

## AFRICA RISK CONSULTING

### Nigeria Election Briefing February 2023

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#### Nigeria Summary 21 February 2023

*Labour Party (LP) flagbearer, businessman and former Anambra State governor Peter Obi remains the top choice to become the country's next president according to several election polls. Anap Foundation warns that given the large pool of undecided voters and/or those who did not disclose their choice, Obi's lead in polls is significant but still not sufficient to separate him from a leading pack of candidates. Septuagenarian Bola Tinubu, with his vast decades of experience in Nigeria's political system, deep understanding and control of the electoral system, will most probably emerge victorious. Nigeria's constitution states that a candidate acquiring the most votes in the election can only gain the presidency in the first round if they attain over 25% in more than two-thirds of the states. If no candidate crosses that threshold, Nigeria will hold its first runoff between the candidate polling best overall and the remaining contender who scored majorities in the higher number of states. In this scenario, the run off would be between Obi and Tinubu.*

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#### Peter Obi dominates the final polls before elections...

**Labour Party (LP)** flagbearer, businessman and former **Anambra State** governor **Peter Obi** remains the top choice to become **Nigeria's** next president. Obi has emerged as the most popular candidate in six polls, including two surveys conducted by **United States (US)**-based data firm **Premise Data Corp** for US media house **Bloomberg**, one by the local non-profit **Anap Foundation**, and another by **Lagos**-based media and data company **Stears**.

Obi maintained his lead in a third and final nationwide poll commissioned by the Anap Foundation and conducted by **Abuja**-based research and data company **NOI Polls Limited (NOIPolls)**. The results of the poll were released on 15 February by Anap Foundation founder and president **Atedo Peterside**.<sup>1</sup> This third poll was conducted in the first half of February and was preceded by two earlier ones carried out in September and December. Peterside highlighted that the same methodology was used in all three polls and that in past presidential polls, the frontrunner identified in their surveys ended up winning the elections,

*"Irrespective of a rather large percentage of voters who were undecided and/or refused to indicate who their preferred candidate was."<sup>2</sup>*

The results of the Anap polls show that Obi retains his lead from the previous polls, with former **Lagos State** governor and ruling **All Progressives Congress (APC)** flagbearer **Bola Tinubu**, and former vice-president and **Peoples Democratic Party (PDP)** candidate **Atiku Abubakar** trailing him.<sup>3</sup> The **New Nigeria Peoples Party (NNPP)**'s **Rabiu Kwankwaso** has emerged as the "lone outsider".<sup>4</sup>

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<sup>1</sup> Anap Foundation, 15 Feb 2023

<sup>2</sup> Anap Foundation, 15 Feb 2023

<sup>3</sup> Anap Foundation, 15 Feb 2023; Channels Tv, 15 Feb 2023

<sup>4</sup> Channels Tv, 15 Feb 2023

<b>Anap Foundation poll results<sup>5</sup></b>				
	<b>Obi</b>	<b>Tinubu</b>	<b>Abubakar</b>	<b>Kwankwaso</b>
<b>% of registered voters</b>	21%	13%	10%	3%

However, Peterside warned that given the large pool of undecided voters and/or those who did not disclose their choice, Obi's 8% lead is significant but still *"not sufficient to separate him from a leading pack of candidates scoring 13%, 10% and 3%"*. Peterside noted:

*"Undecided voters and those who prefer not to reveal their preferred candidate add up to a whopping 23% and 30% respectively. The gender split of undecided voters shows that 27% of women are undecided versus 18% of male registered voters."*<sup>6</sup>

Premise, for its survey published on 10 February, polled 2,384 Nigerians from 26 January to 4 February via a smartphone application. Premise noted that two-thirds of the participants said they will vote for Obi in the upcoming elections, and that of the 93% of respondents who said they had already decided for whom to vote, 66% selected Obi as their preferred choice.<sup>7</sup> Obi scored a slightly higher 72% among decided participants in Premise's poll published by Bloomberg in September when the official election campaign started.

In the Stears poll released on 7 February, Obi is predicted to win in the 2023 general elections should there be a high turnout of voters on election day.<sup>8</sup> The poll indicates that Tinubu will emerge victorious in the event of low voter turnout.<sup>9</sup> Stears' poll is the largest public poll conducted on the 2023 general elections with 6,220 Nigerians surveyed. Stears notes that Obi is the preferred winner with 27% of votes cast in his favour, ahead of Tinubu with 15% and Atiku with 12%.<sup>10</sup>

While Obi's presidential campaign has generated significant momentum and shaken the political foundations in a way that the two established parties in Nigeria were not expecting, the ruling APC and the main opposition PDP maintain that he cannot win.<sup>11</sup> These parties claim that Obi's appeal is too thinly spread across Nigeria's states and have derided national polling that has almost unanimously put him and his much smaller party in first place.<sup>12</sup>

