



The Kaduna State Report

Economic and Political Outlook 2021

4th Edition



Planning and Budget Commission
Economic Intelligence Unit

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THE ECONOMIC INTELLIGENCE UNIT (EIU)

The Economic Intelligence Unit is a research oriented endeavour with the following core functions:

i. Fiscal Monitoring:

This focuses on the underlying real factors impacting both revenue and expenditure. It includes looking at the macroeconomic and mineral sector performance nationally and the macroeconomic performance of the state, and forging linkages with the relevant revenue and expenditure items to provide both a historical and forward-looking commentary on performance. This would support both in-year and out-year decision making.

ii. Review of Emerging Economic Trends:

Identifying emerging economic and development issues that will be of interest and benefit to the state, from variety of sources including Kaduna State, Federal Government (such as NBS, CBN, NEC and other Federal MDAs), other states, development partners and the private sector; and advising the Commissioner for Budget and Planning and the State accordingly. This function also involves monitoring the dynamics in the private sector and broader economy of Kaduna State, including identifying technical innovations that might benefit the state, use leading indicators to forecast the future dynamics and advice on policy formulation (and its impact on government).

iii. Economic and Fiscal Impact of Policy Pronouncements:

A number of new policy pronouncements have been made both nationally and within Kaduna state. In many cases, the impact (economic and fiscal) of the new pronouncements have not been assessed. The EIU will undertake this analysis both ex-ante (to inform policy, particularly in Kaduna State) and ex-poste.

iv. Ad hoc briefing notes, position papers etc. on emerging issues:

The unit is flexible under other ad hoc analysis that will support effective policy formulation, efficient service delivery and good governance in Kaduna State.

BRIEFING SHEET

Political and Economic Outlook

Economic activities were considerably disrupted in the first half of 2020, a resultant effect of the Covid-19 Pandemic lockdown.

The Nigerian Economy has recorded yet another recession, making it the second in Muhammadu Buhari’s regime. The Economy recorded -6.1% GDP in Q2 2020 and -3.62% in Q3 2020.

Kaduna State GDP grew by 11.18% 2015, 15.07% in 2016, 2.78% in 2017 compared to 8.44% growth recorded in 2018 (year on year) in real terms and GDP per capita stands at ₦333,672.04. 2019 growth rate is estimated at 10.4%.

The State is the 10th largest subnational economy with the contribution of 2.2% to national GDP in 2018.

The Kaduna State Government is still battling with pockets of insecurity in the State, mostly from retaliations from previous ethno/religious crisis and banditry. This will likely continue into the forecast period.

The launch of Urban Renewal Programme has brought enthusiasm to the general populace as the metropolis and two other major cities are beginning to wear new look after decades of neglect. This is bringing goodwill to the Governor.

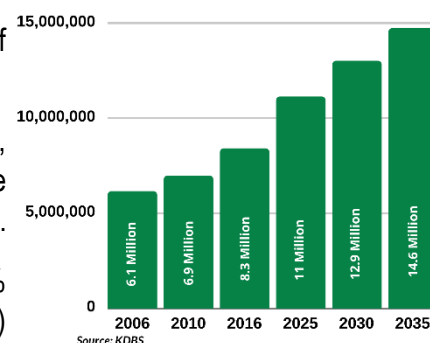
Oil Prices are expected to reach \$60-\$65/brl before the end of 2021 after a successful rollout of Covid-19 Vaccines. With the commencement of vaccination in UK and USA after the approval of BioNTech & Pfizer vaccines, oil prices surged to its highest since the pandemic, reaching \$51/brl in December 2020. Other vaccines are on the way such as Moderna, Astrazeneca (Oxford), Sputnik V, Sinovac and a host of others, making oil prices to appear bullish as normal life is on the horizon.

Macro-Economic Key indicators

Item	2020	2021	2022	2023
National Inflation	12.20%	15.00%	11.30%	11.40%
National Real GDP Growth	-3.40%	1.70%	2.40%	2.70%
Oil Production Benchmark (MBPD)	1.4	1.7	2.0	2.0
Oil Price Benchmark	\$20.00	\$35.00	\$55.00	\$55.00
NGN:USD Exchange Rate	360	360	360	360
Other Assumptions				
Mineral Ratio	34%	34%	35%	38%

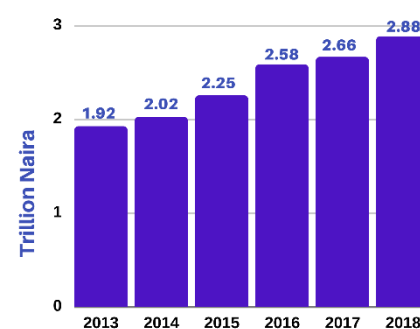
Source: Kaduna State 2020-2022 MTEF

POPULATION



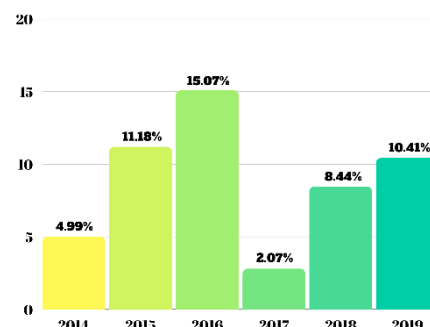
Source: KDBS

GDP



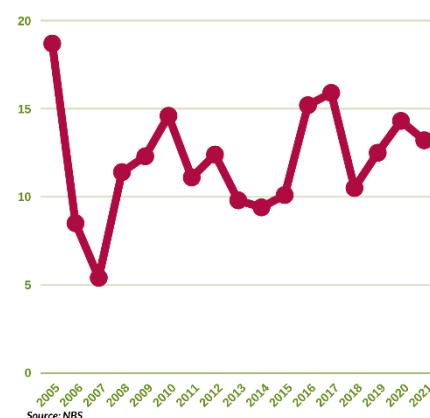
Source: KDBS GDP Survey (2016, 2017, 2018, 2019)

KADUNA STATE GDP GROWTH RATE



Source: KDBS GDP Survey (2016, 2017, 2018, 2019)

INFLATION RATE



Source: NBS

KEY CHANGES IN 2020

Kaduna State and WHO scaled up COVID-19 and TB search with mobile testing in communities using Chest X-Ray, and GeneXpert machines.

The State through its Internal Revenue Service (KADIRS) has rolled out tax holiday for 6 months to businesses in the State, aimed at cushioning the economic impact of the lockdown caused by COVID-19 pandemic.

The State Government has expanded its Urban Renewal Project to other two major cities – Kafanchan and Zaria.

Kaduna hosted the fifth edition of Kadinvest, its annual investment summit, organized by the State’s Investment Promotion Agency, KADIPA. The year 2020 edition was the first virtual investment summit of the Kadinvest.

To mitigate the impact of closure of schools caused by the COVID-19 pandemic, the State through Ministry of Education has launched radio and Television lessons for students for both junior and senior learners.

The Commissioner of Health announced details of the Occupational Safety Incentive programme approved for health workers by the Kaduna State Government. Government will also provide additional insurance coverage in case of death and disability to all frontline health workers.

The State introduced Public Service on Wheels, which aimed at bringing some public services to the doorsteps of the residents in the State.

The State implemented the N30,000 minimum wage for pensioners in the State.

A tripartite agreement was signed with Nigeria Mortgage Refinance Company (NMRC) and FHA Mortgage Bank Ltd, to provide affordable housing to civil servants and residents of Kaduna State.

21st of November 2020, 23 foreign athletes came to Kaduna to partake in the maiden edition of Kaduna Marathon Event.

