

Benchmarking Nigeria's Institutional Options for Attaining Global Competitiveness

13th Meetings of the Planning Board (JPB) and National
Council on Development Planning

NCCN Background

- Inaugurated in 2013 by President Goodluck Jonathan as a private-public effort
- Mandate to improve national competitiveness:
 - Extinguish business impediments
 - Factor quality and cost
 - Boost productivity
 - Improve rankings on international indices
- Mission:

"Developing and implementing a clear competitiveness agenda with the aim of boosting collective prosperity in Nigeria"
- The NCCN is self-funded and relies on financial support from our resource Partners

Our People



Dr Segun Aganga

*(Hon. Minister, Industry, Trade and Investments. **Chairman NCCN**)*



Mr Tony Elumelu

*(Chairman, Transnational Corporation of Nigeria Plc. **Vice Chairman, NCCN**)*



Mr. Chika Mordi

*(**Chief Executive Officer, NCCN**)*



Alhaji Aliko Dangote

(Founder Dangote Group)

Mrs. Omobola Johnson

(Hon. Minister, Federal Ministry of Information and Communication Technology)

Dr. Nwanze Okidegbe

(Chief Economic Advisor to the President)

Dr. Obadiah Mailafia

(Chef de Cabinet ACP Group of States Brussels Belgium)

Dr. Saad Usman

(Director, Osprey Investments. Emir of Jere)

Mrs. Bola Adesola

(Managing Director/CEO, Standard Chartered Bank of Nigeria)

Mrs. Yvonne Ike

(Chief Executive Officer, Renaissance Capital)

Mr. Austin Okere

(Group CEO, Computer Warehouse Group)

Dr. Isaac Okemini

(AMC Consulting)

Chief Kola Jamodu

(President, Manufacturers Association of Nigeria)

Mr Oba Nsugbe, QC, SAN

Mr. Frank Nweke II.

(Director General, Nigerian Economic Summit Group)

Mr. Frank Aigbogun

(Publisher, Business Day Newspaper)

