



**NIGERIAN  
INVESTMENT  
PROMOTION  
COMMISSION**

# WHY NIGERIA REMAINS AN ATTRACTIVE INVESTMENT DESTINATION

UNIDO-ITPO NIPC NIGERIA BUSINESS SEMINAR

Yewande Sadiku  
**Executive Secretary/CEO**

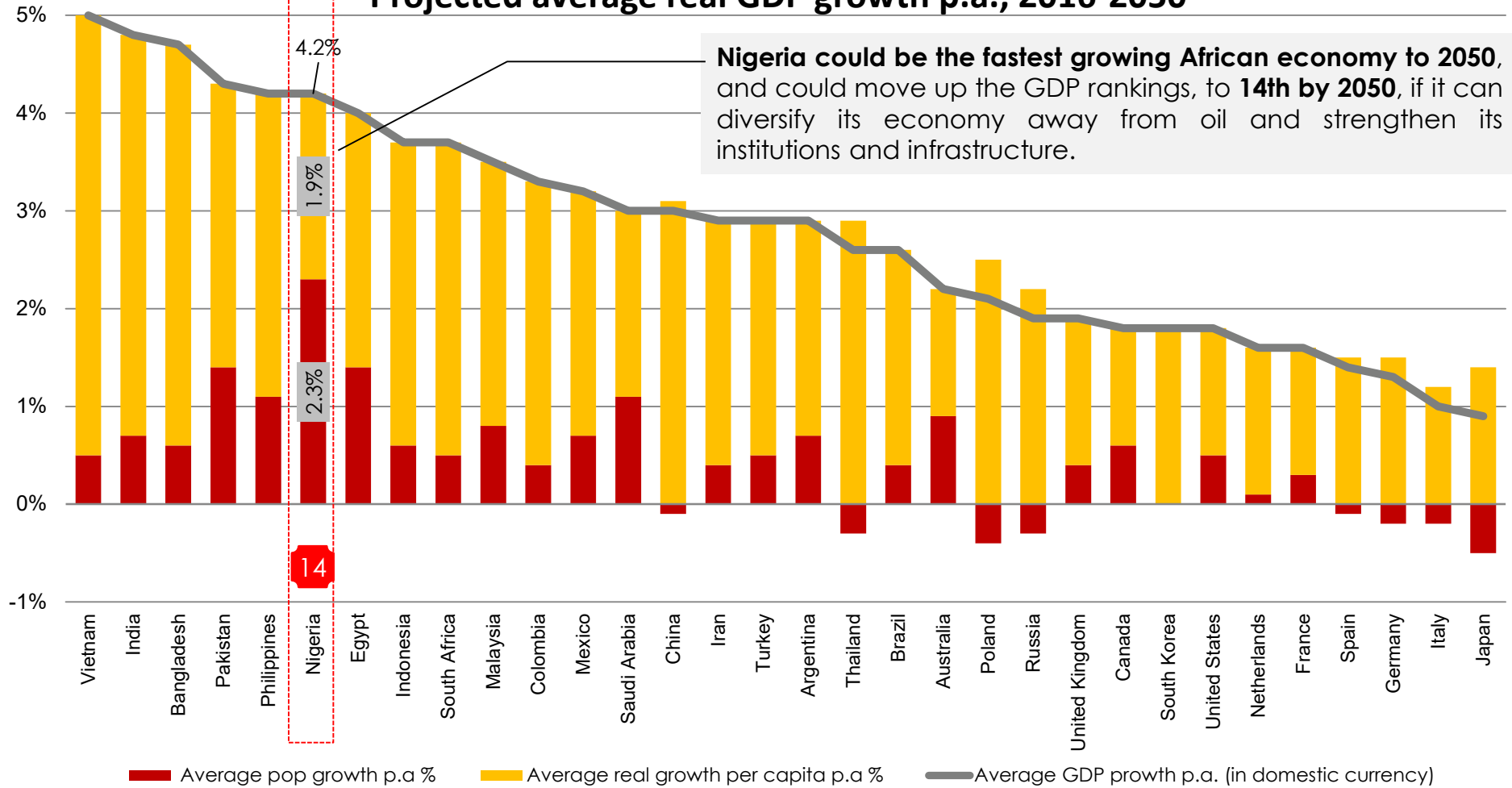
Virtual | 16 September 2020

# Why Nigeria

# Biggest economy in Africa



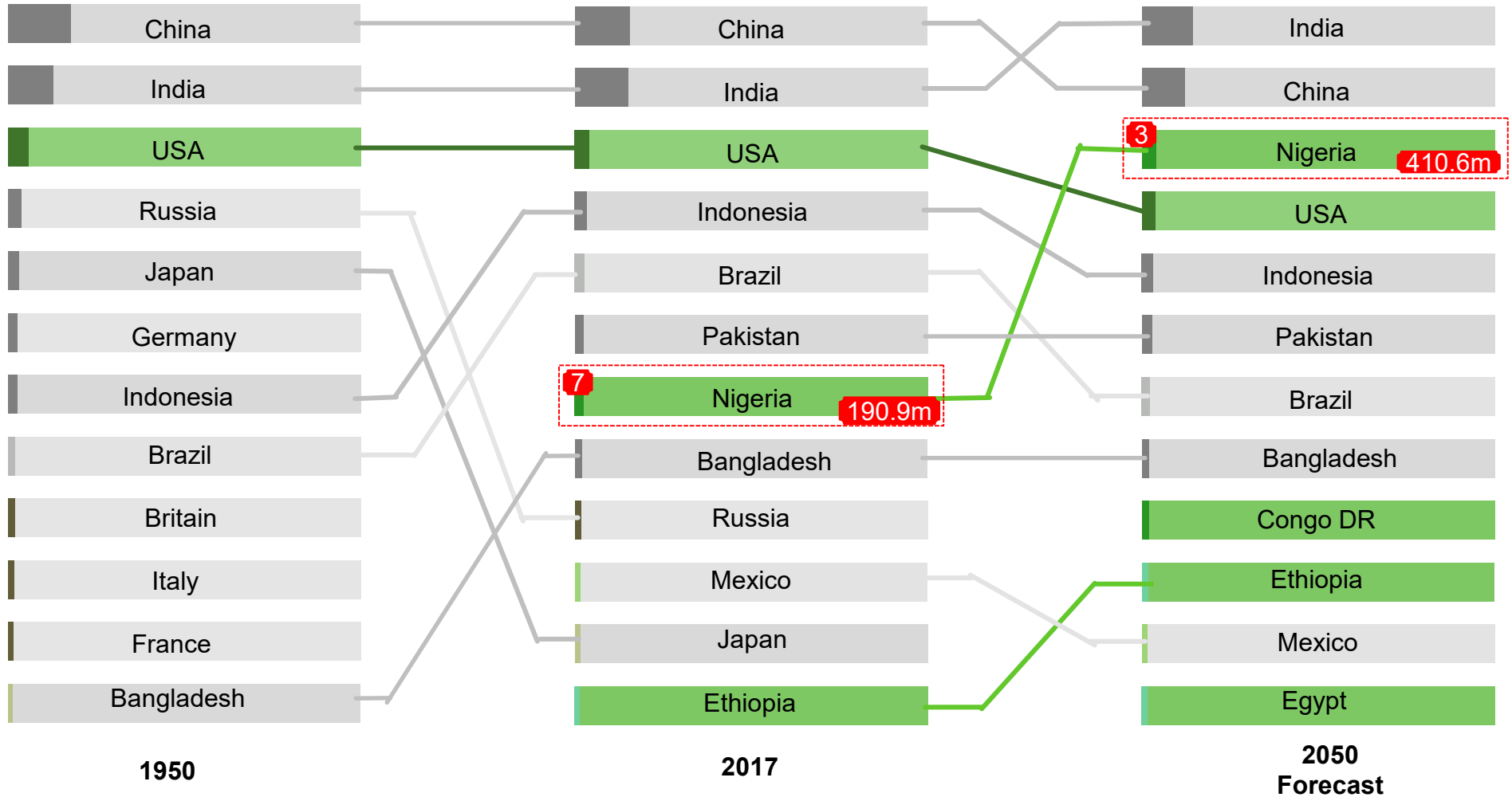
## Projected average real GDP growth p.a., 2016-2050



