

UNRAVELING
THE ECONOMIC
IMPACT OF ABUJA'S
KIDNAP EPIDEMIC





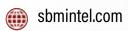
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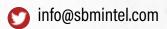
The data contained in this report is only up-to-date as of Friday, 26 January 2024. Some of it is subject to change during the natural course of events. SB Morgen cannot accept liability for any errors or omissions that may follow such events that may invalidate data contained herein.

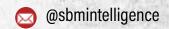
Our researchers employed one-on-one interviews and desk research to collate the available data. Our editors sifted through the data and prepared the report, using various proprietary tools to fact-check and copy-edit the information gathered.

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 from regulators, trade associations, research partners, newspapers and government agencies.













Introduction

Nigeria's kidnap industry keeps waxing stronger as Abuja, Nigeria's capital city, experiences an uptick in the rate of kidnap incidents which has left residents afraid for their safety.

In recent months, Abuja has witnessed a significant surge in minor thefts, 'One Chance' robberies, armed robberies, and home break-ins, with the recent kidnap cases indicating a rapid deterioration in the country's security situation.

On 5 January, the home of a man, Mansoor Al-Kadriyar, was invaded, and he was kidnapped alongside six of his daughters in the Bwari area of the Federal Capital Territory (FCT)¹. Mr Al-Kadriyar was later released and ordered to pay N50 Million (\$35,336) to secure his children's release. Tragically, one of his daughters, Nabeeha, a 21-year-old final-year student of the Ahmadu Bello University in Zaria, was killed by the kidnappers following the family's failure to pay the demanded ransom. The ransom was later paid, and the other family members regained their freedom².





In the Dutse-Alhaji area of the FCT, 11 others were kidnapped³. It was reported that the kidnappers were gunmen dressed in military camouflage. Among the victims was Folasade Ariyo⁴, a 13-year-old girl who was kidnapped alongside her mother and other siblings. Oladosu Ariyo, Folasade's father, a lawyer, revealed that despite raising N7 million of the N60 million initially demanded by kidnappers, they killed his daughter. His wife and other children were released after the ransom was fully paid.⁵

At about 2200 hours on 18 January, gunmen invaded⁶ the Nigerian Army Estate at Kurudu Phase II in the Federal Capital Territory and kidnapped two persons. The gunmen reportedly kidnapped the wife and one of the in-laws of one Barrister Cyril Adikwu. After the incident, the kidnappers demanded over \$\frac{1}{2}\$30 million as ransom⁷ to be paid before releasing the victims.

The amounts demanded from the three incidents detailed in the introduction to this report amount to $\mathbb{N}140$ million (\$98,940 at mid-January 2024 exchange rates)

3'Herdsmen' invade Abuja Estate, kidnap 10 | Vanguard News | Available online: https://bit.ly/3UdFNcR]

4Security Operatives Rescue Kidnap Abuja Sisters Inside Kaduna Forest | Leadership | Available online: https://bit.ly/3Sx3xHz

5Kidnappers Free More Abuja Kidnap Victims | Leadership | Available online: https://bit.ly/3uabHwi

6Gunmen Invade Army Estate In Abuja, Kidnap Lawyer's Wife, In-law | Sahara Reporters | Available online: https://bit.ly/3Ueduen |

2Kidnappers Who Attacked Nigerian Army Estate In Abuja Demand N30million Ransom For Victims | Sahara Reporters | Available online: https://bit.ly/30mP0Az





In addition, bandits attacked travellers on the Abuja-Kaduna highway and abducted over 30 people⁸. This incident occurred at Dogon-Fili near Katari, along the Kaduna-Abuja highway in Kachia Local Government Area of Kaduna State.

Despite how brazen these kidnappers are, the government has failed to confront the escalating threat. This has forced residents to take extensive measures to safeguard themselves. Following the deterioration of security in states sharing boundaries with the FCT, such as Kogi, Nasarawa and Niger, bandit groups seeking new territories and wealthier victims set their sights on the capital.

