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President Goodluck Jonathan conceding defeat to Muhammadu Buhari on 1 April marked Nigeria's first democratic transition of presidential power since independence in 1960. Although the election was praised by the United Nations and was less violent than widely feared, the challenges facing Nigeria remain daunting.

- **Buhari's victory ushers in a new government and unseats an incumbent for the first time in Nigeria's political history.** Buhari, aged 72 and a former army general, ruled Nigeria from January 1984 to August 1985, following a military takeover in December 1983. During his 20 months in power, Buhari made fighting corruption his administration's priority.
- **Buhari's priorities almost certainly centre on reforming the public sector to reduce corruption and increase government revenues, which are largely dependent on oil.** IHS currently expects Nigeria's GDP growth to slow to 4.1% in 2015 while politically sensitive inflation will rise to 10.8%, partly as a result of the sharp depreciation of the naira over recent months. Buhari's stance against corruption poses high risks of contract renegotiation and cancellation in some sectors including power, bulk fuel distribution, defence, and infrastructure projects. The investigation raises the risk of suspension of arrears payments to fuel distributors.
- **There is little prospect of significant oil sector reform before mid-2016, although corruption probes into the sector will probably be launched within the three-month outlook.** The proposed Petroleum Industry Bill is likely to be revised again, lowering the prospect of its passage until the end of 2015.
- **Buhari's victory is very likely to unleash significant unrest, including violent targeted attacks in the oil-producing Niger Delta.** A new wave of attacks has the potential to disrupt oil and gas operations and exports, especially in the event the amnesty programme signed in 2009 is not renewed and the new government cancels security contracts with former militant leaders. When the militants were most active in 2009, Nigerian oil production was cut by one-third due to pipeline sabotage, illegal oil bunkering, and attacks on onshore facilities. The capability of security forces to restrain them is further limited now by the resources diverted towards tackling Boko Haram in the north.
- **Buhari, a Muslim northerner, escaped an assassination attempt by the militant Islamist group Boko Haram.** However, he is better placed than Jonathan to engage Boko Haram through international military operations and dialogue. Buhari's victory came at a time when Nigerian and foreign forces have recorded significant gains in recent weeks in recovering territory lost to Boko Haram. However, there is high risk of reprisal attacks by the group mainly in the northeast and border villages.
- **There is a high risk of kidnap of foreign nationals across the north, and neighbouring countries.** The risk of kidnap and ransom is high for foreign nationals across the north of Nigeria and in neighbouring Cameroon, Chad, and Niger as Boko Haram and related groups seek hostages for ransom and political leverage.



New Nigerian president Muhammadu Buhari speaks to journalists following his election victory in Abuja, Nigeria, on 1 April.

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Indicators of changing risk environment

- Statements on various media by Niger Delta militants including former leaders as well as northern leaders regarding Buhari's victory
- Scale, scope, and reach of Boko Haram attacks during 11 April elections for governorship and legislative assemblies.
- Results of the 11 April governorship and legislative elections to determine the composition of the lower and upper house to gauge Buhari's leverage in passing legislation.
- Changes in key positions in government, parastatals, and the army.
- The scope of anti-corruption investigations launched into the oil sector and the extent to which they identify Jonathan's People's Democratic Party personnel or supporters.

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For more on Nigeria's dangerous election and the longer term militant threat, please contact our Nigeria analysts from the Country Risk Analysis and Forecasting Team (CRAFT), Martin Roberts (martin.roberts@ihs.com) or Murtala Touray (murtala.touray@ihs.com).