

# **BECANS BUSINESS ENVIRONMENT REPORT**

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Volume 1, Number 18, 2007

## **IMO STATE**



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## IMO STATE



**AFRICAN INSTITUTE FOR APPLIED ECONOMICS**

In collaboration with



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**SYNOPSIS**

IMO STATE scores 48.65% on the business environment index. Relatively, it scores higher on security and business support and investment promotion than on infrastructure and utilities, and legal and regulatory services.

The state earns a total of 46.17% on the infrastructure and utilities benchmark. Its performance is relatively better on access to information and transportation than on energy, water supply and social infrastructure.

The state gets 42.5% on legal and regulatory services benchmark. It performs relatively better on tax administration and business registration. Performance on commercial dispute resolution and land registration and property rights is relatively low.

It scores 52.75% on business support and investment promotion. The state performs relatively better on support for industrial cluster/layout/park, entrepreneurship promotion, investment promotion services and public private partnership, but relatively low on access to finance.

The state scores a total of 57.5% on the security benchmark. It performs relatively better on incidence of minor crimes than the other measures.

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## **ACRONYMS AND ABBREVIATIONS**

ACGSF = Agricultural Credit Guarantee Scheme Fund

ADR = Alternative Dispute Resolution

CAC = Corporate Affairs Commission

CAMA= Companies and Allied Matters Act

CBN = Central Bank of Nigeria

C of O = Certificate of Occupancy

FAR= Federal Account Revenue

IGR = Internally Generated Revenue

LGA = Local Government Area

LUA = Land Use Act

NACRDB = Nigerian Agricultural Cooperative and Rural Development Bank

NBS = National Bureau of Statistics

PHCN= Power Holding Company of Nigeria

PPP = Public-private partnership

SMEs = Small and Medium Enterprises

SMEEIS = Small and Medium Enterprises Equity Investment Scheme

## **1.0 BACKGROUND INFORMATION**

### **1.1 Geopolitical profile**

The state has a population of 3,934,899 and an estimated land area of 5,2880km<sup>2</sup>. The population density varies from 230 persons per sq. km. in Oguta/Egbema area, to about 1,400 persons per sq. km. in Mbaise, Orlu, Mbano and Mbaitoli areas. It has Owerri as its capital and largest city followed by Okigwe and Orlu. The state is made up of 27 Local Government Areas (LGAs).

### **1.2 Economic potentials**

The state is endowed with huge agricultural and mineral resources. It is mostly agrarian but over the years subsistence production is gradually being replaced by non-farm occupations and a propensity for migration to other parts of the country. Palm products such as oil and kernel meal are produced in exportable quantities from palm groves and homesteads throughout the state. The state is prominent in the oil exploration industry, especially within the Oguta/Egbema area.

### **1.3 Investment climate/policies and institutions**

The state has policies with priority areas in agriculture, industry, trade and commerce, including SMEs as contained in the SEEDS document. These policies are geared towards poverty reduction and wealth creation. Principal investments opportunities in the state are either agro-raw material such as crop produce as well as agro-based industries that utilize primary produce especially palm products. Others include mineral mining and exploration ranging from crude oil to solid minerals such as coal, silica, gypsum, granite/marble, etc

### **1.4 Budget profile**

Internally generated revenue was 9.07% of the total budgeted revenue in 2005. Health and education budgets accounted for 2.53% and 3.0% of the total budget, respectively.

Table 1: Budget profile, 2005

Budget Item	Amount (₦m)	Amount per capita (₦)
Federation Account Revenue (FAR)	24,054.95	7,451.00
Internally Generated Revenue (IGR)	2,400.00	611.69
Total Budget	35,713.00	9,087.28
Capital Budget to Health	906.67	231.70
Capital Budget to Education	1,063.00	271.48

## 2.0 BUSINESS ENVIRONMENT SCORECARD

The state scores 48.65% on the business environment index. The performance across the benchmarks is as follows.