Between 2019 and the lead-up to the end of 2023, kidnap attacks were concentrated on Bwari, as well as other satellite areas such as Kuje, Gwagwalada and Kwali, with the latter two local council areas experiencing other issues such as armed robbery and pastoral conflicts.

In the past few months, however, the insecurity has become more mainstream, with regular attacks in upscale neighbourhoods housing the Abuja Municipal Council Area elites. As a result, many have invested in enhancing

8 Nigeria: mass kidnappings returns to Abuja | Africanews | Available online: https://bit.ly/3HCfMfL





their security infrastructure and adopting various precautionary measures such as avoiding public transportation, extreme measures such as refraining from late-night movements and arming themselves with weapons such as pepper sprays and knives.

This report aims to delve into the economic repercussions stemming from the surge in kidnappings in Abuja and its profound impact on the city's residents.

We conducted thorough interviews with residents across various locations in Abuja, delving into their perspectives to understand their apprehensions regarding the escalating kidnappings and the economic effects they have encountered. In addition to these in-depth interviews, news reports detailing kidnapping incidents in the capital city were also analysed to provide a holistic overview. We have made all our respondents anonymous.





CAPITAL UNDER SIEGE



The deteriorating security situation in Nigeria's capital has had a real effect on the lives of the city's residents. Insecurity in and around Abuja is fuelling tensions in the capital, and although the violence is still mostly in satellite towns such as Bwari and Kuje, our data, which spans between 15 January 2023 and 15 January 2024, shows a steady increase in abductions in the main city centres in Abuja Municipal Council Area, bringing insecurity closer to the heart of Nigeria's government.







Economic impact of kidnapping on residents in Abuja

The rising kidnap events have left varying undesirable economic impacts on Abuja residents. This includes

Financial loss through ransom payment:

In a bid to meet up with the substantial ransom value demanded for the release of their loved ones, families of kidnapped victims find themselves grappling with substantial financial losses as they exhaust all available funds to meet ransom demands. Families borrow from friends and relatives in desperate situations, take out loans, or liquidate assets such as homes, businesses and cars. Upon the return of victims, a considerable portion of their time is consumed by efforts to repay borrowed funds.

A respondent who works for a civil society organisation in the capital, and lives in Gwarimpa, a suburb of Abuja, said that within their organisation, a collective effort is made on an individual basis to raise funds for the ransom of colleagues' families who have been kidnapped. This respondent emphasised prioritising the safety of loved



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ones over personal comfort, stating, "There are things you cannot do in life naturally, but you have to prioritise the safety of your loved ones over your personal comfort." While the contributions are voluntary, allocating a portion of ransom money is considered discomforting for those involved.

Another respondent, who resides in Kubwa recalled an incident in mid-2023.

"It was on the 18th of August to be precise. I remember like it was yesterday when my brother's girlfriend called me to tell me that some people carried my brother. At first, I was not so shocked because I thought it was probably the police because my brother sells cars, and the occupation comes with a lot of customer/buyer issues.

A respondent whose brother was kidnapped in mid-2023 had to sell his car, forgo starting a new business, and take loans, which he has been unable to repay





"My brother had a birthday party two weeks before he was kidnapped. Three days after the kidnapping, my older brother received a call from the kidnappers. They were asking for \$\frac{\text{N}}{100}\$ million. Anyways, through help from our family church, his friends and some online good people, I sold my car and some other things, and we were able to raise \$\frac{\text{N}}{50}\$ million.

"In fact, raising the money was a challenge. Till today, I no longer have a car. Some relationships I cherish got damaged because I couldn't pay back most of the loans I took to add to the ransom. I was on the verge of starting a furniture business, but the little I saved also went for the ransom. In fact, it ruined me till this day that I am still trying to get back on my feet financially. Meanwhile, my brother has not gotten over the trauma."