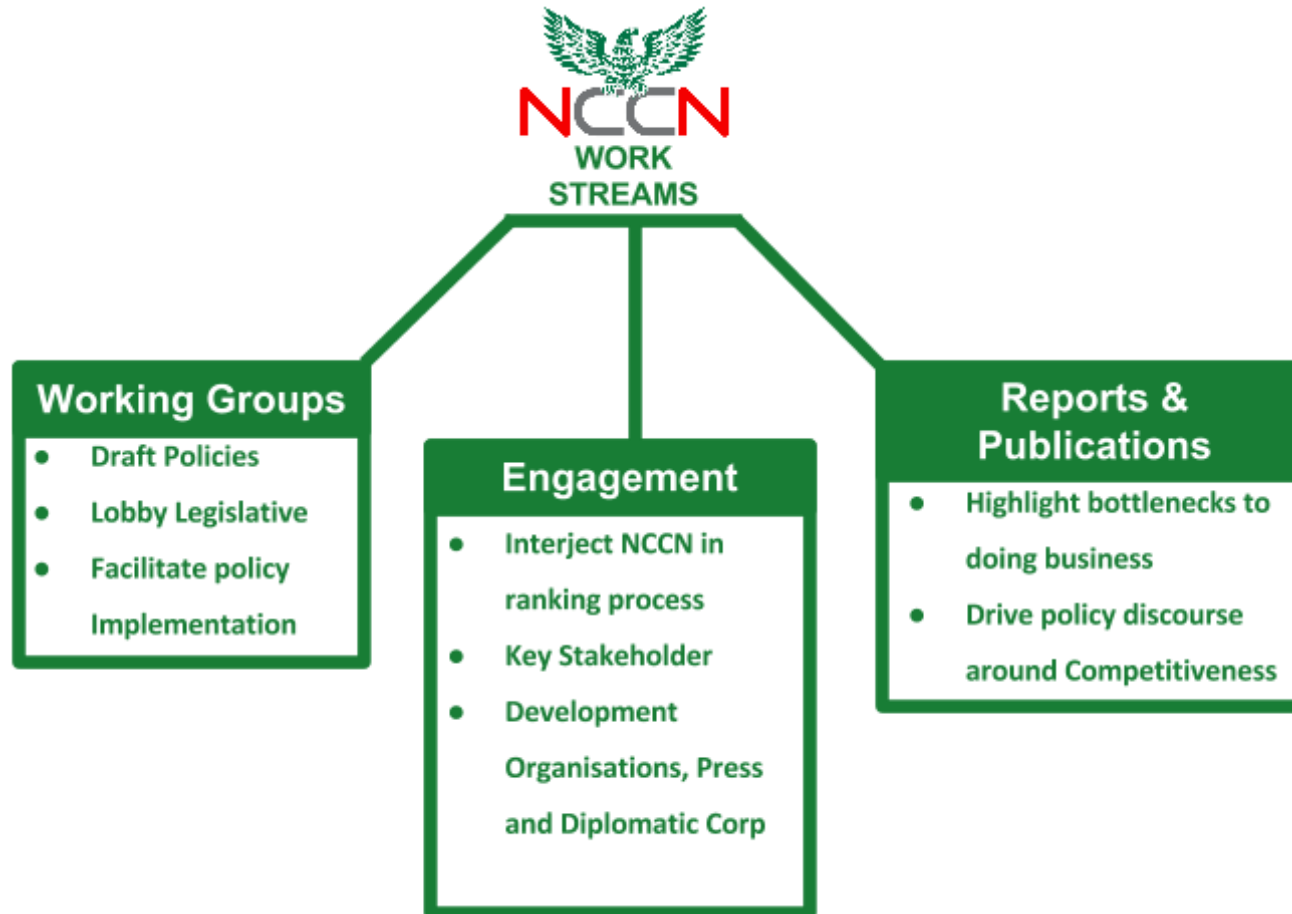
Professor Augustine Esogbue

(Professor and Director Emeritus School of Industrial and Systems Engineering Georgia Institute of Technology, Atlanta, Georgia)

Mrs. Funke Adekoya*

(Partner, AELEX Legal)

Work Streams



What is competitiveness?

Competitiveness is defined as “...*the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy...*”

– **World Economic Forum (WEF)**

- Measures policies, institutions, and productivity, all of which make up the development of an economy
- Monitors the things that make a country productive and benchmarks performance

Case for Competitiveness

- Competitiveness attempts to capture the attractiveness of a country as a place to do business.
- In Nigeria's case the strong economic performance belies the structural issues with Nigeria's economy.
- A more competitive economy is better equipped to address the income gap and poverty issues of the country.
- Competitiveness impacts on the costs of inputs to the business and the ease of establishing and conducting business in Nigeria.

Need for Improvement in Competitiveness

- Increasing Nigeria's competitiveness will enable the market create the value needed for collective prosperity
- Historically the market has proven more adept at resource allocation in the long term
- We foresee many positive effects including:
 - Economic diversity (government revenue employment)
 - Sustainable growth
 - More jobs
 - Decrease in poverty
 - Improved quality of life for the vast majority Nigerians

Global Competitiveness Indices

- Indices benchmark the performance of Nigeria against other countries
- Major indices include:
 - World Bank: Doing Business Report
 - World Economic Forum: Global Competitiveness Index
 - Transparency International: Corruption Perception Index
 - Social Progress Imperative: Social Progress Index
- Nigeria currently ranks in the bottom percentile of most credible competitiveness publications (rankings)



