

1.0 BACKGROUND INFORMATION

1.1 Geopolitical profile

Cross River State was created in 1967 from the former Eastern Region, and was known as the South-Eastern State until **1976** when it adopted its present name and later in 1987, assumed the present status following the creation of Akwa Ibom state from the old Cross River. It is a coastal state in South-Eastern **Nigeria**. It has 18 local government areas (LGAs) with the state capital at **Calabar**. The state occupies a land area of 21,787 square km. It has a population of 2,888,966 in 2006.

1.2 Economic potentials

Agriculture is the dominant economic sector. The state is endowed with mineral resources such as limestone, quartz, natural gas, clay, salt, tin, granite, basalt, lead/zinc, manganese, gypsum, barites, uranium and mica, most of which are yet to be exploited. The varied ecological zones of the state make it rich in agricultural products. A variety of crops such as rubber, cocoa, cashew, castor seeds, yam, cocoyam, cassava, maize, melon, pineapple, plantain, banana, groundnut and assorted vegetables, etc. are produced in the state.

1.3 Investment climate policies and institutions

Tourism is the rallying sector for the development of the state economy. This has found expression in the establishment of the TINAPA project, which was recently commissioned and the upgrading of Obudu Cattle Ranch Resort to world class tourism centres. The Cross River Free Trade Zone is another initiative to accelerate industrialization. Besides tourism development, other main areas of investment promotion are large scale agricultural production (especially rice, plantain and banana, pineapple, oil palm, vegetable oil, cocoa etc.), agro-processing and packaging (especially fruit juice, rice, cocoa products etc), eco-tourism, confectionery, oil and gas and petrochemicals.

1.4 Budget profile

The budget profile of the state shows that internally generated revenue (IGR) constituted 29.77% of the budgeted revenue in 2005. The federal allocation revenue (FAR) and IGR per capita were ₦7791.00 and ₦2391.00, respectively in 2005. Health and education budgets per capita were ₦205.74 and ₦474.39, respectively within the same period (Table 1).

Table 1: Budget profile, 2005

Budget Indicator	Amount (N. m)	Amount per capita (N)
Federation Account Revenue	22,518.39	7,791.83
Internally Generated Revenue	6,704.00	2,391.72
Total budget	35,860.00	12,408.31
Capital Budget to health	594.60	205.74
Capital Budget to education	1,371.00	474.39

2.0 BUSINESS ENVIRONMENT SCORECARD

2.1 Business Environment Index

The state scores a total of 57.85% on the business environment index. The performance across respective benchmarks is presented in table 2 and figure 1.

Table 2: Performance across the benchmarks

Code	Benchmark	Actual Score	Max. score	Percent score
F	Infrastructure and utilities	19.45	30.0	64.83
R	Legal and regulatory services	14.3	30.0	47.67
B	Business support and investment promotion	12.35	20.0	61.75
S	Security	11.75	20.0	58.75
	Total	57.85	100.0	XXXXXXX

F2: Water supply indicators

F2.1: Evidence of public water supply: The state's daily public water supply ranged between 14 and 20 litres per capita. The state scores 1.5 out of a maximum of 3.0.

F2.2: Average price of a 20 liter container of water: The mean price of 20 litres of water as obtained from major towns ranged between ₦5.00 and ₦7.00. The state scores 1.5 out of 2.0.

F2.3: Proportion of firms' total water requirement obtained from private water supply: The proportion of total water requirement obtained from private supply by businesses was ranged between 10 and 24%, giving the state 0.75 out of a maximum of 1.0.

F3: Access to information indicators

F3.1: Number of post offices per 100,000 of the population: The state had 19 post offices as at 2006. With the state's population of 2,888,966, the number of post offices per 100,000 persons is 0.66 and the state scores zero out of 1.0.

F3.2: Tele-density for fixed lines in the state (number of telephone lines per 1,000 persons): There are 66,100 fixed lines. By the 2006 population figure, the number of lines per 1,000 persons is 22.88. The state scores the maximum point of 0.5.

F3.3: Incidence of mobile phone ownership in the state: In 2006 the incidence of mobile phones was 20.0%. The state scores 0.1 out of 0.5.

F3.4: Availability of television stations in the state: There are federal, state and private television stations operating, giving the state the maximum score of 1.0.

F3.5: Availability of radio stations: There are federal, state and private radio stations operating. The state scores the maximum point of 1.0

F3.6: Availability of functional website containing information: There was evidence that the state has a current website, which was confirmed through internet search. The state scores the maximum point of 1.0.

F4: Transportation indicators**F4.1: Average cost per kilometer of intra-state road transportation in the last quarter.**

Survey shows that fare per kilometer of intra-state road transport ranges from ₦5.00 and below, giving the state the maximum score of 3.0.

F4.2: Availability of airport: The state has an airport and therefore scores the maximum point of 2.0.

F5: Social infrastructure indicators

F5.1: Primary school enrolment rate: Primary school net enrolment in 2006 was 77.0, giving the state a score of 0.75 out of 1.0.

F5.2: Pupil-Teacher ratio: Primary enrolment is 455,966 while total number of teachers is 17,229. This gave a pupil-teacher ratio of 26:1. The state scores the maximum point of 1.0.

F5.3: Capital budget for education as a ratio of total capital budget in 2005: The education capital budget was 8.43% of the total capital budget, giving the state a score 0.5 out of 1.5.

F5.4: Capital budget for health as a ratio of total capital budget in 2005: The health capital expenditure was 3.66% of the total capital budget. The state scores 0 out of a maximum of 1.5.

F5.5: Private sector rating of waste management: The private sector rated waste management in the state to be very good, giving the state 0.4 out of 0.5.

