



THE ECONOMICS OF NIGERIA'S KIDNAP INDUSTRY



2023 UPDATE:
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AUGUST 2023


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Our researchers employed one-on-one interviews, desk research and polling to collate the available data. Our editors sifted through the data and prepared the report, using various proprietary tools to fact-check and copy-edit the information gathered.

Our publicly released reports are formatted for easy and quick reading and may not necessarily contain all the data that SB Morgen gathered during a given survey. Complete datasets can be made available on request.

All forecasts were built using data from a variety of sources. A baseline of accurate and comprehensive historical data is collected from respondents and publicly-available information, including regulators, trade associations, research partners, newspapers and government agencies.

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Overview

Nigeria faces security crises across all six geopolitical zones, including Boko Haram, bandit groups, criminal youth gangs, sea piracy and armed separatists' agitation. The country's security threats vary and overlap. The Boko Haram insurgency is expanding westwards, and the Indigenous Peoples of Biafra's agitation is becoming more dangerous. Ransom payment has become the dominant motivation for kidnapping due to Nigeria's struggling economy, rising inflation and high unemployment rates.


Between July 2022 and June 2023, 3,620 people were abducted in 582 kidnap-related incidents in Nigeria and at least ₦5 billion (\$6,410,256 as of 30 June 2023) were reported as ransom demands, while verified ransom payouts amounted to ₦302 million (\$387,179), or six percent of what was demanded. However, this figure could be higher due to underreporting. Kidnap dynamics differ between individual and community cases, with secrecy less prevalent in larger-scale abductions. In some instances, kidnappers opt for non-monetary ransom, like foodstuff. Notably, the Northwest and Northcentral regions exhibit higher numbers of in-kind ransom demands. This aligns with Nigeria's



widespread poverty and its correlation with areas where food is commonly demanded. Additionally, these regions have seen a surge in motorcycle demands due to economic opportunities and possibly because of their potential use in terror activities.

Catholic priests, previously targeted for their ransom value, encountered 21 abductions during this period. Kaduna was the most dangerous state for priests, who were often kidnapped during services. Abductors demanded an average of around ₦50 million per priest in the past, but the church no longer discloses ransom negotiations to deter further attacks. The Northcentral region recorded higher ransom amounts, notably in Nasarawa, where targeted abductions yielded maximum ransoms with minimal resistance. The South-South's low ransom payments may indicate efficient police intervention or victim silence. We believe that the latter is more likely as kidnap victims fear re-abduction.

At the state level, Edo kidnappers sought high ransoms but received little. Conversely, victims in Taraba paid the most, primarily due to a single incident. Zamfara, Kaduna and Niger had the highest per capita abduction rates, often involving mass community abductions. Conversely, Borno reported



minimal deaths due to Boko Haram's targeted and sophisticated tactics. Across the country, civilians bore the brunt, with 430 fatalities, while security agents and kidnappers themselves accounted for 19 and 121 deaths, respectively.


These figures reflect Nigeria's security agencies' struggle to contain kidnap for ransom. Yet, the number of kidnappers killed has not served as a credible deterrent for would-be kidnappers. This shows that the industry's profitability outweighs the perceived threat of state intervention and police rescues. The current economic difficulties, such as high inflation and a weak currency, would lead to more desperation and a hike in ransom demands, leaving impoverished families struggling to save their loved ones.



Security Overview: Regional Threat Analysis

Nigeria faces complex security crises that manifest in various ways. From rising violence and political instability to multiple attacks and environmental degradation, the country is under siege from all sides. Across its six geopolitical zones, there are security threats that sometimes overlap: the Boko Haram insurgency in the Northeast, now in its 14th year, also impacts most Northwestern states; bandits have continued to hold many to ransom in the Northwest and Northcentral; criminal youth gangs threaten businesses in the Southwest; the Gulf of Guinea witnesses the resurgence of sea piracy which had receded inland over the past two years; and the Southeast confronts heightened tensions as the pro-Biafra Indigenous Peoples of Biafra steers its armed separatist campaign into dangerous directions.

Most actors involved in this industry, and other security challenges the country faces, employ kidnapping as a means to an end—financial gratification. Kidnapping for ransom has eclipsed other motivations for abductions, especially political reasons. The chief driver for this dominance is the



economy. At the end of the second quarter of 2023, inflation rose to 22.04 percent. In June 2023, the headline inflation rate rose to 22.79% relative to May 2023 headline inflation rate, which was 22.41%². SBM's Jollof Index showed that from September 2022 to March 2023, the cost of preparing a pot of jollof rice increased from ₦9,917 to ₦10,882³. These increases took place alongside a rise in the unemployment rate, which consultancy group KPMG projected to hit 41% in 2023⁴. Nigeria's struggle to develop an inclusive economy adds to its social crises, and the difficulties law enforcement agencies face in managing discontented populations worsen the situation.

The International Centre of Investigative Reporting (ICIR) says there has been a significant surge in kidnappings within Nigeria⁵, resulting in Nigerians paying billions of naira in ransoms to free their beloved family members from abductors. Kidnapping is no longer an uncommon contributor to insecurity in Nigeria. By the end of June 2023, the Nigeria Security Tracker (NST) reports a staggering count of 19,366 Nigerians subjected to kidnapping in 2,694 separate abduction incidents over the preceding decade⁶. Starting in 2014, Nigeria has witnessed a noticeable upswing in kidnap-related events, a consequence of prevailing insecurity.