Global Competitiveness Indices

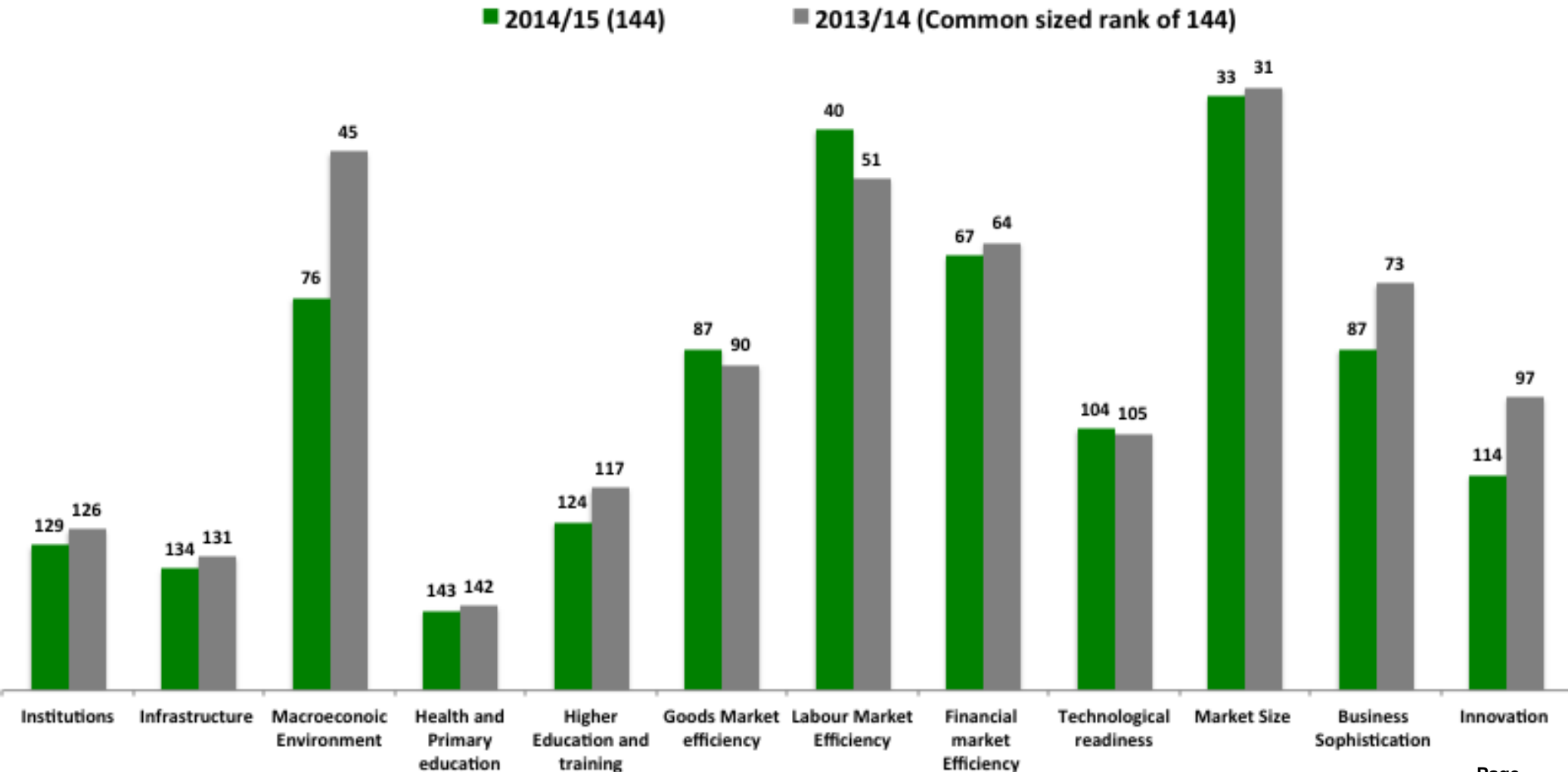
- Why are they important?
 - Indices are designed to provide information needed to drive development and investment.
 - Competitiveness publications form a key input to most Companies Investment risk assessment
 - The output from the indices also shapes the perception about a country

Global Competitiveness Indices

- How to improve the rankings?
 - Changes in policies that support increased competitiveness
 - Public-private sector partnership on initiatives to improve competitiveness
 - A change in **perception** is key, since most rankings are partially or fully based on surveys
 - **Internal** perception is just as important as **external** perception