Major risks to our forecast

Scenarios, Q1 2021	Probability	Impact
Ineffective Vaccines	High	High
Further devaluation of the Naira	High	Low
Kaduna State records huge revenue short fall	Medium	Medium
Military Coup in Nigeria	Medium	High
Covid-19 mutates into a new strain	High	High

Note: Scenarios and their products are as a result of probability

Source: Kaduna Economic Intelligence Unit.

OUTLOOK FOR 2021-24

Political Stability

With optimism, vaccines for Corona Virus Discovered in 2019 (COVID-19) will be available and administered in some Countries by late December 2020. We expect oil prices to rise, causing Nigeria to witness some macro-economic stability from mid-2021. Oil prices are expected to average around \$60-\$65 per barrel in 2021, with the optimism of successful vaccines for Covid-19 and OPEC+ production cut extension.

The present macroeconomic instability casts a shadow over the near-term outlook. Inflation is structurally high, but the Central Bank is prioritizing credit growth in its monetary stance. A low interest rate environment points to further devaluations of the Naira, with the current account remaining in deficit over 2021, further adding to inflationary pressure and impeding economic recovery. A meaningful rise in oil prices from 2022 will lay the groundwork for quickening medium-term real GDP expansion.

The year 2020 was dominated by the COVID-19 pandemic, causing untold human suffering and death, unravelling social relationships, and robbing individuals of livelihoods and countries of prosperity. The pandemic has strained health systems, revealed unconscionable inequalities, and upended international institutions. Its ripple effect has ignited mass protests against Governments globally.

Nigeria was rocked with mass protests across the Country caused by a Unit of Nigerian Police Force brutality (Special Anti-Robbery Squad (SARS)). The protests became stronger by the day, as online movements metamorphosed into physical demonstrations, blocking of roads and causing gridlocks. The social implications became pronounced with some prison breaks and attacks on business facilities, thus, forcing the re-introduction of curfews to douse tensions and prevent degeneration into anarchy. All these we believe could have dire implications for the fragile Nigerian economy in the near term.

The pandemic and protests could be a cocktail for deeper economic retrogression. The Nigerian economy had taken a - 6.10% downturn in Q2'2020 from the impact of the pandemic induced lockdown and movement restrictions. While businesses and households are yet to recover from the economic fallout of the lockdown, evidenced by the weak Purchasers Managers Index (PMI) readings, the resurfacing of curfews had further weighed on economic recovery because business activities are yet to return to pre-pandemic levels.

All these have dampened the Nigerian President, Muhammadu Buhari's popularity to an all-time low. The President's kinsmen and political strong hold, the Northern part of the Country is being ravaged by insecurity. Boko Haram, Farmers/herders conflict and Bandits are causing mass deaths by the day. The frustration in the region is that the President is showing little or no empathy to the insecurity bedevilling the region apart from his condemnation using his various media handles. The whole Country is frustrated and angered by lack of changing tactics, especially the over-stay of the security chiefs, hampering new ideas and innovation in tackling insecurity.

2021 – 2022 will witness political realignments, as politicians will commence manifesting their political aspirations for 2023. The conversation from several quarters as to who succeeds President Muhammadu Buhari in 2023 elections is impossible to predict much as it is difficult to ignore. However, not minding that the election is still miles away, most politicians are already doing the 'dirty job' by playing the role of political hawks ahead of time. It is indeed disturbing, just as it seems a bit odd, to start agitating who or where the presidency would go, come 2023. Some elements in the North are still interested to succeed the President, but this will bring about huge political instability. The South-West are agitating that the Presidency be zoned come 2023 based on a "gentle man" agreement made in 2015 within the ruling APC.

The South-East has not produced a president ever since Dr. Nnamdi Azikiwe in the 1960s. Other regions feel that they are not ready because they keep threatening succession and refuse to tackle the Biafran agitators. The major opposition party, the Peoples' Democratic Party (PDP), is presently being rocked by intra party crises where bigwigs are decamping to the ruling party APC. A Governor in the South-East has decamped to the ruling All Progressives Congress (APC) signalling further political bigwigs to follow suit.

Election Watch

Kaduna State Government is still battling with pockets of insecurity in the State mostly retaliations from previous ethno/religious crisis and banditry. It's commitment to bring lasting peace to the Southern Kaduna crisis is very commendable. Peace Pacts were signed from both sides to give harmony and co-existence a chance.

The State is witnessing a robust facelift through the provision of infrastructure across the State. The launch of Urban Renewal Programme has brought enthusiasm to the general populace as the metropolis and two other major cities (Zaria and Kafanchan) are beginning to wear a new look after decades of neglect. This has brought about goodwill to the Governor coupled with his

decisive and pragmatic approach to governance leaving his peers with full admiration of his style.

Some of the Governor's aides are covertly nursing and plotting to succeed him come 2023. His preferred candidate is not known yet but he hints that he is ready to give youths a chance to govern the State. Some believe, due to the unpredictable nature of his political style that he is paving a way for the first ever female Governor in the State. If this happens, then Nigeria will witness the first ever female Governor in the Country. But will the conservative North allow a female Governor to reign come 2023?

Nasir el-Rufai is presumed a major contender to succeed Muhammadu Buhari, the President of Nigeria in 2023. Although the Governor has continued to refute or deny any interest to contest for the Presidency in 2023, however, political groups have emerged in support of him to contest the Presidency. The only obstacle is the "gentle-man" agreement to shift power to the South after Muhammadu Buhari's tenure in 2023. Before then, Kaduna State will continue to record private investments, deepening of reforms and provision of robust infrastructure in 2021 – 2023.

The State will enjoy relative peace in 2021 with small pockets of crises which can be resolved with the commitment of the Governor's strategy in promoting peace and security in Kaduna.

POLICY TRENDS

KEY EXECUTION PRIORITIES OF KADUNA STATE DEVELOPMENT PLAN (KSDP) 2021-2025

- I. Sustaining the productivity and diversification of the economy of the State
- II. Promoting a conducive business environment that will improve opportunities.
- III. Continuous investment in infrastructure that will accelerate economic growth.
- IV. Continuous improvement in the State's prospects to achieve the relevant aspects of the SDGs.
- V. Redesigning and improving security strategies for the protection of lives and properties.
- VI. Ensure continuous institutional strengthening for achieving effective, efficient, transparent, and accountable government for improved service delivery.

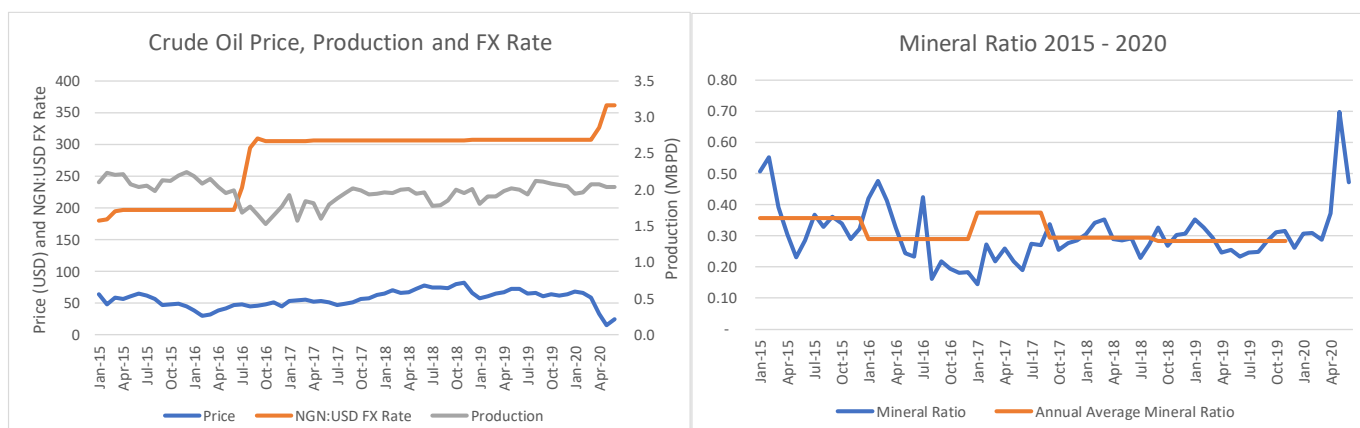
Fiscal Policy

Nigerian Economy

Crude Oil Production

Nigeria’s crude oil production was reported at 1,488,000 barrel/day in oct. 2020. This records an increase from the previous number of 1,441,000 barrel/day for September 2020. Nigeria’s crude oil production data is updated monthly, averaging 1,949,500 barrel/day from Jan. 2002 to 2020. The data reached an all-time high of 2,496,000 barrel/day in November 2005 and a record low of 1,419,000 barrel/day in august 2016.

