



The Kaduna State Report

Economic and Political Outlook 2020

3rd Edition



Planning and Budget Commission
Economic Intelligence Unit



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Table of Contents

The Economic Intelligence Unit (EIU)	3
BRIEFING SHEET	4
Political and Economic Outlook	4
Macro-Economic Key indicators	4
KEY CHANGES IN 2019	5
OUTLOOK FOR 2020-23	6
POLITICAL STABILITY	6
ELECTION WATCH	8
Policy Trends.....	9
KEY EXECUTION PRIORITIES OF KADUNA STATE DEVELOPMENT PLAN (KSDP) 2016-2020	9
Fiscal Policy	9
Nigerian Economy.....	9
OIL REVENUE	9
Crude Oil Prices.....	11
NON-OIL REVENUE.....	12
MAJOR INTERVENTIONS IN KADUNA STATE 2019.....	13
NIGERIA GDP GROWTH	15
KADUNA STATE ECONOMIC GROWTH.....	15
INFLATION	16
Nigeria	16
Kaduna State.....	16
Exchange Rates	16
Data and Charts	17
Corruption Perception in Kaduna State (Data Source: KDDBS).....	18
BASIC DATA.....	19
LAND MASS.....	19
POPULATION.....	19
MAIN TOWNS AND THEIR POPULATION.....	20
CLIMATE.....	20
WEATHER IN KADUNA (ALTITUDE 613 METRES)	20
Gross Domestic Product (GDP)	20
GROSS DOMESTIC PRODUCT (GDP) COMPOSITION	20
LANGUAGES.....	20
+PROMINENT ETHNIC GROUPS	20
MEASURES	21
CURRENCY	21
TIME.....	21
PUBLIC HOLIDAYS	21
POLITICAL STRUCTURE.....	21



MEMBERS OF THE EXECUTIVE COUNCIL.....	22
RECENT HEADLINE ANALYSIS.....	23
POLITICS.....	23
ECONOMY.....	25
DATA SOURCES.....	28

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 agencies 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 2019, a resultant effect of the political activities that dominated most of the period.

The Muslim/Muslim ticket has deepened the divide between the ethnic & religions in the State.

Gross Domestic Product (GDP) for Kaduna State stands at ₦2.66 trillion in 2017 compared to ₦2.59 trillion in 2016. This shows a growth rate of 2.78%.

The Governor has delegated powers of the Executive Council to 5 newly created policy council: Infrastructure Development, Institutional Development, Procurement Monitoring, human Capital Development and Economic development Councils.

With a stable oil output and prices within the forecast period couple with the early passage and signing of the appropriation law, bringing the Country back to the January – December budget calendar, we foresee better investments within the Country as confidence is boosted in the economy. Capital Expenditure (CAPEX) is also expected to perform better as compared with previous years.

The Governor of Kaduna State generally enjoys goodwill in the State and even beyond which is as a result of his decisive style of leadership as many among his peers are admiring his pragmatic approach to governance.

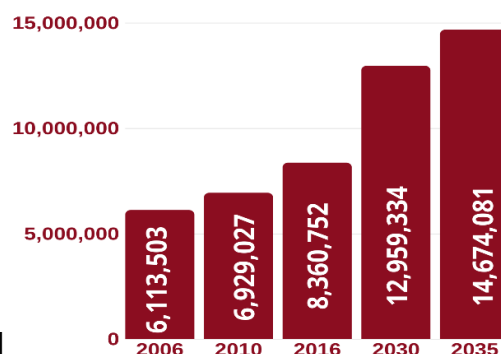
There is an unofficial statement that Nasir el-Rufai is eyeing to succeed Muhammadu Buhari in 2023 and is spearheading a campaign in keeping power in the North. We foresee serious rancor and divisions within the ruling party the All Progressive Party (APC). This will necessitate forming new alliances eventually if he succeeds.

Macro-Economic Key indicators

Item	2019	2020	2021	2022
National Inflation	14.00%	11.70%	11.30%	11.40%
National Real GDP Growth	2.10%	2.50%	2.40%	2.70%
Oil Production Benchmark (MBPD)	1.8000	2.0000	2.0000	2.0000
Oil Price Benchmark	\$44.50	\$55.00	\$55.00	\$55.00
NGN:USD Exchange Rate	305	305	305	305
Other Assumptions				
Mineral Ratio	25%	34%	35%	38%

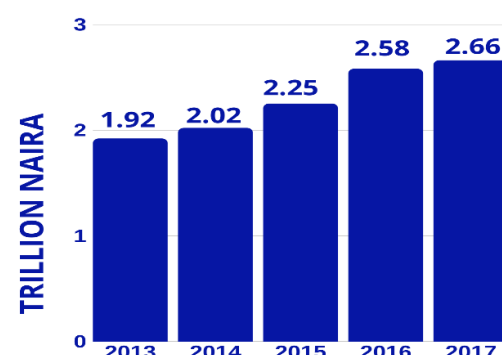
Source: Kaduna State 2020-2022 MTEF

POPULATION



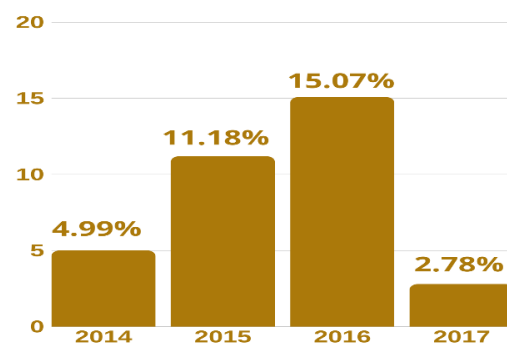
Source: KDBS

GDP



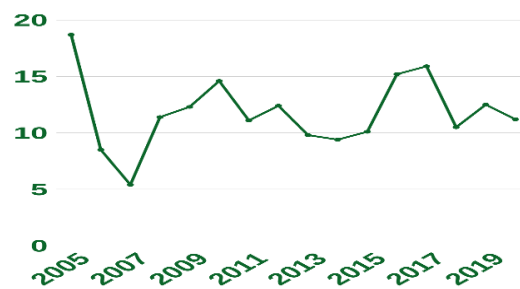
Source: KDBS

GDP GROWTH



Source: KDBS

INFLATION RATE



Source: NBS

KEY CHANGES IN 2019

The Governor signed an Executive Order creating three new ministries, abolishing three others and amending the mandates of three others. The newly created ministries include the following: Business, Innovation and Technology Housing & Urban Development, Internal Security and Home Affairs, while the Ministries with amended or expanded mandates include the following: Human Services and Social Development, Public Works and Infrastructure, Sports Development.