Despite his opponents dismissing him as a *"social media candidate"*, Obi's meteoric rise has been fuelled by major disenchantment with the political elites and status quo. His electoral campaign has attracted an enthusiastic following among millions of youths known as *'Obidients'* who initially expressed their support online but are increasingly seen at marches and rallies.<sup>13</sup> Obi's message of prudence and accountability, which has been amplified by an army of social media users, has particularly energised the youth in Nigeria.<sup>14</sup>

While Obi currently has the momentum and is making the Nigerian establishment nervous, it would be a mistake to rule out other frontrunners, particularly Tinubu, who has heavy financial

<sup>5</sup> Anap Foundation, 15 Feb 2023; Channels Tv, 15 Feb 2023

<sup>6</sup> Anap Foundation, 15 Feb 2023

<sup>7</sup> Bloomberg, 10 Feb 2023

<sup>8</sup> Stears, 7 Feb 2023; Business Day Nigeria, 7 Feb 2023

<sup>9</sup> Stears, 7 Feb 2023; Business Day Nigeria, 7 Feb 2023

<sup>10</sup> Business Day Nigeria, 7 Feb 2023

<sup>11</sup> Bloomberg, 10 Feb 2023

<sup>12</sup> Bloomberg, 10 Feb 2023

<sup>13</sup> Bloomberg, 10 Feb 2023; ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>14</sup> BBC, 11 Oct 2022

and political elite backing. Obi's election coffer has less than Tinubu's and the Labour Party has no formal state-based infrastructure.<sup>15</sup>

Nevertheless, Nigerian lawyer, policy advisor and political observer **Najim Animashaun** told **Africa Risk Consulting Insider Podcast (ARC Insider)** that if Obi comes second in the general election and Tinubu or Abubakar came third, "*then there's every likelihood that he[Obi] will win a runoff*".<sup>16</sup> Nigeria's constitution states that a candidate acquiring the most votes in the election can only gain the presidency in the first round if they attain over 25% in more than two-thirds of the states.<sup>17</sup> If no candidate crosses that threshold, Nigeria will hold its first runoff between the candidate polling best overall and the remaining contender who scored majorities in the higher number of states. Obi is expected to secure the youth vote and remains a potential kingmaker given his business backers.

### ... but Tinubu has the incumbent party advantage...

A former Nigerian senior official with 30 years' experience in government and who held high-ranking positions in the Buhari and **Olusegun Obasanjo** (1999-2007) presidencies told ARC Briefing in January that Tinubu is most likely to be elected president as he has the power of the incumbency behind him and Buhari's backing. Tinubu has control of the ruling APC, major influence over the **Supreme Court** and the state security apparatus, control over the election process and access to major funds of at least \$200m, the estimated cost of securing every election post (*see ARC Briefing Nigeria Jan 2023*).<sup>18</sup>

Tinubu enjoyed a positive reputation for delivery in Lagos State when he was governor. Despite being at odds with the central government under former president Obasanjo and being cut off from state funds, he established effective tax collection for the first time in Lagos with great success and used that revenue to get things done, make further profits and later propel Buhari to the presidency.<sup>19</sup>

Tinubu has learned from previous campaigns, notably, that of former president **Goodluck Johnathan** (2010-2015). Tinubu issued large sums of money to key people to carry out social media campaigns and local electioneering, but the recipients stole the money.<sup>20</sup> Tinubu is expected to have better control of the election process this time around. However, Animashaun told ARC Insider that despite Tinubu's advantages on the ground, the election is still relatively open given that "*Tinubu's financial guns have been spiked by those in the presidency*".<sup>21</sup> This is linked to the currency shortage currently plaguing Nigeria.

The ruling APC is currently divided over efforts to replace high-denomination banknotes as many party members facing elections this week distance themselves from a policy backed by Buhari that is severely disrupting economic life in Nigeria.<sup>22</sup> **Central Bank of Nigeria (CBN)** governor **Godwin Emefiele** announced on 26 October that the CBN planned to issue redesigned 200-, 500- and 1,000-naira notes from mid-December to prevent currency hoarding, limit counterfeit currencies and curb illegal activities such as kidnappings for ransom.<sup>23</sup>

However, the issuing of new notes has led to a scarcity of cash, fuelled protests and crippled businesses. It has also caused a schism within the APC Congress, whose candidate, Tinubu, is

<sup>15</sup> ARC Source, former senior government official

<sup>16</sup> ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>17</sup> Bloomberg, 10 Feb 2023; ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>18</sup> ARC Source, former senior government official