²NBS (2023) CPI and Inflation Report June 2023. Available online: <https://bit.ly/30t7BW6>

³SBM Intel (2023) The SBM Jollof Index: Remaining within a vicious cycle. Available online: <https://www.sbmintel.com/2023/04/the-sbm-jollof-index-remaining-within-a-vicious-cycle/>

⁴Kale, O., Adelokun, O., Mayor, R. (2023) Nigeria: Challenging macroeconomic fundamentals in a transition period. KPMG Global Economic Outlook. March 2023, pp 47-48.

⁵Shehu, O. (2023) The cost of getting kidnapped in Nigeria. Available online: <https://bit.ly/45jh49u>

⁶Gavin, M. (2023) Nigeria Security Tracker. Council for Foreign Relations. Available online: <https://bit.ly/30X76oR>

Figures, Facts & Analysis

Between July 2022 and June 2023, SBM Intelligence found that at least 3,620 people were kidnapped in 582 kidnap-related incidents in Nigeria. In the same period, kidnapers requested at least ₦5 billion as ransom but got ₦302 million, according to ransom payments disclosed by victims and family members. This amounts to six percent of the ransoms demanded. We believe these numbers could be far higher than reported. This is because victims' families and the police often choose not to state whether or not a ransom was paid to procure the release of the abducted, and in the few cases when ransom payments are acknowledged, the fees are hardly disclosed.

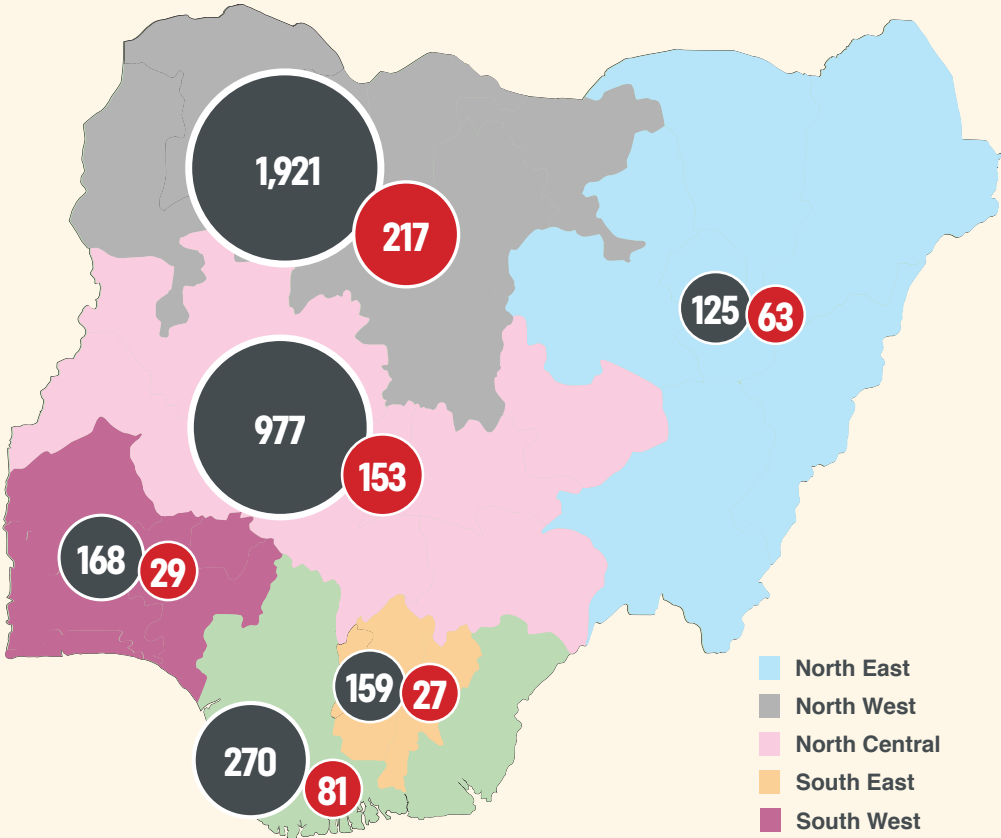
It is more likely to hear about the exact amount of money paid as ransom when the kidnap case involves many community people abducted in an incident than in individual cases. This is because the police hardly pressure communities to conceal ransom payments, unlike in single incidents. Another factor contributing to the variance between the ransom demanded and ransom paid is that most times, kidnapers, while disregarding the net worth of their victims, prefer to begin with the



highest values, which are often negotiated to an acceptable sum between victims' families and kidnapers. The eventual sum is often reached through a combination of resources from the family and friends of the victims.