The Governor has delegated Executive Council powers to five policy councils which are Human Capital Development, Economic Development, Infrastructure Development, Procurement Monitoring, Institutional Development

Kaduna State begins the implementation of the new 30,000 Naira Minimum Wage in September 2019 making it the first State in the Federation to achieve it.

The State has established Green Economic Zone (GEZ) along Kaduna – Zaria Highway and Green Agro Allied Industrial Zone (GAAIZ) along Kaduna – Abuja Highway.

Kaduna State has embarked on an ambitious Urban Renewal Programme across the metropolis, Zaria and Kafanchan.

Inauguration of Kaduna State Residency Registration Agency.

Enhanced enforcement of the UBE Act and other legislation such as Child Welfare and Protection Law.

Kaduna State has declared free and compulsory education to all students up to completion.

Reconstruction, expansion and development of Markets started with Kasuwan Magani, Sabon Gari, Dan Magaji, and Kasuwan Barci and sanitization of Abubakar Mahmoud Gumi Market

There was a 100% On-line recruitment exercise in the State, the first of its kind.

Expanded access to affordable housing through provision of single-digit interest rate mortgages in collaboration with Sterling Bank, NMRC and FHA Mortgages

Commissioned Phase 2 of Zaria Water Project

Kaduna – Abuja gets air shuttle service named “Boku Air” where the Governor and Quorum Aviation has signed an MoU.

The Government has ordered the conversion of Business Apprenticeship Training Centres (BATCs) into Technical, Vocational Education and Training Colleges with boarding facilities and community-based governance framework.

The state government has mandated Education Marshalls, KASTLEA and the Kaduna Vigilance Service to jointly ensure no child in Kaduna State roams the street during school hours for any reason without legal consequences for the parents or guardians.

All Obstetrics Services, Delivery and Surgical Intervention are declared free by the Kaduna State Government.

The First Kaduna celebration of new year 2020 countdown at centenary Park.

Approved six (6) Months maternity leave for female staff in Kaduna State.

Kaduna has hosted three editions of KADinvest, its annual investment summit organized by the State's investment promotion agency, KADIPA.

Major risks to our forecast

Scenarios, Q1 2020	Probability	Impact
Kaduna posts negative real GDP growth	Low	Medium
Nigeria re-enters recession	High	High
There is military coup	Low	High
Ethno-religious crisis erupts in Kaduna	High	High
The Governor could not complete his reforms or Projects	Medium	High

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

Source: Kaduna Economic Intelligence Unit.

OUTLOOK FOR 2020-23

POLITICAL STABILITY

Economic activities were considerably disrupted in the first half of 2019, a resultant effect of the political activities that dominated most of the period. Meanwhile, capital spending, which could have been used to offset these disruptions, was also halted during the period, as political office holders primarily adjusted their focus to strengthen their campaign goodwill ahead of the various elections. Capex further suffered in the second half, as a considerable amount of time elapsed before the President assigned portfolios to his nominated ministers.

Given the aforementioned, Nigeria's economic growth was subpar in the first three quarters, with GDP growth coming at 2.10% y/y, 1.94% y/y and 2.28% y/y in Q1'19, Q2'19 and Q3'19

respectively— all below consensus expectations. However, going into 2020, we foresee an improvement in capex spending, as the presidency and the National Assembly ensured that the 2020 Appropriation Bill gets signed into law before the start of next year—a move that will revert the budget cycle to the normal cycle of January-December, compared to the existing cycle of May-April.

As election year passes, we expect to see some stability in the polity. The Present Government will continue deepening its reforms, provision of infrastructure and other social welfare and interventions to a growing population that are largely in poverty. Regardless of the Country being the biggest economy in Africa, Nigeria has the highest number of people living in extreme poverty in the world over taking India. As at M6'18, Nigeria has a total number of 86.8 Million people living in extreme poverty. This figure represents nearly 50% of its 180 Million population.

Nigeria will continue to struggle due to interventionism by the Central Bank of Nigeria (CBN) and government, corruption will be major obstacles to economic development over 2020-23. Early in the forecast period Nigeria will be in a state of near stagflation as credit conditions are kept tight, partly as a result of exchange rate policies that are artificially keeping inflation high. Over the longer-term, a stronger price outlook for oil should see improvements to the macro-economy, but Nigeria will remain well below potential.

The incumbent President, Muhammadu Buhari is still popular, as seen in the last General Election results most especially in his strong hold, the North, but his popularity is somewhat dying down due to growing frustration in the economy and loss of good will. This is seen most especially as the populace are becoming helpless in the rise of insecurity. The Boko-Haram menace, although greatly decimated but still operates in the North-East border towns with pockets of surprise attacks on communities and armed forces. Other parts of the Country are witnessing other growing insecurities like armed bandits, herdsmen/farmers attacks, and kidnappings. This if not curtailed, can degenerate into full anarchy.

Nigeria urgently needs a massive economic stimulus programme. The Government should significantly increase spending in sectors, projects and programmes that boost the economy, generate employment and promote inclusive growth. It should prioritize infrastructure, labor-intensive manufacturing such as textiles and footwear, agro-processing, youth entrepreneurship projects, health and education.

There should be huge and continuous investments in Human Capital Development especially in areas such as Education, Health, Small and Medium Scale Enterprise (SMEs),

Innovation, Entrepreneurship, Research and Development (R&D). This if sustained and couple with a stable Oil Prices Outlook (2020 – 2023) will propel the Country into a sustainable economic growth.

ELECTION WATCH

With elections out of the way, and the incumbent Governor of Kaduna State, Nasir Ahmad el-Rufai of All progressive Congress (APC) having declared winner with a total number of 1,045,427 votes defeating his closest rival Isa Ashiru of Peoples Democratic Party (PDP) who pulled a total of 814,168 votes signifying a margin of 231,259. We foresee stability in the polity.

The Governor has defied and silenced his critics by winning on a Muslim/Muslim ticket and fielding a female Deputy Governor. This is the first time since 1999 that a Muslim/Muslim ticket will be fielded and the first in the history of Kaduna State that a woman will become a deputy governor on electoral basis. Many thought the Governor will not stand a chance in the general election as his political choice has changed the tradition of balancing power between the two most significant religions of the State. Kaduna State has a predominately Christian South and Muslim North.

With his victory at the polls, majority of Christians in the State are keenly observing how the Governor will balance political appointments in the State, whether he will be fair and just in the distribution of government projects and programmes.

Even though the elections have deepened the divide between the ethno-religions in the State, Kaduna State is still expected to witness strengthening of reforms across all sectors of the State. This consistency is also expected to see Kaduna State have stable growth in its Gross Domestic Product (GDP) within the forecast period (2020 – 2023) as the private sector and development partners will continue to invest and bring in significant capital into the State.