### 2.1 Business Environment Index

Table 2: Performance across the benchmarks

Benchmark	Actual score	Max. score	Percentage score
Infrastructure and utilities (F)	13.85	30.0	46.17
Legal and regulatory services (R)	12.75	30.0	42.50
Business development support (B)	10.55	20.0	52.75
Security (S)	11.5	20.0	55.0
<b>Total</b>	<b>48.65</b>	<b>100.0</b>	<b>XXXXXXXXXXXX</b>

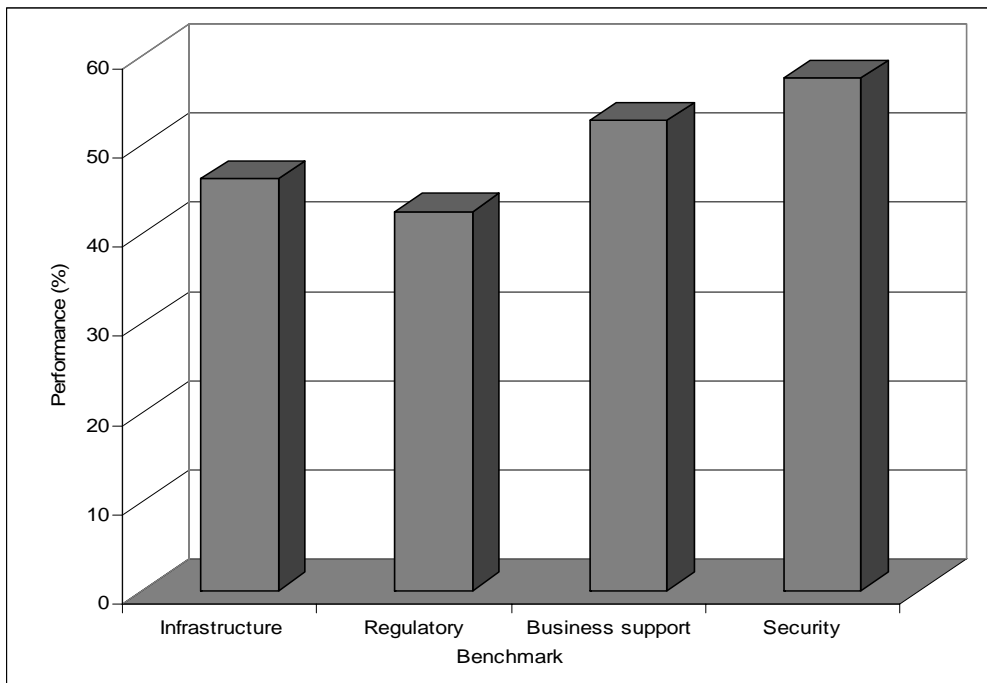


Figure 1: Performance across benchmarks.

## 2.2 Infrastructure and Utilities

The state scores 46.17% on infrastructure and utilities.

### 2.2.1 Performance on the measures

Table 3: Scores on measures under infrastructure and utilities

Code	Measure	Actual score	Max. score	Percentage score
F1	Energy	1.5	8.0	18.75
F2	Water supply	2.5	5.0	50.0
F3	Access to information	3.25	5.0	65.0
F4	Transportation	4.0	5.0	80.0
F5	Social infrastructure	2.6	7.0	37.14
	<b>Total</b>	<b>13.85</b>	<b>30.0</b>	<b>XXXXXXXXXXXXXX</b>

## 2.2.2 Performance on the indicators

Table 4: Values on infrastructure and utilities indicators

Code	Indicator	Actual score	Max. score
<b>F1</b>	<b>Energy</b>		
F1.1	Annual per capita electricity supply (kilowatts per capita)	0.5	2.0
F1.2	Average hours of public electricity supply per 24 hour day	0	2.0
F1.3	Difference between actual and officially regulated price of petroleum products in the last quarter of 2006	0	2.0
F1.4	Evidence of availability of petroleum products in the last quarter of 2006	1.0	2.0
	<b>Subtotal (F1)</b>	<b>1.5</b>	<b>8.0</b>
<b>F2</b>	<b>Water supply</b>		
F2.1	Evidence of public water supply	0	2.0
F2.2	Average price of 20 liters of water	1.5	2.0
F2.3	Proportion of firms' total water requirement obtained from private water supply	0.5	1.0
	<b>Subtotal (F2)</b>	<b>2.0</b>	<b>5.0</b>
<b>F3</b>	<b>Access to information</b>		
F3.1	Number of post offices per 100,000 of the population	0.25	1.0
F3.2	Tele-density of fixed lines	0.5	0.5
F3.3	Incidence of mobile phone ownership	0.1	0.5
F3.4	Availability of television stations	0.7	1.0
F3.5	Availability of radio stations	0.7	1.0
F3.6	Availability of a functional website	1.0	1.0
	<b>Subtotal (F3)</b>	<b>3.25</b>	<b>5.0</b>
<b>F4</b>	<b>Transportation</b>		
F4.1	Average cost of per kilometer of intra-state road transportation	2.0	3.0
F4.2	Availability of airport	2.0	2.0
	<b>Subtotal (F4)</b>	<b>4.0</b>	<b>5.0</b>