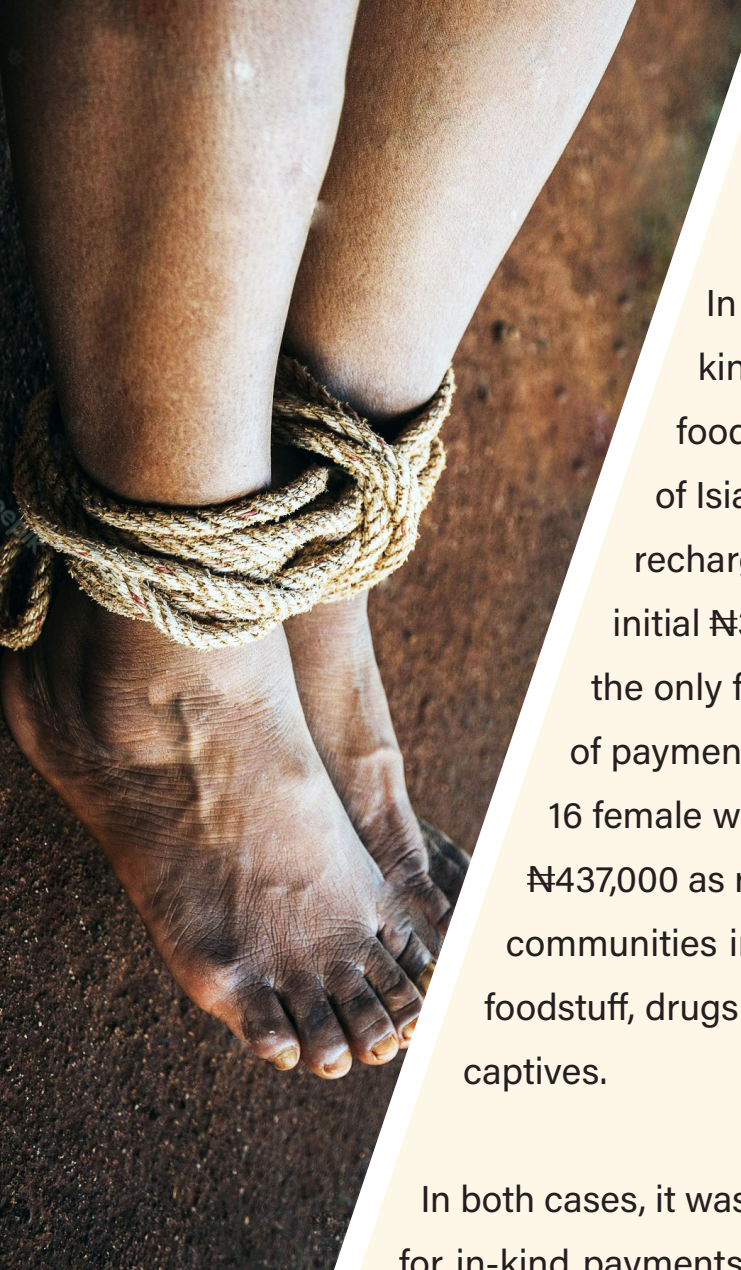
KIDNAP VICTIMS IN NIGERIA'S GEOPOLITICAL ZONES