Generally, the Governor enjoys goodwill in the State and beyond as his decisive style of leadership is being admired across the Country as many of his counterparts are emulating his pragmatic approach to governance. Although, his Urban Renewal has brought some criticism within the populace of the State especially those the demolitions have affected think his decisions are harsh, however, many more are enthusiastic to see the State is given a facelift that it deserved for decades.

There are also speculations that the Governor is eyeing to succeed Muhammadu Buhari as President in 2023. Unofficial statements have it that Nasir el-Rufai is spearheading a campaign in keeping power in the North. We foresee conflict

arising in the All Progressive Party (APC) as groups within APC believe power should rotate between the North and the South. Even though power rotation is not part of the Party's Constitution, the Governor may still have strong resistance within the Party. If the Governor should succeed, we expect to see backlash, huge divide within the Party, new alliances will be formed between the Northern and Southern Block.

Policy Trends

KEY EXECUTION PRIORITIES OF KADUNA STATE DEVELOPMENT PLAN (KSDP) 2016-2020

- Stabilizing the microeconomic environment
- Achieving agriculture and food security
- Improving transportation infrastructure
- Driving industrialization focusing on Small and Medium Scale Enterprises
- Local and State Governments reforms
- Improved access to Health care services
- Education reforms

Fiscal Policy

Nigerian Economy

OIL REVENUE

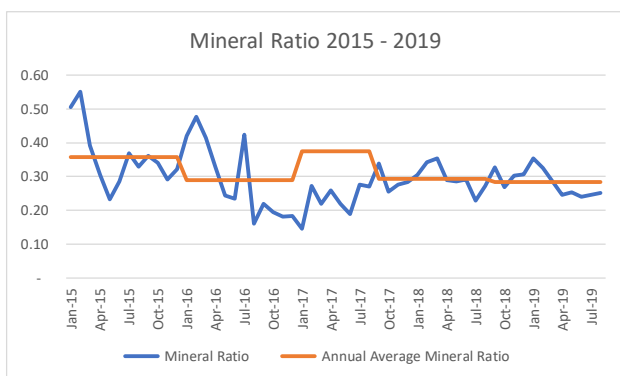
2019 oil revenue receipts have underperformed budgeted figures, given the less than impressive crude output witnessed so far in the year despite additional crude flows from the Egina offshore field. We highlight that average crude production over the first three quarters came in at 2.0 mb/d—13% below budget benchmark; thereby subduing the effect of higher-than-budgeted average crude price (9M'19 average Brent price of \$64/bbl versus budget benchmark of \$60/bbl).

Looking forward, we envisage a better oil revenue performance in 2020, given the government's more realistic assumptions for oil revenue drivers in the 2020 budget—crude output and oil price are assumed at 2.18 mb/d and \$57/bbl respectively. Furthermore, we expect the recently amended Deep Offshore and Inland Basin Production Sharing Contract Act (DOIBPSCA) to bode well for the government in the near term, as the Act effects higher royalty rates for offshore fields, which account for over 40% of Nigeria's crude output. The revised offshore regulation stipulates a flat royalty rate of 10% for deep-water assets going forward, over four times the average royalty rate

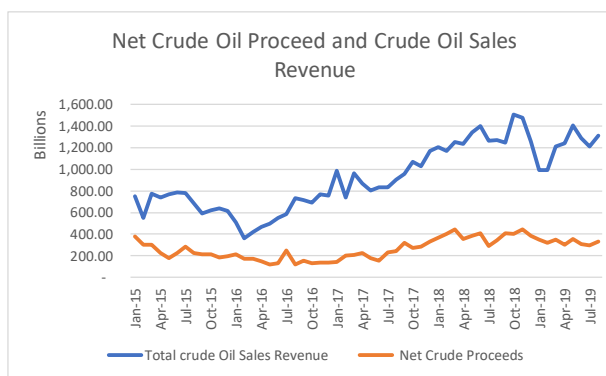
in 2018. In the long-term, however, upside potential in royalty revenue could be significantly affected, as the revised offshore fiscal policy would precipitate higher production costs in offshore fields, consequently weighing on investments in the deep-water sphere.

However, the African producers pumped 2.1 million b/d and 2.05 million b/d of crude and condensate in June and July respectively, based on Platt’s estimates. "NNPC recorded a 77% expansion amid oil pipeline vandalism in its pipeline framework in June 2019. Nigeria positions among the best 10 countries with the best cost of assembling oil and gas counterparts. Concerning an increase in its barrel b/d, there is a need to boom it's raw petroleum generation to 3 million b/d, and supplies up to 40 billion barrels by 2023, from around 2 million b/d and 37 billion barrels now.

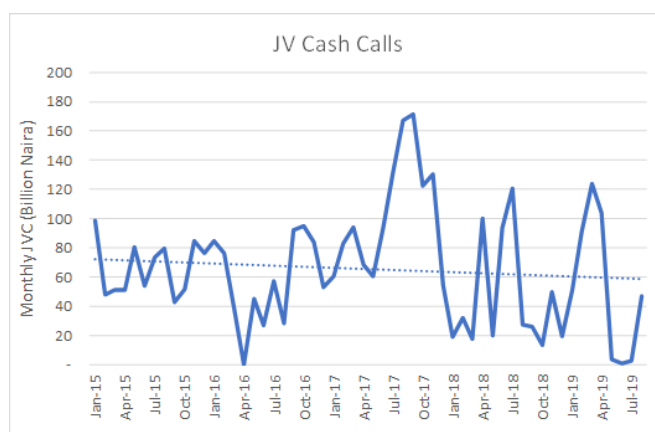
Production was reported at 1.7M barrel/ day in November 2019. This records a decrease from the previous number of 1.8M barrel/day for October 2019. Nigeria’s crude oil production data is updated monthly, averaging 1.9M barrel/day from January 2002 to November 2019. The data reached an all-time high of 2,496.000 barrel/day in Nov. 2005 and a record low of 1,419.000 barrel /day in Aug. 2016. Nigeria crude oil: production data remains active status in CEIC and is reported by OPEC countries table 1 represent crude oil production, prices export or five months in 2019



Source: Kaduna EIU Calculation



Source: FAAC Pack



Source: FAAC Pack

As seen in the graph above, the historical Mineral Ratio of Nigeria from 2015 – 2019 has witnessed some dwindling recording as high as 55% in January 2015 to as low as 15% in January 2017 which is as a result of militancy restiveness in the Oil Rich Niger Delta Region and a fall in the global crude oil price. The rise in crude oil prices and relative peace enjoyed in the Niger Delta region led to the rise of the Mineral Ratio to as high as 35% in January 2019.