Code	Indicator	Actual score	Max. score
<b>F5</b>	<b>Social infrastructure</b>		
F5.1	Primary school enrolment	1.0	1.0
F5.2	Pupil-teacher ratio	0	1.0
F5.3	State's capital budget to education	0.5	1.0
F5.4	State's capital budget to health	0.5	1.0
F5.5	Private sector rating of waste management	0.1	1.0
F5.6	Frequency of waste disposal	0.5	1.0
F5.7	Average monthly waste disposal levy	0	1.0
	<b>Subtotal (F5)</b>	<b>2.6</b>	<b>7.0</b>
	<b>Total</b>	<b>13.35</b>	<b>30.0</b>

## F1: Energy

**F1.1: Monthly/annual per capita electricity supply (kilowatts per capita):** The estimated public power supply is 64,360.60kw for 2005. The per capita electricity supply is 0.016kw. The state scores 0.5 out of 2.0.

**F1.2: Average hours of energy supplied by PHCN per 24-hour day:** The survey shows that PHCN supplies power for less than 2 hours in a 24-hour day. The state scores 0.0 out of 2.0.

**F1.3: Difference between the actual price and the officially regulated price of petroleum products in the last quarter:** The difference between the officially regulated price of petroleum products and what the people pay is over 20% for petrol, kerosene and diesel. The state scores 0.0 out of 2.0.

**F1.4: Evidence of availability of petroleum products in the last quarter:** Petrol, kerosene and diesel are available 50% of the time. This gives the state 1.0 out of 2.0.

## F2: Water Supply

**F2.1: Daily per capita public water supply:** The average water supply per day is less than 3 liters per capita. The state scores 0.0 out of 2.0.

**F2.2: Average price of 20 litres of private water supply:** Average price of 20 litres of water in the state capital is ₦6.00. 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 firms' total daily water requirement obtained from private sources is between 25 and 39%. The state scores 0.5 out of 1.0.

**F3: Access to Information**

**F3.1: Number of post offices per 100,000 of the population:** The number of post offices is 72 and the number per 100,000 persons is 1.83. The state scores 0.25 out of 1.0.

**F3.2: Tele-density for allocated fixed lines (number of telephone lines per 1,000 persons):** Total number of allocated fixed telephone lines is 48,148. The number of fixed lines per 1,000 persons is 12.24. The state scores the maximum point of 0.5.

**F3.3: Incidence of mobile phone ownership:** The incidence of ownership of mobile lines is 26.6%. The state scores 0.1 out of 1.0.

**F3.4: Availability of television stations:** The state has one federal and one state television stations, and scores 0.7 out of 1.0.

**F3.5: Availability of radio stations:** There are federal and state radio stations operating. The state scores 0.7 out of 1.0.

**F3.6: Availability of functional website containing information on the state:** The state has an updated website. It scores the maximum point of 1.0.

**F4: Transportation**

**F4.1: Average cost of transportation per kilometer of intra-state roads:** The average cost per kilometer of intra-state road transportation in the last quarter is between ₦6.00 and ₦10.00. The state scores 2.0 out of 3.0.

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

**F5: Social Infrastructure**

**F5.1: Primary school enrolment rate:** Primary school enrolment rate is 84.4. The state scores the maximum point of 1.0.

**F5.2: Pupil-teacher ratio:** Pupil-teacher ratio is 65:1. The state scores 0.0 out of 1.0.

**F5.3: Capital budget to education as % of total capital budget in 2005:** The total capital budget to education as a percentage of total capital budgets for 2005 was 9.05. The state scores 0.5 out of 1.5.