Looking forward, we estimate Crude Oil Production in Nigeria to stand at 1,780,000 in 12 months’ time. In the long-term, the Nigeria Crude Oil Production is projected to trend around 1,900,000 MBPD in 2021 and 1,850,000 MBPD in 2022, according to our econometric models.



Sources: CBN, NNPC, OPEC

Source: EIU Calculations

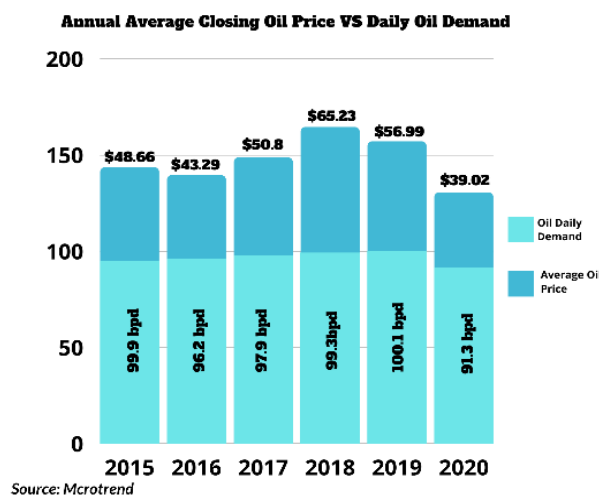
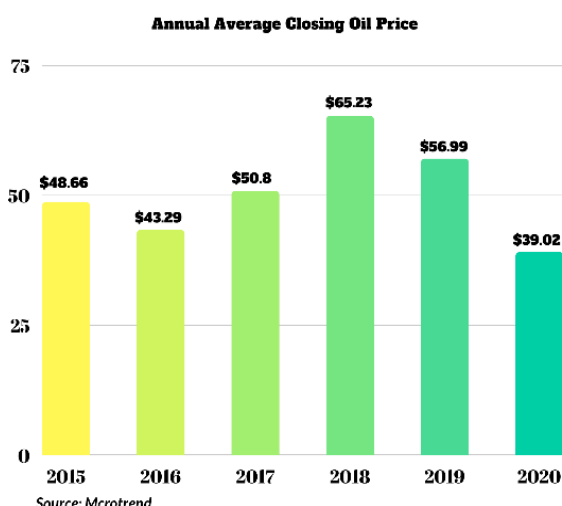
Crude Oil Price

Following the move by major oil consumers to relax social distancing measure and reopen their economies in May, oil demand recorded significant recoveries from June to August. As a result, Brent prices raised to \$43/bbl. and \$45/bbl. in July and August respectively, from a record low of \$27/bbl. in May. However, in September, the uptrend was reversed, with Brent price dropping from the previous gains to average \$42/bbl. This is largely due to intensifying concerns over a second wave of the pandemic.

After dropping in April, oil prices have partially recovered in response to a sharp drop in production, particularly among OPEC and its partners. While consumption has risen from its lows in 2020/Q2, it remains well below its pre-pandemic level. The pandemic is expected to have a lasting impact on oil consumption, with demand only likely to fully recover by 2023. However, oil prices are forecast to rise to \$60/bbl in 2021 from a projected \$41/bbl in 2020, as the gradual rise in demand coincides with an easing of

supply restraint among OPEC+. The main risk to the oil price forecast is the duration of the pandemic, including the risk of an intensifying second wave in the Northern Hemisphere, and the speed at which a vaccine is developed and distributed.

After plunging in March and April, crude oil prices saw a robust recovery in May and June and averaged \$42/bbl in Q3 2020. However, they remain almost one-third lower than their 2019 average of the same period.



Non-Oil Revenue

The non-oil sector remained the major source of foreign exchange to the economy. Aggregate foreign exchange inflow through the CBN stood at US\$2.58 billion, an increase of 30.3 per cent above the level in the preceding month July 2020, but a decline of 25.5 per cent below the corresponding month of 2019. This was attributed, largely, to the 48.1 per cent and 4.7 per cent increase in the non-oil and oil receipts through the Bank to US\$1.73 billion and US\$0.08 billion respectively, in the review period. The development was due to the increased demand for oil and the opening of international borders by most countries, which led to the gradual recovery of global economic activities. In the domestic economy, the partial relaxation of lockdown measures also impacted economic activities positively.

A further analysis of non-oil receipts showed that inflows from Interbank/Institutional Swaps increased by 140.0 per cent (US\$0.60 billion), other official receipts rose by 35.0 per cent (US\$0.42 billion), while interest on reserves & investments amounted to US\$0.03 billion with a 77.3 per cent increase. Similarly, the TSA & third-party receipts and unutilized funds from foreign exchange transactions rose by 104.9 per cent and 7.7 per cent to US\$0.36 billion and US\$0.03 billion respectively.

Furthermore, foreign exchange purchases, DMB cash receipts, returned payments and unutilized IMTO funds, declined below the preceding month's levels by 4.6 per cent, 89.2 per cent, 57.4 per cent and 2.8 per cent to US\$0.19 billion, US\$0.01 billion, US\$0.003 billion, and US\$0.07 billion respectively.

Inflow from Non-Oil

Interbank/Institutions	\$0.06 billion
Other Official Receipts	\$0.42 billion
Interest on Reserves & other investments	\$0.03 billion
Foreign Exchange Purchases	\$0.19 billion
TSA & Third-Party Receipts	\$0.03 billion
Unutilized Funds from Foreign Exchange	\$0.03 billion

MAJOR INTERVENTIONS IN KADUNA STATE 2020

In an effort to meet its campaign promises in line with policies, the State Government intervened in some major Sectors/Activities, these include;

EDUCATION

1. The government introduced E-learning during the pandemic period to help pupils while on lock down.
2. Ministry of Education introduced weekly television and radio live chats so as to get feedback from learners and parents on its electronic learning programmes

HEALTH

1. Kaduna State registered civil servants in the first phase of its Contributory Health Management Authority (KADCHMA). The State enrolled 8,810 vulnerable persons into contributory health scheme.
2. The government signed into law the Penal Code (Amendment) Law 2020, which prescribed surgical castration for male and removal of Fallopian tubes for female rapists of minors under 14 years, on September 11, 2020.
3. The amended quarantine law of 2020 in Kaduna State makes it a criminal offense for any person to appear in public without a facemask.

4. The State established four (4) functional laboratories accredited by NCDC to conduct the test for COVID-19 and five isolation centres for treatment of infected persons.

WATER RESOURCES

1. The state government, through the Rural Water and Sanitation Agency (RUWASA), provided handwashing facilities (plastic bucket with taps, soaps, hand sanitizers) at motor parks and border towns.

WORKS AND HOUSING

1. Kaduna State Government has Flagged-off billions of Naira worth of Road Construction in Kafanchan and Zaria Cities.

2. Kaduna State Government signed a Tripartite Agreement with Nigeria Mortgage Refinance Company (NMRC) and FHA Mortgage Bank Ltd to pool together the sum of N3 billion to finance affordable mortgages at a single digit interest for interested public servants and residents of the State.

