

Slumping oil prices and security concerns have weighed on Nigeria's growth outlook and investor climate, leading to low IPO and M&A activity in 2016. But Nigeria's strong demographics and growing manufacturing sector should continue to make the country an attractive destination for foreign direct investment, which is expected to pick up in 2017 and rise another 50% by 2019.

M&A AND IPO TRANSACTIONS							
	2014	2015	2016	2017f	2018f	2019f	2020f
TOTAL M&A TRANSACTIONS (US\$B)	6.4	3.4	1.2	2.9	4.3	4.7	3.4
% of Global M&A transactions	0.3	0.1	0.0	0.1	0.1	0.2	0.1
Domestic (US\$B)	5.0	0.8	0.0	0.9	1.6	1.7	0.9
Cross-border, inbound (US\$B)	1.4	2.5	1.2	1.9	2.7	2.9	2.4
TOTAL VOLUME OF M&A TRANSACTIONS (Number of deals)	35	41	28	36	40	44	33
Domestic (Number of deals)	16	16	5	18	19	21	14
Cross-border, inbound (Number of deals)	19	25	23	18	21	23	19
TOTAL IPO TRANSACTIONS (US\$M)	650.6	0.0	0.0	0.0	197.0	477.1	197.7
% Global IPO transactions	0.2	0.0	0.0	0.0	0.1	0.2	0.1
Domestic (US\$M)	650.6	0.0	0.0	0.0	197.0	477.1	197.7
Cross-border (US\$M)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FORECAST FOR THE ECONOMY							
	2014	2015	2016	2017f	2018f	2019f	2020f
MACROECONOMIC DRIVERS							
Real GDP growth (% yoy)	6.3	2.7	-1.6	1.5	2.7	3.5	4.3
CPI (% yoy)	8.1	9.0	15.5	15.1	14.3	13.4	13.1
Merchandise trade (% of GDP)	25	20	17	23	25	26	27
FINANCIAL DRIVERS							
10-year government bond yield (%)	10.5	12.0	12.5	11.9	11.4	11.1	10.9
Equity prices (LCU, end of year % change)	-16.1	-17.4	-3.9	29.2	23.2	7.7	-13.1
Stock market capitalization (US\$B)	63	50	64	59	61	65	58

KEY DRIVER SUMMARY (AVERAGE 2015-2020)

	Nigeria	Global
GDP growth (% annual)	2.2	2.6
Stock market capitalization (% of GDP)	14	98
Money supply (% of GDP)	17	124
Trade (% of GDP)	24	42
Ease of doing business (World Bank)	47	62
Legal structure (Fraser Institute)	3.4	6.4
Freedom to trade (Fraser Institute)	7.0	7.3

TRANSACTION ATTRACTIVENESS INDICATOR*



*The Transaction Attractiveness Indicator is an overall score calculated using a weighted average of the 10 factors included in the chart above. The score reflects the attractiveness of a country's current environment for M&A and IPO activity on a scale from 0 to 10. It's based on past transactional activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity. Because many of these factors change slowly over time, a country's current score is a strong indicator of whether it will have the right features to attract transactional activity in the future.