boko Haram attacks. A report issued by NEMA stated that, 'most of the small-scale farmers and big-time farmers in the North are threatened by the Boko Haram attacks. More than 65 percent of such farmers have already migrated to the southern parts of Nigeria, fearing that the insecurity to both lives and property, including their farmlands and livestock, continues to persist for nearly three years.'

People's Democratic Party holds national convention: On 24 March, the People's Democratic Party held a national convention to elect the consensus candidate for the post of chairman. There was no front-runner before the convention, with governors and the President, Goodluck Jonathan, disagreeing on who would be the best candidate. The favourites are Alhaji Bamanga Tukur who is favoured by the President, and Alhaji Musa Babayo, the former national secretary of the party who is heavily favoured by delegates from the north-east region.

Bribery scandal to be tackled by NGOs: Several NGOs within Nigeria, including the Civil Liberty Organisation, the Nigeria Bar Association and the Alliance for Credible Election, have resolved to tackle the on-going bribery scandal which pervades the House of Assembly Committee on Capital Market. A number of NGOs are opening calling for a purge of the National Assembly to remove all corrupt elements from the governing body. The Director General of the Security and Exchange Commission, Arunmah Oteh, has accused members of the committee of bribery, though she herself has caused some controversy with the release of her official expenditures. NGOs have vowed to write to all members of the committee urging them to resign their membership of the lower chamber of government. If those on the committee choose to remain, the NGOs have threatened to write to their constituents and activate the recall clause of the constitution, which would remove the committee members from the House of Representatives.



EU to fund justice, anti-corruption and anti-drugs sectors in Nigeria: The European Union delegation to Nigeria has announced it will fund three projects, valued at a total of €98 million, which are to be implemented by the United Nations Office on Drugs and Crime (UNODC). The Minister of National Planning, Dr Usman, stated that the objectives of the three projects were to promote good governance and enhance transparency and accountability within Nigeria, as well as contributing to the reform of the justice sector.

Analyst's Comment: The pervasive endemic of bribery and corruption is clearly a key concern for the Nigeria government and society. The provision of funds by the EU to tackle this problem is well-intentioned but has a certain smack of irony to it. However, perhaps the most crucial report this week was the realisation that Boko Haram's terrorism is inadvertently affecting hundreds of thousands of people through the displacement of farmers from north-east Nigeria. If this trend continues, then food security will likely become a significant priority in Nigeria.

Security Situation

Volatile state of Borno may have constrictions lifted: The Borno State House of Assembly has appealed to the federal government for an extension of the current curfew from 7pm to 10pm. This request is largely to enable Muslims to attend prayers at 8pm. The state has witnessed relative instability of late largely due to sharing borders with Niger, Chad and Cameroon. The declaration of a State of Emergency, which was implemented in the new year, included the closure of borders and the deployment of military personnel in order, 'to protect lives and property.'

Attack kills six people in northern Nigeria: On 24 March, six people were killed in the city of Maiduguri. Local authorities reported that the gunfire lasted for several hours and a car bomb exploded near the city's main railway depot. The city was once home to the main mosque for the Boko Haram Islamist sect, which has become increasingly active in recent months, and has been attributed to 360 killings this year alone after attacks on Christians, Muslims and the United Nations' headquarters in Nigeria.

AQIM influence in Nigeria grows: Al-Qaeda in the Islamic Maghreb (AQIM) has experienced a rising influence amongst extremists in Nigeria, as they claimed responsibility for the abduction of a German hostage which took place in January in northern Nigeria. This, combined with the increasingly violent and deadly attacks from Boko Haram, has led to a higher risk of terrorism in Nigeria. Some analysts have argued that the change in tactics by Boko Haram, from small arms fire to suicide bombings and full military-style assaults, suggest a link to outside assistance, possibly from AQIM. The favoured targets of both these groups, however, suggest the foreign workers in Nigeria may be more specifically targeted in future.