2. Crowdfunding ransom payments:

Individuals are resorting to crowdfunding due to the exorbitant amount usually demanded for ransom. An example is the recent abduction of the Al-Kadriyar sisters, which prompted the creation of a GoFundMe page to raise funds for their release. Additionally, the involvement of a former communications minister, Isa Pantami, in fundraising for the affected





family has stirred public concern⁹. This highlights the severity of the situation, with former government officials resorting to fundraising instead of advocating for robust security measures to address the escalating security challenges in the city.

A family member of the kidnapped girls has verified that a ransom was indeed paid to secure their release. Sheriff Kadriyar, who played a role in negotiating with the kidnappers, clarified that the money was handed over to ensure the safe release of the sisters.¹⁰

A former hostage told us that at the time of his kidnap, he was not aware of any crowdfunding efforts in his name. His communication was primarily with his sister and wife, urging them to contact close friends for financial support. His friends also rallied around for him. In his words, "It shouldn't be encouraged to go on social media to start soliciting for funds."

3. Escalation in Security Costs:

Residents, including individuals and businesses, have taken to diverting extra resources toward reinforcing security measures. The heightened expenditure on security systems, personnel, and protective measures





imposes additional strain on personal and corporate budgets. For many residents, acquiring supplementary security comes at a considerable expense, especially considering the prevailing economic challenges in the country. Unfortunately, there are some residents in the city who, grappling with financial constraints, cannot afford increased security measures and are left to rely solely on fate.

A respondent who lives in an estate in Idu said that the estate management had advised residents to buy and install security cameras in their houses as an added security measure amid the security situation in Abuja.

We also spoke with a former hiker who used to hike with Naija Adventurers, an Abuja-based hiking group. She said that she has discontinued participating in their hikes due to apprehensions about potential kidnapping incidents. Despite the group's consistent implementation of security measures, she felt unsafe and has chosen to discontinue hiking activities.

A resident residing in Dawaki reported a 20% year-on-year increase in the security fee contributed by residents in his estate. It rose from \$\frac{1}{2}70,000\$ at the end of 2022 to \$\frac{1}{2}84,000\$ in December 2023. As of the time of our



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interview, there had been no increase from the end of December, but the estate management has sent out a circular regarding the potential recruitment of additional security personnel equipped with firearms. While our respondent expressed concern about the rising costs, they admitted that the increased security measures may be worth the added expense. This indicates that certain residents in Abuja are willing to allocate significant resources to ensure their safety.

4. Increased transport costs:

Residents in the FCT find themselves grappling with increased transportation expenses, particularly for movement within the city centre. The widely used public transport service, 'Along', has become a hotspot for 'One Chance' operatives, prompting residents to opt for more secure alternatives such as Bolt and Uber. However, the surge in fuel prices has rendered these ride-hailing services relatively expensive.

While
respondents are
concerned about
rising security
costs, they believe
the added expense
may be worth it.





Unfortunately, fraudulent individuals have also targeted these services, posing additional risks, especially for women who rely on them, particularly during nighttime movements.

Speaking with a few residents who rely on 'Along' services in Abuja, SBM found significant price increases for specific routes. For instance, the fare from Apo Bridge to Banex Junction, which formerly cost \$\frac{1}{2}\$200, has now doubled to \$\frac{1}{4}\$400. Similarly, the journey from Gimbiya Junction at Area 11 to Finance Junction or Federal Secretariat, previously priced at \$\frac{1}{2}\$50 or \$\frac{1}{2}\$100 (depending on negotiations), has risen to a higher amount of \$\frac{1}{2}\$200.

An interview with an 'Along' service driver revealed that a growing number of passengers exhibit heightened caution and reluctance to enter these vehicles. The driver attributed his relative success to being an Abuja official painted Taxi, instilling a sense of security into potential passengers. He shared that he primarily operates from Apo Bridge to Banex, picking up passengers along the route. He stated that he now charges higher fares for short trips, emphasising their profitability compared to longer journeys from Apo Bridge to Banex. Additionally, the driver highlighted the escalating fuel cost, stating that while he used to spend N2,500 for the entire ride, the current circumstances require more.