**F5.4: Capital budget to health as % of total capital budget in 2005:** The total capital budget to health as a percentage of total capital budgets for 2005 was 7.72, giving the state 0.5 out of a maximum of 1.5.

**F5.5: Private sector rating of waste management:** The survey shows that waste management is rated as fair and the state scores 0.1 out of 0.5.

**F5.6: Frequency of waste disposal service:** Frequency of waste disposal services is fortnightly. This gives the state a score of 0.5 out of 1.0.

**F5.7: Average monthly waste disposal levy:** Average monthly waste disposal levy is above ₦1000.00. The state scores 0.0 out of 0.5.

## 2.3 Legal and Regulatory Services

The state scores a total of 42.5% on the benchmark.

### 2.3.1 Performance on the Measures

Table 5: Scores on the measures under legal and regulatory services

Code	Measure	Actual score	Max. score	Percentage score
R1	Business registration	1.75	4.0	43.75
R2	Tax administration	5.0	10.0	50.0
R3	Commercial dispute resolution	2.5	6.0	41.67
R4	Land registration and property rights	3.5	10.0	35.0
	<b>Total</b>	<b>12.75</b>	<b>30.0</b>	<b>XXXXXXXXXXXX</b>

### 2.3.2 Performance on the indicators

Table 6: Values on legal and regulatory indicators

Code	Indicator	Actual score	Max. score
<b>R1</b>	<b>Business registration</b>		
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	0.5	1.0
R1.2	Evidence that improperly registered business names are not given recognition by the state	0.0	0.50
R1.3	Evidence of existence of a task force against the display of unregistered names by firms	0.0	0.50
R1.4	Existence of an office of the Corporate Affairs Commissions in the state	0.5	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	0.5	0.50
R1.8	Duration for obtaining certificates of registration for business names after filing all papers	0.0	0.50
	<b>Sub total (R1)</b>	<b>1.75</b>	<b>4.0</b>
<b>R2</b>	<b>Tax administration</b>		
R2.1	Evidence of database of taxable persons:	1.50	1.50
<b>R2.2</b>	Evidence of publication of the tax notices and sending of tax assessment notices to registered tax payers in the last three years	0.0	1.0
R2.3	Evidence of a mechanism for validation of tax paid to other tiers of government and other states in the federation	1.0	1.0
R2.4	Evidence of a tax appeal tribunal/revenue courts	0.0	1.5
R2.5	Evidence of one-stop shop for tax payment to state and local government	1.0	1.0
R2.6	Number of taxes paid by manufacturing firms	0.5	1.0
R2.7	Amount paid as business premises levy in the state capital per annum	0.5	1.0
R2.8	Number of days between receipt of demand notice and enforcement of penalties	0.0	1.0

Code	Indicator	Actual score	Max. score
R2.9	Penalties for non payment of business premises levy are enforced by whom	0.5	1.0
	<b>Subtotal (R2)</b>	<b>5.0</b>	<b>10.0</b>
<b>R3</b>	<b>Commercial disputes resolution</b>		
R3.1	Establishment of information systems on caseload and judicial statistics	0.0	2.0
R3.2	Average time (in weeks) between filing a business dispute in court and obtaining judgment	1.0	2.0
R3.3	Evidence on availability/establishment of formal alternative dispute resolution mechanism	1.5	2.0
	<b>Subtotal (R3)</b>	<b>2.5</b>	<b>6.0</b>
<b>R4</b>	<b>Land registration and property rights</b>		
R4.1	Availability and usability of a cadastral map of the state	0.0	1.0
R4.2	Evidence that the state has enacted a land tenure law to effectuate the Land Use Act	0.0	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	0.75	1.0
R4.4	Time taken to obtain C of O (between submission of application forms and eventual granting of consent)	0.0	1.0
R4.5	Computerization of land transactions	0.75	1.0
R4.6	Time taken to search the registry for confirmation of validity of title in the case of transfer of rights of ownership	1.0	1.0
R4.7	Time taken for obtaining the governor's consent for transfer of rights of ownership of land	0.0	1.0
R4.8	Evidence of active support for and promotion of equipment leasing in the state	1.0	1.0
R4.9	Evidence of laws that require mandatory subscription to insurance and mortgage contributions	0.0	1.0
R4.10	Evidence of effective protection of private property rights	0.0	1.0
	<b>Subtotal (R3)</b>	<b>3.5</b>	<b>10.0</b>
	<b>Total</b>	<b>12.75</b>	<b>30.0</b>