The Total Crude Oil Sales Revenue witnessed relatively steady growth with a slight fall in January 2016 and January/February 2019 as a result of Foreign Exchange (FX) rate, peace in the Niger Delta region which led to an increase in crude oil production, and stability in the global crude oil price.

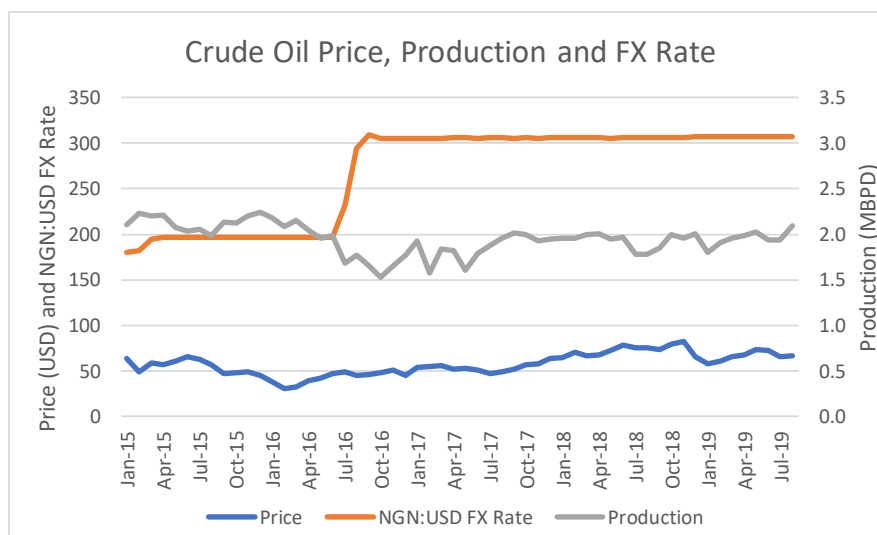
The Joint Venture Cash Call (JVC) recorded a steep increase in June – October 2019 as a result of payments of backlog of JVC arrears. This is connected to \$5.1 billion being owed to International Oil Companies (IOCs) as at July 2019.

Crude Oil Prices

The price of bonny light, Nigeria’s premium oil grade has risen from \$70 to \$71.74 per barrel in the international market in 2019. This is because of the continued elimination of excess supply from the volatile market by OPEC. This shows that at the current price, Nigeria generated \$11.74, in excess of the \$60 per barrel benchmark of the 2019 budget. The prices of other crudes – Brent, WTI and OPEC Basket also rose from \$69 to \$70.64, \$62.50 to \$63.94 and \$69.50 to \$70.33 respectively¹.

¹ Source: //www.vanguardngr.com/2019/04/bonny-light-price-hits-71-74/

The JP investment bank revised its Brent price forecast to \$64.5 per barrel in 2020 from \$59 earlier, although it expects prices to slip to \$61.50 in 2021. «This is in contrast to its September forecast that the global oil market will be in surplus of 0.6 million barrels per day on average for 2020, it now estimates the market will be in deficit of 0.2 mbpd. For the US WTI benchmark, it is expecting \$60 per barrel next year 2020².

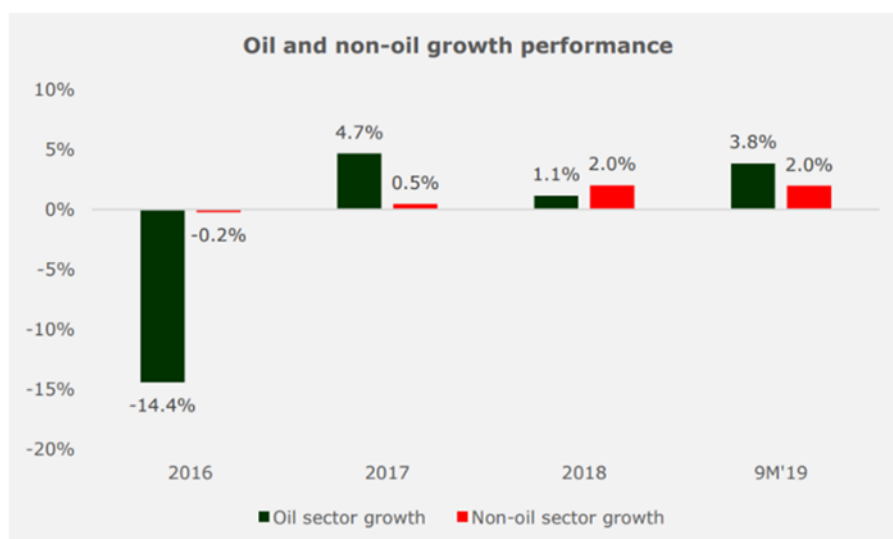


Source: NNPC, CBN, OPEC

NON-OIL REVENUE

Non-oil revenue has significantly underperformed budgeted figures over the last four years, a reflection of largely fragile economic diversification. Also, we note that tepid tax compliance across the different sectors of the economy partly accounts for the underperformance in non-oil revenue. Although the Voluntary Assets and Income Declaration Scheme (VAIDS), effected in 2017, helped to boost tax receipts in 2018, demonstrated by a 16% y/y uptick in tax revenue to ₦3.23 trillion, we note that income generation from various tax sources remains shy of potential. For instance, 2018 non-revenue performance showed a shortfall of ₦919 billion from budget estimate. In addition, Nigeria’s tax-to-GDP ratio printed at 5% in 2018, significantly lagging the ratios from its Sub-Saharan African peers—tax-to-GDP ratio currently stands at 27% and 18% in South Africa and Kenya respectively. In 2020, we expect the hike in VAT from 5.0% to 7.5%, which will take effect from January 2, 2020, to considerably support non-oil revenue. Nonetheless, we do not believe the growth in non-oil revenue would be strong enough to meet the budget estimate of ₦5.51 trillion, as economic growth in the near term remains tepid.

² <https://oilprice.com/Latest-Energy-News/World-News/JP-Morgan-Raises-2020-Oil-Price-Outlook.html>



Source: NBS, Vetiva Research

MAJOR INTERVENTIONS IN KADUNA STATE 2019

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

EDUCATION

1. Conversion of Business Apprenticeship Training Centres (BATCs) into Technical, Vocational Education and Training Colleges with boarding facilities and community-based governance framework.
2. Renovation/upgrading of schools.
3. Free and compulsory Education for all students in the State.

HEALTH

4. Renovation/upgrading of 255 PHCs across 23 LGAs.
5. Establishment of Sexual and Referral Center.
6. Free obstetric services, delivery and surgical intervention

WATER RESOURCES

7. Commissioning of first phase of Zaria water project.

WORKS AND HOUSING

8. Urban Renewal projects.
9. Dualization of some roads in Kaduna State.
10. Construction of New Shopping Malls and neighborhood Centers

COMMERCE AND INDUSTRY

11. The State has established Green Economic Zone (GEZ) along Kaduna – Zaria Highway and Green Agro Allied Industrial Zone (GAAIZ) along Kaduna – Abuja Highway.
12. Technical/Vocational Education Bill.