JULY 2022 - JUNE 2023



3,620
NUMBER OF PEOPLE
KIDNAPPED

570
NO. OF PEOPLE
KILLED DURING
KIDNAP INCIDENTS



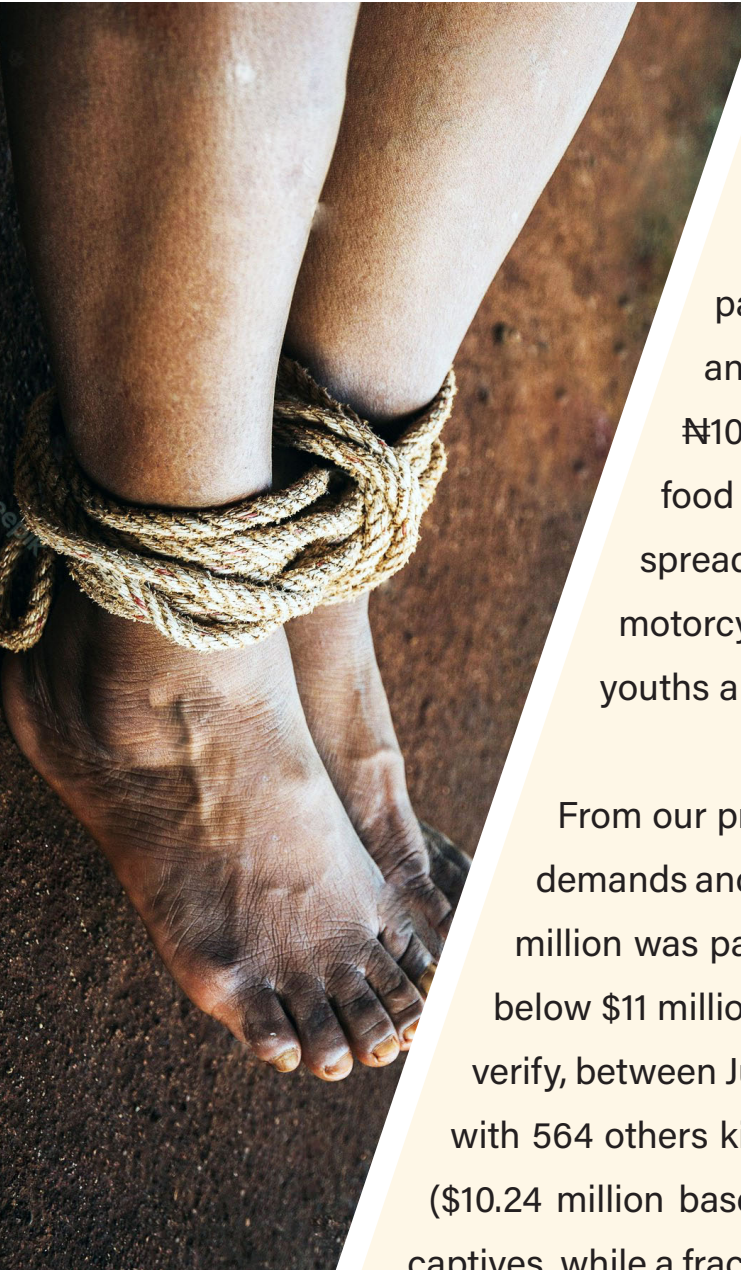
In some cases, ransom payments have transcended money and involved payments in kind. In the 12 such in-kind payments that SBM found, the dominant requirement was foodstuff, which is only trailed by motorcycles, petrol, and in the case of the abduction of Isiaka Dogara—an Abuja-based cattle dealer and his daughter Fatima in April 2023—recharge cards worth ₦15000⁷. This was after he paid the renegotiated ₦3 million of the initial ₦30 million his abductors demanded. It is unusual for these in-kind payments to be the only form of payment in an abduction. Among the 12 incidents, only two saw this form of payment settlement. One instance occurred in December 2022, when gunmen abducted 16 female wedding guests in Gwombe, Abuja,⁸ and got rice, spaghetti, drugs and wine worth ₦437,000 as ransom. Another occurrence took place in the mass abduction that targeted three communities in Kagarko and Kachia Local Government Areas in Kaduna.⁹ The kidnappers got foodstuff, drugs and wine from the 37 victims, even though they demanded ₦5.3 million from the captives.

In both cases, it was not stated if money was also paid as ransom. Furthermore, most of the demands for in-kind payments happened in the Northwest and Northcentral, with only one case in the South (West) when the kidnappers of Oyo-based farmer Christopher Bakare got two loaves of ₦500 bread, two

⁷Sanusi, A. (2023) Hoodlums kill Abuja cattle dealer, abduct teenage daughter. Available online: <https://bit.ly/3YygiTA>

⁸Isah, A.S (2022) Gunmen Abduct 16 Wedding Guests In FCT. Available online: <https://bit.ly/3YxpxU4>

⁹Isah, A.S (2022) Bandits Raid Kaduna Communities, Abduct 37 In 3 Days. Available online: <https://bit.ly/3OwKppT>



packs of Rothmans cigarettes, one carton (each) of Peak milk and Viju sachet milk, and a carton of Trophy Lager Beer in addition to the ₦5 million he paid out of the ₦100 million demanded.¹⁰ This shows that the geographic spread of the areas where food is most likely demanded as ransom is commensurate with the national poverty spread. These examples also partly tie into the major reasons for the high demand for motorcycles: it is an easy, less-demanding economic tool for many unemployed northern youths and relatively easy to use for terror attacks.

From our previous versions of this report, a downward trend between the number of ransom demands and payments has been observed. Between June 2011 and March 2020, at least \$18.34 million was paid to kidnappers as ransom in Nigeria, and a larger proportion of the figure (just below \$11 million) was paid out between January 2016 and March 2020. Based on what we could verify, between July 2021 and June 2022, no fewer than 3,420 people were abducted across Nigeria, with 564 others killed in violence associated with abductions. In the ensuing period, ₦6.531 billion (\$10.24 million based on July 2022 exchange rates) was demanded in exchange for the release of captives, while a fraction of that sum, ₦653.7 million (\$1.025 million based on July 2022 exchange rates) was paid as ransom. Whereas in the current report, between July 2022 and June 2023, the reported

¹⁰PT/NAN (2022) Alao-Akala's farm supervisor's kidnappers collected ₦5m, cigarettes, beer, bread. Available online: <https://bit.ly/3KGfdUe>

ransom demand was the equivalent of at least \$6,410,256, but the actual ransom obtained amounted to \$387,179. This decline tracks with the worsening economic situation in the country.