<sup>19</sup> ARC Source, former senior government official

<sup>20</sup> ARC Source, former senior government official

<sup>21</sup> ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>22</sup> Bloomberg, 15 Feb 2023

<sup>23</sup> Central Bank of Nigeria, 26 Oct 2022

vehemently against the deadlines set by the government to exchange old notes.<sup>24</sup> Three APC state governors from **Kaduna, Kogi** and **Zamfara** sued the government on 6 February, seeking suspension of the CBN plan that has caused a cash crisis and disrupted transactions in **Africa's** largest economy. The supreme court is set to rule on the matter on 22 February. There are major concerns within Tinubu's camp that public frustration with the government could impact his electoral chances, as cash is "*sometimes*" needed to "*buy votes*" or entice Nigerians to vote. However, given his vast decades of experience in Nigeria's political system, deep understanding and control of the electoral system, Tinubu is likely to still emerge victorious.

### ... while Abubakar's sixth attempt lacks winning odds

Atiku Abubakar is making his sixth attempt at the presidency. Animashaun told ARC, "*the only thing [Abubakar] has never managed to do is win elections as the main candidate*", despite his record as an astute political operator and evidence from his role as vice president that he is capable of managing the economy.<sup>25</sup> Abubakar is a capitalist at heart and less interventionist in the economy than Buhari.<sup>26</sup> However, his party, the PDP, is divided, and he continues to face the problem of a lack of popularity as seen in the last electoral cycle.<sup>27</sup>

### Other factors impacting the election

Several factors could impact how Nigerians vote on election day, including insecurity, inflation, and the current cash crisis in the country. Electoral authorities' preparations are under threat from the long-running **Islamic** insurgency in the northeast of the country, bandit attacks in the northwest and growing separatist agitations in the south. The **Independent National Electoral Commission (INEC)** maintains it is committed to ensuring free, fair and credible elections, but is not guaranteeing problem-free polls.<sup>28</sup> In particular, violent attacks against INEC offices have raised serious concerns about the security of the elections, as was the case on 15 January when policemen repelled an attack by unknown gunmen on the INEC office in the south-eastern state of **Enugu**.<sup>29</sup>

US-based publication **The Associated Press** has reported that non-state actors have destroyed more than 50 of the INEC's offices since the last election in 2019.<sup>30</sup> INEC chairperson **Mahmood Yakubu** warned on 7 January that elections could be postponed if the situation does not improve. However, Animashaun says that postponing the election is "*unlikely but not impossible*" as was the case in 2011 when they were postponed and in 2015 when they were shifted by a week.<sup>31</sup>

An unexpected acceleration of inflation in Nigeria is adding pressure on consumers and businesses. **National Bureau of Statistics (NBS)** data published on 15 February indicate that the inflation rate rose to 21.8% in January from 21.3% in December, its highest level since September 2005.<sup>32</sup> The surprise uptick in inflation adds to Nigerians' frustration following the chaotic rollout of the CBN policy to end the use of old naira notes.

Animashaun said the economic situation is making Nigerians "*very frustrated*" and will help to increase voter turnout, particularly the youth vote. INEC data released on 12 January indicate that 71 million young Nigerians have registered to vote, including at least 7.2 million new

<sup>24</sup> Bloomberg, 15 Feb 2023

<sup>25</sup> ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>26</sup> ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>27</sup> ARC Source, former senior government official

<sup>28</sup> The East African, 14 Jan 2023

<sup>29</sup> Al Jazeera, 18 Jan 2023

<sup>30</sup> Ahram Online, 9 Dec 2022

<sup>31</sup> ARC Source, Nigerian lawyer, policy advisor and political observer

<sup>32</sup> National Bureau of Statistics, 15 Feb 2023

voters.<sup>33</sup> Animashaun predicts that those statistics foreshadow a high turnout, which will favour Obi rather than the older candidates.<sup>34</sup>

## Planner

25 Feb 2023 (Nigeria) Presidential elections;

## Chronology

18 Feb 2023 **Abuja (Nigeria)** *Bloomberg*. The ruling party **All Progressives Congress (APC)** is divided over efforts to replace high-denomination banknotes, as many members who face elections distance themselves from a policy backed by President **Muhammadu Buhari** that's disrupting life in the country;

17 Feb 2023 **Lagos (Nigeria)** *ENCA*. Police in **Lagos** fire tear gas to disperse demonstrators days as protests against the deepening cash crisis turn violent, just days before the presidential election;

17 Feb 2023 **Abuja (Nigeria)** *Business Live*. Cocoa exports are coming under threat from a shortfall of cash to pay labourers and transporters, further straining global supply.