AGRICULTURE

13. Agro-processing, Productivity Enhancement and Livelihood Support Project (APPEALS).

OTHER INTERVENTIONS

15. Kaduna – Abuja gets air shuttle service named “Boku Air” where the Governor and Quorum Aviation has signed an MoU.
16. Implementation of the new 30,000 Naira Minimum Wage in September 2019

17. The newly created ministries include the following: Business, Innovation & Technology Housing & Urban Development and Internal Security & Home Affairs.

18. Kaduna State Residents Registration Agency.

19. Launching of Kaduna State Industrial Plan

NIGERIA GDP GROWTH

Nigeria's GDP grew 2.3% y/y in Q3'19, depicting an improvement from the growth of 2.1% y/y in the preceding quarter; however, the growth underperformed consensus estimates for the quarter. We highlight that Nigeria's Q3'19 economic growth was largely buoyed by a 1.9% y/y growth in non-oil sector, as oil sector growth slowed to 6.5% y/y in Q3'19 from 7.2% y/y in Q2'19. Looking ahead, our outlook for Nigeria's economy seems rather modest, with growth potential expected to be largely driven by anticipated stronger growth in the non-oil sector (2020F: 2.3% y/y, 2019E: 2.0% y/y), a reflection of sturdier growth expected in agriculture (2020F: 2.7% y/y, 2019E: 2.4% y/y) and services (2020F: 2.4% y/y, 2019E: 2.0% y/y).

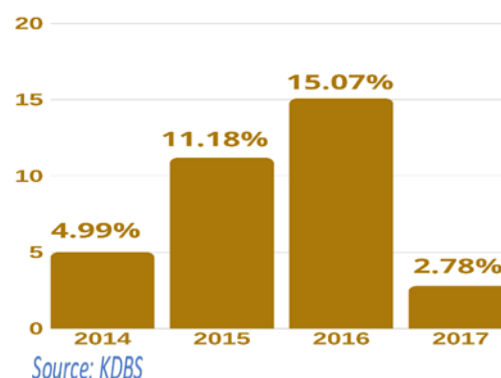
Meanwhile, we expect growth in the oil sector to slow to 3.0% y/y in 2020 from 4.5% y/y in 2019, amidst an underwhelming outlook for oil investments. All in, we project that the Nigerian economy will grow by 2.4% in 2020 (IMF: 2.5%, World Bank: 2.1%), up 20bps from the estimated growth in 2019.

KADUNA STATE ECONOMIC GROWTH

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

Kaduna State witnessed a growth in its GDP within 2015 to 2017. The State's GDP stands at N2.66 trillion in 2017 compared to N2.59 trillion in 2016 and N2.25 trillion in 2015. The GDP grew by 11.18% 2015, 15.07% in 2016 compared to 2.78% growth recorded in 2017 (year on year) in real terms and GDP per capita stands at N316,926.09. The State is the 10th largest subnational economy with the contribution of 2.7% to national GDP in 2017. The figures further show that Services contributed 50.60%, Agriculture 38.04% and Industries 11.35% respectively. The study of the economic status in the State for 2017 was carried out in 2018 which shows 2.78% GDP growth rate.

GDP GROWTH



INFLATION

Nigeria

Inflation started trending downwards in Q1 and Q2 2019, but in Q3, signs of a reversal had emerged as the Central Bank of Nigeria's (CBN's) restriction on food-related imports started putting pressure on local food prices and other manufacturing inputs. Inflation which started 2019 at +11.37% in January fell to +11.22% at the end of Q2 2019, and by July the aggregate price level growth had slowed to +11.02%, raising optimism that the CBN would by Q2 2020 be within its target band of Between +6% and +9%. Unfortunately, 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 2019. Food inflation rose from +13.51% in January 2019 to +13.56% at the end of Q2 2019 and fell slightly by +0.05% to +13.51% at the end of Q3 2019. At the end of 2019, food inflation worsened and rose to +14.48% in November.

Kaduna State

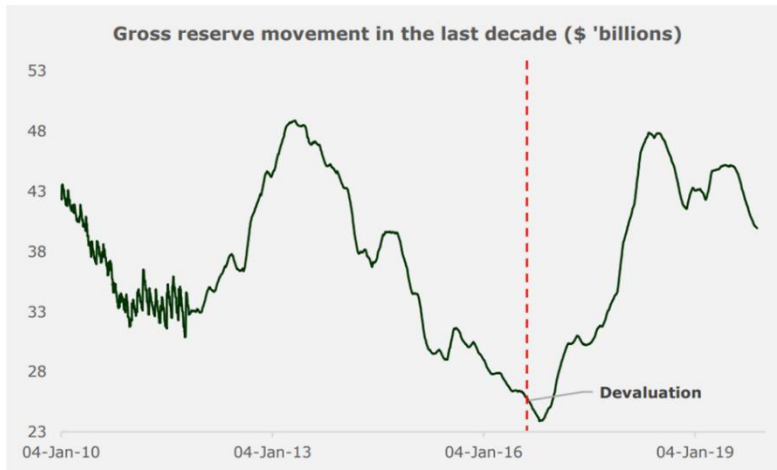
The Inflation rate in Kaduna state rose to 5.17% in December 2019 from 2.33% in the prior month. It was the highest inflation rate recorded during the year as prices of food continued to surge amid the ongoing country's border closure and the festive season mood.

The lowest inflation rate recorded during the year was -10.12% in the month of March, this was as a result of fall in price of general essential commodities. The inflation rate in Kaduna state is expected to rise in the year 2020 as the boarder closure will continue to influence prices of essential commodities especially food stuff higher this will necessitate entrepreneurs to invest in core viable sectors of the economy.

