

Pa

M. I. N. T

□ M.I.N.T. ATTRIBUTES

- MEXICO
- INDONESIA
- NIGERIA
- TURKEY

□ NIGERIA'S EXCEPTIONALITY

- ALL ARE G-20 MEMBERS, EXCEPT NIGERIA
- NIGERIA'S GROWTH HAS BEEN MORE RAPID, BUT
 - CYCLICALLY DEPENDENT,
 - STRUCTURALLY WEAK,
 - SECTORALLY CONCENTRATED, AND
 - REGIONALLY DIVERSE
- REQUIREMENTS
- MINT-ABLE

M. I. N. T

❑ MEXICO

- With a nominal GDP of \$1.231 trillion (\$1.748 trillion PPP) in 2012, the economy of Mexico is the 13th largest in the world in nominal terms and the 11th by purchasing power parity, according to the World Bank. GDP by sector agriculture: 3.9%, industry: 32.6%, services: 63.5% (2010). GDP growth was 3.9% (2012). Population was 110.76m (2012). GDP per capita was \$11,114 (2012) (nominal) \$15,782 (2012) (PPP) Inflation (CPI) was 3.6%. Mexico was one of the Latin American nations most affected by the 2008 recession with its Gross Domestic Product contracting by more than 6%. Enormous gaps remain between the urban and the rural population, the northern and southern states, and the rich and the poor. Some of the government's challenges include the upgrade of infrastructure, the modernization of the tax system and labor laws, and the reduction of income inequality.

❑ INDONESIA

- With a nominal GDP of \$894.9 billion in 2012 (\$1.358 trillion PPP), Indonesia has the 18th largest economy in the world (15th PPP), the largest in Southeast Asia and is one of the emerging market economies of the world. The country is also a member of G-20 major economies and classified as a newly industrialized country. GDP by sector agriculture: 38.3%, industry: 12.8%, services: 48.9% (2012). GDP growth was 6.23% (2012). Population was 181million (2012). GDP per capita was \$4,943 (2012). Inflation (CPI) 4.61% (October 2012). It has a market economy in which the government plays a significant role through ownership of state-owned enterprises (the central government owns 141 enterprises) and the administration of prices of a range of basic goods including fuel, rice, and electricity. In the aftermath of the financial and economic crisis that began in mid-1997 the government took custody of a significant portion of private sector assets through acquisition of nonperforming bank loans and corporate assets through the debt restructuring process. Since 1999 the economy has recovered and growth has accelerated to over 4%-6% in recent years.

❑ TURKEY

- With a nominal GDP of \$789.257 billion in 2012, Turkey has the world's 17th largest economy (15th PPP). The country is a founding member of the OECD (1961) and the G-20 major economies (1999). Since December 31, 1995, Turkey is also a part of the EU Customs Union. According to a survey by Forbes, Istanbul, Turkey's financial capital, had a total of 28 billionaires as of March 2010 (down from 34 in 2008), ranking 4th in the world behind New York City (60 billionaires), Moscow (50 billionaires), and London (32 billionaires). GDP by sector agriculture: 8.9%; industry: 28.1%; services: 63.0% (2012 est.) GDP growth was 4.4% (Q2 2013) 5.2% (2002-2011 average), 6.7% (2011-2017 avg. Forecast in OECD). Population was 74 million in 2012. GDP per capita was \$10,666 (Nominal, 2012), \$18,348 (PPP, 2012). Inflation (CPI) was 6.1% (April 2013)

❑ NIGERIA

- With a nominal GDP of \$250 billion in 2012 (\$451 billion PPP), Nigeria is the 30th (40th in 2005, 52nd in 2000) largest economy in the world (PPP), 2nd largest within Africa (behind South Africa), on track to becoming one of the 20 largest economies in the world by 2020. Its re-emergent, though currently underperforming, manufacturing sector is the third-largest on the continent, and produces a large proportion of goods and services for the West African region. A middle income, mixed economy and emerging market, with expanding financial, service, communications, and entertainment sectors. GDP by sector: agriculture: 33%; services: 28%; manufacturing: 2%; oil: 37% (2012). Population was 160 million. GDP per capita was \$1560 Nominal, \$2,800 PPP. GDP growth 7.1% (2012).

NIGERIA IN M.I.N.T.

- ❑ **Nigeria is the only one among M.I.N.T. that is not a G-20 economy.**
- ❑ **Nigeria's economic growth has however been so rapid since 1999 that it is believed to be on course to join the G-20 by 2020**
 - Nigeria's nominal GDP has doubled from N20 trillion in 2007 to N40 trillion in 2012!
 - Oil and gas output rose from N7.5 trillion in 2007 to 15 trillion in 2012
 - Non-oil GDP rose from N12.5 trillion in 2007 to N25 trillion in 2012
 - Crops rose from N6 trillion in 2007 to N12 trillion in 2012
 - Trading and commercial services rose from N6 trillion in 2007 to N11 trillion in 2012
- ❑ **Nigeria's growth:**
 - Is cyclically dependent on global economic swings
 - Most likely to reverse in the face of a protracted global economic contraction
 - Especially vulnerable to a protracted decline in global prices of crops and oil (early 1980s. 1996)
 - Has severely weak structural underpinnings
 - Crop production is surging in response to favorable global prices, *uninsured* against income and price risks
 - *Forward linkages* from crops to manufacturing/industry *weakened* by energy supply and transport failures
 - Wholesale and retail trade is booming on the back of improved crops income, but held back by high domestic logistics costs
 - Is sectorally concentrated, 80-90 percent of both economic activity and growth come from three or four sectors
 - Is creating widening diversity in regional economic activity and growth
- ❑ **Nigeria's M.I.N.T. associations and 20-2020 aspirations with thus require:**
 - A broadening of the sectoral base of growth
 - *Insurance* of the income and price risks that might reverse growth in crops
 - Transport system and energy supply reforms that will boost the competitiveness of manufacturing/industry
 - In particular, immediate domestic *rail transportation reforms* that would strengthen sectoral and regional linkages
 - *More rigour* in the analysis of Nigeria's cyclical, structural, sectoral, and regional growth dynamics; *by experts!*
- ❑ **M.I.N.T**
 - Nigeria is heading there
 - Nigeria could get there
 - Nigeria could stay there
 - But Nigeria must take needed steps

About EA

- *We provide our clients with facts on the trends and outlook of risks and opportunities in the Nigerian economy, given the realities of the international economic situation, and the economic policy directions of the government. Our products and services currently include:*
 - *Economic Outlook monthly summaries of the main drivers of Nigerian economic outlook.*
 - *Data & Forecasts monthly forecasts on over 200 Nigerian economic and financial variables.*
 - *Economic Model for analyzing impacts of global, national and industry shocks in-house.*
 - *Executive Briefing provides decision-makers discussions of the drivers of the economic outlook.*
 - *Management Training provides detailed training on selected topics on the Nigerian economy.*
 - *Retainer Services provide regular access to EA staff to discuss new ideas as they emerge.*

Economic Associates, 16 Amodu Ojikutu Street, P.O. Box 70909, Victoria Island, Lagos, Nigeria.
Tel: 0803 305 5380; e-mail info@econassociates.com; home page <http://www.econassociates.com>