Thank you for your interest in Nigeria!

- Historical Perspective
- The Nigerian Narrative
- Key Takeaways

Tuesday, November 24^{th} @ 1:00pm ET

Speaker: Mr. Uche Orji, MD/ CEO of Nigeria Sovereign Investment Authority

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Nigeria: The Historical Perspective

Founding Fathers of Nigeria

Nnamdi Azikwe
(South-East)
Delta
Governor-General

Tafawa Balewa
(North-East)
Bauchi
Prime Minister

Ahmadu Bello
(North-West)
Sokoto
Leader of NPC

Obafemi Awolowo
(South West)
Ogun
Opposition Party

Historical Perspective

- Nigeria became an independent nation on October 1st, 1960 after 75 years of colonial rule by Great Britain.

- The path to independence was implemented by a group of nationalists known as the “Founding Fathers of Nigeria” and formed much of the federal demarcation found today across the three main tribes (Igbo, Hausa and Yoruba) of 371 tribes.

- The First Republic was established in 1960-66 and ended with a military coup led by Major General Aguiyi-Ironsi in 1966 who was later counter-couped after a 194 days by Northern contemporary Lt. Col. Murtala Mohammed with Yakubu Gowon installed as Head of State. This laid the foundation for the Biafran War (1967-70) and First Junta (1966-79) that followed.

- The Second Republic: 1979-83 (Shagari overthrown by Muhammadu Buhari who was overthrown by IBB), Third Republic: 1993 (Shonekan ousted by Abacha) and Fourth Republic: 1999-now (Obasanjo wins 1999 election).

- Nigeria has had only 5 “democratically-elected” presidents since independence.
Nigeria: The Historical Perspective

Historical Perspective (40 years of crisis)

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• The path to independence was implemented by a group of nationalists known as the “Founding Fathers of Nigeria” and formed much of the federal demarcation found today across the three main tribes (Igbo, Hausa and Yoruba) of 371 tribes.

• Second Republic: 1979-83 (Shagari overthrown by Muhammadu Buhari in 1983 who was overthrown by IBB in 1985 that handed over power to civil rule)

• Third Republic: 1993 (Shonekan ousted by Abacha)

• Fourth Republic: 1999-now (Obasanjo wins 1999 election).

• Nigeria has had only 5 “democratically-elected” presidents since independence (3 Northern).
Nigeria: Journey since independence

GDP/ Capita* per country (1960-2019)

- 1960: Important year for Africa history (17/54 countries became independent that year)
- Surprisingly, Nigeria had similar if not higher GDP/ capita in 1960 compared to some of the Asian tigers that have realized rapid industrial growth

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<thead>
<tr>
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<tbody>
<tr>
<td>South Korea</td>
<td>$158</td>
<td>$31,761</td>
<td>51.6mn</td>
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<tr>
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<td>$505</td>
<td>$14,896</td>
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<td>China</td>
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<tr>
<td>Thailand</td>
<td>$100</td>
<td>$7,808</td>
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<tr>
<td>Indonesia</td>
<td>$53 (1967)</td>
<td>$4,135</td>
<td>267.7mn</td>
</tr>
<tr>
<td>Nigeria</td>
<td>$93</td>
<td>$2,229</td>
<td>195.9mn</td>
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*GDP/ capita can be misleading as it is punitive for larger populations, but is a useful indicator of relative economic development.

Source: World Bank Group (Databank)
Key Takeaway 1: Solving the Paradox

“Each generation faces a set of challenges that define it”

Add 20 years to youngest member of a generation to match the historical period they were in (G.I. Generation = Challenge 1)

Sequence of Challenges

- **Challenge 1 (1940-1960):** Fight for independence (great grandparents)
- **Challenge 2 (1960-1980):** Struggle to build a cohesive nation out of diverse ethnicities, religions and cultures (Biafran War 1967-70)
- **Challenge 3 (1980-2000):** Harness the resources and people to create the foundation for economic and social progress (telco privatization)
- **Challenge 4 (now):** Rebuild a united nation of accountability that will be economically competitive
Key Takeaway 2: The Blessed Nation

**NATURAL RESOURCES**

- Nigeria is the **largest economy in Africa** with a GDP of ~$448.12bn and population of ~200mn growing at ~3%/annum and is expected to overtake the US by 2050 with 62% below the age of 25.

- Nigeria’s **entertainment industry** “Nollywood” is third biggest after Hollywood and Bollywood generating over $590mn annually.

- Nigeria is an OPEC member and has the 9th largest proven **gas reserves** in the world having first produced oil in 1958 (Shell D’arcy) and accounts for 7% of global LNG supply.

- Nigeria is the home to the **richest black man** in the world, Alhaji Aliko Dangote who is an industrialist with a net worth of ~$9bn.

- Nearly **40% of Nigeria’s land is arable** and can be used for farming and agriculture, positioning Nigeria to be the food basket of the world. Nigeria began as a commodity economy specializing in the manufacturing of palm oil, cocoa and peanuts.

- **50% of Nigeria’s GDP is services related** with a strong IT, banking and tourism industry.

- Nigeria is located on the west coast of Africa providing opportunity to be an **export hub for Western Africa**.
Key Takeaway 3: The Cursed Nation

CURSES OF THE GIFT

• Nigeria has an adult literacy rate of 59.6% compared to global average of ~80%+ and life expectancy of 54 years old compared to global average life expectancy of 72.6 years.

• Nigeria has an infrastructure deficit of $100 billion annually over the next 30 years.

• Only 56.5% of Nigeria have access to regular electricity compared to Indonesia that has 98.5% and South Africa that has 91% and no local refineries (import crude).

• Nigeria has the largest extreme poverty population in the world with over 50% of the population (86.9mn) living on less than $2/ day.

• Although agriculture contributes over 20% of Nigeria’s GDP, around 88% of Nigeria’s farmers are considered small family farmers with 72% living below the poverty line ($1.9/ day).

• Youth unemployment in Nigeria has averaged 23.63% between 2014-2018, with jobs growth rate (1.6%) as half of Nigeria labor force growth (4%) over the last decade.

• Gridlock in Lagos Apapa port costs $55mn a day due to poor road and network infrastructure.
Key Takeaway 4: The Accountability Conundrum

Reform Agenda (20\textsuperscript{th}, Oct 2020)

- Recent events in Nigeria sparked the #ENDSARS protests which began as a peaceful protest against police brutality, but took on a widened agenda.

- Protestors are demanding political leaders be held accountable to the people they govern.

- These events have so far shown that ordinary people can affect change if they want it badly enough as SARS has now been disbanded.

- As we look forward, many are beginning to rethink the role of government in Nigeria as the country stagnates due to the corrupt influence that government holds over key economic interests. (Ex. License to import oil has led to low level of refining capacity)
Key Takeaway 5: Nigerian Culture

Stay away from them (Yoruba demons)!!! Especially this guy
What does this all mean for you?

Continue to be curious!

Parting Words

• There are two sides to every story, take your time to understand both.

• As future business leaders, we all have a role to play in debunking myths and challenging ourselves to be curious and question assumptions. You never know where your edge may come from.

• There is tremendous wealth to be generated in Africa through creativity and innovation. There is also enormous poverty and suffering.

• The proof is in the pudding, come and visit!
ESE O! (THANK YOU)

YOU’VE GOT QUESTIONS, WE GOT ANSWERS!