Exchange Rates

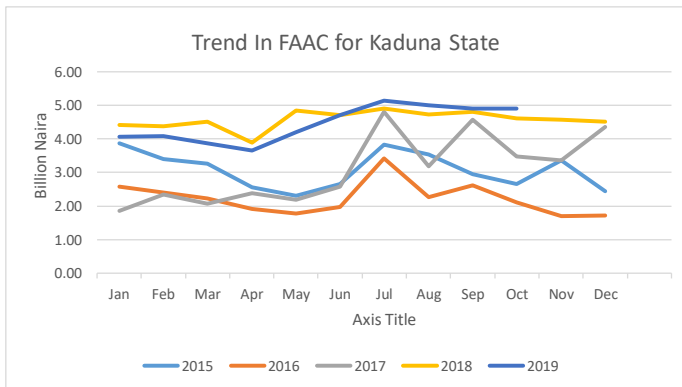
Whilst the exchange rate has remained stable through 2019 (it has only moderated 0.26% in the I&E FX window ytd), the current yield and policy environment has driven a reversal in net foreign flows, with net outflows for October at \$665 million, down from a net outflow of \$1.3 billion in September. Unfortunately, this has increased the pressure on our foreign reserves, which have declined 7.39% ytd to \$39.9 billion. Whilst the Governor of the CBN has assured international investors that the currency will not be devalued unless reserves fall below \$30.00 billion, harkening back to 2017 when reserves fell as low as \$23.0 billion, investors may begin to exit the market at a

higher rate before they reach that psychological barrier. The risk to foreign reserves is offset by our stable oil price outlook, as well as the anticipation of some resolution in trade-war tensions in 2020. Should economic growth improve, crude demand may also follow suit (but only to a point), which could provide a cushion for reserves. However, this is only the bull scenario. In a bear-case, reserves could come under increased pressure amid worsening trade and economic conditions, while further policy controls discourage investors and drive further exits from the capital market.

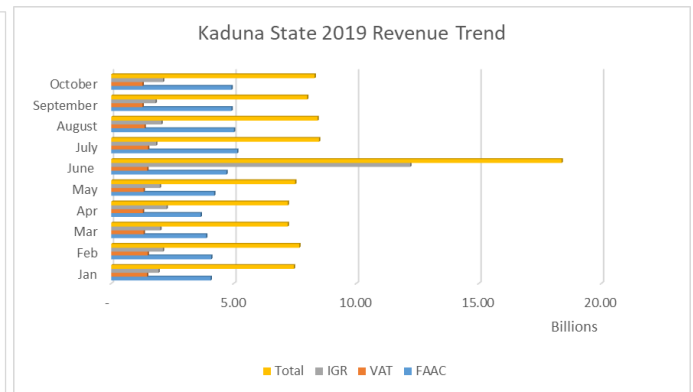


Source: CBN, Vetiva Research

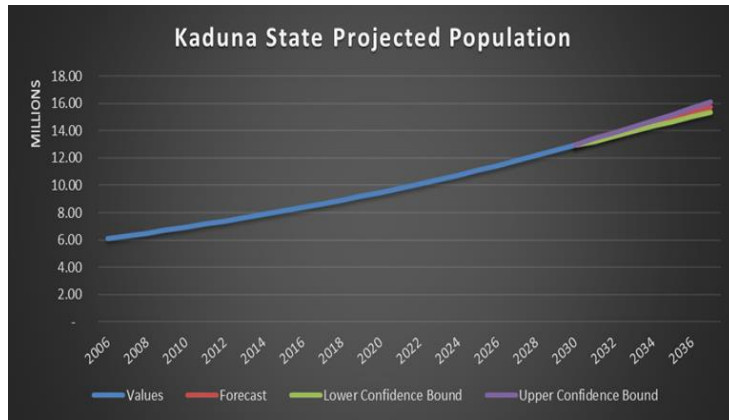
Data and Charts



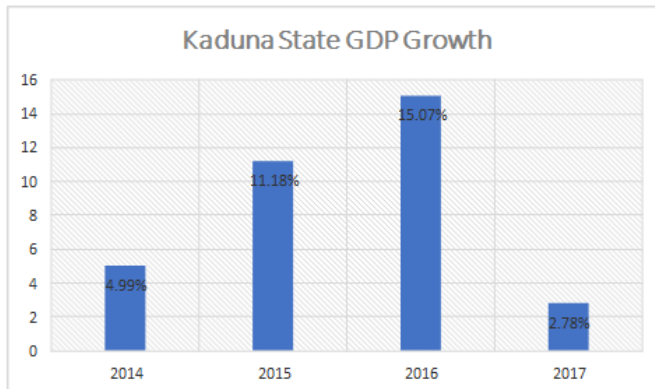
Source: FAAC Pack



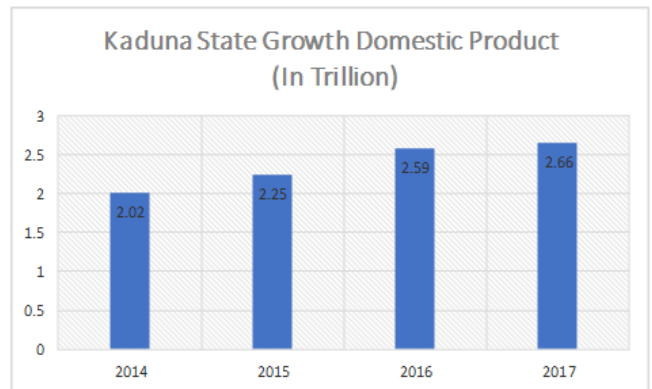
Source: KDIRS



Source: KDBS, EIU Analysis



Source: KDBS

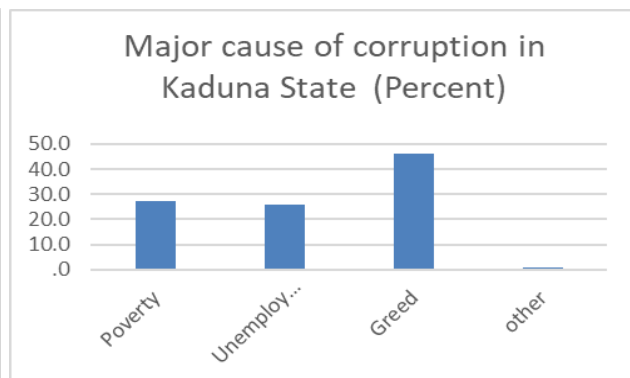
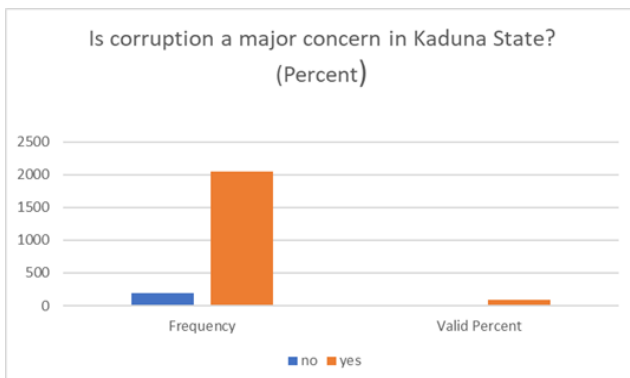