COMMERCE AND INDUSTRY

1. Kaduna State hosted the fifth edition of the Kaduna Economic and Investment Summit #Kadinvest 5.0

2. Remodelling of some major markets (Kasuwan Magani, Kasuwan Barci and Sabon Gari main Market) in the three Senatorial Districts of the State.

3. Kaduna State Government has developed new regulations for Commercial Transport Operators in the State, which aimed at regulating and improving transport operations for increased safety, decongestion of traffic and bringing order and in transport operations for passengers and operators alike.

AGRICULTURE

1. Kaduna State Government and the Federal Ministry of Water Resources signed an MoU for the construction of Itisi Multipurpose Dam, a precondition for the Kaduna Water Project designed to expand water supply in Kaduna metropolis.

2. Kaduna State Government in collaboration with the Central Bank of Nigeria introduced Dry Season Wheat Farming Project.

OTHER INTERVENTIONS

1. Kaduna State Government introduced Public Service on Wheels, which is aimed at bringing some public services directly to the doorsteps of the residents in the state.
2. Kaduna State Government through its Internal Revenue Service (KADIRS) has introduced Covid-19 tax incentives to cushion the effects of the pandemic on taxpayers.
3. Kaduna State hosted the maiden edition of the Kaduna Marathon.
4. Kaduna State commenced payment of N30,000 monthly minimum pension to 11,511 retirees who were earning less than that on the old Defined Benefits Pension Scheme.

NIGERIA GDP GROWTH

Nigeria's GDP grew to 1.87% y/y in Q1'2020, depicting a decline from the growth of 2.55% y/y in the preceding quarter; the growth further deteriorated to -6.10 in Q2 and -3.62 in Q3'2020 thereby showing a full-blown recession. Although the performance of the economy in Q3 2020 reflected residual effects of the restrictions to movement and economic activity implemented across the country in early Q2 in response to the COVID-19 Pandemic. However, the latest contraction in Nigeria's GDP indicated the second recession in the country in the past 5 years.

In Q3 2020, the oil sector contracted by -13.89% (year-on-year), indicating a sharp contraction of -20.38% points relative to the rate recorded in the corresponding quarter of 2019. Furthermore, oil sector decreased by -7.26% points when compared with growth recorded in Q2 2020 (6.63%). The Nigeria's non-oil sector contracted for the second time as the economy continues to reflect the impacts of Covid'19 pandemic. In Q3 2020, the non-oil sector grew by -2.51% in real terms during the reference quarter, which is -4.36% points lower than the rate recorded in Q3 2019 but 3.54% points higher than in the second quarter of 2020.

Key sectors that contracted in Q3 2020 in the non-oil segment are manufacturing, trade (wholesale and retail) accommodation & food services, real estate among others. On the other hand, the growth of non-oil sector was driven mainly by Information and Communication (Telecommunications), with other drivers being Agriculture (Crop Production), Construction, Financial and Insurance (Financial Institutions).

In real terms, the non-oil sector contributed 91.27% to the nation's GDP in the third quarter of 2020, higher than its share in the third

quarter of 2019 (90.23%) and the second quarter of 2020 (91.07%).

Analysts continued to dimension the recovery pattern for the Nigerian economy in 2021, with reputable outlets forecasting a slow recovery pattern on the back of possible second wave of Covid-19 pandemic currently distorting economic landscape in the advanced economies.

IMF has forecasted that the Nigerian economy will contract -4.3% in 2020, as the Central Bank continues to drive aggressive intervention to stimulate the economy on the path of recovery.

Nigerian economy going into recession, might contract by -8.9% said Finance Minister.

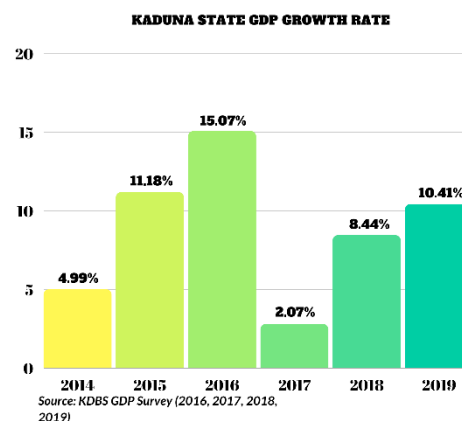
It is suggestive that Government should give more tax cuts to promote business capital investment - NECA

The average daily oil production recorded in the third quarter of 2020 stood at 1.67 million barrels per day (MBPD), or 0.37 MBPD lower than the average production recorded in the same quarter of 2019 and 0.14 MBPD lower than production volume recorded in the second quarter of 2020 (1.81 MBPD).

KADUNA STATE ECONOMIC GROWTH

The State largely depends on Federal Allocation to fund its annual budget. Averagely the state was allocated N3.09 billion, N4.57 billion, N4.34 billion and N4.53 monthly in 2017, 2018, 2019 and 2020 respectively.

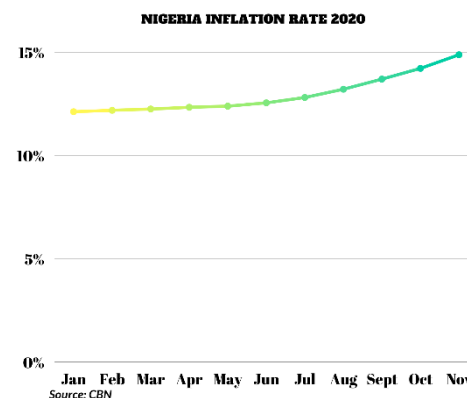
Kaduna State witnessed a growth in its GDP within 2015 to 2018. The State's GDP stands at ₦2.89 trillion in 2018 compared to ₦2.66 trillion in 2017, ₦2.59 trillion in 2016 and ₦2.25 trillion in 2015. The GDP grew by 11.18% 2015, 15.07% in 2016, 2.78% in 2017 compared to 8.44% growth recorded in 2018 (year on year) in real terms and GDP per capita stands at ₦333,672.04. The State is the 10th largest subnational economy with the contribution of 2.2% to national GDP in 2018. The figures further show that Services contributed 51.17%, Agriculture 38.09% and Industries 10.74% respectively. The study of the economic status in the State for 2018 was carried out in 2019 which shows 8.44% GDP growth rate.



INFLATION

Nigeria

Nigeria's inflation has consistently increased for 10-months, rising from 12.13% in January 2020 to 14.23% in October 2020. The genesis of Nigerian high Inflation among others are: Central Bank of Nigeria's (CBN's) restriction on food-related imports hindered the local food prices and other manufacturing inputs, high debt rate, unemployment, devaluation of the currency etc. However, the recent recession compounded Nigeria's socio-economic challenges caused by the COVID-19 Pandemic and EndSars Violence. CBN tightened the noose on importers of food and related products by denying them access to the official foreign exchange market and the importers and exporters foreign exchange window (IEFX) added to the rise in the price of food. Food inflation grew faster than the general headline inflation rate throughout 2020. Food inflation rose from 13.56% in Q2 2020 to 16.66% at the end of Q3 2020 which shows an incline of 3.1%.

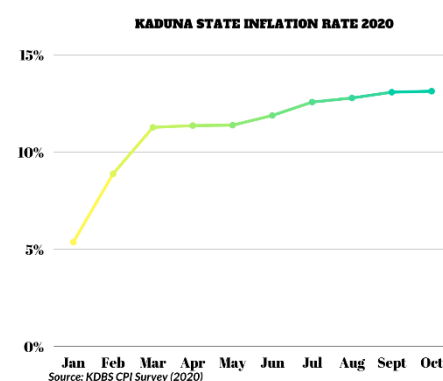


Kaduna State

The inflation rate in Kaduna State was predicted to rise in the year 2020 as the border closure will continue to influence prices of essential commodities especially food stuffs.

