NATIONAL ASSEMBLY BUSINESS ENVIRONMENT ROUNDTABLE

Economic Impact Assessment Report

EXECUTIVE SUMMARY

This Report evaluates the feasibility and economic impact of various legislative proposals recommended by **“Comprehensive Review of the Institutional, Regulatory and Associated Instruments Affecting Businesses in Nigeria”**. The implicit assumption behind the said legislative proposals is that it is economically beneficial to pass the laws recommended in that Review. This Report demonstrates that proposition and makes the economic benefits explicit and quantifiable.

Under this review, feasibility which refers to the ease, practicability and/or possibility of successful accomplishment of the proposed legislation was determined along four dimensions – **political economy, vested interests (commercial and/or civil), budgetary provisions/costs and agency implementation** while economic impact is measured in relation to four key variables – **job creation, income generation, economic growth and impact on poverty and women**.

THE FOLLOWING STEPS WERE ADOPTED IN THE METHODOLOGY AND CONCEPTUAL APPROACH:

- Classifying the various legislative proposals into eight (8) “sectors” for ease of economic review, data and analysis
- Identifying issues and risks, implications and recommendations in relation to the feasibility of the proposed legislative proposals and deducing a summary risk mapping
- Analysing economic impact along the four key variables on a sectoral basis before determining overall economic impact
- A final report and presentation was prepared reflecting the analysis and findings.

THIS ASSESSMENT WAS BASED ON EIGHT SECTORAL CLASSIFICATIONS.

- Competition and Markets
- MSMEs access to finance
- Transportation
- Infrastructure
- Business Formation, Operation, Finance, Investment and Securities
- Dispute Resolution and Contract Enforcement
- Land Use, Conveyancing and Construction
- Legislation, Governance and Regulation

Based on all the identified issues and risks, a summary risk rating highlighting the risk rating on a sectoral basis of the proposed legislation from the point of view of FEASIBILITY and based on the four (4) dimensions of political economy, vested interests, budget/costs and agency/implementation was designed.

The summary risk rating rated feasibility as high risk in four sectors-competition and markets, transportation, business etc., and land use, conveyancing and construction, while another sector, infrastructure is rated medium to high risk. Three sectors-MSMEs access to finance, dispute resolution and contract enforcement and legislation, governance and regulation, are rated medium risk.

These ratings indicate the need for strong political will, active and sustained engagement and public education in order to see the proposed laws through to successful legislation.

As a result, a number of implications were identified and recommendations made.

Our findings confirm, consistent with global patterns, that the proposed business environment legislations are significantly positive for output (GDP), employment, incomes and poverty reduction. We project an output impact equivalent to an average of 6.87% of GDP over a 5-year period. The average annual growth in jobs is estimated at approximately 7.55 million additional employment as well as an average of 16.42% reduction in Nigeria's poverty rate. Over the projected 5 year period, these reforms may add an average of N3.76 Trillion to incomes (National Disposable Income was ₦85.62 trillion in 2014), equivalent to 4.39% of 2014 figures.

BACKGROUND AND PURPOSE

The Final Report of the **"Comprehensive Review of the Institutional, Regulatory, Legislative and Associated Instruments Affecting Businesses in Nigeria"** was produced by a team led by Professor Paul Idornigie, SAN under the auspices of UK-DFID's ENABLE2 and GEMS3 projects.

The Report was reviewed and substantially validated by discussants from the Nigeria Bar Association-Section on Business Law (NBA-SBL) and the Nigeria Economic Summit Group (NESG) on February 25, 2016.

The Report proposed legislative recommendations which if enacted will improve the business environment of Nigeria. The purpose of this Report is to present an Economic Impact Assessment of these legislative proposals recommended in the review for the next phase of the project which is the convening and establishment of the National Assembly Business Environment Roundtable (NASSBER).

The objective of this Report is to evaluate the feasibility and quantify the economic impact of the proposed legislations. The purpose of the feasibility is to analyse the ease, practicability and possibility (or likelihood) of successful accomplishment of the proposed legislations. This involves identifying issues and risks that may affect the passage of the recommended legislative initiatives and make recommendations to improve the possibilities of success. On the economic impact assessment, the objective is to assess and determine the benefits of applying the legislations in four key dimensions: job creation, income generation, economic growth and impact on the poor and women.

The "Comprehensive Review of The Institutional, Regulatory, Legislative and Associated Instruments Affecting Businesses in Nigeria" made the following recommendations:

- **Passage of Priority Reform Bills**
  - Federal Competition and Consumer Protection Bill 2015
  - Federal Roads Authority Bill 2015
  - Federal Inland Waterways Authority Bill 2015
  - National Roads Funds Bill 2015
  - National Transport Commission Bill 2015
  - Nigerian Ports and Harbours Authority Bill 2015
  - Nigerian Postal Commission Bill 2015
  - Nigerian Railway Authority Bill 2015
- **Review and Re-enactment of Priority Legislation**
  - Companies and Allied Matters Act
  - Investment and Securities Act
- **Establishment of a Federal Legislative Clearinghouse to harmonize existing and future legislative instruments.**
  - Bureau of Public Procurement (BPP) created under the Public Procurement Act 2007 and Infrastructure Concession and Regulatory Commission created under ICRC Act 2005 have conflicting provisions.
  - Powers of Nigerian Ports Authority under NPA Act 2004 conflicts with Nigerian Inland Waterways Act 2004

- Relationship between Consumer Protection Act (and CPC) and other laws conferring similar powers on other institutions such as under NCC Act 2003, EPSRA 2005, SON Act and NCAA Act are not clarified.
- Supreme Court has declared that the NTDC Act violates states' constitutional powers
- Jurisdiction of Tax Appeal Tribunal under FIRS Act 2007conflicts with constitutional mandate of Federal High Court

- **Passage of Legislation on Access to Finance and Property**

- Independent Warehouse Regulatory Agency Bill
- Secured Transactions in Movable Assets Bill
- National Development Bank of Nigeria Bill (to consolidate BoI, NBCI and NERFUND)
- Removal of Land Use Act from 1999 Constitution/Removal of Consent Requirement

- **Establishment of National Legislative Forum**

- To facilitate dialogue on legislation between Federal and State Governments and within States

- **Improving Commercial Dispute Resolution**

- Introduction of specialized Commercial Courts (like in Lagos State) by FCT and other states
- Passage of Arbitration and Conciliation Bill 2007 by Federal and States
- Introduction of Multi-Door Courthouses

- **Simplifying the Payment of Taxes**

- Enactment of Legislation to Streamline Tax Payments

- The Report also provided a Priority Rating of 54 existing legislation and 50 proposed bills currently before the National Assembly with a rating of High, Medium or Low Priority Rating for each which will be elaborated later on in this study.

NIGERIA'S SOCIO-ECONOMIC CONTEXT

Nigeria's GDP growth has averaged between 5 – 7% over the past decade. Economic growth averaged 5.31% from 2011 – 2014 reaching almost ₦80 trillion, but oil price declines, political risks related to the 2015 elections and policy errors and uncertainties saw growth decline to 2.79% in 2015.

In spite of strong economic growth however, Nigeria's social indicators remain very weak – youth literacy of 15 – 24 year olds, according to the World Bank was 66%, compared to 73% for Angola, 86% for Ghana, 82% in Kenya, and 99% in South Africa. Nigeria's performance is in fact below the sub-Saharan Africa average of 70%. Similarly Nigeria's infant mortality rate of 78 per 1,000 live births is worse than Ghana, Kenya and South Africa with 49, 49 and 33 respectively, and also worse than the sub-Saharan average of 64. Only 39% of Nigerian births are attended by skilled health workers versus 47% in Angola, 68% in Ghana, 44% in Kenya and 91% in South Africa. The sub-Saharan Africa average is 46%.

Clearly high rates of economic growth alone in Nigeria has not produced better human development or social indicators, and more is needed. The World Bank describes Nigeria's economy as characterised by "high growth but high poverty"!