**R1: Business registration**

**R1.1: Cessation of business registration at the state ministry of commerce since Companies and Allied Matters Act (CAMA) and setting up of Corporate Affairs Commission (CAC).** The state has ceased registration of businesses but there is no evidence of formal notice to the people to go to CAC for registration of business names and related matters. There is also no evidence of transfer of business registration records to the CAC by the state's Ministry of Commerce. The state scores is 0.5 out of 1.0.

**R1.2: Evidence that improperly registered business names are not given recognition by the state.** There is no evidence that the state's internal revenue board and related agencies accept only properly registered business names. There is also no evidence that the state's business premises registry admits only properly registered names. The state scores 0.0 out of 0.5.

**R1.3: Evidence of existence of a task force (or regulatory actions) against the display of unregistered names by firms:** There is no evidence that the state has a task force on registration of businesses. The state scores 0.0 out of 0.5.

**R1.4: Existence of an office of the Corporate Affairs Commissions in the state:** The state has a CAC branch and the head of the CAC performs the function of assistant registrar general of the CAC. This gives the state the full score of 0.5.

**R1.5: Evidence of publication of the activities of CAC branch (leaflets, fliers, handbills, booklets and/or websites) from where information on how to access CAC services can be obtained and which are freely issued:** There is evidence of publication of CAC activities. The state scores the maximum point of 0.25.

**R1.6: Evidence that the CAC office branch has a service charter:** There is no evidence that the CAC has a service charter. The state scores 0.0 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:** The CAC branch is online. The state scores the maximum point of 0.5.

**R1.8: Duration for obtaining certificates of registration for business names after filing all papers:** Evidence shows that it takes more than a week to obtain certificate of registration after filling all papers. The state scores 0.0 out of 0.5.

**R2: Tax administration**

**R2.1: Evidence of database of taxable persons and whether it is computerized:** There is evidence of a database of taxable persons and it is computerized. The state scores the maximum point of 1.5.

**R2.2: Evidence of publication of tax notices and sending of tax assessment notices:** There is no evidence of publication of tax notices for tax payers. This gives the state a score of 0.0 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 is evidence of validation of taxes paid to other tiers of government. The state scores the maximum point of 1.0.

**R2.4: Evidence of tax appeal tribunal:** There is no evidence of a tax appeal tribunal. The state scores 0.0 out of 1.5.

**R2.5: Evidence of one-stop shop for tax payment to the state and local governments:** There is evidence of one-stop shop for tax payment. The state scores the maximum point of 1.0.

**R2.6: Number of taxes paid by manufacturing firm:** There are 25 taxes paid by manufacturing firms and the state scores 0.5 out of 1.0.

**R2.7: Amount paid as business premises levy in the state capital per annum:** The amount paid as businesses premises levy per annum is between ₦5000.00 and ₦10,000.00. The state scores 0.5 out of 1.0.

**R2.8: Number of days between receipt of demand notice and enforcement of penalties for none of business premises levy:** The state imposes penalties in less than 30 days of issuance of demand notices. The state scores zero out 1.0.

**R2.9: Enforces penalties for nonpayment of business premises fees:** Penalties for nonpayment of business premises levy is enforced by government appointed independent tax consultants. The state scores 0.5 out of 1.0.

**R3: Commercial dispute resolution**

**R3.1: Evidence of established information system on caseload of judges and judicial statistic:** There is no evidence of establishment of information systems on case load and judicial statistics which contain time and efficiency of judges. The state scores 0.0 out of 2.0.

**R3.2: Average time (in weeks) between filing a business dispute in court and obtaining judgment:** The time taken between filing a business dispute in a court and obtaining judgment takes between 27-52 weeks. The state scores 1.0 out of 2.0.