Nigeria on the Indices

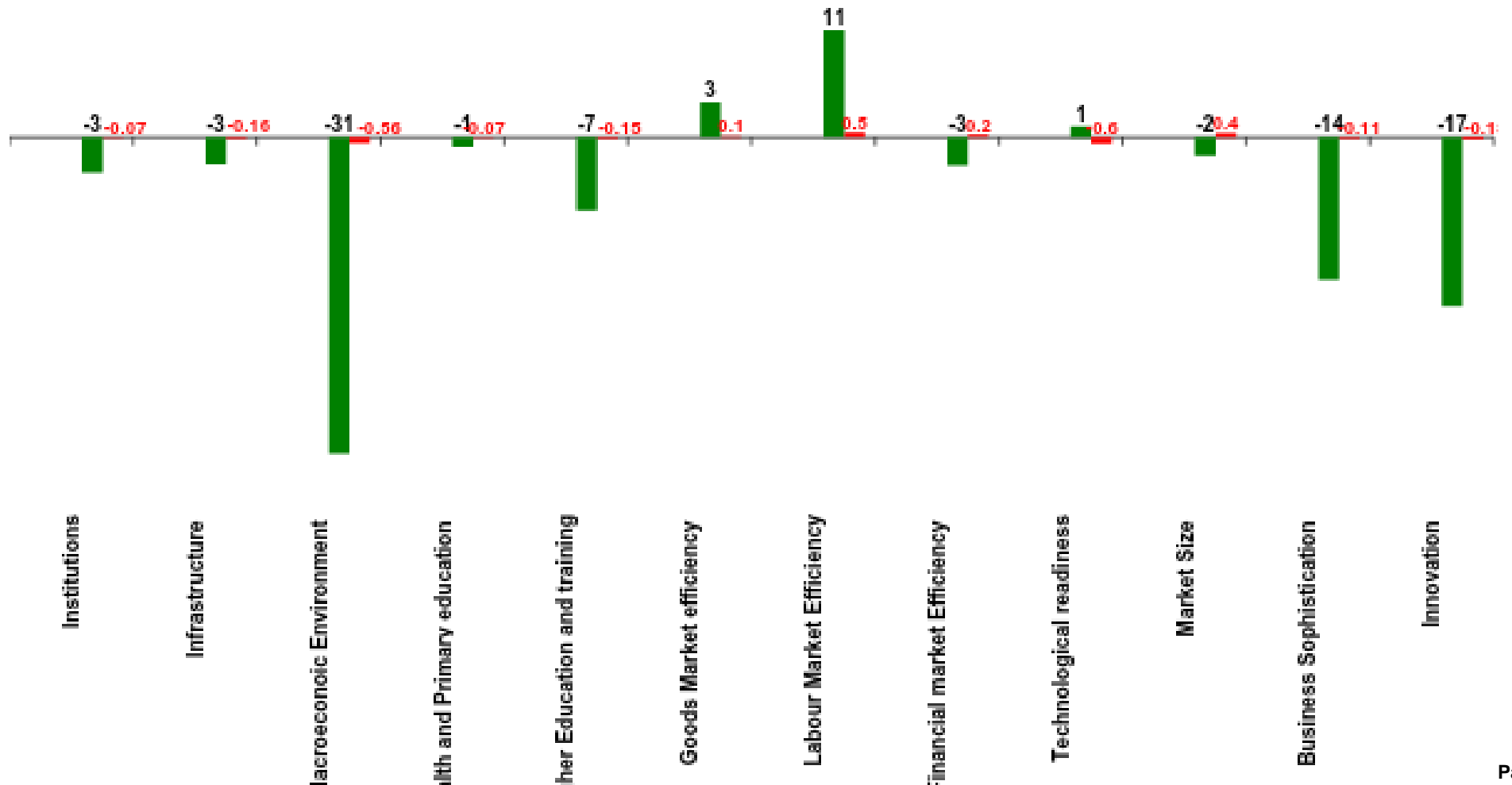
WEF 2015 GCI released on September 3rd, 2014 - Nigeria falls to 127 of the 144