Table 2.1: Huma Capital ad the MDGs - igeria ad African peers

	Nigeria	Angola	Ghana	Kenya	South Africa	Sub-Saharan Africa
Adjusted net enrollment rate, primary (% of primary school aged children	56	86	82	83	90	76
Literacy rate, youth (% of people aged 15-24)	66	73	86	82	99	70
Infant mortality rate (per 1,000 live births)	78	100	49	49	33	64
Under 5 mortality rate (per 1,000 live births)	124	164	72	73	45	98
Maternal mortality ratio (per 100,000 live births	630	450	350	360	300	500
Births attended by skilled health staff (% of total)	39	47	68	44	91	46

Note: Data are for most recent year available

Source: World Bank 2014e

The country's critical socio-economic challenge is to create jobs. As at 2011 and based on World Bank data, (See World Bank Report – ***"More, and More Productive Jobs for Nigeria: A Profile of Work and Workers"*** 2015) half of the country's workforce are engaged in low productivity agriculture, 14 million out of 53 million employed do not earn enough to escape poverty, 28million workers had less than primary education, and 17 million women and 8 million youths between 15 and 24 years old were neither working or in school.

Nigeria's socio-economic context makes it clear that reforms in the legislative, regulatory and institutional environment to improve economic competitiveness and the business environment are mandatory to redress these abject conditions. Those reforms need to be focused on the needs both of large and formal businesses and Micro, Small and Medium Enterprises (MSMEs) which create the larger number of jobs and contribute half of gross domestic product.

ISSUES AND RISKS

There are four (4) critical issues and risks to successful enactment of the proposed legislation across the eight aggregate sectors.

SECTORS	Political Economy	Vested Interests	Budgets/Costs	Agency/ Implementation
Competition and Markets	Powerful monopolies and Oligopolies are emerging across several sectors in Nigeria with increasingly strong political connections. Political institutions are weak and unable to restrain these powerful forces, who have prevented enactment of competition law since 1999	Businesses across sectors-cement, cable TV, sugar, banking, beverages and soft drinks etc. have a vested interest in preventing competition law. The petroleum refining sector may also be added once construction of a "super-refinery" is completed.	The main costs are legislative costs to enact the Federal Competition and Consumer Protection Authority AND to build the Agency's capacity especially in the competition and anti-trust law area (being hitherto focused only on consumer protection).	The current CPC is vastly under-resourced, even though its leadership is enthusiastic about consumer protection. The key implementation issue is bringing in capacity in competition law and ensuring adequate budgetary support
MSMEs Access to Finance	There is increasingly strong rhetoric about supporting MSMEs, even though actual policy reflects their low political influence as elite-focused programmes predominate	We do not envisage fierce opposition to enactment of Independent Warehousing Regulatory Agency Bill and Secured Transactions in Movable Assets Bill. The bill to combine BOI, NERFUND, NBCI may face more opposition by bureaucrats to protect turfs.	The two flagship bills involve setting up new agencies in a period of declining revenues and may face administrative, rather than political hurdles.	The key challenge will be to identify a "CHAMPION" for the 2 new bills/institutions. BOI has in recent years enjoyed an administrative lease of life, under (now-removed) MD/CEO .

SECTORS	Political Economy	Vested Interests	Budgets/Costs	Agency/ Implementation
Transportation	Several of the priority reform bills relate to the transport sector where perceived regional political and economic interests are strong. Such considerations may have delayed passage.	Many government agencies such as NPA, NIMASA, NRC, NIWA etc. may rightly or wrongly fear enactment of reform laws and prefer patronage-based legacy systems.	Apart from costs of legislation, political costs are high and new institutions (Federal Roads Authority, National Transport Commission, Nigerian Ports & Harbours Authority, Nigerian Railway Authority) have to be established.	Problems of willingness to embrace change will be strong in this sector as well as reluctance to embrace market-based reform postures. Issues of leadership and regulatory capacity will also be a big factor.
Infrastructure	Infrastructure is a major national challenge, but there is insufficient consensus on concessions, PPPs, privatisations and other competitive, market-based approaches.	Bureaucrats perceive a loss of power and budgets once market-based approaches are adopted. There are regional concerns over possible disparities in development once market viability determines infrastructure development	The fiscal costs are not substantial, mostly legislative in terms of clarifying roles between ICPC, BPE and National Procurement Commission.	The 3 "competing" agencies have fair capacity and enthusiasm for their roles and once role clarity is achieved should be able to implement their agendas with moderate support.
Business Formation, Operation, Finance, Investment and Securities	There is broad consensus in legal and legislative sectors for reform of CAMA, ISA etc. and in the executive for business environment and competitive reforms to improve investment climate. It is less evident whether political will to secure real improvements is present.	The major vested interests are regulatory agencies-CAC, SEC, FIRS, NIPC, National Copyright Commission, Immigration, Customs etc. and State Governments who have to increase efficiency and reduce "toll gates" which are "profitable" to those manning the toll gates!!!	Costs include legislative, technology-automation of operations and putting services on-line, simplifying procedures and hamonising taxes across states and categories	There will be challenges of willingness to change, leadership capacity and resource availability and allocation

SECTORS	Political Economy	Vested Interests	Budgets/Costs	Agency/ Implementation
Dispute Resolution and Contract Enforcement	The constraints with speedy and efficient dispute resolution are universally acknowledged. Lagos State has done simple steps to improve the process	Lawyers frequently use legal bottlenecks to delay justice when their clients are defendants, but also are soon on the other side.	Designating commercial courts are administrative acts by state Chief Judges. Costs of enacting ADR/Arbitration laws are merely legislative. Most costs are born by litigants.	Implementation challenges are likely to be modest.
Land Use, Conveyancing and Construction	The Land Use Act was inserted in the Constitution by the military emphasizing its geo-political significance. Land and building approvals confer power on state governors	State Governments State Land and Planning Bureaucracies Once NASS deletes Land Use Act from Constitution, it loses legislative power over land	Deletion of LUA from Constitution requires constitutional approval, an expensive, time-consuming and politically significant process.	The NASS appears willing to execute this (as done in 7th Assembly but not signed by President).
Legislation, Governance and Regulation	The establishment of FLCH and NLF will resolve issue of conflicting bills and acts and improve legislative process. Key risk is those bodies becoming legislative "mafias"	NASS and State Legislatures. Some state governors may be uncomfortable about cooperation between federal and state legislators	Costs are mostly with regulatory institutions in terms of improving service quality, leadership capacity and ensuring better regulation	The strongest resistance is envisaged from federal regulatory agencies who like the current "balance of power" which promotes corruption and abuse of power.

Based on all the identified issues and risks, a summary risk rating highlighting the risk rating on a sectoral basis of the proposed legislation from the point of view of feasibility and based on the four (4) dimensions was generated.

SECTORS	Political Economy	Vested Interests	Budgets/ Costs	Agency/ Implementation	Overall Risk Rating
Competition and Markets	H	H	M	H	**H**
MSMEs Access to Finance	M	L	M	M	**M**
Transportation	H	H	H	H	**H**
Infrastructure	M	H	H	M	**M-H**
Business etc.	M	H	H	H	**H**
Dispute Resolution and Contract Enforcement	L	M	M	L	**M**
Land Use, Conveyancing and Construction	H	H	H	M	**H**
Legislation, Governance and Regulation	M	M	M	H	**M**

This table summarizes risks to the successful enactment and implementation of proposed legislation as High (H), Medium (M) or Low (L) across the 8 aggregate sectors.

The summary risk rating rates feasibility as high risk in four sectors-Competition and Markets, Transportation, Business, etc., and Land Use, Conveyancing and Construction, while another sector, infrastructure is rated medium to high risk. Three sectors: MSMEs Access to Finance; Dispute Resolution and Contract Enforcement; and Legislation, Governance and Regulation are rated medium risk.

These ratings indicate the need for strong political will, active and sustained engagement and public education in order to see the proposed laws through to successful legislation.