**R3.3: Evidence of availability of alternative dispute resolution mechanism:** There is evidence that the state has alternative dispute resolution programme but there is no evidence of full endorsement of ADR activities by the high courts. The state scores 1.5 out of 2.0.

**R4: Land registration and property rights**

**R4.1: Availability and usability of cadastral map:** There is no evidence of existence of cadastral map of the state. The state scores 0.0 out of 1.0.

**R4.2: Evidence that the state has enacted a land tenure law to complement the Land Use Act:** There is no evidence that the state has enacted a land tenure law to complement the Land Use Act of 1978. The score is 0.0 out of 1.0.

**R4.3: Official cost (charge) of obtaining a governor's consent relative to cost of land in high profile area of the state:** The cost of obtaining governor's consent is 5% of cost of land in the high profile area of the state capital. The state scores of 0.75 out of 1.0

**R4.4: Time taken to obtain C of O (between submission of application forms and eventual granting of consent):** It takes over 18 months to obtain a C of O. The state scores 0.0 out of 1.0.

**R4.5: Computerization of land transactions:** Land transactions are computerized but not online. The state scores 0.75 out of 1.0.

**R4.6: Time taken to search the registry for confirmation of validity of title in the case of transfer of rights of ownership:** It takes less than one week to search for the validity of land titles. The state scores the maximum point of 1.0.

**R4.7: Time taken for obtaining the governor's consent for transfer of rights of ownership of land:** The time taken to obtain governor's consent for transfer of rights of occupancy of land is above 2 months. The state scores 0.0 out of 1.0.

**R4.8: Evidence of active support for and promotion of equipment leasing:** Evidence shows that the state government supports equipment leasing. The state scores the maximum point of 1.0.

**R4.9: Evidence of a law that requires mandatory subscription to insurance and mortgages:** There is no evidence of a law that requires mandatory subscription to insurance and mortgages. The state scores 0.0 out of 1.0.

**R4.10: Evidence of a law on protection of property rights:** There is no evidence of a law on protection of private property rights. The state scores 0.0 out of 1.0.

## 2.4 Business Support and Investment Promotion

The state scores 52.75% on the benchmark.

### 2.4.1 Performance on the measures

Table 7: Scores on measures under business support and investment promotion

Code	Measure	Actual score	Max. score	Percentage score
B1	Entrepreneurship promotion	2.25	3.0	75.0
B2	Access to finance and credit	2.0	8.0	25
B3	Investment Promotion Services	3.5	5.0	70.0
B4	Support for Industrial Cluster	1.8	2.0	90.0
B5	Public Private Partnership	1.0	2.0	50.0
	<b>Total</b>	<b>10.55</b>	<b>20.0</b>	<b>XXXXXXXXXXXXXXXX</b>

## 2.4.2 Performance on the indicators

Table 8: Values on business support and investment promotion indicators

Code	Indicator	Actual score	Max. score
<b>B1</b>	<b>Entrepreneurship promotion</b>		
B1.1	Existence of specific policies and/or institutions to promote entrepreneurship	2.25	3.0
	<b>Subtotal (B1)</b>	<b>2.25</b>	<b>3.0</b>
<b>B2</b>	<b>Access to finance and credit</b>		
B2.1	Number of companies that have benefited from SMEEIS in 2005 relative to national average	0.5	1.5
B2.2	Relative number of commercial bank branches in the state as at May 2006	0.5	1.5
B2.3	Volume of NACRDB loans disbursed to agro-businesses as percent of capital budget to agriculture in 2005	0.0	1.5
B2.4	Volume of ACGSF loans disbursed to agro-businesses as percent of capital budget to agriculture in 2005	0.0	1.5
B2.5	Repayment rate of ACGSF loans for the period, 2002-2005	1.0	2.0
	<b>Subtotal (B2)</b>	<b>2.0</b>	<b>8.0</b>
<b>B3</b>	<b>Investment promotion services</b>		
B3.1	Existence of special programmes/incentives that promote technology innovations	1.5	2.0
B3.2	Evidence of special incentives to promote linkages between large firms and SMEs	0.0	1.0
B3.3	Availability of published and up-to-date investment or business information guide	1.0	1.0
B3.4	Existence of up-to-date directory of business firms	1.0	1.0
	<b>Subtotal (B3)</b>	<b>3.5</b>	<b>5.0</b>
<b>B4</b>	<b>Support for industrial clusters/layouts/parks</b>		
B4.1	Presence of an industrial cluster/layout/park	1.0	1.0
B4.2	Government's infrastructure programmes to support the cluster/layout/park	0.8	1.0
	<b>Subtotal (B4)</b>	<b>1.8</b>	<b>2.0</b>
<b>B5</b>	<b>Public-Private partnership</b>		
B5.1	Public-private partnership in security, infrastructure and utilities, credit provision, training and mentoring	1.0	2.0
	<b>Subtotal (B5)</b>	<b>1.0</b>	<b>2.0</b>
	<b>Total</b>	<b>10.55</b>	<b>20.0</b>

