

A rebound in oil production is helping to support the Nigerian economy, despite mounting external headwinds. Domestic deal-making should therefore prove relatively resilient over the coming year, although Nigeria will not be immune from the broader global pull-back in cross-border activity.

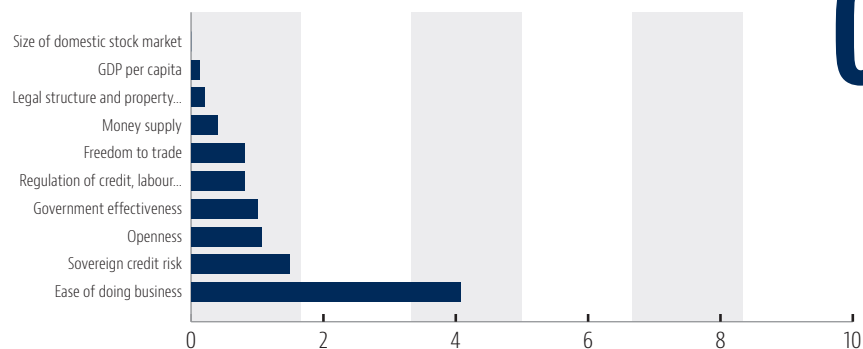
SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022)

	Nigeria	Global
GDP growth (% annual)	3.0	2.8
Stock market capitalization (% of GDP)	5	97
Money supply (% of GDP)	22	111
Trade (% of GDP)	30	45
Ease of doing business (World Bank, DTF score, higher=better)	53	77
Legal structure (Fraser Institute)	0.2	6.6
Freedom to trade (Fraser Institute)	0.8	74

Source: Oxford Economics

NIGERIA – TRANSACTION ATTRACTIVENESS INDICATOR (10 = best performer)

Overall score
0.9



Source: Oxford Economics

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 transaction activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity, such as a country's sovereign credit risk, level of trade restrictions and ease of doing business rating by the World Bank. 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.

NIGERIA – M&A AND IPO TRANSACTIONS

	2016	2017	2018	2019	2020	2021	2022
Total M&A transactions (US\$m)	1177.3	482.1	2154.6	759.4	629.9	1400.7	1666.4
% of Global M&A transactions	0.0	0.0	0.1	0.0	0.0	0.1	0.1
Domestic (US\$m)	0.9	389.6	142.9	650.4	536.3	584.7	623.1
Cross-border, inbound (US\$m)	1,176.4	92.5	2,011.7	108.9	93.6	816.0	1,043.3
Total volume of M&A transactions (Number of deals)	37	23	36	21	16	30	32
Domestic (Number of deals)	10	14	12	8	7	11	11
Cross-border, inbound (Number of deals)	27	9	24	13	9	19	21
Total IPO transactions (US\$m)	0.0	65.6	0.0	10.3	8.9	12.6	13.4
% Global IPO transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic (US\$m)	0.0	65.6	0.0	10.3	8.9	12.6	13.4
Cross-border (US\$m)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Oxford Economics, Reuters

NIGERIA – FORECAST FOR THE ECONOMY

	2016	2017	2018	2019	2020	2021	2022
Macroeconomic drivers							
Real GDP growth (% yoy)	-1.6	0.8	1.9	2.3	2.8	3.2	3.7
CPI (% yoy)	15.7	16.5	12.1	11.3	11.1	10.8	10.5
Merchandise trade (% of GDP)	30%	31%	32%	33%	31%	29%	28%
Financial drivers							
10-year government bond yield (%)	14.0	15.7	14.2	14.6	14.3	14.3	14.2
Equity prices (LCU, end of year % change)	-13.5	19.6	17.6	-19.7	-7.4	8.2	9.5
Stock market capitalisation (US\$b)	29.8	37.2	31.5	24.4	21.7	22.1	22.2

Source: Oxford Economics

IPO calculations account for the tentative Aramco listing in 2020 that has the potential to raise up to US 100 billion.