Implications and Recommendations

Competition and Markets

It is important to design a public education component to draw attention to costs of anti-competitive and monopolistic actions on prices, efficiency and quality, and the implications for the economy in terms of poverty, employment and economic growth. The existing Consumer Protection Council should be brought in as a key ally and focus on its capacity in competition law and policy. The engagement with National Assembly leadership should be sustained and robust in this area.

MSMEs Access to Finance

It is important to identify champions in the National Assembly, Executive and Civil Society for these initiatives. It is also critical to secure the buy-in from Bank of Industry as well as the Ministry of Industry, Trade and Investment.

Transportation

The reform initiatives are politically sensitive and apart from the support of the National Assembly, engagement with the Ministry of Transportation and support of the Presidency is important. The project should anticipate some resistance from transport sector agencies. The interest of the Vice President's office in transport sector reform should be leveraged.

RISKS

Infrastructure

The Infrastructure Concession Regulatory Commission, Bureau of Public Enterprises and Bureau of Public Procurement are important stakeholders. It may be necessary to explore consensus from these institutions early in the process rather than have them advocate conflicting positions at the National Assembly.

Business Formation, Operation, Finance, Investment and Securities

The Nigerian Bar Association – Section on Business Law (NBA-SBL) must be kept on board throughout the legislative process to assure public interest and quality, and prevent distortion of reform provisions along the way.

Dispute Resolution and Contract Enforcement

The project may find a way to engage with States' Chief Judges and Governors to ease implementation of state-level reforms such as designation of commercial courts and the enactment of ADR/Arbitration laws in the states.

Land Use, Conveyancing and Construction

The deletion of Land Use Act from the Constitution, moderation of consent requirement and easing of building approval processes all impinge on powers and "privileges" of State Governors and removal of Land Use Act from the constitution requires constitutional amendment. All these require significant political will and continued engagement with the National Assembly and other stakeholders till the very end!

Legislation, Governance and Regulation

Federal regulatory agencies are strongly vested in the status quo! They need incentives and strong leadership to embrace proposed reforms. The structure and design of the Federal Legislative Clearing House and National Legislative Forum must ensure openness, transparency and access to all National Assembly members.

ECONOMIC IMPACT

Competition and Markets

The analysis on competition and markets was based on the following approach and steps:

s/n	Competition and Markets
1.	Establish global, regional and domestic benchmarks for implications and impact of absence of competition in economies and markets
2.	Focus analysis on 7 major/essential economic sectors (see below) with tenable hypothesis of monopolistic, duopolistic or oligopolistic characteristics-CEMENT, CABLE TELEVISION, SUGAR, BEER, SOFT DRINKS & BANKING
3.	Compare Price and Efficiency indicators in benchmark markets with the 7 focus sectors
4.	Based on and in addition to sectoral analysis, estimate economy-wide implications of uncompetitive markets using Nigerian macroeconomic data
5.	Present data and findings in both tabular and case study format for ease of communication and understanding.

Dominant Single Player	Two Dominant Players	Few Dominant Players
Cement	Beer	Banking
Cable Television	Soft Drinks	
Sugar		

Historical Roots of Competition Law and Policy: Sherman Anti-Trust Act

The Sherman Anti-Trust Act of 1890, the first and most significant of the U.S. antitrust laws, was signed into law by President Benjamin Harrison and is named after its primary supporter, Ohio Senator John Sherman.

The prevailing economic theory supporting antitrust laws in the United States is that the public is best served by free competition in trade and industry. When businesses compete fairly for the consumer's dollar, the quality of products and services increases while the prices decrease. However, many businesses would rather dictate the price, quantity, and quality of the goods that they produce, without having to compete for consumers. Some businesses have tried to eliminate competition through illegal means, such as fixing prices and assigning exclusive territories to different competitors within an industry. Antitrust laws seek to eliminate such illegal behavior and promote free and fair marketplace competition.

Until the late 1800s the Federal Government encouraged the growth of big business. By the end of the century, however, the emergence of powerful trusts began to threaten the U.S. business climate. Trusts were corporate holding companies that, by 1888, had consolidated a very large share of U.S. manufacturing and mining industries into nationwide monopolies. The trusts found that through consolidation they could charge monopoly prices and thus make excessive profits and large financial gains. Access to greater political power at state and national levels led to further economic benefits for the trusts, such as tariffs or discriminatory railroad rates or rebates. The most notorious of the trusts were the Sugar Trust, the Whisky Trust, the Cordage Trust, the Beef Trust, the Tobacco Trust, John D. Rockefeller's Oil Trust (Standard Oil of New Jersey), and J. P. Morgan's Steel Trust (U.S. Steel Corporation).

Consumers, workers, farmers, and other suppliers were directly hurt monetarily as a result of the monopolizations. Even more important, perhaps, was that the trusts fanned into renewed flame a traditional U.S. fear and hatred of unchecked power, whether political or economic, and particularly of monopolies that ended or threatened equal opportunity for all businesses.

The public demanded legislative action, which prompted Congress, in 1890, to pass the Sherman Act. The Act was followed by several other antitrust acts. All of these Acts attempt to prohibit anticompetitive practices and prevent unreasonable concentrations of economic power that stifle or weaken competition. *(Culled from encyclopedia.com)*

Global Insights on Impact of Competition Legislation

A report by United Nations Conference on Trade and Development (UNCTAD) on “The Effects of Anti-Competitive Business Practices on Developing Countries and their Development Prospects” in 2008 brought together comprehensive research by eminent global scholars, economists and competition law and policy practitioners on impact of anti-competitive actions on developing economies such as Nigeria.

That report provides a robust basis for understanding the impact of absence of competition law and policy on Nigeria, and the beneficial impact legislative reform will have on the Nigerian economy and its people.

“In economic theory, however, the objection to monopoly is not only that the monopolist is able to charge excessively and reduce production, but also that monopoly is inefficient. The inefficiency arises out of higher costs, for example, through higher remuneration and excessive staff. A monopolist may also waste resources by maintaining excess capacity…”

“In the United States, in a contemporaneous review of the deregulation of natural gas, long-distance telecommunications, airlines, trucking and rail, it was reported that real prices dropped by at least 25 percent and sometimes close to 50 percent within ten years of deregulation in those industries. The annual value of consumer benefit from such deregulation was estimated to be approximately US$5bn in the long distance telecommunications industry, US$19.40bn in the airline industry, and US$9.10bn in the rail industry. At the same time, there were improvements in the quality of service.”

A study by the Australian Productivity Commission quoted by the OECD, estimates that Australian household "annual incomes are, on average, around $7,000 higher as a result of competition policy". The same OECD document also quotes a study that estimates that pro-competition policy developments in New Zealand and the United Kingdom have added around 2.5 percentage points to their employment rate over the 1978-1998 period; countries with more modest reforms, such as Greece, Italy and Spain added only 0.5-1 percent to the employment rate. Another study finds that "reforms promoting private governance (i.e. privatization) and competition tend to boost productivity in India, economic reforms comprising, inter alia, of liberalization, privatization and pro-competition policies were introduced since the early 1990s. As these reforms took effect, economic growth surged and consumer sovereignty has asserted itself"

A World Trade Organization (WTO) report observes: "There are reasons to believe that developing economies tend to be more vulnerable to anti-competitive practices than developed countries. The reasons include high "natural" entry barriers due to inadequate business infrastructure, including distribution channels, and (sometimes) intrusive regulatory regimes; asymmetries of information in both product and credit markets; and a greater proportion of local (non-tradable) markets. Thus it may be particularly important to protect consumers in developing countries against cartels, monopoly abuses, and the creation of new monopolies…"

The Nigerian Experience

The Era of "Arm Chair" Banking

Nigerian banking until the industry's liberalization in the mid-1980s to 1990s was uncompetitive and prices (interest rates and commissions) were fixed. The introduction of competition vastly improved service quality, made commissions negotiable (and lower) and generally transformed the sector, benefiting the consumer.