Nigeria on the Indices

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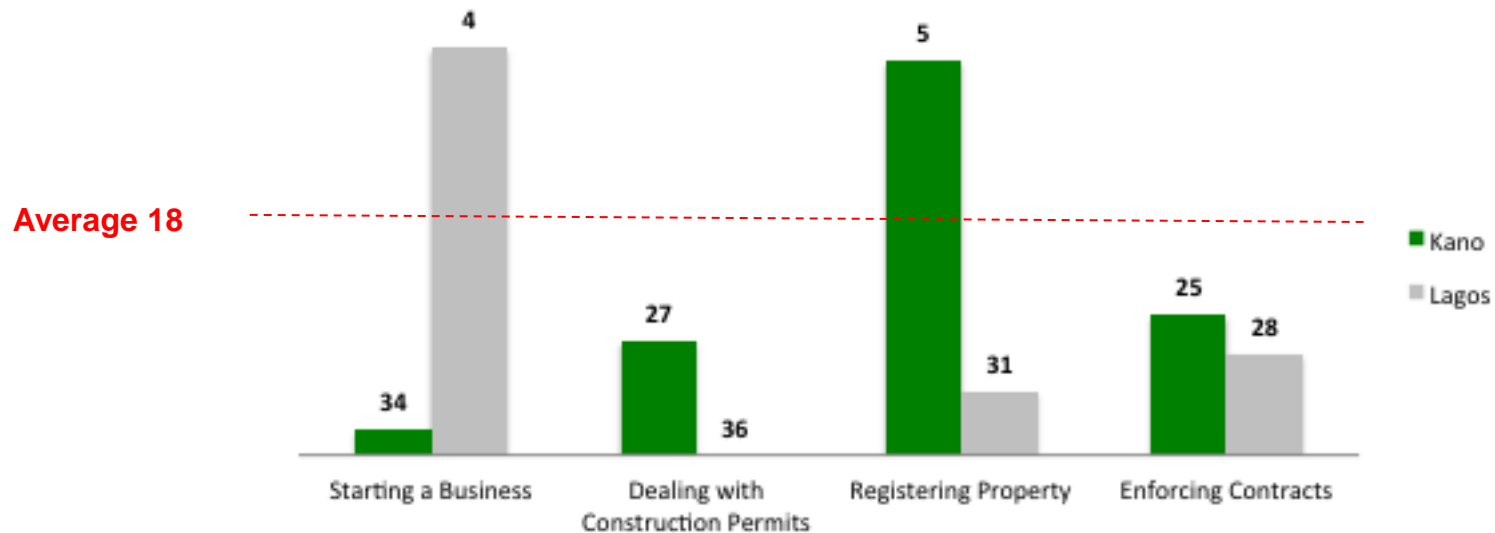
■ 2014/15 (144) ■ 2013/14 (148) ■ 2013/14 (Common sized rank of 144) ■ Position change ■ Absolute Change



Nigeria on the Indices

World Bank Doing Business in Nigeria Subnational Report 2014

- Released on September 29th 2014
- Total of 34 improvements
- Lagos and Kano selected as proxy cities for National Ranking
- Nigeria unlikely to rise given the performance of both states



Nigeria on the Indices

Top 9 Rankings Across the Four Categories

Starting a Business	
Economy	Ranking
FCT (Abuja)	1
Zamfara (Gusau)	2
Kebbi (Birnin Kebbi)	3
Lagos (Lagos)	4
Ogun (Abeokuta)	5
Gombe (Gombe)	6
Kogi (Lokoja)	7
Yobe (Damaturu)	8
Kwara (Ilorin)	9

Dealing with Construction Permits	
Economy	Ranking
Jigawa (Dutse)	1
Sokoto (Sokoto)	2
Osun (Osogbo)	3
Ekiti (Ado-Ekiti)	4
Niger (Minna)	5
Bauchi (Bauchi)	6
Kwara (Ilorin)	7
Katsina (Katsina)	8
Oyo (Ibadan)	8

Registering Property	
Economy	Ranking
Zamfara (Gusau)	1
Katsina (Katsina)	2
Gombe (Gombe)	2
Jigawa (Dutse)	4
Kano (Kano)	5
Niger (Minna)	6
FCT (Abuja)	7
Bauchi (Bauchi)	8
Yobe (Damaturu)	9

Enforcing Contracts	
Economy	Ranking
Katsina (Katsina)	1
Kaduna (Kaduna)	2
Yobe (Damaturu)	3
Kebbi (Birnin Kebbi)	3
Edo (Benin City)	5
Jigawa (Dutse)	6
Nasarawa (Lafia)	7
Ondo (Akure)	8
Bauchi (Bauchi)	9

Nigeria on the Indices

Bottom 9 Rankings Across the Four Categories

Starting a Business	
Economy	Ranking
Delta (Warri)	28
Adamawa (Yola)	29
Sokoto (Sokoto)	30
Imo (Owerri)	31
Rivers (Port Harcourt)	32
Osun (Osogbo)	33
Kano (Kano)	34
Abia (Aba)	35
Ondo (Akure)	36