**B1: Entrepreneurship promotion****B1.1: *Existence of specific policies and/or institutions to promote entrepreneurship:***

The state government has policies, budgets and entrepreneurship promotion centres but there is no evidence of awards to deserving entrepreneurs. The state scores 2.25 out of 3.0.

**B2: Access to finance****B2.1 *Number of companies that have benefited from SMEEIS in 2005 relative to national average:***

The number of companies that benefited from SMEEIS facilities is 18% of the national average in 2005. The state scores 0.5 out of 1.5.

**B2.2: *Relative number of bank branches as at May 2006:***

The number of commercial banks branches as a percentage of the national average as at May 2006 is 52%. The state scores 0.5 out of 1.5.

**B2.3: *NACRDB loans as percentage of capital budget to agriculture in 2005:***

NACRDB loans as a percentage of state capital budget to agriculture in 2005 was 16.28%. The state scores 0.0 out of 1.5.

**B2.4: *Volume of ACGSF loans disbursed to agro-businesses as a percentage of capital budget to agriculture:***

The volume of ACGSF loans disbursed to agro-businesses as a percentage of state's capital budget to agriculture in 2005 was 17.7%. The state earns 0.0 out of 1.5.

**B2.5: *Repayment rate of ACGSF loans for the period, 2002-2005:***

The repayment rate of ACGSF loans for the period 2002 to 2005 was 44.58%. The state scores 1.0 out of 2.0.

**B3: Investment promotion services****B3.1: *Existence of special programmes/incentives that promote technological innovations:***

There are special concessions and infrastructure facilities to promote technological innovation provided by the state government, but there is no evidence of tax incentives. The state scores 1.7 out of 2.0.

**B3.2: *Evidence of special incentives to promote linkages between large firms and small and medium enterprises:***

There is no evidence of special incentives to promote linkages between large firms and small and medium enterprises. The state scores 0.0 out of 1.0.

**B3.3: Availability of published up-to-date investment or business information guide to enlighten investors:** There is evidence that the state has up-to-date investment guide. The state scores the maximum point of 1.0.

**B3.4: Evidence and up-to-date directory of business firms:** The state has an up-to-date directory of business firms. The state scores the full point of 1.0.

#### **B4: Support for industrial clusters/layouts/parks**

**B4.1: Presence of an industrial cluster/layout/park:** The state has industrial clusters/layouts/parks and scores the maximum point of 1.0.

**B4.2: Government infrastructure programme to support the cluster/layout/park:** Government supports industrial cluster by providing roads, power, security and water. There is no evidence of provision of telecommunications. This gives the state a score of 0.8 out of 1.0.

#### **B5: Public-private partnership**

**B5.1: Public private partnership in security, infrastructure and utilities, credit provision, training and mentoring:** The state is involved in public-private partnership in the areas of credit provision and security. There is no evidence of such partnership in training and mentoring and infrastructure. The state scores 1.0 out of 2.0.

### **2.5 Security**

The state scores a total of 57.5% on the benchmark.