The Inflation rate rose to 13.14% in October 2020 from 5.37% recorded in January 2020 showing a 7.77% increase; this was the highest recorded during the year as prices of food continued to surge amid the ongoing country's border closure, limited supply due to effect of Covid-19 Pandemic, panic buying etc..

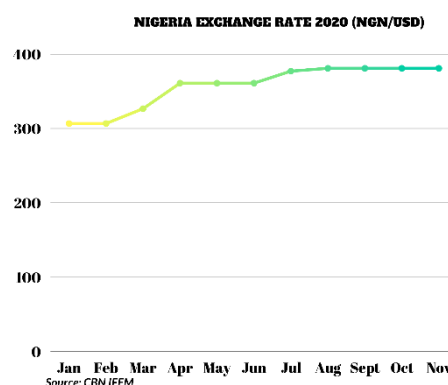
The lowest inflation rate recorded during the year was 5.37% in the month of January, this was as a result of fall in price of general essential commodities. Therefore, there is an urgent need to invest in core viable sectors of the economy.



Exchange Rates

In line with how the COVID-19 pandemic is spurring a new normal in business and economy, the Central Bank of Nigeria (CBN) is gradually embracing age-long reforms in the country's foreign exchange (FX) market. For many years, international financial institutions, such as the International Monetary Fund (IMF), have expressed displeasure with the country's FX restrictions and multiple currency practices (MCPs).

However, recent measures by the apex bank could help to drastically discourage rent-seeking in the FX market and have thrust the exchange rates in the interbank and parallel windows closer to convergence, after many years of defiance. Compelled by pressure on the gross international reserves (GIR) from fleeing investors amid a sharp decline in oil receipts, the CBN has

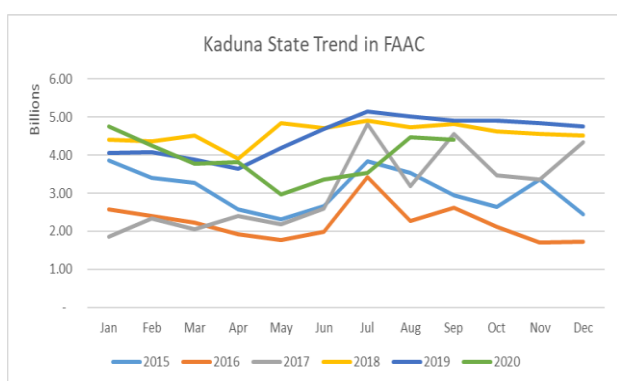


devalued the naira. The official rate has been devalued twice in the year 2020 by a total of 24%, while the Nigerian Autonomous Foreign Exchange (NAFEX) Rate followed suit with a 6% depreciation.

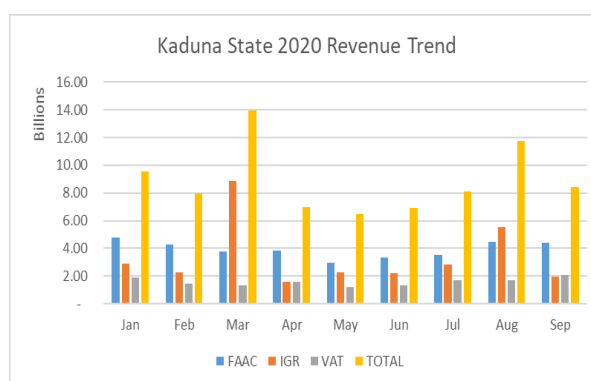
Although the technical value of the naira is supposed to be N380/\$ on the NAFEX window, the currency has traded within a band of N385-N390 to \$1 since the NAFEX rate was adjusted in Mar'20. The currency adjustment in both the official and NAFEX windows has resulted in the narrowing of the gap between both rates to the 2% benchmark, from about 19% pre-currency adjustment in Mar'20.

Foreign Exchange Reserves in Nigeria decreased to 35660 USD Million in August from 35900 USD Million in July of 2020. Foreign Exchange Reserves in Nigeria is expected to be 35800.00 USD Million by the end of this 4th quarter according to Trading Economics global macro models and analysts' expectations. Looking forward, we estimate Foreign Exchange Reserves in Nigeria to stand at 37400.00 in 12 months' time. In the long-term, the Nigeria Foreign Exchange Reserves is projected to trend around 40000.00 USD Million in 2021 and 42000.00 USD Million in 2022 according to Tradingeconometricmodels.

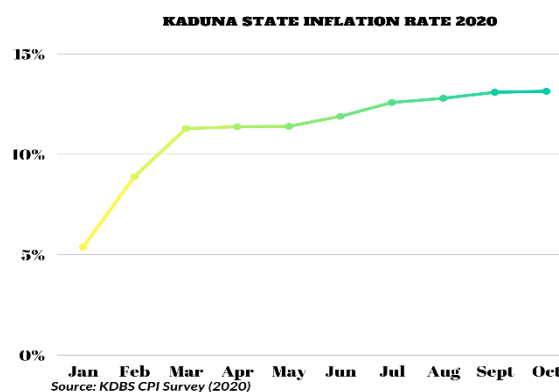
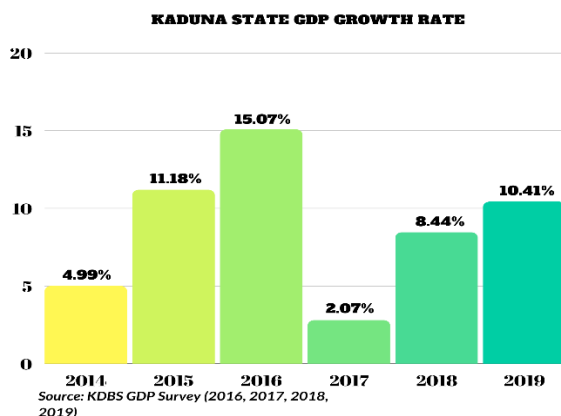
DATA and CHARTS

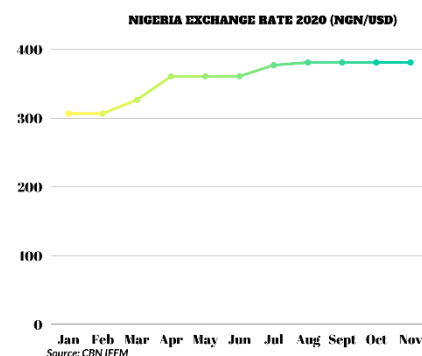
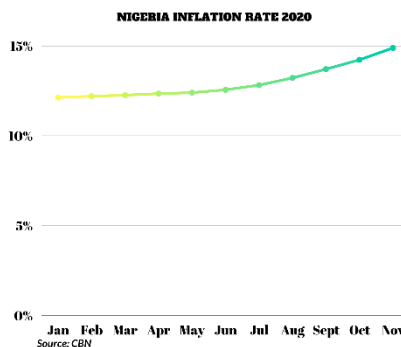
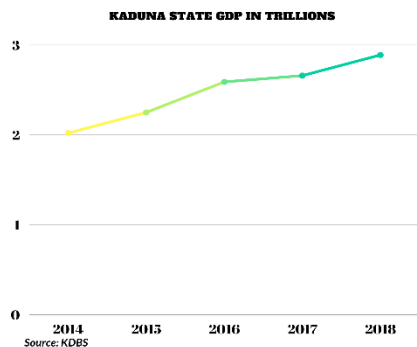