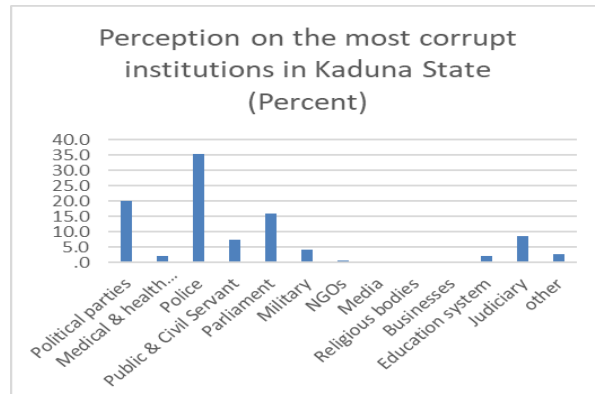
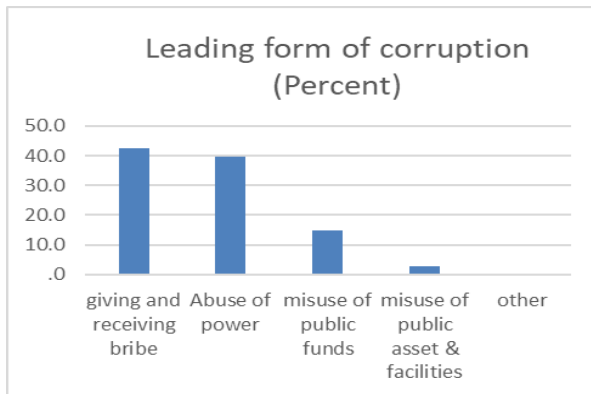
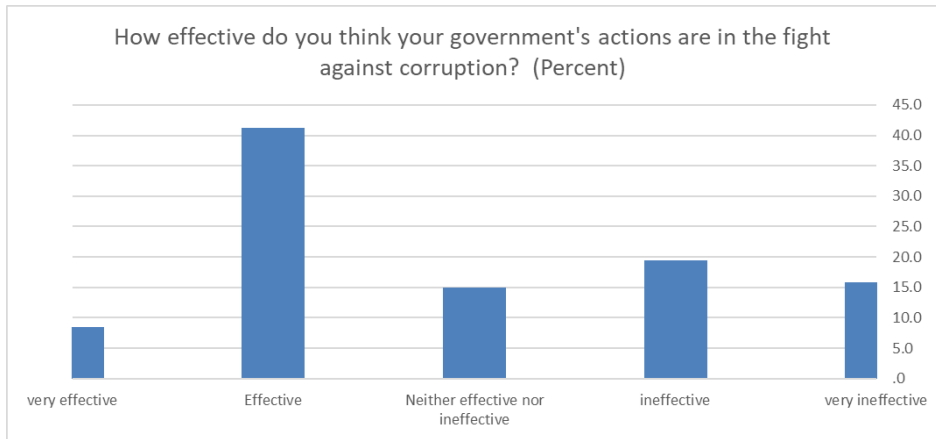
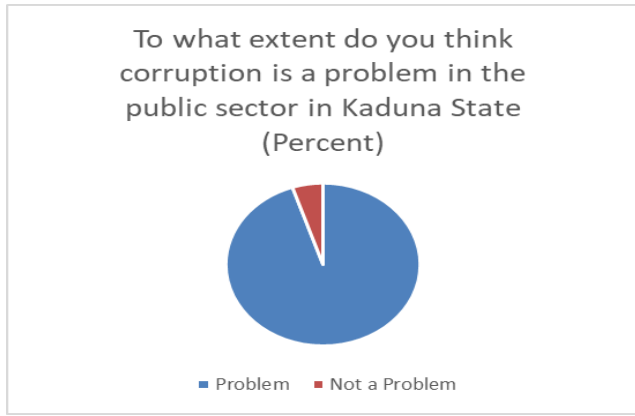
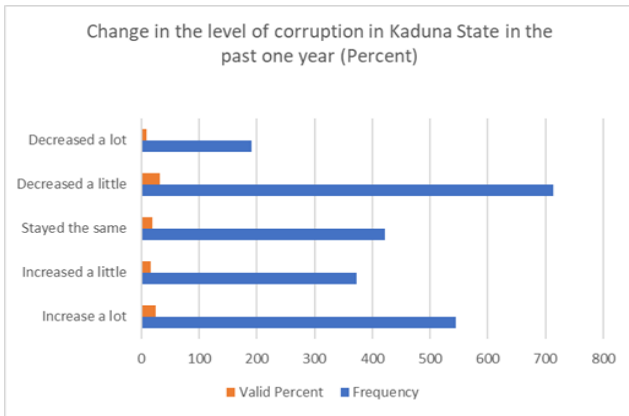
Source: KDBS



Source: NBS

Corruption Perception in Kaduna State (Data Source: KDBS)





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 (Projected as at 2020)

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 ₦2.66 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, Kaninko, Gwandara , Ninzom, Numana, Ayu, Nandu, Tari, Mada Numbu, Nindah,

Kibo, Kagoro (Agrok), Maro' a (Asholia), Attakar (Akadi), Ganawuri, Bajju, Atyp (Kataf), Bakulu (Ikulu), Anghan (Kamantan), Ruruma, Rumaya, Surubu, Chawai (Tsan), Kiwalto Rishuwa, Kono, Kaibi, Kuruma, Amo, Kahugu, Gure, Pitti, Gbagyi, Kumuku, Maguzawa, Sayawa, Amo.

MEASURES

Metric system

CURRENCY

1 Naira (N1) = 100 kobo & N306.92 = US\$1 (2019 average)

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

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 were elected by universal suffrage for four-year terms.

NATIONAL ELECTIONS

Most recent general elections were held in March and April (Presidential and Gubernatorial elections respectively) 2015; the opposition candidate, Mallam Nasir El-Rufai, was elected as the State Governor and his party, the All Progressives Congress, took control of the National Assembly; next general elections are scheduled for 2019.

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 Development
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 2019

The following articles have been written in response to events occurring since the present administration took over and indicates how we expect these events to affect our next forecast.

POLITICS

Forecast Updates

Political Stability

HEADLINE

Kaduna State Government has launched an ambitious Urban Renewal Project.

Analysis

Kaduna urban Renewal Project was launched by the State Government to accelerate urbanization of Kaduna city which straddles four Local Government Areas of the State (Kaduna North, Kaduna South, Chikun and Igabi LGAs). It is projected to be home to about half of the State's population.

The Project has fourteen components among which are roads, mass transit, housing, improved land use, streetlight, parks, and recreational centers. Other include, markets, neighborhood centers, and waste management.

Impact on the Forecast

The road component of the Kaduna renewal project will open up the city, connect communities and create alternative routes to reduce travel time from north to south and east to west. This will have a multiplier effect of housing, business and social development. It is also expected to promote integration across communities and enhance unity.

