

# *Update on States' GDP Computation in Nigeria*

**Presentation at the 2014 JPB/NCDP Meeting  
at Bauchi, Bauchi State**



**By**

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# 1.0 Introduction



- Process for the computation of States' GDP commenced 15-18 months ago in Nigeria
- This is to allow for further disaggregation of Nigeria's GDP
  - As is the case with advanced nations such as United States and Australia
- Exercise is being coordinated by the NPC, working closely with the NBS
- Financial support derived from Federal, States and Development Partners
- The computation and subsequent publication of data on States' GDP is expected to pave way for evidence-based decision making at the subnational level
  - Allow citizens to rate the performance of States
  - Information useful for rating agencies such as S&P and Fitch
  - Guide investors in making decisions on relevant States to invest in
  - Pave way for healthy competition among the respective States

## 1.0 Introduction (Cont'd)



- Computation of States' GDP in Nigeria is being done in 3 phases
  - First phase of 7 pilot States cuts across the six geopolitical States
  - Second phase of 15 States + FCT
  - 3<sup>rd</sup> phase of the remaining States
- Reassuring to note that members of the JPB and NCDP have supported the NPC & NBS towards the realization of this objective.
- With the recently published results of GDP rebased estimates for Nigeria
  - The States GDP are expected to take account of the rebased figures and the peculiarities of the new structure of their respective States economies

## 2.0 Where are we Today?



### (a) States' GDP Computation

- Significant progress has been made in the implementation of the project over the last 18 months
- Pilot phase of the project is completed
- Results of the seven pilot States are ready, namely:
  - Lagos
  - Kano
  - Cross River
  - Rivers
  - Anambra
  - Gombe
  - Niger
  - South West
  - North West
  - South South
  - South South
  - South East
  - North East
  - North Central
- The results currently being validated by States Governors and their Executive Council.
  - Process being led by the Hon. Minister, NPC
  - In accordance with the directives of Mr. Vice President at the meeting of NEC.

## 2.0 Where are we Today? (Cont'd)



- Due to scheduling problems, the validation exercise has taken a longer time than expected
- The results of only 2 States have so far been presented namely:
  - Cross River
  - Anambra
- Steps are currently being taken to validate the results of the remaining States
  - This is expected to be concluded before end May 2014
- The second phase of the programme commenced in March 2014
  - With 21 States + FCT who have made their financial contribution to the SGDP project

## 2.0 Where are we Today? (Cont'd)



- The NBS is currently working closely with the 15 States' Statistical Agencies/Bureaux + FCT towards actualizing the task

### **(b) Needs Assessment Survey of States' Statistical Agencies and Planning Commissions**

- The Needs assessment survey of States' Statistical Agencies and Planning Commissions is a key component of the road map for ensuring effective delivery of States' GDP computation programme in Nigeria
  - The essence is to have credible manpower and infrastructure to facilitate the production of SGDP on a sustained basis

## 2.0 Where are we Today? (Cont'd)



- 1<sup>st</sup> pilot phase of 12 States covering six geopolitical zones of the country and FCT have been concluded and results released, and subsequently forwarded to the respective State Governments
  - The key message from the survey is that there are skills/ manpower and infrastructure deficit which must be addressed to facilitate the production of States GDP at the States level
  - State Governments will need to take steps towards addressing the issue
  - NPC stands ready to provide technical support.
- The second phase of the exercise covering 12 additional States that have made their contribution to the project is to begin in the 1<sup>st</sup> week of May 2014



## 2.0 Where are we Today? (Cont'd)



- The States to be involved are:
  - Benue, Oyo, Ondo, Bauchi, Jigawa, Nasarawa, Bayelsa, Akwa Ibom, Imo, Ebonyi, Yobe and Zamfara
- The exercise is being anchored by the CMD
  - And we seek your support in this regard

## 2.1 States Participation and Funding



- Only 21 States + FCT have so far made financial contribution towards the project
- Currently, **15** States are yet to pay
- The amount expected to be paid by each of the States is N14.1 million
- Several reminder letters have been forwarded to the States' Commissioners in the past one year
- We solicit the support of the Hon. Commissioners and Perm Secs of States' Planning Commissions towards actualizing this objective

## 3.0 Near Term Outlook, Opportunities and Downside Risks



- The near term outlook for the States are very bright if the States' GDP computation project is effectively implemented
    - With results published
    - Especially as the States computed GDP are to take account of the Rebased GDP estimates
  - This is expected to bring alot of opportunities to the States
    - Foreign investors will be able to take decisions on where to channel their investible resources
    - The multiplier effect of such investments is the further leap frogging of the economies of the States
- And by extension, Nigeria

## 3.0 Near Term Outlook, Opportunities and Downside Risks (Cont'd)



- The downside risks are:
  - SGDP computation project stands the risk of not being concluded on time, if the States who are yet to make their financial contribution do not do that urgently
  - Non implementation of the report on the needs assessment survey of States' Statistical Agencies and Planning Commissions may hinder sustainability of the SGDP computation project
  - Broadening of the size and scope of exercise has a potential of enhancing the overall cost of the project

## **4.0 What Role for the JPB and NCDP members?**



- Sustain their current political support and buy-in on the project
- Members from States that have not paid their contribution of the sum of N14.1 million to the SGDP computation Project Account should facilitate such payments by end May 2014
- To ensure effective implementation of the report of the first 12 pilot States survey of States' Statistical Agencies and Planning Commissions
- The support of the JPC/NCDP members is needed for the second phase of 12 States.
  - They should encourage their staff to work with the CMD team when work resumes in early May 2014



# Thank You