However, these benefits are limited, especially from the point of view of MSMEs because the sector remains oligopolistic.

Competition in Telecommunications and "Per Second" Billing

Imagine what telecommunications services and tariffs would have been in Nigeria if only one operator had been given a GSM license in 2001?

We would probably not have had "per second" billing; sim cards would probably cost ₦20,000.00 and tariffs would probably be at least 50% higher than they are today!!!

Remember NTA, FRCN and Daily Times Monopolies in Media?

Consider the transformation of Nigeria's media and broadcast landscape through competition from state and private radio, TV and newspapers?

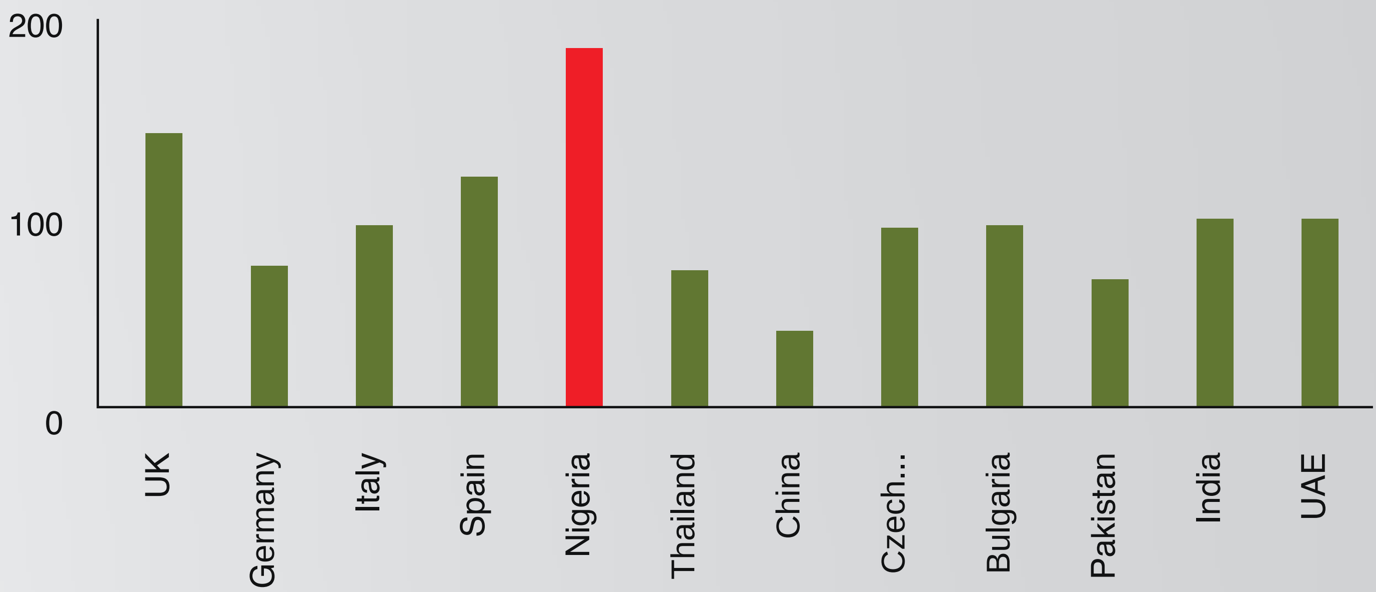
There are also multiple examples from the licensing of private universities, deregulation of domestic aviation which brought in several private airlines, and competition in the private courier industry which illustrate the benefits of competition in markets.

Case Studies

Cement

PanAfrican Capital Plc

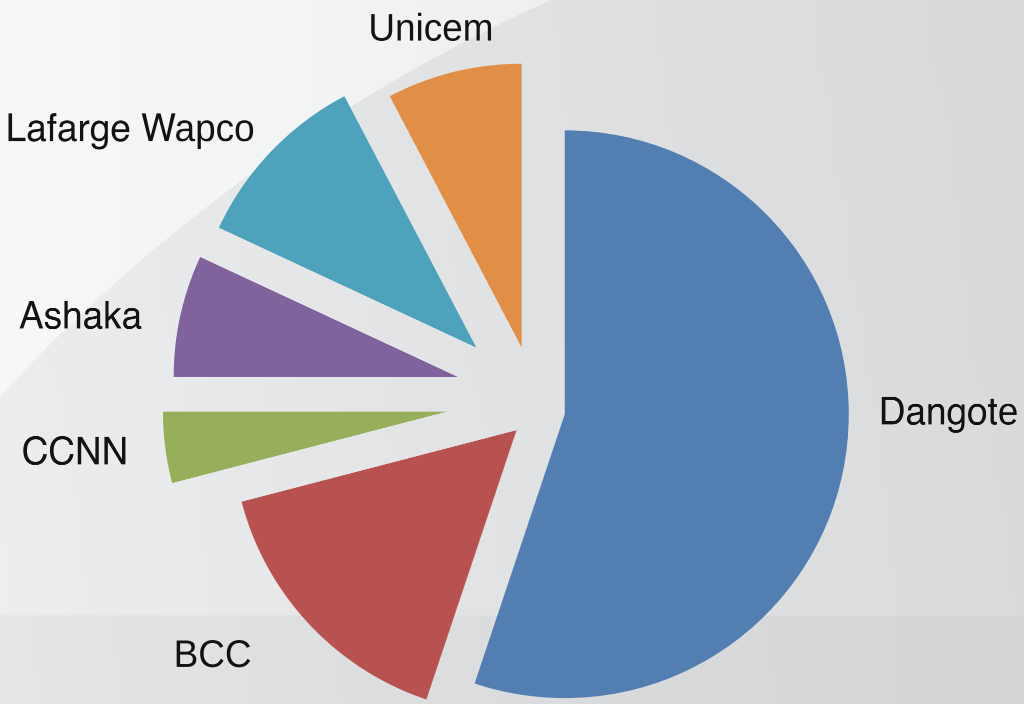
Figure 5: Average Cement Price for Selected Countries



Source: Dangote Cement Company

“Dangote controls about 60 percent of the cement market share while other manufacturers share the remaining 40 percent” (*Note that this reflects the situation before the formal merger of BCC with other Dangote Cement companies)*

Figure 4: Cement Manufacturers and their Market Share



Source: Industry Sources, PAC Capital Research Estimates

Nigerian Cement Industry Report April 2011 by Pan African Capital Plc

Banking (“Systemically Important Banks”)

On September 5, 2014, the CBN released a “Framework for the Regulation and Supervision of Domestic Systemically Important Banks (SIBs) in Nigeria” effective March 1, 2015.

CBN stated that the “eight (8) largest banks accounted for more than 70% of the total industry assets”, a regulatory re-confirmation of the oligopolistic structure of Nigerian banking. Note that CBN’s objectives in designing the framework focused on financial system stability, risk management and not necessarily a concern for anti-competitive outcomes.