### 2.5.1 Performance on the Measures

Table 9: Scores on measures under security

Code	Measure	Actual score	Max. score	<sup>1</sup> Percent age score
S1	Major crimes	6.0	12.0	50.0
S2	Minor crimes	3.0	3.0	100.0
S3	Police coverage	1.0	2.0	50.0
S4	Perceptions on security	1.5	3.0	50.0
	<b>Total</b>	<b>11.5</b>	<b>20.0</b>	<b>XXXXXXXXXXXX</b>

### 2.5.2. Performance on the indicators

Table 10: Values on security indicators

Code	Indicator	Actual score	Max. score
<b>S1</b>	<b>Major crimes (crime with violence)</b>		
S1.1	Number of reported armed robbery cases in 2005 per 100,000 persons	1.0	2.0
S1.2	Number of reported murder cases in 2005 per 100,000 persons	1.0	2.0
S1.3	Number of reported rape cases in 2005 per 100,000 persons	2.0	2.0
S1.4	Number of reported assault cases in 2005 per 100,000 persons	0	2.0
S1.5	Number of reported burglary and theft cases (including motor vehicle snatching) in 2005 per 100,000 persons	0	2.0
S1.6	Number of reported arson/vandalism cases in 2005 per 100,000 persons	2.0	2.0
	<b>Subtotal (S1)</b>	<b>6.0</b>	<b>12.0</b>

<sup>1</sup> Major and minor crimes are indexed on a negative scale, the higher the percent the smaller the incidence of major or minor crimes.

<b>S2</b>	<b>Minor crimes</b>		
S2.1	Number of reported fraud (including forgery and counterfeiting and extortion) cases in 2005 per 100,000 persons	3.0	3.0
	<b>Subtotal (B2)</b>	<b>3.0</b>	<b>3.0</b>
<b>S3</b>	<b>Police coverage</b>		
S3.1	Police-population ratio	1.0	2.0
	<b>Subtotal (B3)</b>	<b>1.0</b>	<b>2.0</b>
<b>S4</b>	<b>Perception of security</b>		
S4.1	Assessment of the conduciveness of security to business	0.75	1.5
S4.2	Rating of police performance	0.75	1.5
	<b>Subtotal (B4)</b>	<b>1.5</b>	<b>3.0</b>
	<b>Total</b>	<b>11.5</b>	<b>20.0</b>

### S1: Major crimes

**S1.1: Number of reported armed robbery cases per 100,000 of the population:** The state has 134 reported/recorded armed robbery cases in 2005. The number of cases per 100,000 persons is 3.41. The state scores 1.0 out of 2.0.

**S1.2: Number of reported murder cases per 100,000 of the population:** The state has 102 reported/recorded murder cases in 2005. The number of cases per 100,000 persons is 2.59 and the state scores 1.0 out of 2.0.

**S1.3: Number of reported rape cases per 100,000 of the population:** The state has 21 reported/recorded rape cases in 2005. The number of cases per 100,000 persons is 0.53, giving the state the maximum of 2.0.

**S1.4: Number of reported assault cases per 100,000 of the population:** The state has 930 reported/recorded assault cases in 2005. The number of cases per 100,000 persons is 23.63. The state gets the maximum score of 2.0.

**S1.5: Number of reported burglary and theft cases (including motor vehicle snatching) reported/recorded in 2005 per 100,000 of the population:** The state has 2004 reported/recorded burglary and theft (including motor vehicle snatching) in 2005. The number of cases per 100,000 persons is 50.93. The state scores 0.0 out of 2.0.

**S1.6: *Number of reported arson/vandalism cases per 100,000 of the population:*** The state has one reported/recorded case of arson/vandalism in 2005. The number of cases per 100,000 persons is 0.03. The state scores the maximum point of 2.0.

## **S2: Minor crimes**

**S2.1: *Number of reported fraud (including forger, counterfeiting and extortion cases) per 100,000 of the population:*** There are 115 reported/recorded fraud, extortion and forgery/counterfeiting cases in 2005. The number of cases per 100,000 persons is 2.92. The state scores the maximum point of 3.0.

## **S3: Police coverage**

**S3.1: *Population of combatant policemen per 1,000 of the population:*** The state has 4,392 policemen in 2005. The number of policemen per 1,000 persons is 1.12%, giving the state 1.0 out of 2.0.

## **S4: Perceptions on security**

**S4.1: *Assessment of conduciveness of security to business:*** The survey shows that conduciveness of business environment in terms of security is assessed as good. The state scores 0.75 out of 1.5.

**S4.2: *Rating of police performance:*** The survey shows that police performance is rated as efficient, giving the state a score of 0.75 out of 1.5.