An Update on Catholic Priests from 2022

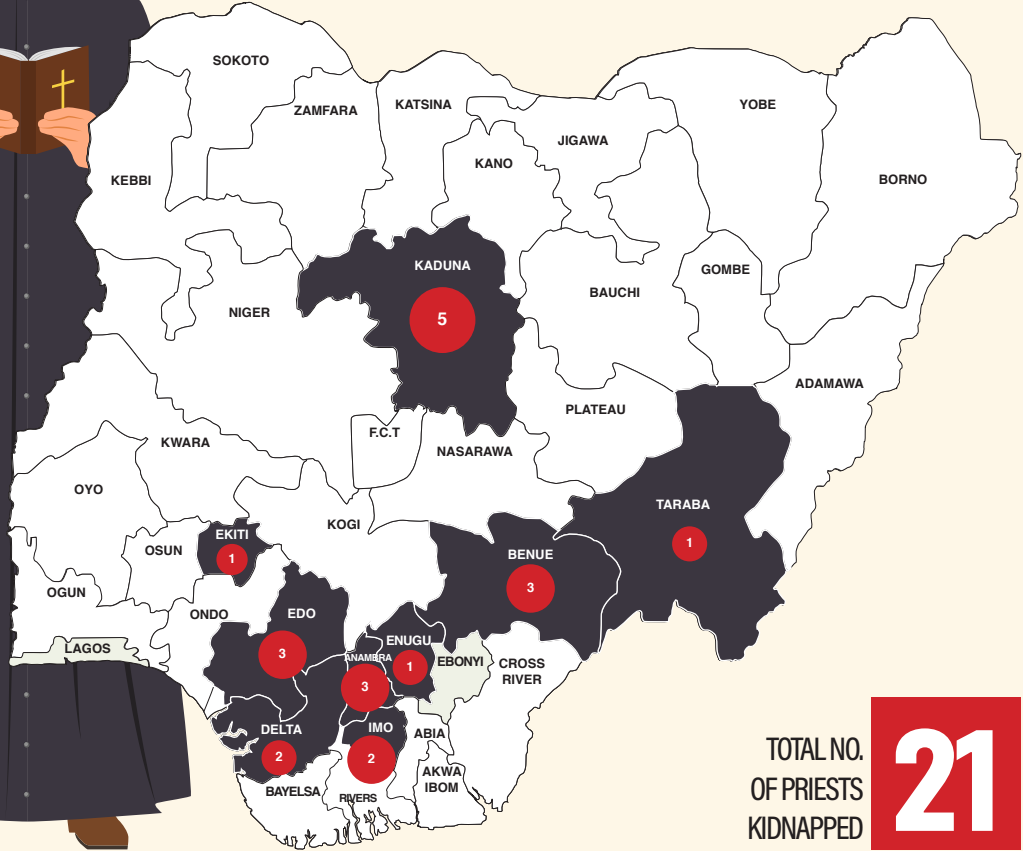
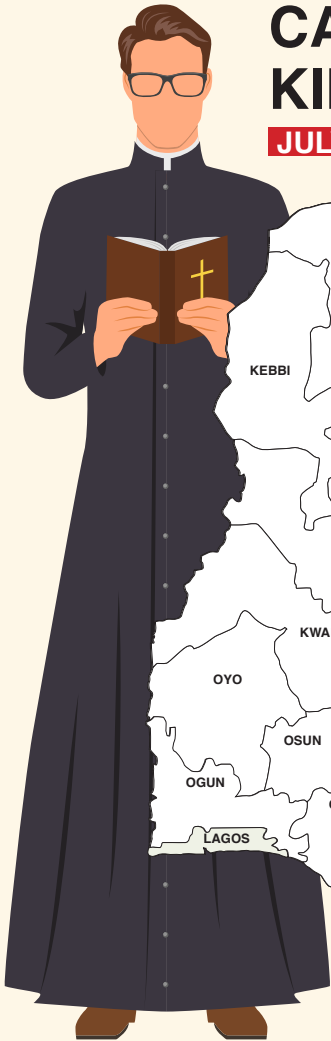
In 2022's report,¹¹ we pointed out that Catholic priests had become a notable demographic among the kidnap targets. In the period under review, no fewer than 21 Catholic priests were abducted in Nigeria. In the past, such abductions were mostly carried out on the roads. However, kidnappers have become bolder in going after priests during services. As seen in the chart below, Kaduna was the most dangerous state to be a Catholic priest in Nigeria this year.

The previous report noted that ₦50 million was the most common asking price for abducted Catholic priests. This year, however, it has been impossible to know if that price has changed because the Church has stopped announcing if the kidnappers of their clergymen have reached out to them to negotiate ransoms, let alone state how much is demanded and paid. This shift in transparency is likely



CATHOLIC PRIESTS KIDNAPPED IN NIGERIA

JULY 2022 - JUNE 2023



TOTAL NO.
OF PRIESTS
KIDNAPPED

21

¹⁰PT/NAN (2022) Alao-Akala's farm supervisor's kidnappers collected N5m, cigarettes, beer, bread. Available online: <https://bit.ly/3KGfdUe>



driven by the concern that disclosing such details might exacerbate the vulnerability of priests to further attacks. Catholic priests have consistently been singled out as targets due to their perceived premium ransom value. Kidnappers have recognised that abducting clergymen from the Catholic Church is more profitable than targeting an average citizen because the Church would readily release her resources for the former.