16 Feb 2023 **Abuja (Nigeria)** *Business Live*. **United States**-based rating house **Moody's** says Nigeria's central bank may delay repayments of \$10 billion in foreign exchange to domestic lenders as an acute shortage of dollars in **Africa's** largest economy forces the regulator to ration hard currency;

16 Feb 2023 **Abuja (Nigeria)** *Business Live*. President **Muhammadu Buhari** delays a plan to outlaw some old high-value banknotes to 10 April as the country struggles with a shortage of cash and that old 200-naira notes will be released back into circulation;

15 Feb 2023 **Abuja (Nigeria)** *National Bureau of Statistics*. Annual inflation increases to 21.8% in January from 21.3% a month earlier, the highest level since September 2005;

15 Feb 2023 **Abuja (Nigeria)** *Vanguard News*. Supreme court adjourns a hearing on the use of old naira banknotes after more states join a lawsuit challenging a central bank decision to outlaw them, prolonging the cash crisis across the country amid a shortage of the new currency;

14 Feb 2023 **Abuja (Nigeria)** *Premium Times Nigeria*. President **Muhammadu Buhari** requests that the **United Arab Emirates (UAE)** lift a visa ban placed on Nigerian visitors during a telephone conversation with UAE President Sheikh **Mohammed Bin Zayed Al Nahyan**;

8 Feb 2023 **Abuja (Nigeria)** *BBC*. Supreme court blocks the central bank from ending the use of higher-denomination naira notes, a policy that has disrupted banking in **Africa's** largest economy;

4 Feb 2023 **Abuja (Nigeria)** *Moneyweb*. ATMs run out of new notes days before a deadline that will render high-value currency illegal, creating financial chaos across the country;

2 Feb 2023 **Abuja (Nigeria)** *Punch News*. **Nigerian National Petroleum Company (NNPC)** strikes a \$741m deal with **South Korean** construction company **Daewoo Engineering & Construction Co. Ltd** to rehabilitate an oil refinery in the northern city of **Kaduna**;

<sup>33</sup> National Bureau of Statistics, 12 Jan 2023

<sup>34</sup> ARC Source, Nigerian lawyer, policy advisor and political observer

2 Feb 2023 **Abuja (Nigeria)** *The Cable*. Africa's richest man, **Aliko Dangote**, agrees on a deal with a **Chinese** firm, **China Sinoma International Engineering**, to construct a 6-million-ton cement plant to expand output and exports in Nigeria;

1 Feb 2023 **Abuja (Nigeria)** *Bloomberg*. More than 13,500 Nigerians join their communities in a lawsuit against **United Kingdom (UK)**-headquartered energy company **Shell** before a landmark trial in the UK that could have far-reaching implications for parent-company responsibility over the actions of foreign subsidiaries;

29 Jan 2023 **Abuja (Nigeria)** *Vanguard News*. The **Central Bank of Nigeria (CBN)** extends the deadline for the expiration of higher denomination naira notes to 10 February after long queues developed at banks and commercial activities almost came to a halt for a lack of the new currency;

28 Jan 2023 **Abuja (Nigeria)** *Moody's Investors Service*. **United States (US)** rating house **Moody's** says efforts to carry out urgent fiscal reforms will face "*social and institutional constraints*" even after a new president is elected, downgrading Nigeria's long-term foreign debt rating to Caa1 from B3 with a stable outlook amid the expectation that the government's fiscal and debt position will continue to deteriorate;

26 Jan 2023 **Abuja (Nigeria)** *Yahoo News*. **United Kingdom (UK)** government will eliminate tariffs on more than 3,000 products it imports from Nigeria in a bid to boost trade with **Africa's** largest economy;

25 Jan 2023 **Abuja (Nigeria)** *Bloomberg*. The **Central Bank of Nigeria (CBN)** expects at least 2 trillion naira (\$4.3 billion) of cash to return to banks by 31 January when the deadline to replace high-value currency notes ends;

24 Jan 2023 **Abuja (Nigeria)** *Central Bank of Nigeria*. The **Central Bank of Nigeria (CBN)** raises its benchmark interest rate by 100 basis-points, lifting the key rate to 17.5% and keeping the nation's longest cycle of monetary tightening in 12 years intact, citing persistent inflation;

23 Jan 2023 **Abuja (Nigeria)** *Business Live*. Government urges a **United Kingdom (UK)** high court to stop the hedge fund-backed firm **Process & Industrial Development Ltd.** from collecting an arbitration award of \$11 billion that was handed down in 2017 following a failed and allegedly fraudulent gas deal;

21 Jan 2023 **Abuja (Nigeria)** *Premium Times Nigeria*. President **Muhammadu Buhari** names former finance minister **Shamsuddeen Usman** to lead the **Ministry of Finance Incorporated (MOFI)**, a state-owned asset management firm being overhauled to make it more efficient.

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