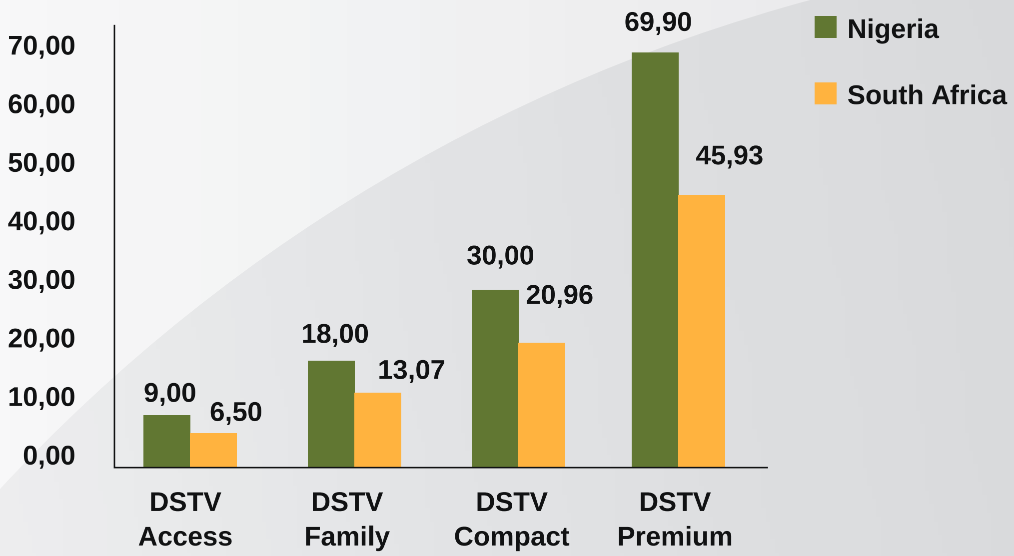
Sugar (“Sweet Sugar”)

The Nigerian Sugar Masterplan developed by National Sugar Development Council (NSDC) says Nigeria supplies only 2-3% of the nation’s sugar requirement, while 97-98% is imported! Imports rose from 0.7 million metric tons in 2003 to 1.3 million tons by 2009!!!

Anecdotal and industry sources suggest an overwhelming majority of sugar imports are by the Dangote Group which is also investing heavily in domestic sugar production.

Cable Television

Comparative Analysis of DSTV Prices (US $): Nigeria vs South Africa



A comparative study of DSTV prices in Nigeria and South Africa reveal that prices in Nigeria are higher on every bouquet than in South Africa. The analysis focused only on comparisons with South Africa because other African markets lack the scale and size to act as an effective comparison to the Nigerian market. The study however does not discount possible theoretical explanations for the price disparity, such as higher operating costs.

Quantitative Analysis

Competition

Based on global research, conservative estimates of economic impact of a competition regime in the seven (7) focus sectors in Nigeria on the four impact dimensions were established as follows:

s/n	Indicator	Global Benchmark	Conservative Nigeria Impact*
1.	Prices (Income Effect)	25-50%	10%
2.	Employment	2.5%	2.5%
3.	Growth	5.0% (Average post-reform + growth in India)	2.5%
4.	Pro-Poor/Women (Mirroring Employment Impact)	2.5%	2.5%

Also, an economy-wide impact of 1% on all four indicators based on the potential for competition legislation to foster increased competition and competitive sectors and markets across the economy, with the economic benefits revealed in the research was assumed.

Competition law and policy is based on clear insights from economic history that public interest in best served by free competition in trade and industry. Competition amongst producers and suppliers improves quality, increases efficiency and results in lower (“more competitive”) prices. Competition laws attempt to prevent anti-competitive practices and unreasonable concentrations of economic power that stifle, restrain or weaken competition. Global research suggests that real prices drop by between 25-50% as a result of competition and deregulation in previously uncompetitive industries and quality of service also improves. Research also suggests an approximately 2.5% increase in employment as well as significant economic growth (India for instance grew by an average post-reform differential growth of 5%). Based on these global research evidence, it is conservatively assumed that proposed competition law enactment may result in a 10% reduction in prices in uncompetitive sectors and a 1% economy-wide price reduction, both of which manifests as an income effect, especially for poor households. 318,021 additional employment over 5 years, with average yearly job creation of 63,604 and total income effect estimated at an average of N148.30bn yearly and N741.52bn over a 5 year period is also projected. The resultant reduction in poverty, greater employment and lower prices may precipitate an 11.8% reduction in relative poverty over a 5-year period

	2015	2016	2017	2018	2019	2020
Focused Sectors (N'Bn)	6,376.75	6,617.79	6,950.67	7,340.60	7,752.41	8,187.32
Other Sectors	62,647.18	65,015.24	68,285.51	72,116.33	76,162.05	80,434.74
Impact of Reforms on Focused sectors and Overall GDP (Based on 2.5% growth impact on focused sectors and 1% on others)	815.6	856.62	904.68	955.43	1,009.03	
Employment in Focused Sectors Based on Reforms	2,420,101	2,480,604	2,542,619	2,606,184	2,671,339	2,738,122
Additional Employment		60,503	62,015	63,565	65,155	66,783
PCI	375,195.31	412,714.84	453,986.33	499,384.96	549,323.45	604,255.80
Income Generated (N'Bn)	908.01	1,023.78	1,154.31	1,301.49	1,467.43	1,654.53
Growth in Income Generated (N' Bn)		115.77	130.53	147.18	165.94	187.10
Absolute No of Poor Women based on 2.5% Reduction Rate (Competition Impact) (' Million)	65.17	63.54	61.95	60.40	58.89	57.42
Reduction in number of poor women (' Million)		1.63	1.59	1.55	1.51	1.47
2.5% Reduction in Size of Relative Poor (' Million)	132.46	129.15	125.92	122.77	119.70	116,71
Reduction in number of Relative Poor (' Million)		3.31	3.23	3.15	3.07	2.99
Notes:-						
Women Population based on 49.2% share of Total Population ('Million)	90.51					
Pro-Poor Women based 72% Poverty Rate (' Million)	65.17					
Poor (' Million)	132.46					

MSMES Access to Finance

There are 37,067,416 MSMEs in Nigeria contributing 48.47% of GDP and employing 59,741,211 persons representing 84.02% of the labour force (NBS/SMEDAN Report on MSMEs 2013). We project conservatively that removing constraints to MSME access to finance through proposed legislative initiatives would result in a 50% increase in capital available to MSMEs as well as improvements in MSME productivity, employment and income. The impact of increased capital (based on the relationship between MSME capital and productivity in 2012-2013) will lead to an average of 1.57 million jobs yearly with income growing by an average of 5% per annum.

	2015	2016	2017	2018	2019	2020
MSME Contribution to GDP (%)	48.47	49.97	51.47	52.97	54.47	55.97
Real GDP (N'Tn)	69.02	71.63	75.24	79.46	83.91	88.62
Real GDP Growth (NBS) (%)		3.78	5.03	5.61	5.61	5.61
Size of MSMEs (N'Tn)	33.46	36.51	40.23	44.47	49.06	54.03
Investment Size of MSMEs (N'Tn)	4.36	6.54	9.81	14.71	22.07	33.10
% Growth in Size of MSMEs (based on increased investment size and NBS Projected Growth Rate)		6.99	8.18	8.69	8.60	8.52
% Growth in Size Based on Increased Investment Size		3.21	3.15	3.08	2.99	2.91
Growth in MSME Size (N'Tn) (Based on investment Size)		1.07	2.39	2.99	3.43	3.69
Employment Size (' Million)	59.74	61.23	62.77	64.33	65.94	67.59
Additional Employment (' Million)		1.49	1.53	1.57	1.61	1.65
Per Capita Income (PCI)	375,191.23	379,512.77	388,476.15	399,904.00	411,627.88	423,704.63
Income Size (N'Tn)	22.41	23.24	24.38	25.73	27.14	28.64
Additional Income (N' Tn)		0.82	1.14	1.34	1.42	1.49
Growth Rate of Income Size(%)		3.68	4.92	5.52	5.50	5.51
No of Poor Women based on 2.5% Reduction Rate (MSME Reform Impact)	65,168,693	62,770,485	59,682,177	56,387,721	53,286,396	50,350,315.95

Transport and Infrastructure

Our analysis relied on the following global benchmarks and the Nigeria Integrated Infrastructure Master Plan 2015.