GPZ/State-by-State Analysis

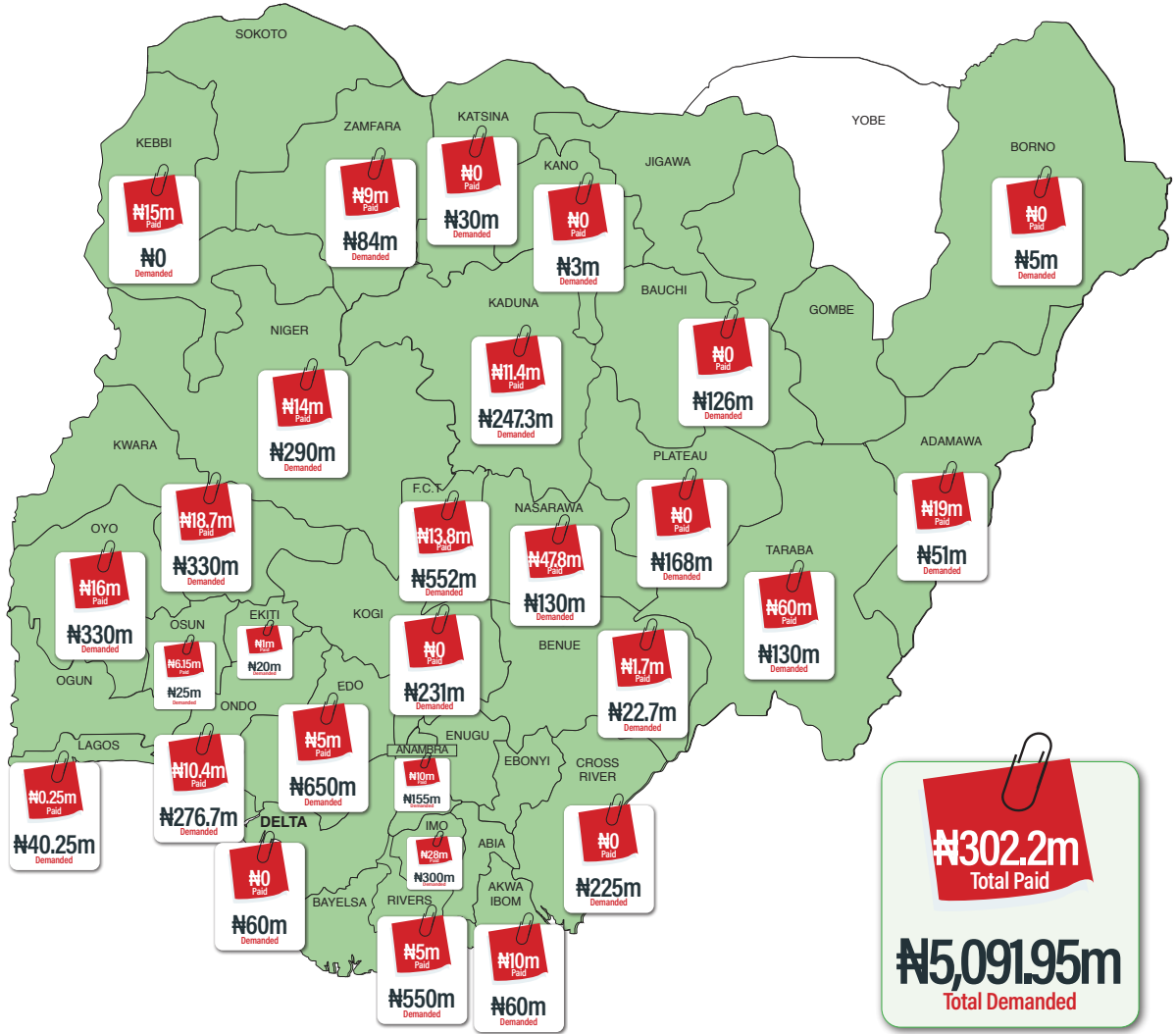
In the period under review, kidnappers demanded ₦5.092 billion as ransom payments, with the kidnappers getting only ₦302 million, a fraction of what was demanded. In a state-by-state analysis, kidnappers in Edo are more likely to demand higher ransoms than in other states, but they get little in return, garnering only ₦5 million compared with the ₦650 million demanded. In contrast, Taraba appears to have paid the most ransom, but the devil is in the details. Of the ₦130 million kidnappers in the state demanded, just ₦60 million was paid.