A businesswoman residing in Orozo also lamented how the transport hike has affected her daily business and how transportation costs from Lugbe to Maitama have changed notably over the past year. About a year ago, the fare stood at \$\frac{1}{2}500\$. Six months ago, this rate remained consistent. However, the current scenario reflects a substantial increase, with commuters now facing costs ranging from \$\frac{1}{2}500\$ to \$\frac{1}{2}2000\$. This represents a 250% hike.

Additionally, SBM spoke with a resident of Lugbe who commutes to the Federal Secretariat SBM Intelligence gathered insights into the shifting dynamics of transportation costs and personal safety concerns. The resident, working at the Federal Secretariat, shared that the bike fare from her residence behind IK Stores in Federal Housing Lugbe to Car Wash now amounts to \$\frac{1}{2}\$300, which used to cost her about \$\frac{1}{2}\$150. However, if she returns home late at night, the fare can escalate to \$\frac{1}{2}\$400 or more.

Continuing the discussion on transportation costs, the resident mentioned that the fare from Car Wash to the Federal Secretariat ranges from N400 to N500, depending on the vehicle. She highlighted a growing sense of





caution when entering vehicles due to fears of 'kidnapping' or falling victim to 'one chance.' As a safety measure, she emphasised that upon closing work, she promptly returns home without hanging out with friends unless they could drop her at her doorstep. If socialising is unavoidable, she prefers staying within Lugbe rather than venturing into the city centre, prioritising familiarity and security in her surroundings.

Speaking with a resident from Lugbe, she emphasised her exclusive reliance on ride-hailing services like Bolt or Uber when commuting to town. The resident highlighted the current cost for these journeys, ranging between \$\pmu3,500\$ to \$\pmu4,700\$, contingent on the destination within town. The underlying fear of potential kidnapping or falling prey to the violent 'one chance' motivates her to opt for these ride services, despite the higher expense. She stated that in the past, a trip from Lugbe to Area 11 would cost her approximately \$\pmu1,200\$ to \$\pmu1,500\$, reflecting a significant increase in transportation expenses over time. On rides within town which would cost \$\pmu500\$ or \$\pmu600\$, for example, from Federal Secretariat to Wuse 2, Amigos would cost around \$\pmu1,100\$ - \$\pmu1500\$ for a very short journey.





5. Business Downturn:

The current atmosphere of insecurity has contributed to a downturn in economic activities, particularly impacting nightlife such as night markets, hangout spots and recreational and entertainment spots. Many city workers, who often work late, now prefer to head straight home instead of engaging in late-night shopping or recreation. The decrease in foot traffic is evident as businesses face reduced patronage, driven by concerns about kidnapping. This economic downturn threatens financial losses for local and small enterprises.

Speaking with SBM researchers, a driver from a ride-hailing service, who chose to remain anonymous, disclosed a significant shift in his working patterns due to concerns over safety and reduced earnings during nighttime hours. The driver explained that he has discontinued night shifts and focuses on day trips, during which he used to earn around N30,000 per night, operating from 6 pm to 6 am. However, the current scenario yields only about N20,000, and the associated risks have made the situation untenable.

He said that he never used to worry about his safety: "Before, I used to carry four men or two men, now I cannot. I prefer carrying women or one man who is slim that will not fight me and if he does, I will be able to defend myself."



In response to the perceived increase in safety concerns, he revealed a noteworthy change in his approach, adding a taser to his car for self-defence, a precaution he had never felt compelled to take. Despite the challenges, the driver noted that the evolving circumstances have expanded the customer base for ride-hailing services, with more individuals opting for this safer alternative over traditional 'along' or 'drop' cars within the city.

broader influence of security challenges on everyday activities.

A respondent who works in the hospitality industry in the city centre noted that the prevalent security concerns have led people to avoid staying out late at night. Many individuals, particularly those with the means, now choose to stay in hotels when socialising in areas prone to such incidents, opting to return home the next day. This precautionary measure results in an additional cost for individuals, reflecting the

Due to safety concerns, many respondents have taken to ensuring that they get home before dark. Respondents who work in the night economy have been experiencing a severe crunch. However, a few affluent respondents now prefer the relative safety of hotels.





