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CURRENT ISSUES IN NIGERIA



EDUCATION

ROADS

ELECTRICITY

HEALTH

WATER

While billions are lost through tax loopholes, here are some pressing national issues across 5 sectors that need urgent financial attention



70% 

Nigerian Universities only have about 500,000 entry spots leaving about 70% of the 1.66million qualified college age Nigerians without a post-secondary place.

35% 

About 35% of the potential students population cannot be accomodated in our universities.

50% 

more than 50% of universities don't have public address systems in lecture rooms.

1:20 

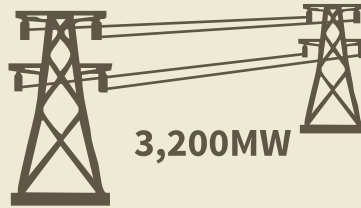
Ratio of toilet to users in universities is 1:20 which could lead to rapid spread of diseases and environmental pollution.

ROADS & ELECTRICITY

90%



of the nation's food is provided by smallholder farmers; these farmers have to produce little at a time because the roads that link their settlements to urban areas are bad. The bad roads make transportation costs go up and in turn affects the farmers' income.



3,200MW

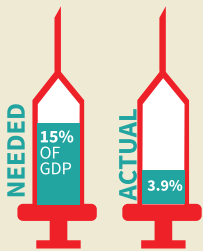
Nigeria produces an average of 3,200MW which is only 32% of the 10,000MW needed capacity for uninterrupted power supply.



6,000MW

Self generated power in Nigeria(diesel and power generator) is estimated at 6,000MW which is almost double what the national grid produces.

HEALTH SECTOR



HEALTH EXPENDITURE AS PERCENTAGE OF GDP

To solve most of Nigeria's health care problems, the government is expected to spend a minimum of 15% of it's total budget or health.



There are 39 doctors per every 100,000 citizens in Nigeria.

WATER & SANITATION



63.2m PEOPLE



in Nigeria do not have access to safewater.



50m

50 million Nigerians do not have access to toilets and are obliged to defecate in the open



97,000 children die every year due to diarrhoea caused by unsafe water and poor sanitation in Nigeria.

2



The Pioneer Status and Import Duty Waivers are just two of the tax loopholes in Nigeria

N585.4bn

REVENUE LOST TO THESE TAX LOOPHOLES ANNUALLY IN NIGERIA



N520bn PIONEER STATUS

N520bn has been lost to the 71 sectors that benefitted from the Pioneer status including 22 Oil companies.



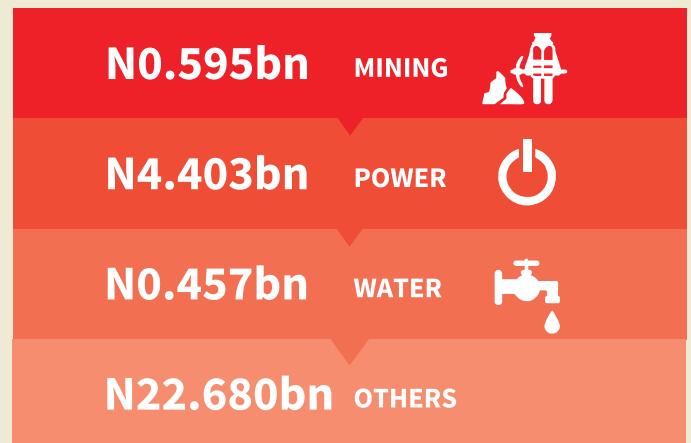
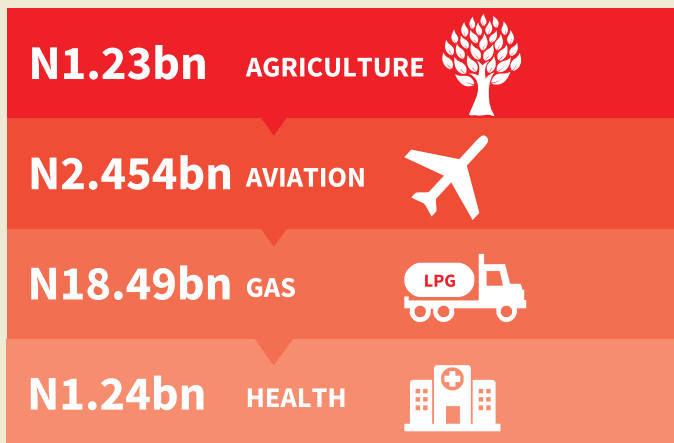
N65.4bn IMPORT DUTY WAIVERS

N65.4bn waivers have been granted to individuals, companies and government departments on imported items that should otherwise be taxed.

WHAT IS THE PIONEER STATUS?

The PIONEER STATUS is a tax holiday incentive designed by the Nigerian government and backed by law, to encourage and promote certain targeted industries, activities, products and services, identified as growth drivers of the economy. The Industrial Development (Income Tax Relief) Act of 1971 (IDITRA) is the legal framework governing the operations of the PIONEER STATUS. But, issues around tax adjustments and section 17 accounts, applicability of tertiary education tax, segregation of business activities, cessation rules and commencement rules have been identified in the IDITRA review, but not implemented or resolved.

REVENUE LOST TO IMPORT DUTY PER SECTOR (AS AT 2013)



WHO BENEFITTED MOST FROM NIGERIA'S LOSS?



With N24billion, Shell Petroleum Development Company (SPDC) is the largest private sector recipient of import duty waivers.



With N20bn, Ministry of Information is the largest public sector recipient of import duty waivers.



WHAT IS TAX JUSTICE TOGETHER?

The #TaxJustice Together project is about increasing people's understanding of harmful global tax practices which leads to a huge loss of resources by developing countries and how this contributes to poverty, inequality and injustice. It is a collaboration of 24 organisations across 16 EU countries and 3 in the developing world.