***Kano** **27**

Dealing with Construction Permits	
Economy	Ranking
Anambra (Onitsha)	28
Abia (Aba)	29
Ebonyi (Abakaliki)	30
Akwa Ibom (Uyo)	31
Kaduna (Kaduna)	32
Edo (Benin City)	33
Imo (Owerri)	34
FCT (Abuja)	35
Lagos (Lagos)	36

Registering Property	
Economy	Ranking
Ogun (Abeokuta)	28
Delta (Warri)	29
Osun (Osogbo)	30
Lagos (Lagos)	31
Anambra (Onitsha)	32
Rivers (Port Harcourt)	33
Edo (Benin City)	34
Oyo (Ibadan)	35
Abia (Aba)	36

***Kano** **25**

Enforcing Contracts	
Economy	Ranking
Lagos (Lagos)	28
Benue (Makurdi)	29
Anambra (Onitsha)	30
Ekiti (Ado-Ekiti)	31
Ebonyi (Abakaliki)	32
Adamawa (Yola)	33
Imo (Owerri)	34
Enugu (Enugu)	35
Cross River (Calabar)	36

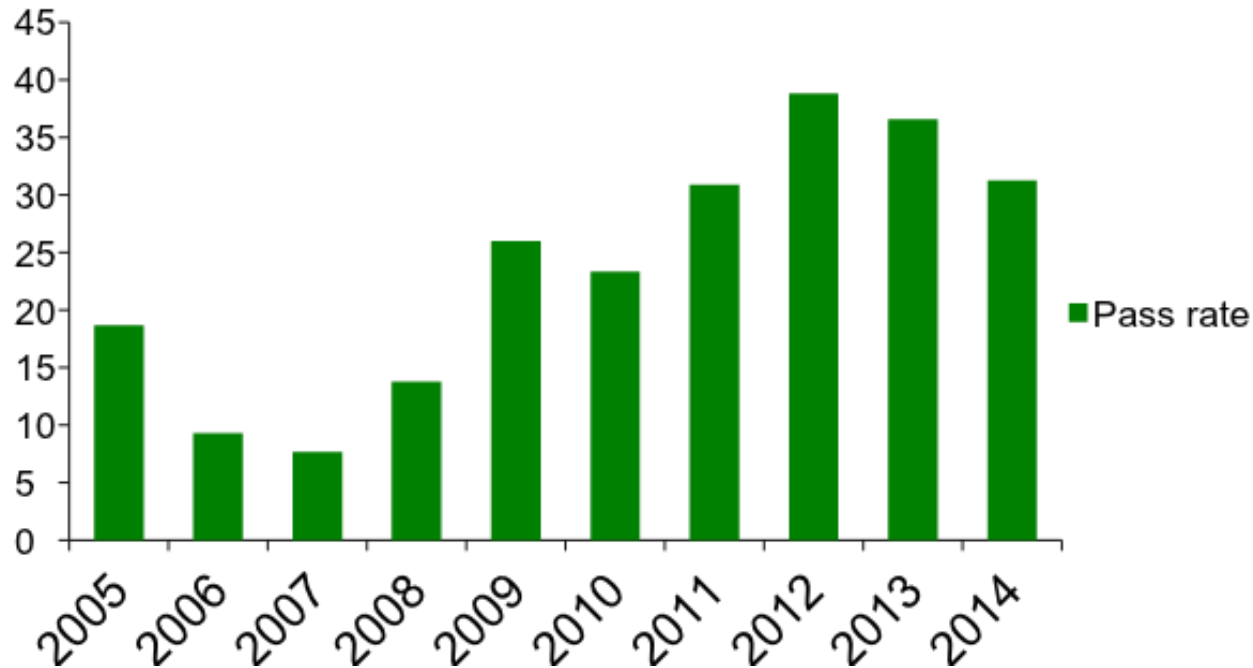
***Kano ranks close to the bottom tier in the 'Dealing with Construction Permits' and 'Enforcing Contracts' categories**

State and Local Government Impact on Rankings

- Education access and quality
- Ease of Land Registration
- Enforcement of laws-rapid access and processing of business matters
- Standardization and ease of payment of relevant local taxes as well as standardization
- Access to electricity
- State and Local transport/transit networks
- Health access
- Agriculture

Analysis of WASSCE 2014 results

Analysis of Students' performance in the May/June WASSCE exams (2005-2014)