Despite Abuja's many security challenges, a civil servant residing in Lifecamp noted that the current state of insecurity has not significantly impacted her nighttime activities. On the other hand, a business owner in Oronto, operating a cyber cafe, expressed a contrasting experience. In light of recent events, particularly a kidnapping incident near her location at Army Estate Barracks on 19 January, she emphasised a proactive approach to personal safety. Consequently, she and her colleagues have adopted a practice of concluding business operations early, ensuring departure by 5:30 to 6:00 pm, highlighting how many are considering safety over profit.

6. Migration and brain drain:

Affluent residents of Abuja, capable of affording relocation expenses, have opted to move to other states or even abroad, contributing to the rising brain drain in the country. The prevailing insecurity stands out as a significant factor propelling more professionals to seek opportunities outside the country. One person said, "I had never contemplated relocating my family out of Nigeria, but the escalating insecurity in Abuja has led me to reconsider the possibility of moving abroad."

A resident in Jabi expressed that leaving the country is the most prudent choice for individuals, advising against





relocating to any part of Nigeria due to perceived safety concerns. "My neighbour, who serves as a lawyer within the Nigerian Police, and his wife, who is also engaged in legal practice, have recently relocated to the UK with their five children. While they had pre-existing plans for such a move, the prevailing circumstances acted as a confirming factor or impetus that accelerated their decision-making process."

7. Depreciation of Real Estate Value

The surge in crime rates, particularly kidnappings, is resulting in a decline in property values, especially in affected areas like Bwari and its surroundings. Landlords are grappling with the repercussions as a significant number of individuals are relocating from these regions. This could deter prospective buyers and investors, negatively impacting the local real estate market.



An estate agent explained that prices are inching upwards in the upscale parts of the city, which are perceived to be safe, while they are inching downwards in the outlying areas





As reported by a landlord in Jabi, two tenants opted to relocate to the UK between November 2023 and January 2024, citing security concerns. As a result, the apartment remains vacant as of when SBM researchers spoke to her.

An estate agent in Maitama explained that prices are inching upwards in the upscale parts of the city, which are perceived to be safe, while they are inching downward in the outlying areas. "In places like Dutse Alhaji and Kubwa, people who can are moving out and we are not finding it easy to find people that want to move in because the news is everywhere that kidnappers are moving mad," he said. However, a resident of Dutse denied this claim and said that his landlord had recently increased the rent.

8. Mental Health and Psychological Toll:

The psychological impact on residents goes beyond mere financial concerns, extending to mental and emotional well-being. In areas such as Bwari and regions along the FCT boundary with Niger State, where residents have experienced kidnappings, there is a pervasive and constant fear. This ongoing threat also contributes to heightened instances of stress-related illnesses and an overall decline in well-being.





Barrister Cyril Adikwu, whose wife was abducted in their Kurudu estate¹¹, expressed the profound impact of the incident on his well-being. He shared that the traumatic experience left him emotionally distressed, emphasising that the kidnappers incessantly contacted him, providing specific deadlines for the ransom payment, thus affecting his psychology.

Speaking with a resident of Kurudu, Post Army Housing Estate, on the kidnapping incident in her estate, she said the residents live in constant fear as the security is at the gate and there is no security for those who live inside, closer to the mountains and far from the gate. She added that their doors are always locked. They stay alert and do not stay late at night.

She also commuted to work at the Federal Secretariat and said that to reduce the cost of her transportation, she would only enter a car that takes her directly to work and back for \$\frac{1200}{1200}\$ from work. If she were to break down her trip, it would cost her more than \$\frac{1400}{1200}\$ to AYA, and from AYA to the Federal secretariat would cost her \$\frac{1400}{1200}\$ for a single trip.