HEADLINE

The Incumbent Governor of All Progressive Party (APC) is declared winner of 2019 governorship election

Analysis

The Independent national Electoral Commission has declared the incumbent governor of Kaduna State, Nasir el-Rufai as the winner of the governorship polls. Nasir Ahmed el-Rufai defeated his closest rival with a margin of 231,259 votes. Elections were held in the 23 LGAs of the State. The election was contested by 38 governorship candidates.

The distribution of the votes indicates that el-Rufai won in 14 LGAs while his closest rival Isa Ashiru of People Democratic Party (PDP) won in 9 LGAs.

Impact on the Forecast

The victory of the incumbent governor will ensure continuity of government projects, programmes, policies and reforms in the State thereby leading to political stability. It will also engender huge influx of donor partners, foreign direct investments (FDIs), local investments and capital into the State.

HEADLINE

Kaduna Recruitment Exercise

Kaduna State Government conducted the first Computer Based Test (CBT).

Analysis

The Kaduna State Government has concluded the screening of the 5351 applicants who passed the CBT stage of the ongoing recruitment process. The results were compiled, and successful candidates were invited for result screening/interviews by the government MDAs in which they have indicated interest.

Impact on the Forecast

With this recruitment, the workforce of the State Government will be injected with competent, innovative and young professionals. The CBT has enhanced transparency in the recruitment process. This aims to strengthen the public service

by injecting into its ranks younger, well educated, ICT compliant and competent personnel.

ECONOMY

Forecast Updates

Economic Stability

HEADLINE

Kaduna Sign MoU with Cultivating New Frontiers in Agriculture (CNFA)

Analysis

KDSG signed an MoU with CNFA, a USAID funded project under their feed the future program to be implemented in 5 years to support policy environment, facilitate business enabling environment and capacity building of women and youth involved in agriculture on priority crops of the state. The project is expected to attract US\$200 and US\$100 million in investment and credits to the agriculture economy of Kaduna state. 6,000 small business and farmer groups are expected to benefit across the state.

Impact on the Forecast

If the programme is fully implemented, we expect to see an increase in agricultural productivity, job creation, Internally Generated Revenue (IGR) and Gross Domestic Product (GDP) in the State. In the long run it will reduce unemployment, insecurity, poverty and increase food security, exports and also Small and Medium Scale Enterprises.

HEADLINE

Two Billion Naira Education Loan Scheme in place for Kaduna State Citizens

Analysis

Kaduna State Government is determined to make quality education available to all by also making education free and compulsory for every child in the state up to the secondary school level. As such the state is the first in Nigeria to sign a two-billion-naira education loan scheme for Kaduna state Citizenry. A two-billion-naira loan deal was signed by the Executive Secretary of the Kaduna State Scholarship and Loans Board and the Managing Director of First City Monument Bank. The Scheme will take effect from January 2020.

Citizens of Kaduna State who are government officials, self-employed or private sector employers can access up to N5 million Naira for themselves or their children for both foreign and local education once they provide two guarantors who must be state or federal civil servants. The State Government provided a counterpart fund of N1 billion to bring down the interest to 8% per annum for as low as 2% interest.

Impact on the Forecast

The Scheme will increase the number of school enrolment and reduce the number of out-of-school children in the State. In the long run it will increase Human Capital Development which will translate into increase in productivity, innovation and new skills.

HEADLINE

Kaduna State Government has signed MoU with Arla the producers of Dano Milk.

Analysis

In order to develop a long-term sustainable dairy sector and empower small-scale local farmers in Nigeria, Kaduna State and Arla Foods have entered into a new public-private partnership marked by a new Memorandum of Understanding signed by both parties.

While the State and the Federal Government will offer 1,000 nomadic dairy farmers permanent farmlands with access to water, Arla Foods will be the commercial partner that will purchase, collect, process and bring the local milk to market.

Impact on the Forecast

The PPP will make the Country save Foreign Exchange when importing dairy products. This will boost the value chain along the dairy milk production in the State. We also expect to see an increase in agricultural productivity, job creation, Internally Generated Revenue (IGR) and Gross Domestic Product (GDP) in the State. In the long run it will reduce unemployment, insecurity, poverty and increase food security and exports.

HEADLINE

Kaduna State Sign MoU with Quorum Aviation

Analysis

The Kaduna state Government had signed an MoU with Quorum Aviation on Shuttle air Service. Quorum plans on making Kaduna the base station for their operations and also further establish Kaduna as a regional aviation service hub. The

Executive Secretary of Kaduna state investment and Promotion Agency signed on behalf of Kaduna state government while the Managing Director signed on behalf of the company. the company is planning to make Kaduna state the base station for their operation, and also to further establish Kaduna as a regional aviation service hub.

Impact on the Forecast

The shuttle air service will reduce the amount of traffic on Abuja – Kaduna road and rail once it commenced. The MoU would go a long way in creating jobs and attract more investors in the aviation sector in the state.

HEADLINE

Kaduna State Implemented Minimum Wage

The Kaduna State Government implemented National Minimum wage

Analysis

The Kaduna State Government under Governor Nasir Ahmad El-Rufai, is the first to implement the N30,000 minimum wage. implementation of the minimum wage commenced in the state in September, as civil servants in the state had acknowledged receipt of the new minimum wage and commended the Governor.

Impact on the Forecast

Staff in Kaduna State will be better motivated, improve their living standard and enhance service delivery after the implementation of the New Minimum Wage.

HEADLINE

Kaduna State established a Green Economic Zone (GEZ) that will be powered by a sub-station and two big solar parks.

Analysis

The Kaduna State Government has established a Green Economic Zone (GEZ) along Kaduna – Zaria Highway that will be powered by a Substation and two big Solar parks. The Maraban Jos power substation is a 2x60MVA transmission substation being built to serve the proposed Green Economic Zone in Kaduna.

Impact on the Forecast

The GEZ will house Agro-Allied Industries, Light Engineering and Electronics assembly that will create jobs for youths in the local community.

HEADLINE

Kaduna to get \$600 Million steel company

Analysis

An Indian/ Nigerian Afri steel company will be producing steel from Iron ore in Kagarko Local Government Council of Kaduna State. The 600 million Dollars investment is already mobilized in the Council, prospecting for Iron ore for conversion into steel and to be completed by December 2020. It is the largest single investment that has come into Kaduna State in the last five years.

Impact on the Forecast

It would be the first company in Nigeria that will be producing steel from Iron ore. The Country has been trying to produce steel via Ajaokuta for the past 50 years without success, so this makes Kaduna the first State to produce steel in the Country. This will generate IGR to the State. It will also bring opportunities and jobs to the teeming youths.

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

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Leadership Newspaper

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