Ranks	States
1	Anambra
2	Abia
3	Edo
4	Bayelsa
5	Rivers
7	Lagos
24	Oyo
33	Zamfara
34	Kebbi
35	Gombe
36	Bauchi
37	Yobe

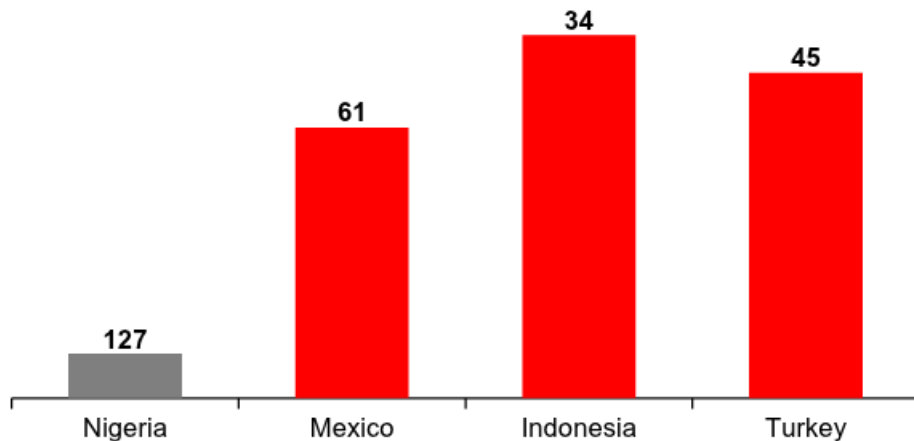


Region	South-West	South-East	South-South	North-West	North-Central	North-East	FCT
Pass rate	33%	64%	43%	22%	22%	10%	31%

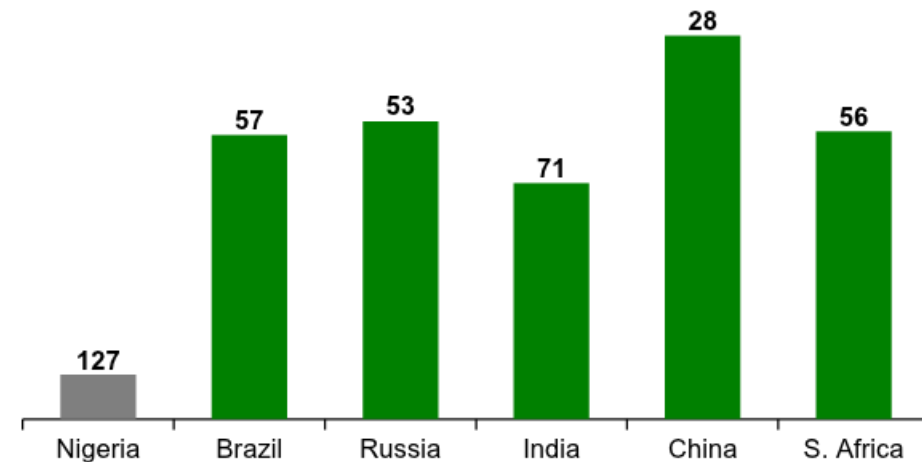
Nigeria's Benchmarks for Performance

Nigeria is ranked far below BRICS and MINT Economies

GCI Rankings of MINT Economies



GCI Rankings of BRICS – Nigeria Comparison



NCCN Publishings

- Given Nigeria's performance in the GCI and DB report, it has become crucial for Nigeria to develop a clear competitiveness agenda
- Vibrant competition strategies centered around creating the appropriate business environment need implementing
- The ultimate goal is to boost collective prosperity in Nigeria
- The NCCN will release Competitiveness Reports and Publications annually to provide insight into challenges to improving competitiveness at the National, and Sub-National level in Nigeria

NCCN Publishings

National Competitiveness Report

- The Report will expand on the framework and methodology used in the World Economic Forum's – Global Competitiveness Report
- The report intends to provide more in depth insight into the challenges to improved competitiveness in Nigeria

Sub National Competitiveness Index

- This report expands on the scope of the World Bank's – Doing business report to assess the regulation surrounding the ease with which businesses are able to set up and conduct business in all 36 states in Nigeria
- The report aims to stimulate competition amongst the states and identify opportunities for investment by benchmarking the ease of doing business across the 36 states of Nigeria