Also, speaking with a resident of the University of Abuja Staff Quarters, Giri, Abuja, who experienced a kidnapping in November 2021, many of the residents have left the estate or moved to houses closer to the road. They also take precautions and have anxiety because they worry that the kidnappers will return.





Recommendations

To curtail the growing kidnapping incidents, SBM recommends the following measures.

1. Swift Government Action Against Rising Kidnappings:

Nabeeha's killing underscores the kidnappers' readiness to resort to extreme measures for financial gain. It highlights the urgent need for proactive government intervention to apprehend perpetrators and set a precedent, discouraging others from engaging in such criminal activities. The government's delayed or inadequate response may only embolden more kidnappers and entice others to join this perilous trade, viewing it as a lucrative business with minimal consequences.

2. Enhanced Security Measures:

Immediate, continuous security engagement needs to be addressed. Enhanced security measures involve increasing law enforcement presence, deploying advanced surveillance technologies, and strengthening





intelligence gathering to identify and neutralise potential threats proactively. This approach aims to create a robust defence system by combining manpower, technology, and proactive strategies in vulnerable areas.

3. Provision of public transportation for residents:

Addressing the current lack of affordable public transportation in Abuja is a priority to enhance residents' security while commuting. Efforts are underway to implement a more secure mode of public transportation, with a focus on increasing security measures in both transport hubs and vehicles. Collaborative initiatives with ridehailing services are being pursued to integrate enhanced safety features into their platforms. Moreover, a public education campaign is in progress to inform residents about safe transportation practices and potential risks, fostering a collective awareness and commitment to ensuring a secure commuting environment for all.

4. Building residents' trust:

The government needs to improve its communication and seek to renew residents' trust in it. To achieve this, the government should prioritise transparent and open communication, address concerns and provide clear





information about policies. Also, it is important for the government to establish an ongoing dialogue with the community to understand and respond to residents' needs. This will foster a strong and trust-enabled relationship that is essential for effective governance and community well-being.

5. Redesigning the FCT Political Security Architecture:

The deteriorating security situation in the Federal Capital Territory is largely attributed to the lack of clear responsibility for security matters. The appointment of an FCT minister eliminates the necessity for this federal appointee to be accountable to residents, especially given the centralised governance in Nigeria. Introducing a governor, or ideally a mayor with autonomous executive powers separate from the federal government, would instigate accountability and prompt the adoption of protective measures. This might involve the establishment of state-backed self-help groups and collaboration with pertinent security agencies to enhance the safety of the capital.





Conclusion

The primary obligation of any government is to ensure the safety and security of its citizens, rooted in the mutual agreement of the Social Contract between the government and the people. By entrusting governance to the government, citizens anticipate and, in return, the government pledges to protect their lives and possessions.

Unfortunately, the government has hardly kept its part of the Social Contract as many Abuja residents are one kidnap incident away from losing a loved one or slipping into poverty.

It is, therefore, imperative that the government addresses the worsening security situation by carrying out the recommended strategies.

Implementing a comprehensive security plan which includes increased police presence, improved surveillance, and proactive intelligence efforts, will go a long way to fortify defence against potential threats.





Concurrently, initiatives to establish a secure and affordable public transportation system which involves measures such as enhanced safety protocols and public education can create an environment where residents are aware of security risks.

Collectively, these measures signify a holistic commitment to safeguarding the well-being of the community, fostering a sense of security and resilience in the face of diverse challenges. As these strategies are put into action and refined, they contribute to both immediate safety and the long-term sustainability and prosperity of the city and its residents.

ABOUT SBM



SBM Intelligence is an Africa-focused market/security intel gathering and strategic consulting firm. It is a leader in strategic research, providing actionable analyses of West Africa's socio-political and economic landscape via practical means. Our team of researchers and data scientists provide the intel that helps governments, businesses, and nongovernmental organisations achieve strategic objectives as they initiate or expand regional operations. Since 2013, we have served clients across various sectors in Africa, France, the UK, and the USA.