1. **"A 1% increase in the stock of public capital (i.e. infrastructure) would lead to a 0.08% increase in GDP.** *Source: IFC Economic Note 1 of April 2012 on "The Impact of Infrastructure on Growth in Developing Countries" by Anthonio Estache and Gregoire Garsous (based on a meta-analysis of existing research).*

2. **"Investments in infrastructure (electricity, water, transport and communications) produced a multiplier of 0.5 (3-5% increase in jobs in developing economies.** *Source: IFC Economic Note 4 of April 2012 titled "The Scope for an Impact of Infrastructure Investments on Jobs in Developing Countries" (Same Authors)*

3. **Nigeria's National Integrated Infrastructure Master Plan (NIIMP) 2015 projected investments of $166bn in infrastructure in the first five-year period.**

Transportation

Analytical Approach

s/n	Transportation
1.	Review NBS and CBN data on contribution of transportation sector to jobs, GDP, investment and infrastructure stock
2.	Review global indicators and benchmarks of contribution of transportation sector
3.	Estimate Nigerian transportation sector gaps in terms of economic efficiency, output (GDP), investment and jobs relative to global equivalents
4.	Project impact of proposed legislation on transportation sector development
5.	Assess and compute economic impact of projected improvements

s/n	Dispute Resolution
1.	Leverage DB2016 report to extract negative impact in terms of days and costs of current commercial dispute resolution constraints
2.	Estimate potential benefits in terms of days and cost reduction of proposed initiatives relative to DB 2016
3.	Compute economy-wide benefits utilising national GDP data

Impact

The Nigerian Integrated Infrastructure Master Plan (NIIMP) assumes $166bn total investment in infrastructure, out of which 26% is expected in transportation, with the private sector contributing 48%. Evidence from IFC research indicates that a 1% increase in infrastructure produces a 0.08% increase in GDP and infrastructure investments result in a 0.5 multiplier (3-5% increase) in jobs. An average of 87,384 new jobs in the sector over the next 5 year period is projected and income growth averaging 7%. These changes may contribute towards a 2.5% reduction in poverty rate and a significant positive impact on sectoral GDP.

	2015	2016	2017	2018	2019	2020
Current & Projected Transportation Investment (N' Bn)-NIIMP	230.0	209.12	418.25	1,254.74	1,254.74	1,045.61
Transport Sector Real GDP (N'Bn) (NBS)	805.46	845.73	892.24	945.78	1,002.52	1,062.68
Transport Reform Impact (0.08% increase in GDP on additional 1% spending in transport infrastructure) (N' Bn)	805.46	859.59	894.56	1,213.41	1,645.91	2,112.84
Growth in Transport Real GDP (N'Bn)		34.13	54.97	318.85	432.50	466.92
Employment Size in Transport Sector (Based on 4% average impact) (' Million)	2.01	2.10	2.18	2.27	2.36	2.45
Additional Employment		80,667	83,894	87,250	90,740	94,369
Real Per Capita Income (Transport Sector)	375,191.23	389,000.58	398,208.62	409,901.60	421,918.57	434,297.25
Income Size (N'Bn)	756.64	815.87	868.59	929.86	995.40	1,065.59
Growth Rate (%)		7.83	6.46	7.05	7.05	7.05
Additional Income (N'Bn)		59.23	52.72	61.26	65.55	70.1
No of Poor Women based on 2.5% Reduction Rate Transport Reform Impact (' Million)	65.17	63.54	61.95	60.40	58.89	57.42
Reduction in number of poor women (' Million)		1.63	1.59	1.55	1.51	1.47
2.5% Reduction in Size of Relative Poor (' Million)	132.46	129.15	125.92	122.77	119.70	116.71
Reduction in number of Relative Poor (' Million)		3.31	3.23	3.15	3.07	2.99

Infrastructure

Analytical Approach

s/n	Infrastructure
1.	Review Nigerian and Multilateral Reports on Nigeria's infrastructure gap AND required annual and cumulative investments
2.	Based on projected impact of proposed legislation, estimate economic impact of proposed legislation on investment, jobs, output and income

Impact

Projections for other infrastructure – energy, ICT, agriculture, water and mining, housing and social infrastructure – is also based on NIIMP and the global benchmark that a 0.08% increase in GDP results from every 1% investment in infrastructure. However, the conservative assumption is only 40% performance of NIIMP private sector investment targets, based on current economic conditions and unclear policy. The results include additional cumulative employment of 15 million through a 5-year period with 80% average growth in per capita income.

	2015	2016	2017	2018	2019	2020
Infrastructure Investment (N'Bn)-NIIMP	770.00	943.87	943.87	943.87	943.87	943.87
Real GDP (NBS Projections) (N' Tn)	69.02	71.63	75.24	79.46	83.91	88.61
Infrastructure Reform Impact on GDP (Based on 0.08% growth on 1% increase in infrastructure spending)		0.018	0.018	0.018	0.018	0.018
Infrastructure Reform Impact on GDP (Based 0.08% growth on 1% increase in infrastructure spending) (N' Tn)		1.29	1.36	1.44	1.52	1.60
Employment Size (' Million)	16.69	17.45	18.98	23.57	28.16	31.99
Additional Employment Created		765,000.00	1,530,000	4,590,000	4,590,000	3,825,000
Population	183.97	188.75	193.67	198.69	203.86	209.16
Real Per Capita Income (PCI)	375,169.86	384,050.65	401,507.72	479,641.65	601,491.22	718,493.02
Real PCI Based on Additional Employment Created (N' Bn)		293.80	614.31	2,201.56	2,760.84	2,748.24
Impact on Poor (5% reduction) (' Million)	132.46	125.83	119.54	113.57	107.89	102.49
Reduction in number of Poor (' Million)		6.62	6.29	5.98	5.68	5.39
Impact on Pro Poor Women based on 5% reduction (' Million)	65.17	61.91	58.81	55.87	53.08	50.43
Reduction in Pro Poor Women (' Million)		3.26	3.10	2.94	2.79	2.65

Note: Infrastructure investment is based on NIIMP assumption of US$ 166.1 Bn in 5 years (26.23% for Transport) with 48% required from the private sector. We discounted this assumption assuming 40% implementation based on current conditions averaged over 5 years.

Business Formation, Operation, Finance, Investment and Securities Dispute Resolution and Contract Enforcement Land Use, Conveyancing and Construction

We combine the analyses for the next three sectors which are covered by the ten (10) indicators in the Doing Business 2016 Report.

Analytical Approach

s/n	Business Formation, Operation, Finance, Investment and Securities
1.	Leverage Doing Business 2016 (and previous DB reports) to extract the problems and costs to businesses of constraints in relation to business formation, operations, payment of taxes, raising capital and investment, protecting intellectual property etc.
2.	Use macroeconomic reports including NBS GDP and multilateral data to estimate size of Nigeria's non-MSME business and commerce sector
3.	Project qualitative and quantitative impact of proposed legislation on business and commerce in Nigeria
4.	Estimate impact of those improvements in terms of jobs, incomes, GDP growth and pro-poor and women outcomes
5.	Compute economy-wide impact of proposed legislation and initiatives

s/n	Dispute Resolution
1.	Leverage DB2016 report to extract negative impact in terms of days and costs of current commercial dispute resolution constraints
2.	Estimate potential benefits in terms of days and cost reduction of proposed initiatives relative to DB 2016
3.	Compute economy-wide benefits utilising national GDP data

s/n	Land Use, Conveyancing and Construction
1.	Leverage DB 2016 report, estimate total costs in terms of days and money of processing land transactions and securing construction permits
2.	Project improvements based on proposed legislation and improvements
3.	Compute economy-wide cost-reductions and growth implications of proposed initiatives

The 10 indicators of the Doing Business 2016 Report which underpinned the Business Environment Report cover these three sectoral classifications adequately: ***starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.***

The key analytical indicator is the Doing Business "Distance to Frontier" (DTF) Measurement. "Distance to Frontier" score illustrates the distance of an economy to the "frontier" which represents the best performance observed on each Doing Business topic.