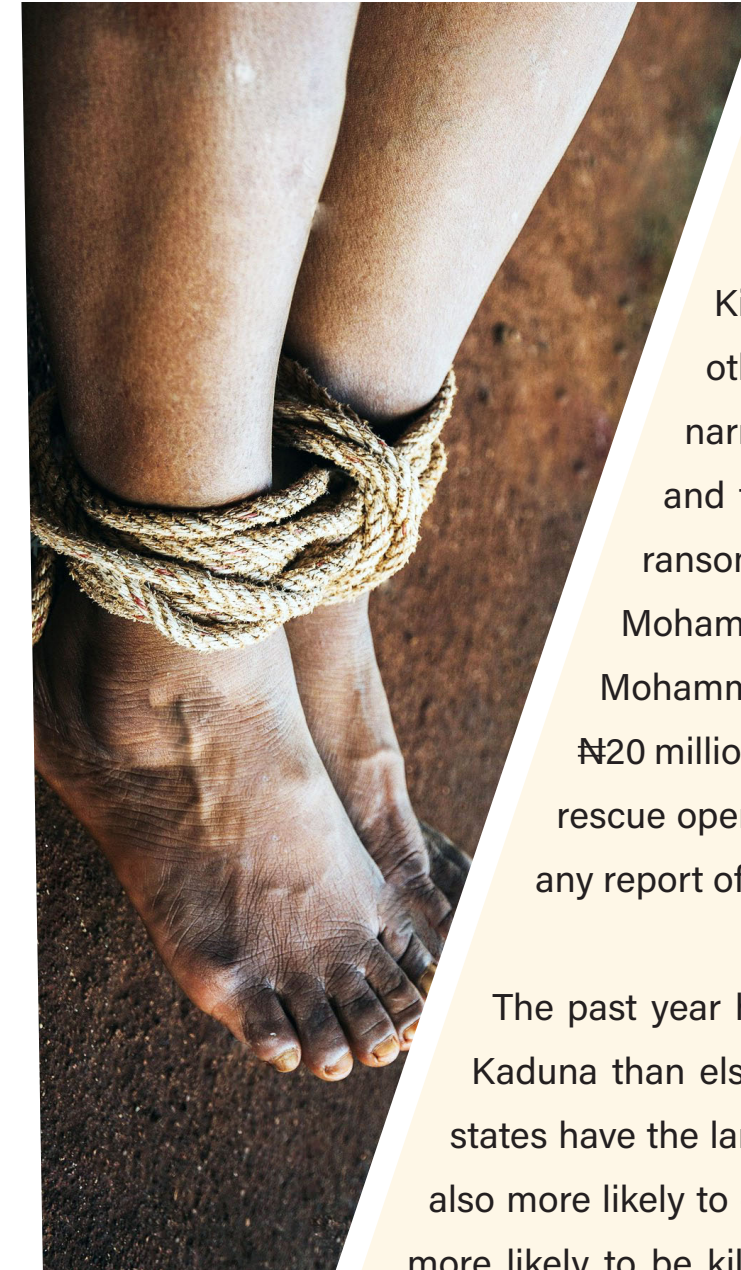
We were only able to narrow the Taraba ransom demands to just two cases: The first involved twin Boko Haram raids on Gassol LGA in July 2022,¹² when ₦30 million was demanded for 20 abducted travellers; the second was an incident at Garin Dogo community in Lau LGA, when in December 2022, three brothers said to be children of one Alhaji Musa, a cattle dealer, were killed by kidnappers after a ransom of ₦60 million, negotiated down from ₦100 million, was paid.¹³ In effect, the entire ransom payment in Taraba for the year comes from just one incident.



RANSOM DEMANDS AND PAYMENTS PER STATE


JULY 2022 - JUNE 2023





Kidnappers appear more likely to get better ransoms in the Northcentral than in other regions. Nasarawa is largely responsible for this. In the past year, kidnappers narrowed their targets to high-value individuals such as retired government officials and families of politically exposed persons because it is easier to extract maximum ransom with minimal fuss, such as in the case of the information commissioner, Mohammed Yakubu Lawal, who was kidnapped in August 2022 alongside his son, Mushab Mohammed Yakubu Lawal. On the other hand, ransom payments in the South-South, at ₦20 million– the lowest of the six geopolitical zones–may either have to do with better police rescue operations or kidnap victims keeping a tight lip. Bayelsa, for instance, does not have any report of ransom demands or payments in the period under review.

The past year has also shown that one is more likely to get kidnapped in Zamfara, Niger and Kaduna than elsewhere. Given the out-of-control banditry in those subnational units, the three states have the largest number of kidnapped persons. Mass abductions from community raids are also more likely to occur in those three states than in other states. A kidnap victim or target is also more likely to be killed in those three states. Of the 570 people killed in kidnap or kidnap-related incidents in the past year, Kaduna, Niger and Zamfara accounted for the most deaths. Three states