SOCIAL COST OF REVENUE LOST TO TAX LOOPHOLES



As much as tax is every citizen's responsibility, as well as companies doing business in the country, only few citizens pay tax. The poorest who live in the rural areas are known to suffer this burden more, through multiple taxation.



Corporations use their connections with political elites and loopholes in Nigeria's tax system to access tax holidays for their greedy benefits.



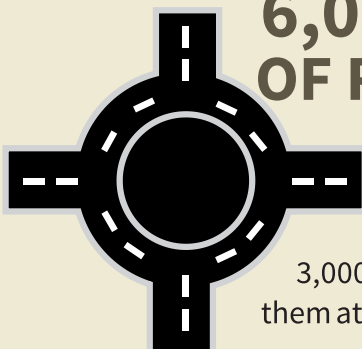
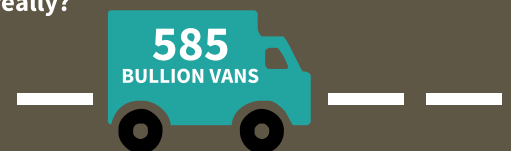
Due to tax loopholes, corporations and political elites engage in illicit financial flows to tax havens where financial secrecy is in place or low tax levies enable them profit from the act.

WHAT N585.4BN COULD HAVE DONE FOR NIGERIA

N585.4bn
REVENUE LOST TO TWO TAX LOOPHOLES
IN NIGERIA.

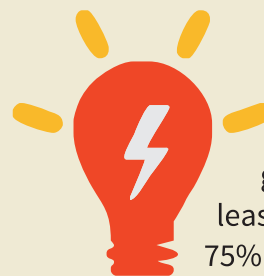
How much is N585.5bn really?

N585.5bn of N100 notes will fill a convoy of 585 billion vans with N1bn each!



6,000 KM OF ROADS

N585bn can build 3,000KM of roads, rehabilitate 3,000KM and maintain them at least once.



3,000 MW ELECTRICITY

N585bn can build a power generation plant to supply at least 3,000MW of electricity which is 75% of our current capacity.

WHAT N585.4BN COULD HAVE DONE FOR NIGERIA (Cont'd)

28M LITERS OF PETROL



Just 30% of N585bn (N175bn) can repair our refinery to enable it produce up to 28million liters of petrol per day- thus saving Nigeria up to N1trillion annually in subsidy payment due to fuel importation.



207,000 WATER PUMPS

N585bn can build about 207,000 water pumps- enough to provide water for more than 60million Nigerians that currently lack access to clean water.

2,000 PRIMARY HEALTH CENTERS

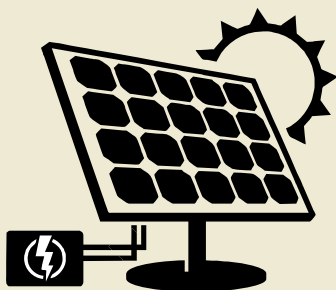


N585bn can build 3 large diagnostic centers in each of the six geo political zones and at least 2,000 primary health care centers across the country.



18 STANDARD UNIVERSITIES

N585bn can build 18 standard universities for Nigerians, which can provide an average of 36,000 slots for potential students every year.



1,000MW OF SOLAR POWER ELECTRICITY

N585bn can provide enough solar-power units to generate 1,000MW of electricity.




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At the heart of the tax justice project, are three key issues we are addressing:

THE INTERNATIONAL TAX SYSTEM

The international tax system is biased towards the concerns of rich countries and is set up in such a way that multinationals can slash their tax bills by running rings around tax rules. These problems are structural in nature and addressing them requires cooperation between governments. Current initiatives to reform international corporate tax rules (BEPS) are fundamentally flawed in design. A fair global corporate tax system is only possible if all countries are involved in designing it on an equal footing. Yet more than four-fifths of the world's countries do not have an equal say in the BEPS negotiations, while big business has a disproportionate influence on the process.

CORPORATE SECRECY

Corporate secrecy facilitates tax avoidance, as it allows multinational companies to shift profits between subsidiaries – frequently through tax havens – without scrutiny. Requiring multinational companies to publicly report key economic data such as sales, turnover, employment and profit on a country by country basis would give developing country's tax authorities and civil society groups a powerful tool to identify where profit shifting and tax avoidance may be occurring.

TAX TREATIES

A key issue in the taxation of multinational companies is the extent to which countries in the global south have the right to tax financial flows leaving their countries. Bilateral tax treaties govern what taxing rights developing countries have, and frequently reduce the rights of poorer countries to tax these flows. Reform of these unfair tax treaties would tackle profit shifting out of poorer countries, and allow them to increase tax revenue from multinational companies.

ACTION AID

ActionAid Nigeria (AAN) is a non-partisan non-religious development organization. ActionAid Nigeria seeks to facilitate processes that eradicate poverty and ensure social justice through anti-poverty projects, local institutional capacity building and public policy influencing. The organization is primarily concerned with the promotion and defence of economic, social, cultural, civil and political human rights and supports projects and programmes that promote the interests of poor and marginalized people.

TAX JUSTICE TOGETHER PROJECT

Tax justice together is a collaboration of 24 organizations across 16 EU countries and in Peru, Zambia and Nigeria (in the Global South). Our goal is to mobilize European citizens to put tax justice at the heart of the European agenda during the European Year for Development 2015 and beyond. This project is about increasing critical understanding and active engagement in pan-European efforts towards progressive and fair reform of global tax policies. The project has identified key structural problems in the current tax system and aim to effect policy change on a global, international and national level. Find out more at <https://europa.eu/eyd2015/en/tax-justicetogether>

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