Federal Government re-invites Boko Haram to negotiations: The Minister of Interior has commented that the government considers dialogue the best option to end the 'quagmire.' The government has been engaged in a secret discussion with the leadership of the group, but these leaders recently accused government officials of releasing information to the press, and ended the peace effort abruptly.



Rights groups demand police reforms: On 27 March, a number of human rights groups demanded that an independent panel, the 'Civil society organisation panel on police reform in Nigeria', investigate the findings of various committees regarding how to increase the efficiency of the police command. Various committees have proposed changes to policing methods and accountability since 2005, but none of the recommendations have been implemented thus far. A spokesperson for the group insisted that the main objectives behind the initiative are; 'to facilitate civil society input in the process of reforming and transforming the Police in Nigeria, compile a comprehensive list and dossier of Police officers involved in egregious violations of human rights, extortion, fraud and other acts of misconduct; identify causes of collapse of public confidence in the Police and recommend measures that should be implemented to restore public trust.'

Analyst's Comment: Boko Haram's attacks are increasing in both number and severity. Their refusal to continue negotiations with the federal government only highlights their confidence that the organisation is strong enough to weather any government response. The underlying cause for Boko Haram's attacks have been widely speculating, with some suggesting the attacks are largely politically motivated, while others argue that the attacks are undertaken for religious purposes.

Economic Situation

Oyo State workers continue to strike: On 23 March, workers in the state of Oyo warned the regional government that they would continue striking over the non-implementation of a NGN 18,000 (\$114 / £72) minimum wage. Despite the state governor presenting a new salary table to the protesters on 27 March, the Oyo state workers rejected the compromise and continue to strike. The workers also called on the regional government to stop harassing the protesters who, they claim, are conducting peaceful protests.

GE to build power plants in Nigeria: On 26 March, the Minister of Power signed a Memorandum of Understanding with General Electric to build a series of power plants, estimated to generate 10,000 megawatts of power. Previously, GE have only provided equipment for such projects, but in this agreement GE will be investing 10-15% in equity for each project, which will be matched by the government and supplemented by the private sector. However, the Minister for Power announced that the government would tap a small percentage of the National Pension Fund in order to finance some of the power projects, which has caused concern amongst the general public.

Nigeria reports oil production of 2.6 million bpd: President Goodluck Jonathan announced on 26 March that Nigeria now produces 2.6 million barrels of oil per day, largely due to on-going reforms initiated by the federal government. The announcement came at the Peoples Democratic Party National Convention, where the president confirmed that the government intended to grow capacity in local production and improve the quality of service delivery.



External reserves increase by \$2.6 billion: Nigeria's external reserves improved by \$2.6 billion, totalling \$37.5 billion on 22 March. These reserves derived mainly from crude oil sales, which increased significantly in January, due to both increased production and increased oil prices in the international market.

Analyst's Comment: Nigeria's increased oil production will relieve some pressure on a struggling economy, but this is likely to be a short-lived respite. The government's investment in electricity production is a step towards providing a reliable source for the country, which would make it more appealing to foreign investment and local industry. However, the decision to fund this investment from the coffers of the National Pension Fund has, understandably, caused concern, despite the Minister for Power's arguments that this will not jeopardise the fund.

Travel Advisory

- Travel to the areas of Borno, Yobe, Bayelsa, Delta, Akwa Ibom and the Bakassi Peninsula is strongly advised against. All but essential travel is advised against in the areas of Kano city, Bauchi state, Gombe state, and Abia state.
- The threat of terrorism pervades Nigeria, with attacks being targeted against government and security institutions, international organisations and public areas. The Boko Haram group continues to perform terrorist attacks on a variety of targets, and travellers should take appropriate security measures when visiting Nigeria.
- The threat of kidnapping persists, with Western visitors being targeted. Visitors should remain vigilant and take appropriate precautions.
- A number of curfews are in place across Nigeria, and visitors are encouraged to abide by these restrictions and to monitor local media as much as possible to make themselves aware of new curfew restrictions.
- In February 2012 there were reported outbreaks of lassa fever, a serious rat-bourne viral disease.



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