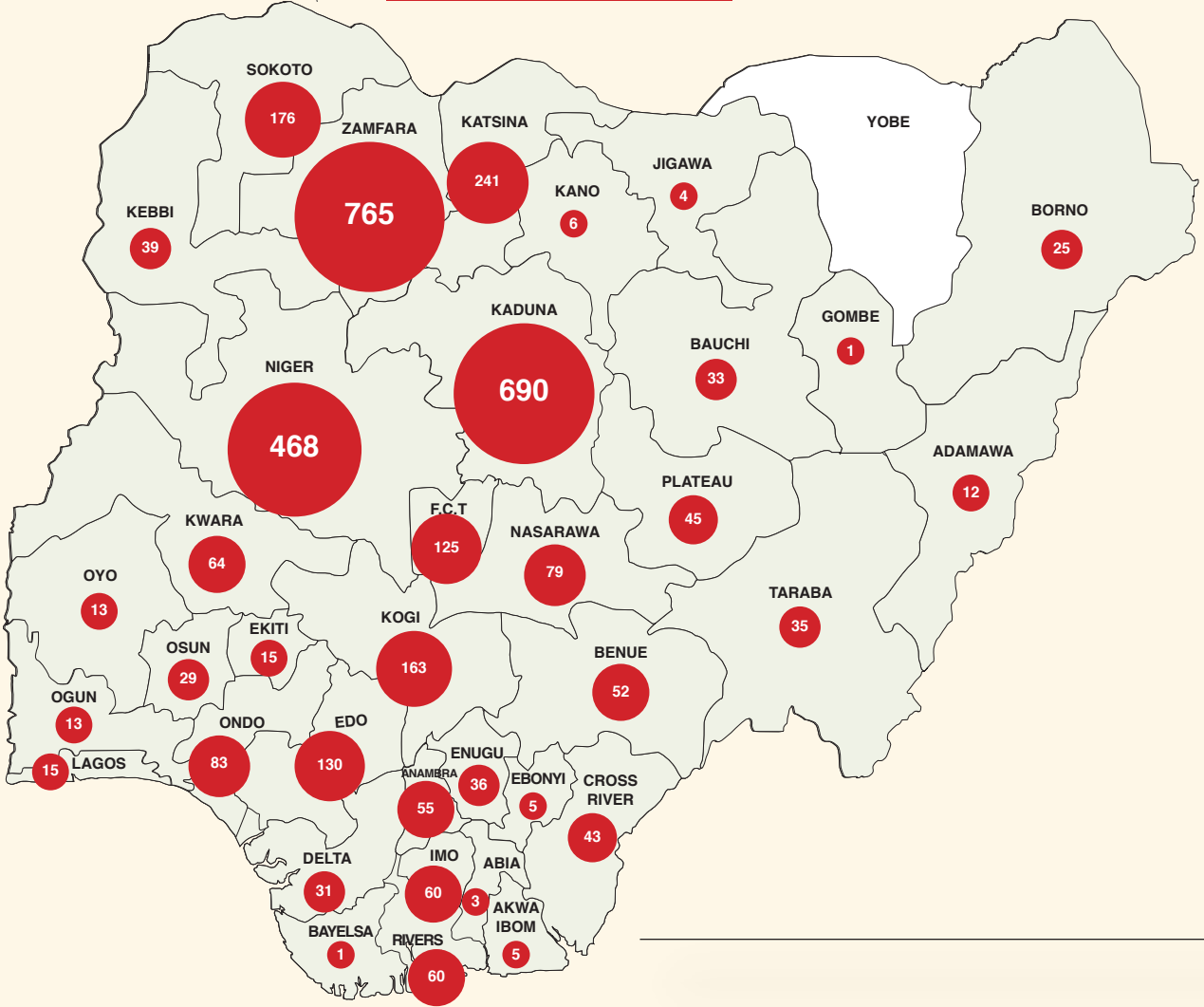
recorded no deaths from kidnap: Akwa Ibom, Bayelsa and Borno. In Borno's case, Boko Haram abductions have become more targeted and sophisticated, probably given the pressure on the group by the country's military. Residents could also have become so demoralised and used to Boko Haram's attacks that they understand that putting up resistance is mortally dangerous.

Civilians comprised the most casualties for persons killed in kidnap cases, with 430 dead. In the same period, 121 kidnappers were killed, mostly by security agents, with some of them meeting their end at the hands of irate mobs or in friendly fire. 19 security operatives—including state security agencies and vigilantes—lost their lives.



NUMBER OF KIDNAP VICTIMS PER STATE


JULY 2022 - JUNE 2023



Conclusion

Nigeria confronts a multifaceted security crisis spanning its six geopolitical zones, including threats from Boko Haram and armed separatist movements. These challenges often intertwine with Boko Haram's expansion and the Indigenous Peoples of Biafra's agitation escalating. Economic hardships, rising inflation and soaring unemployment, have propelled ransom payments as the primary motive for kidnapping. Between July 2022 and June 2023, 3,620 people were abducted in 582 incidents, demanding a reported ₦5 billion ransom, but actual ransoms reached ₦302 million, a figure potentially underestimated due to underreporting.

Across the country, civilians bore the brunt, with 430 fatalities, while security agents and kidnappers accounted for 19 and 121 deaths, respectively. These figures reflect Nigeria's security agencies' struggle to contain kidnap for ransom. Matter-of-factly, the elimination of several kidnappers has not served as an effective deterrent for prospective kidnappers, either indicating that kidnappers see state intervention and police rescue operations as a low-risk threat or the financial allure of the industry has



made it difficult for kidnapers to quit. The current harsh economic climate is likely to lead to a hike in ransom demands, endangering the lives of victims whose families cannot meet exorbitant requests.

Efforts to combat kidnapping must be comprehensive, addressing the root causes and consequences alike. Strengthening law enforcement, improving socio-economic conditions, and fostering education are essential to eradicating the economic incentives for kidnapers. International cooperation, intelligence-sharing, and stringent legal frameworks can also help to curb cross-border kidnapping networks. Kidnapping is a serious crime that has a significant economic impact. The cost of ransom payments, lost wages, and security measures to prevent kidnapping can be staggering. In addition, the psychological and emotional toll on victims and their families can be devastating. The economics of kidnapping are complex, and there is no easy solution to this problem. However, governments, organisations, and communities can work collaboratively to develop holistic solutions and effective strategies to prevent and combat this crime by understanding its economic costs.



About SBM

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Since 2013, we have provided data analytics and strategic communication solutions to clients across various sectors in Nigeria, Ghana, the Ivory Coast, Kenya, South Africa, the UK, France and the United States.