Source: Monthly FAAC Sheet

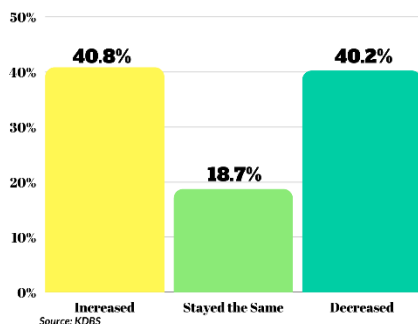


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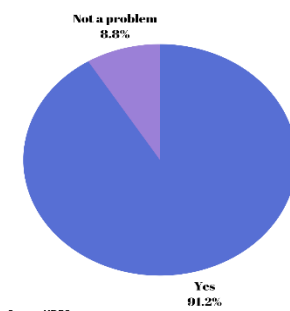




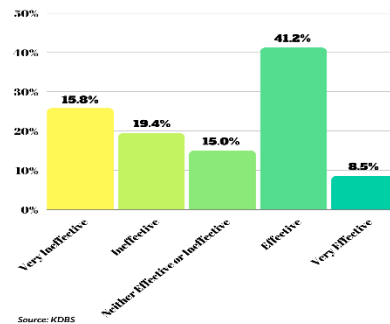
CHANGES IN THE LEVEL OF CORRUPTION IN THE PAST ONE YEAR IN KADUNA STATE



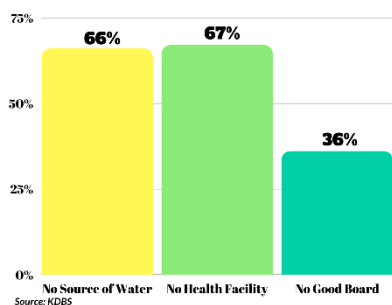
PERCEPTION OF CORRUPTION AS A MAJOR ISSUE OF CONCERN IN KADUNA STATE



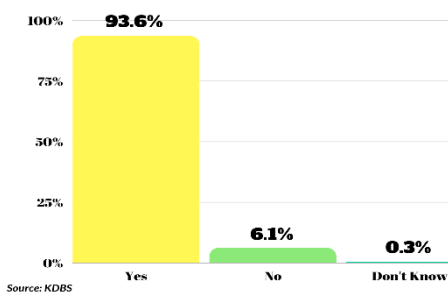
EFFECTIVENESS OF GOVT. IN THE FIGHT AGAINST CORRUPTION IN KADUNA STATE



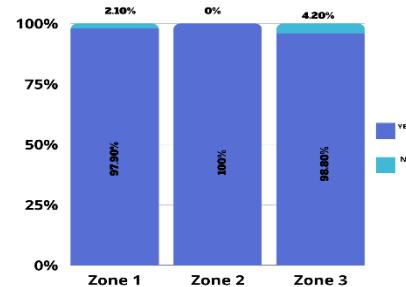
LACK OF NECESSARY LEARNING AMENITIES IN SCHOOLS IN KADUNA STATE



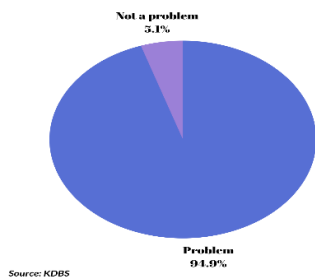
BENEFICIARY OF SCHOOL FEEDING PROGRAMME



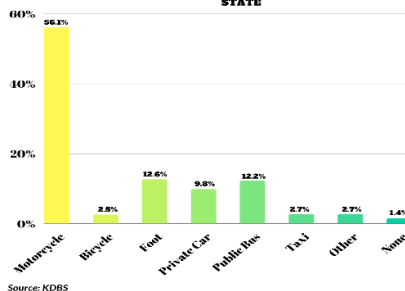
RURAL ELECTRIFICATION IN KADUNA STATE



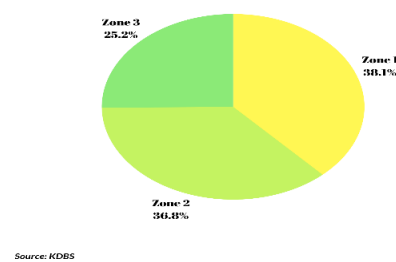
EXTENT TO WHICH CORRUPTION IS IN KADUNA STATE PUBLIC SECTOR



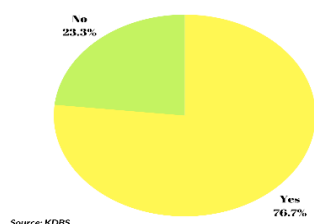
MODE OF TRANSPORTATION IN KADUNA STATE



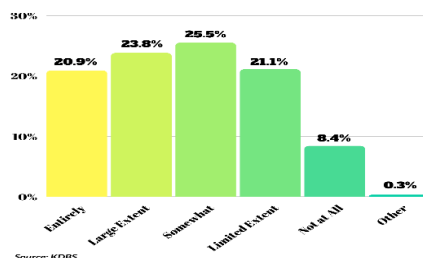
AVERAGE TEACHER TO PUPIL RATIO IN KADUNA STATE



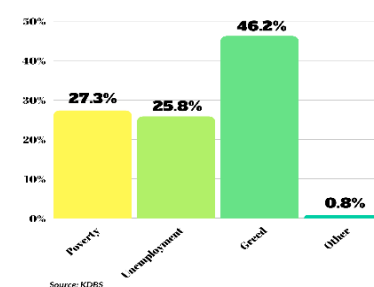
PERCENTAGE OF BUSINESS OWNERS IN KADUNA STATE