F5.6: Frequency of waste disposal service: The survey shows that waste disposal is weekly. The state scores 0.75 out of 1.0.

F5.7: Average monthly waste disposal levy: The average cost paid for waste disposal by business firms ranges from ₦501.00 to ₦1000.00 monthly, giving the state 0.1 out of 0.5.

2.3 Legal and Regulatory Services

The state has aggregate score of 47.67% on legal and regulatory services.

2.3.1 Performance on the measures

Table 5: Performance on measures under legal and regulatory services

Code	Measure	Actual score	Max. score	Percent score
R1	Business registration	2.05	4.0	51.25
R2	Tax administration	4.25	10.0	42.50
R3	Commercial dispute resolution	2.0	6.0	33.33
R4	Land registration and property rights	6.0	10.0	60.0
	Total	14.30	30.0	XXXXXXX

2.3.2 Performance on the indicators

Table 6: Performance on the indicators

Indicator label	Indicator	Actual score	Maximum score
R1	Business registration		
R1.1	Cessation of registration of business names at the State Ministry of Commerce since the Companies and Allied Matters Act (CAMA) and setting up of CAC	0.75	1.0
R1.2	Evidence that improperly registered business names are not given recognition	0.0	0.50
R1.3	Evidence of existence of a task force against the display of unregistered names by firms	0.0	1.0
R1.4	Existence of an office of the Corporate Affairs Commissions	0.50	0.50
R1.5	Evidence of publication of the activities of CAC branch	0.25	0.25
R1.6	Evidence that the CAC office branch has a service charter	0.0	0.25
R1.7	Availability of accessible on-line real-time service at the CAC branch office	0.50	0.50
R1.8	Duration for obtaining certificates of registration for business names after filing all papers	0.25	0.50
	Sub total (R1)	2.05	4.0

R1.6: Evidence that the CAC office branch has a service charter: There was no evidence that the CAC branch has a service charter. The state scores 0 out of 0.25.

R1.7: Availability of accessible on-line real-time service through which names can be searched for and reserved at the CAC branch office in the state: There was evidence that the CAC branch is on-line. The state scores the maximum point of 0.5.

R1.8: Duration for obtaining certificates of registration for business names after filing all papers: There was evidence that a certificate of business registration can be obtained within 5 days. The state scores 0.25 out of a maximum of 0.5.

R2: Tax administration indicators

R2.1: Evidence of database of taxable persons: There was evidence of a computerized database of tax payers. The state scores the maximum point of 1.5.

R2.2: Evidence of publication of the tax notices and sending of tax assessment notices to registered tax payers in the last three years: There was evidence that the tax office places notice on its notice-board. The state scores 0.50 out of 1.0.

R2.3: Evidence of a mechanism for validation of tax paid to other tiers of government and other states in the federation: There was no evidence of a mechanism for the validation of taxes paid to other tiers of government and other states of the federation. The score is zero out of a maximum of 1.0.

R2.4: Evidence of a Tax Appeal Tribunal/Revenue Courts: There was evidence that the state has a tax tribunal/revenue court but there is no evidence that it has sat in the last one year. The state scores 0.5 out of a maximum of 1.5.

R2.5: Evidence of one-stop shop for tax payment to state and local government: There was no evidence of one-stop shop for the payment of taxes, giving the state a score of 0.0 out of 1.0.

R2.6: Number of taxes paid by manufacturing firms: The total number of taxes paid by manufacturing firms in the state is 20. The state scores 0.75 out of a maximum of 1.0.

R2.7: Amount paid as business premises levy in the state capital per annum: Survey shows that business premises levy in the state capital per annum ranges from ₦5,000.00 to ₦10,000.00, giving the state a score 0.5 out of a maximum of 1.0.

R2.8: Number of days between receipt of demand notice and enforcement of penalties:

A survey of business firms showed that it takes less than 30 days between receipt of demand notice and enforcement of penalties. The state scores 0.0 out of a maximum 1.0.

R2.9: Enforcement of penalties for non payment of business premises: Business firms reported that enforcement of penalties for nonpayment of business premises levy is carried out by government appointed tax consultant. The state scores 0.50 out of a maximum of 1.0.

R3: Commercial dispute resolution indicators

R3.1: Establishment of information systems on caseload and judicial statistics: There was evidence of a caseload factor of the judges with a measure of output expected from the judges, giving the state the maximum score of 2.0.

R3.2: Average time (in weeks) between filing a business dispute in court and obtaining judgment: There was evidence that it takes over 52 weeks between filing a business dispute in court and obtaining judgment. The state scores 0 out of a maximum of 2.0.

R3.3: Evidence on availability/establishment of formal alternative dispute resolution (ADR): There was no evidence of establishment of ADR mechanism. The state scores 0 out of 2.0.

R4: Land registration and property rights indicators

R4.1: Availability and usability of a cadastral map of the state: There was no evidence of a cadastral map of the state or state capital. The state scores zero out of a maximum of 1.0.

R4.2: Evidence that the state has enacted a land tenure law to effectuate the Land Use Act: There was evidence of a gazetted land tenure law in place, which provides for land to be available for periods 50 years and above. The state scores 0.75 out of a maximum of 1.0.

R4.3: Official cost (charge) of obtaining governor's consent relative to the price of land in the highest profile business area in the state capital: There was evidence that the cost is between 3%-5%. The state scores 0.50 out of a maximum of 1.0.

R4.4: Time taken to obtain C of O (between submission of application forms and eventual granting of consent): There was evidence that it takes 13-18 months to obtain a C of O even when it is shown that some can be granted in lesser time. The state scores 0.5 out of a maximum of 1.0.