Global research covering 135 countries and applied in the context of a developing economy (Egypt) suggests that movement from the last quartile to the top quartile on DB would produce a 2.3% growth in GDP, implying that a 10 point improvement in DTF score would produce at least a 0.23% GDP growth. ***(Source: "Assessing the Impact of Doing Business Indicators on the GDP Growth in Egypt" by Ashraf S. E Saleh International Journal of Research in Social Sciences December 2013 Vol. 3 No.4)***

Conceptual Overview

- Nigeria's DTF score is currently 44.69.
- For the purpose of analysis, we benchmark improvements in the DTF score against comparator countries over the next 5 years as follows: -

s/n	Country	Current DTF Score	Nigeria Benchmark Year
*	Nigeria	44.69	2015
1.	India	54.68	2016
2.	Kenya	58.24	2017
3.	Zambia	60.50	2018
4.	South Africa	64.89	2019
5	Rwanda	68.12	2020

Impact

Based on Doing Business "Distance to Frontier" scores benchmarked against African and developing country comparators over a 5 year period, it is projected that Nigeria can improve its DTF score from 44.69 in 2015 to 68.12 by 2020, equivalent to Rwanda's current score. Benchmark economies over the period include India (54.68), Kenya (58.24), Zambia (60.50) and South Africa (64.89) before reaching Rwanda's current score of 68.12 by 2020. Global research covering 135 countries and applied in a developing country context (Egypt) suggests that movement from the last quartile to the top quartile on Doing Business would produce a 2.3% increase in GDP implying that a 10-point improvement in DTF score would produce at least 0.23% growth in GDP. Based on this benchmark, these improvements in business environment are projected to impact GDP by average of 5.15% growth per annum, boost per capita income by an average of 2.49%; and contribute towards a 2.5% reduction in poverty annually.

	2015	2016	2017	2018	2019	2020
Real GDP (N' Tn)	69.02	71.63	75.24	79.46	83.91	88.62
NBS Projected Growth Rate		3.78	5.03	5.61	5.61	5.61
Distance to Frontier Score(Doing Business 2016)	44.69	54.68	58.24	60.5	64.89	68.12
Real GDP Impact of Improved Distance to Frontier (10 points improvement in frontier score results in 0.23% growth in GDP) (N' Tn)	69.02	72.00	75.35	79.53	84.05	88.72
Percentage Growth Rate (%)		4.31	4.65	5.55	5.69	5.55
Growth in GDP based on improved DTF (N' Bn)		368.30	112.66	70.92	140.05	101.46
Employment Created based on improved DTF (Based on 1% growth in GDP resulting in 537,511 jobs) Computed based on 2013 GDP/Labour data		2,318,595	2,499,013	2,981,149	3,059,472	2,985,737
Population (' Million)	183.97	188.75	193.66	198.69	203.86	209.16
Real Per Capita Income (PCI) (N)	375,191.23	381,464.00	389,077.96	400,260.92	412,314.85	424,189.71
PCI Growth		1.67	2.00	2.87	3.01	2.88
No of Poor Women based on % improvement in Income (' Million)	65.17	64.08	62.80	61.00	59.16	57.46
No of Relative Poor (Reduction) Based on Income Growth (' Million)	132.46	130.24	127.64	123.98	120.24	116.78

Legislation, Governance and Regulation

The National Assembly Budget Proposal for 2016 is N115Bn. The budget is allocated equally across 4 (economic) value-adding outputs: appropriation, representation and oversight (including approval of executive appointments), legislation and constitutional amendment. In addition, 75% of the legislative cost to these legislative proposals in view of their importance resulting in a notional cost of ₦21.56 billion is allocated.

National Assembly Activity	Weight	N' Bn
Appropriation	**25%**	**N 28.75**
Representation and Oversight (Including Appointments)	**25%**	**N 28.75**
Legislation	**25% (Based on importance of proposed reform legislation, we "generously" allocate 75% of budget for legislation to this reform initiative)**	**N28.75 (N 21.56)**
Constitutional Amendment	**25%**	**N28.75**

Note-the benefits of "better regulation" have been accounted for under business etc. combined sectoral analysis leaving us with legislative costs to prevent double-counting

We project a maximum **notional** cost of these legislative proposals at N21.56 billion, assuming they are passed in the 2016 legislative session, which is equivalent to 0.03% of 2016 projected real GDP. Relative to the projected benefits, this cost is negligible (and is a sunk cost i.e. the cost will be incurred whether or not the laws are enacted!).

Even if the cost is projected over multiple legislative sessions over the life of the 8th National Assembly, this cost remains insignificant.

Overall Economic Impact

Our findings confirm, consistent with global patterns, that the proposed business environment legislations are significantly positive for output (GDP), employment, incomes and poverty reduction.

We project an output impact equivalent to an average of 6.87% of GDP over a 5-year period. The average annual growth in jobs is estimated at approximately 7.55 million additional employments, as well as an average of 16.42% reduction in Nigeria's poverty rate.

Over the projected 5 year period, these reforms may add an average of N3.76 Trillion to incomes (National Disposable Income was N85.62 trillion in 2014), equivalent to 4.39% of 2014 figures.

Summary Table-Overall Economic Impact

Indicators	2016	2017	2018	2019	2020
GDP Growth from Reforms (N'Bn)	3,586.54	4,776.53	5,722.13	6,474.99	6,868.82
Real GDP Size (N'Bn)	71,633.03	75,236.18	79,456.93	83,914.46	88,622.06
Reform Impact Relative to Real GDP (%)	5.01	6.35	7.20	7.72	7.75
Employment (' million)	4.72	5.71	9.29	9.41	8.62
Income (N' Tn)	2.18	2.90	4.55	4.70	4.50
Reduction in Poverty (%)	15.35	16.92	18.39	18.51	13.39

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APPENDIX 1-NOTE ON "DISTANCE TO FRONTIER"

"Distance to Frontier"

The distance to frontier score aids in assessing the absolute level of regulatory performance and how it improves over time.

This measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005.

This allows users both to see the gap between a particular economy's performance and the best performance at any point in time and to assess the absolute change in the economy's regulatory environment over time as measured by Doing Business.

An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. For example, a score of 75 in DB 2015 means an economy was 25 percentage points away from the frontier constructed from the best performances across all economies and across time. A score of 80 in DB 2016 would indicate the economy is improving.

In this way the distance to frontier measure complements the annual ease of doing business ranking, which compares economies with one another at a point in time.

Source: World Bank Group

APPENDIX 2 – CATEGORISATION OF ACTS AND BILLS INTO SECTORS

Competition and Markets

- Federal Competition and Consumer Protection Bill 2015 (H)
- Public Enterprises (Privatisation and Commercialisation) Act (H)
- Price Control Act (M)
- Nigerian Oil and Gas Industry Content Development Act (L)
- Petroleum Products Pricing and Regulatory Agency Act (L)
- Public Enterprises Regulatory Commission Act (L)
- Consumer Protection Council Act (L)

MSMEs

- Small and Medium Scale Enterprises Development Agency of Nigeria Act (L)
- Independent Warehouse Regulatory Agency Bill (H)
- Secured Transactions in Movable Assets Bill (H)
- National Development Bank of Nigeria Bill (H)
- Nigeria Agricultural Processing Zones Bill 2015 (L)
- Nigerian Metallurgical Industry Bill (L)
- Nigerian Solid Minerals Development Bank Bill (Establishment) 2015 (L)
- Small and Medium Scale Enterprises Development Agency of Nigeria Act (L)
- Independent Warehouse Regulatory Agency Bill (H)
- Secured Transactions in Movable Assets Bill (H)
- National Development Bank of Nigeria Bill (H)

- Nigeria Agricultural Processing Zones Bill 2015 (L)
- Nigerian Metallurgical Industry Bill (L)
- Nigerian Solid Minerals Development Bank Bill (Establishment) 2015 (L)

Transportation

- Federal Roads Authority Bill 2015 (H)
- National Inland Waterways Bill 2015 (H)
- National Road Funds Bill 2015 (H)
- National Transport Commission Bill (H)
- Nigerian Ports And Harbours Bill 2015 (H)
- Nigerian Railway Authority Bill 2015 (H)
- Coastal And Inland Shipping (Cabotage) Act (H)
- Nigerian Civil Aviation Act (H)
- Nigerian Ports Authority Act (H)