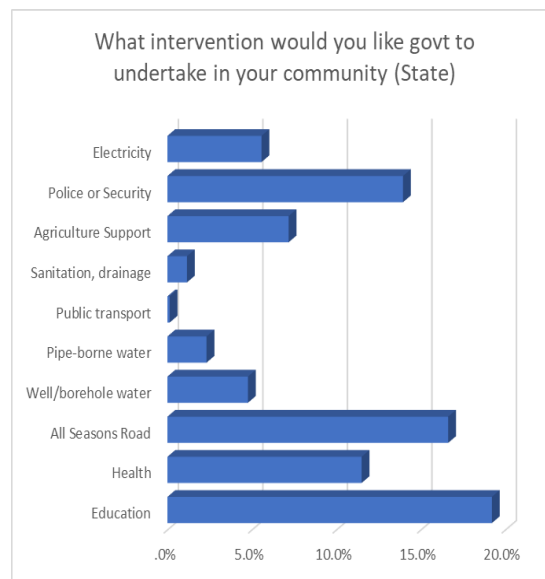
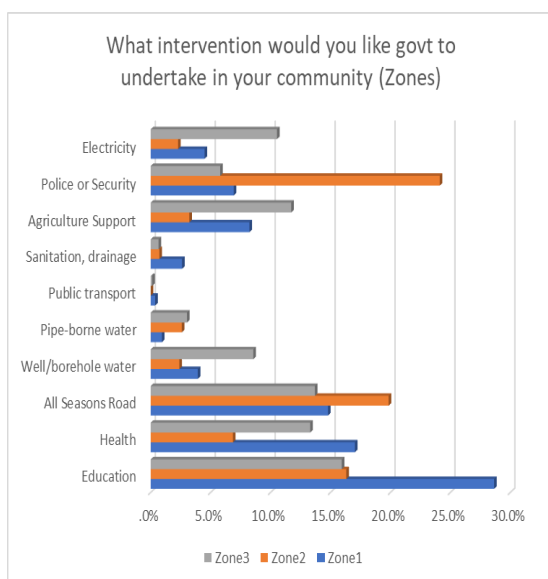
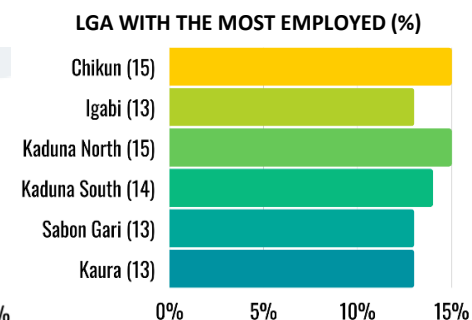
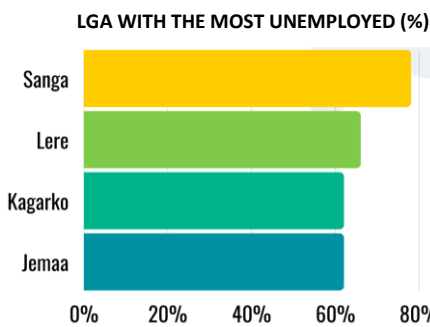
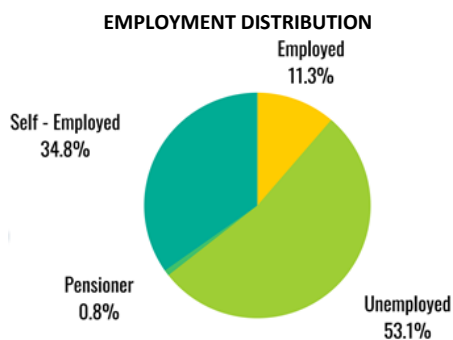
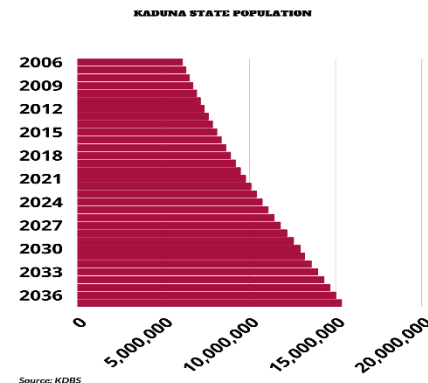
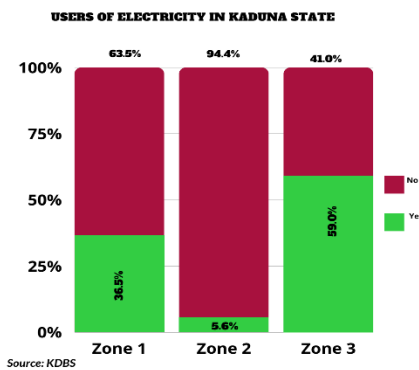
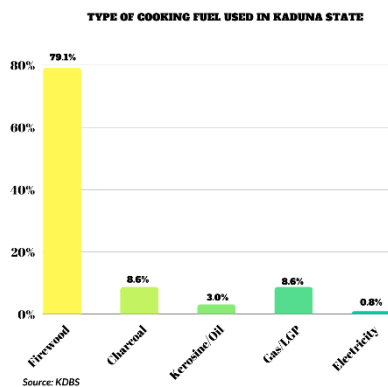
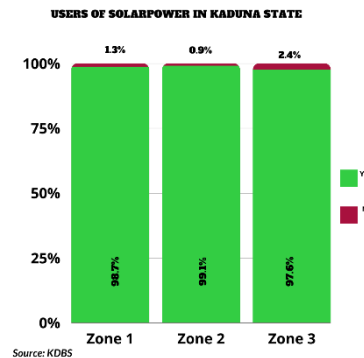
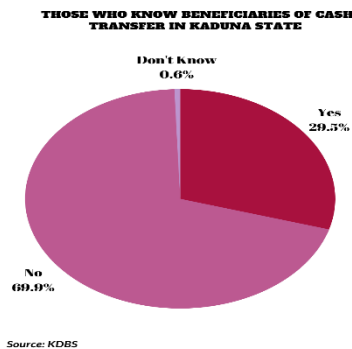
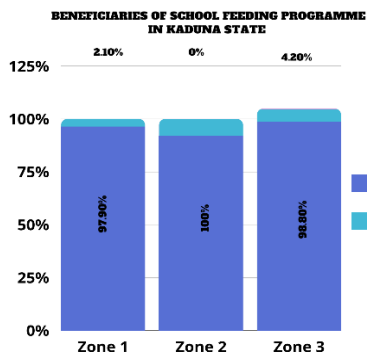


EXTENT TO WHICH THE GOVT. IS RUN BY A FEW BIG ENTITIES ACTING IN THEIR BEST OWN INTEREST



PERCEPTION OF MAJOR CAUSES OF CORRUPTION IN KADUNA STATE





BASIC DATA

Land Mass

46,020sq km (17,781 sq. mi), this makes Kaduna the 12th largest state in the country.

Population

With an estimated population of 8.9 million, it is the 3rd most populous state in the federation.

Main Towns and Their Population

Population in millions **(2021 Projections)**

Kaduna North: 587449.7

Kaduna South: 580510.9

Igabi: 627610.4

Zaria: 595471.8

Jema'a: 406613.1

Chikun: 537196.7

Sabon Gari: 418482.6

Birnin Gwari: 368142.7

Climate

The state enjoys a typical tropical continental climate with two distinct seasons, i.e. The dry and rainy seasons. These seasons reflect the interplay of North-East trade wind and South West trade wind which sweeps across the entire country from November to April and May to October respectively.

Weather in Kaduna (Altitude 613 Metres)

Kaduna lies between latitude 10.5105° North of the Equator and longitude 7.4165° East of the Greenwich Meridian with annual average temperatures: High - 31.6°C, low - 18.5°C and an average temperature of 25.0°C. The Average annual precipitation is 1192 mm.

Gross Domestic Product (GDP)

Kaduna State Gross Domestic Product (GDP) was measured at N2.66 Trillion with an annual growth rate estimated at 2.78%.

Gross Domestic Product (GDP) Composition

The State's GDP comprises of Services (50.60%), Agriculture (38.04%), and Industry (11.35%).

Languages

English (official), Hausa, Yoruba and Igbo; many other local languages are widely spoken.

+Prominent Ethnic Groups

Adara, Kutunni, Hausa, Fulani, Koro and Bajju Gbagyi, Ham, Chat, Kagoma, Yeskwa, Fantswam, Kaninkon, Gwandara , Ninzom, Numana, Ayu, Nandu, Tari, Mada Numbu, Nindah, Kibo, Kagoro (Agrok), Maro'a (Asholia), Attakar (Akadi), Ganawuri, Bajju, Atyap (Kataf), Bakulu (Ikulu), Anghan (Kamantan), Ruruma, Rumaya, Surubu, Chawai (Tsan), Kiwalto Rishuwa, Kono, Kaibi, Kurama, Amo, Kahugu, Gure, Pitti, Kumuku, Maguzawa, Sayawa.

Measures

Metric system

Currency

1 Naira (N1) = 100 kobo & N380 = US\$1 (Official Rate)

Time

WAT (UTC+01)

Public Holidays

New Year's Day; Good Friday; Easter Monday; Worker's Day (May 1st); Democracy Day (June 12th); Eid al-Fitr; Eid al-Adha; Independence Day (October 1st); Mawlid al-Nabi; Christmas

POLITICAL STRUCTURE

Official Name

Kaduna State
Capital City: Kaduna

Form of State

Comprising 23 LGAs with Kaduna serving as its capital.

Legal System

Based on English Common Law and Sharia law

State Legislature

State House of Assembly, comprising of 34 House Representatives; all of which are elected by universal suffrage for a four-year term.

National Elections

Most recent general elections were held in February & March (Presidential and Gubernatorial elections respectively) 2019; the incumbent candidate, Mallam Nasir El-Rufai, was re-elected as the

State Governor and his party, the All Progressives Congress, took control of the State Assembly; next general elections are scheduled for 2023.

Governor

Elected by universal suffrage to serve a four-year term. The executive powers of the state are vested in the Governor, who may delegate some powers to the Deputy Governor. The Governor is the Chairman of the State Executive Council and is the Chief Accounting Officer of the State.

State Government

The State Executive Council is chaired by the Governor. The Executive Council is responsible for policy formulation and coordination of efforts towards implementation of developmental plans, setting priorities and targets to all Ministries, Departments and Agencies of Government. Commissioners from the fourteen ministries in the State are members of the Council.

Main Political Parties

The All Progressives Congress (APC), a merger between the All Nigeria People's Party (ANPP), a faction of All Progressives Grand Alliance (APGA) and the Congress for Progressive Change (CPC); and a faction of the People's Democratic Party (PDP), which ruled from 1999 until its defeat by the APC in 2015.

MEMBERS of The Executive Council

1	Nasir Ahmad el-Rufa'i	Governor
2	Hadiza Sabuwa Balarabe	Deputy Governor
3	Amina Mohammed Baloni	Commissioner of Health
4	Hafsat Mohammed Baba	Commissioner of Human Services & Social Developer
5	Samuel Peter Aruwan	Commissioner of Internal Security and Home Affairs
6	Halima Lawal	Commissioner of Agriculture
7	Jafa`aru Ibrahim Sani	Commissioner of Local Government Affairs
8	Muhammad Bashir Sa`idu	Commissioner of Finance
9	Thomas Gyang	Commissioner of Planning and Budget Commission
10	Shehu Usman Muhammad	Commissioner of Education
11	Fausat Adebola Ibikunle	Commissioner of Housing and Urban Development
12	Prof. Kabiru Mato	Commissioner of Sports Development
13	Idris Samaila Nyam	Commissioner of Business Innovation and Technology
14	Aisha Dikko	Commissioner of Justice
15	Balaraba Aliyu Inuwa	Commissioner of Public Works and Infrastructure
16	Hussaini Ibrahim Garba	Commissioner of Environment and Natural Resources
17	Balarabe Abbas Lawal	Secretary to the Council

RECENT HEADLINE ANALYSIS

Generated in 2020

The following articles have been written in response to events occurring in 2020 over and indicates how we expect these events to affect our next forecast.

Politics

Forecast Updates

Political Stability

HEADLINE

Kaduna State Government has appointed Ambassador Ahmad Nuhu Bamalli as the 18th Fulani Emir of Zazzau.

Analysis

The Kaduna State Government has announced the appointment of Ahmed Bamalli as the new emir of Zazzau. The long-awaited appointment comes 17 days since the stool became vacant. Mr Bamalli succeeds Shehu Idris, the 18th Fulani emir of Zazzau who reigned for 45 years before his death on September 20, 2020. Princes from three of the four dynastic lines of the emirate jostled for the post with four of them believed to be the frontrunners. The three-page report gave verdict on two-stage selection process followed on three princes. Those graded were the Iyan Zazzau Bashar Aminu, the Yariman Zazzau Munir Ja'afaru and the Turakin Zazzau Aminu Idris. There were later directives to include other royal houses such as the Mallawa and the Sullubawa dynasties. Alh. Bamalli emerged and is the first emir from the Mallawa ruling house in 100 years, following the demise in 1920 of his grandfather, Emir Dan Sidi.

Impact on the Forecast

The new Emir of Zazzau, Ambassador Ahmad Nuhu Bamalli's vast wealth of experience in both the private and public sector will impact positively on his undertakings of the Emirate. Prior to his appointment as Emir, he was the Magajin Garin Zazzau, a traditional title kept for a highly influential prince. We foresee an Emir that will bring development, mend fences, build bridges and maintain peace, security, law and order in his Emirate.

HEADLINE

Rising kidnapping and banditry in Kaduna State as residents recount uneasy ordeal.

Analysis

The rising insecurity particularly kidnappings and banditry are creating a tense atmosphere of uncertainty in the State. Twenty-

four hours after 21 youths were shot dead at a wedding in Kukum Daji Village of Kaura Local Government Area, Kaduna State, gunmen invaded Gora Gan village in Zango-Kataf Local Government of the State killing the village head, a six-year-old boy and nine others. Abuja – Kaduna Expressway is becoming a haven for kidnappers where they operate for hours without resistance from any security outfit, killing/injuring many before carting away many as well for ransom. The Kaduna – Zaria Expressway is also gradually being threatened with kidnapping. Kidnappers now follow their targets to their homes; this makes residents feel uneasy even in their homes.

Impact on the Forecast

The rising insecurity if it persists, will likely drive away both foreign and domestic investments. It will hinder any meaningful development. The rising insecurity can only be curbed with a wholistic and collaborative effort comprising strategies for short, medium and long term from all security agencies and sectors. There seems no end in sight regarding the insecurity bedeviling the State or the North.

HEADLINE

Looting of warehouses in search of Covid-19 palliatives.

Analysis

Warehouses across the country have been looted over the past few days with residents carting away items such as rice, sugar, salt, garri, noodles and spaghetti. Kaduna was no exception, warehouses in Barnawa, Mando and Sabo were all looted. Looters started vandalizing private shops and buildings before a 24-hour curfew was imposed.

Impact on the Forecast

The Looting of warehouses, private shops and private buildings was a result of #ENDSARS protest which nearly resulted to plunging the Country into full anarchy. The ripple effect of the Covid-19 pandemic-imposed lockdown has caused more hunger, frustration and poverty, as such unemployed youth resulted to channel their frustration on the government. If hunger, poverty and unemployment are not sincerely addressed in the Country more violent civil unrest will be witnessed in the future. If such happens in the future, the government might find it more difficult to contain.

Economy

Forecast Updates

Economic Stability

HEADLINE

The State Government to commence the collection of N1,000 Development Levy as from next year (2021).

Analysis

The Executive Chairman of the Kaduna State Internal Revenue Service (KADIRS) said that as from 2021, every adult residing in the state would be made to pay the levy in line with the provision of Section 9 (2) of the Kaduna State Tax Codification and Consolidation Law, 2020 as contribution to transform the infrastructure of the state and reposition the economy to meet the yearnings of the people.

Impact on the Forecast

There are several revenue sources or heads that are yet to be fully explored. In an era where countries are faced with dwindling revenue caused by uncertainties, States and other Sub-national governments need to look inward to finance their obligations and boost revenue sources. The implementation of Development Levy by Kaduna State Government will boost revenue, provide infrastructure, jobs and other economic opportunities in the State. In 2019, the State internally generated N44.9 billion, its highest and the highest in the North, overtaking States like Kano which has higher population, business, industries and revenue sources. The State will surpass its feat of 2019 and generate more which will cover all its recurrent cost at least.

HEADLINE

Kaduna State emerged best investment destination in the Country.

Analysis

A new report by the global research and advisory firm, Oxford Business Group (OBG), has provided insights into how Kaduna State, Nigeria raked in a whopping \$2.61 billion in Foreign Direct Investment (FDI) just within the first half of 2020, thus making it Nigeria's top investment destination, and has surpassed the World Bank target of 170 days to register a business. The report produced in partnership with the Kaduna Investment Promotion Agency (KADIPA) has just been released at the ongoing 5th edition of the Kaduna Economic and Investment Summit KADINVEST 5.0, which highlights investment opportunities emerging in the State.

Impact on the Forecast

This will bring more prosperity to Kaduna State. It will create thousands of direct and indirect jobs and opportunities to its teeming youth. More revenue, infrastructure, and a boost to GDP in the medium term. This will further boost investors confidence and more investments will come into the State.

DATA SOURCES

Central Bank of Nigeria (CBN)
Budget Office of the Federation
National Bureau of Statistics (NBS)
Kaduna State Bureau of Statistics (KDBS)
Kaduna State in Perspective (Centenary Edition)
Proshare/Vetiva Research
FAAC Sheets
Leadership Newspaper
Punch Newspaper
Daily Trust Newspaper
Vanguard Newspaper