Infrastructure

- Infrastructure Concession and Regulatory Commission (Est.) Act (H)
- Nigerian Postal Commission Bill (H)
- Nigerian Public Procurement Act (H)
- Federal Housing Authority Act (H)
- National Housing Fund Act (H)
- Federal Government Housing Act (H)
- Federal Mortgage Bank Act (H)
- Mortgage Institutions Act (H)
- National Information Technology Development Agency Act (H)
- National Office for Technology Acquisition and Promotion Act (L)
- Petroleum Technology Development Fund (L)
- A Bill for the Bio-fuels Energy Policy Act (H)
- Hydroelectric Power Producing Area Development Commission Act (Amendment) Bill 2015 (M)

- Chartered Institute of Management Information Technology Bill 2015 (L)
- Energy Commission Act (Amendment) Bill 2015 (L)
- Integrated Infrastructure Development Bill 2015 (L)

Business Formation, Operation, Finance, Investment & Securities

- Companies and Allied Matters Act (H)
- Investment and Securities Act (H)
- Companies Income Tax Act (H)
- Copyright Act (H)
- Federal Inland Revenue Act (H)
- Nigerian Investment Promotion Commission Act (H)
- Nigerian Minerals and Mining Act (H)
- Nigerian National Petroleum Corporation Act (H)
- Patents and Designs Act (H)
- Petroleum Act (H)
- Petroleum Profits Tax (H)
- Taxes and Levies (Approved List for Collection) Act
- Pension Reform Act (H)
- Deep Offshore and Inland Basin Production Sharing Contracts Act (M)
- Foreign Exchange (Monitoring and Miscellaneous Provisions) Act (L)
- Customs and Excise Management Act (L)
- Immigration Act (L)
- Labour Act (L)
- Nigeria Export Processing Zones Act (L)
- Nigeria Export Promotion Act (L)
- Pension Reform Act (L)
- International Trade Commission of Nigeria Bill 2015 (H)
- National Payment System Bill 2015 (H)

- National Security Tax Fund Bill (H)
- Oil and Gas Export Free Zone Act CAP 05 LFN 2011 (Amendment) Bill 2015 (H)
- Petroleum Refineries (Incentives, Regulation and Miscellaneous Provision) Bill 2015 (H)
- Secured Transactions in Movable Assets Bill (H)
- Abuja Metropolitan Management Council Bill 2015 (M)
- National Fertilizer Bill 2014 (M)
- National Planning Process Bill 2015 (M)
- Nigeria Industrial Revolution Plan Bill 2015 (M)
- Nigerian Tourism Development Corporation (Amendment) Bill 2015 (M)
- Chartered Institute of Capital Market Registrars (Establishment) Bill 2015 (L)
- Deep Offshore and Inland Basin PSC Bill (L)
- Deep Offshore and Inland Basin Production Sharing Contract Act CAP D3 LFN 2004 (Amendment) Bill 2005 (L)

Land Use, Conveyancing and Construction

- Land Use Act (H)
- Nigerian Urban and Regional Planning Act (L)
- National Agricultural Land Development Authority Act (Amendment) Bill 2015 (L)

Legislation, Governance and Regulation

- Federal Legislative Clearing House
- National Legislative Forum
- Standards Organization of Nigeria Act (M)
- Animal Diseases (Control) Act (M)
- Environmental Impact Assessment Act (L)
- Food and Drugs Act (L)
- National Agency for Food and Drugs Administration and Control Act (L)
- Counterfeit and Fake Drugs and Unwholesome Processed Foods (Miscellaneous Provisions) (Amendment) Bill 2015 (H)
- Nigeria Agricultural Quarantine Service (Establishment) Bill 2015 (H)

- National Environmental Standards and Regulatory Enforcement Agency Act (L)
- Petroleum (Special) Trust Fund Act (L)
- Petroleum Equalization Fund (Management Board etc.) Act (L)
- Nigerian Independent Warehouse Regulatory Agency (Est., etc.) Bill 2015 (H)
- Central Bank of Nigeria Act (Amendment) Bill 2015 (M)
- Chartered Institute of Facilities Management of Nigeria Bill 2015 (M)
- Environment Health Control Bill 2015 (M)
- Trade Malpractice (Miscellaneous Offences) Act (Amendment) Bill 2015 (L)

METHODOLOGY & CONCEPTUAL APPROACH

The methodology and conceptual approach adopted in carrying out the analyses involved a careful and detailed review of the final report of the comprehensive review by Professor Idornigie's team. The next step was to classify all the existing and proposed legislation highlighted as high, medium or low impact under the comprehensive review into eight (8) economic sectors to facilitate analysis in the form of an economic impact analysis as required under the letter of engagement and terms of reference.

These sectors then provided the units of analysis under which the analysis in terms of both feasibility and economic impact were assessed. As designed by the assignment design, feasibility was measured in terms of political economy, vested interests (commercial and civil), budgetary provisions/costs and agency/implementation while economic impact was projected in four (4) dimensions-output (GDP growth), incomes, jobs and impact of the poor and women.

Activity Sequence

Review Final **Report of Comprehensive Review of The Institutional, Regulatory, Legislative and Associated Instruments Affecting Businesses in Nigeria** to extract proposed legislation and initiatives

- Review Terms of Reference and Letter of Engagement dated March 2, 2016 to extract key task elements including project vision, purpose and activities.
- Brainstorm on methodology and framework design of the proposed legislations and initiatives
- Design and Document Analytical Framework
- Discuss Analytical Framework with ENABLE2 Team
- Research, Literature Review and Economic Data Gathering
- Leverage data from Doing Business 2016, SMEDAN/NBS Research Report on MSMEs 2013, NBS, CBN, FGN, Industry and Sector Reviews, and Global Economic and Industry Reports and Benchmarks
- Populate Framework and Carry Out Data Analysis and Processing
- Review Initial Outputs and Findings
- Prepare Final Report and Findings

Framework Design-Sectors

- We reviewed, distilled and aggregated the multitude of proposed legislation into eight (8) economic sectors to facilitate economic data analysis: Competition and Markets; MSMEs access to finance; Transportation; Infrastructure; Business Formation, Operation, Finance, Investment and Securities; Dispute Resolution and Contract Enforcement; Land Use, Conveyancing and Construction; and Legislation, Governance and Regulation.

Broad Conceptual Overview

Sectors*	Feasibility	Impact

• Competition and Markets
• Micro, Small and Medium Enterprises (MSMEs) Access to Finance
• Transportation
• Infrastructure
• Business Formation, Operation, Finance, Investment and Securities
• Dispute Resolution and Contract Enforcement
• Land Use, Conveyancing and Construction
• Legislation, Governance and Regulation
	• Political Economy
	• Vested Interests
	    • Commercial
	    • Civil
	• Budgetary Provisions/Costs
	• Agency/Implementation
	    • Willingness
	    • Leadership
	    • Resources...to Change
		• Job Creation
		• Income Generation
		• Economic Growth
		• Pro-Poor and Women

**All the proposed legislation were classified under each of the above 8 economic sectors*

Economic Sectors-Scope

s/n	Sectors	Notes/Coverage
1.	Competition and Markets	Competition Law, Policy and Enforcement; Consumer Protection; Public Enterprises; Harmonisation of roles and powers.
2.	Micro, Small and Medium Enterprises (MSMEs) Access to Finance	MSMEs-formation; access to finance, insolvency
3.	Transportation	Roads, Maritime, Rail, Inland Waterways
4.	Infrastructure	Power, Housing, Utilities-Water, Postal, Sewage, ICT, Rural Infrastructure
5.	Business Formation, Operation, Finance, Investment and Securities	Companies Incorporation and Regulation, Taxation, Investment and Securities, Business Sectors, Intellectual Property, Business Activities
6.	Dispute Resolution and Contract Enforcement	Judiciary and Commercial Matters, Arbitration and ADR.
7.	Land Use, Conveyancing and Construction	Land Use Act, Urban and Regional Planning, Construction Permits
8.	Legislation, Governance and Regulation	Legislature, Better Regulation, Environment