# Largest population in Africa



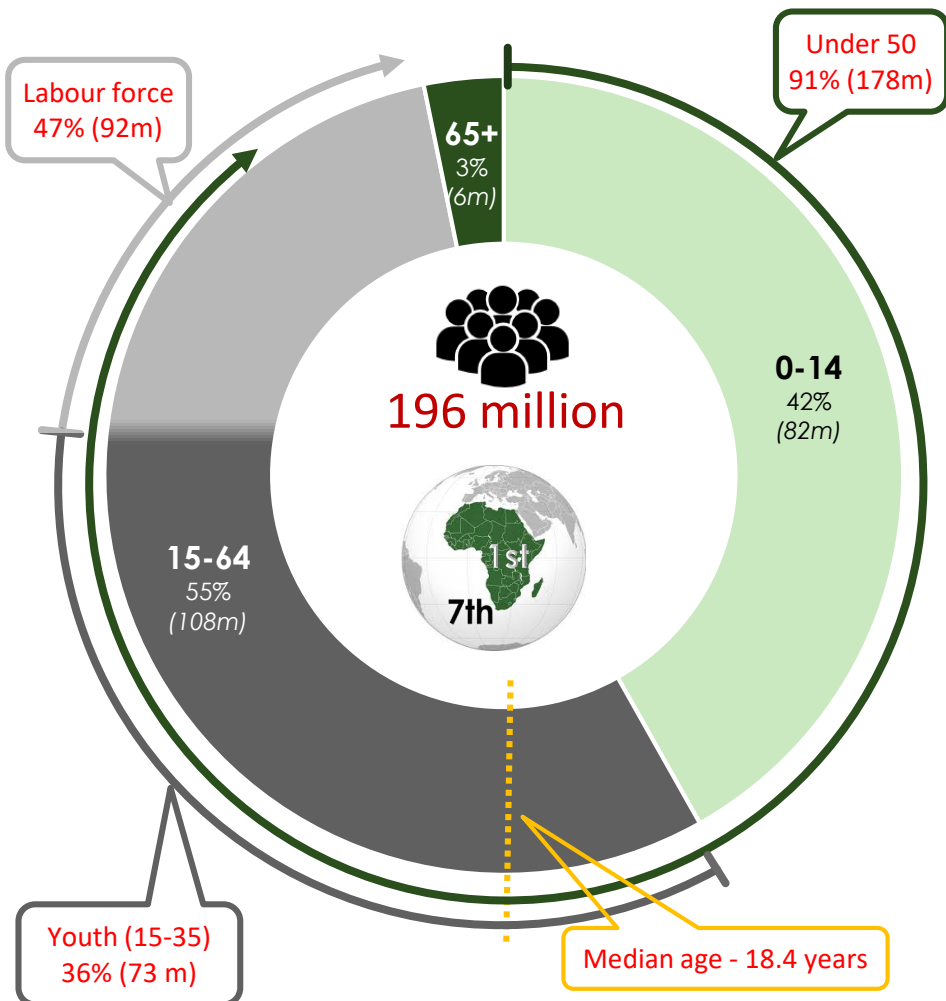
## Most populous countries



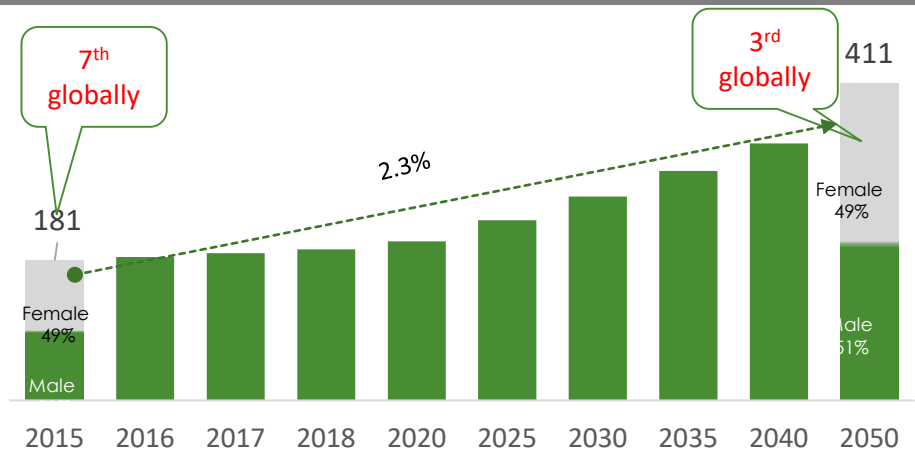
# Favourable demography



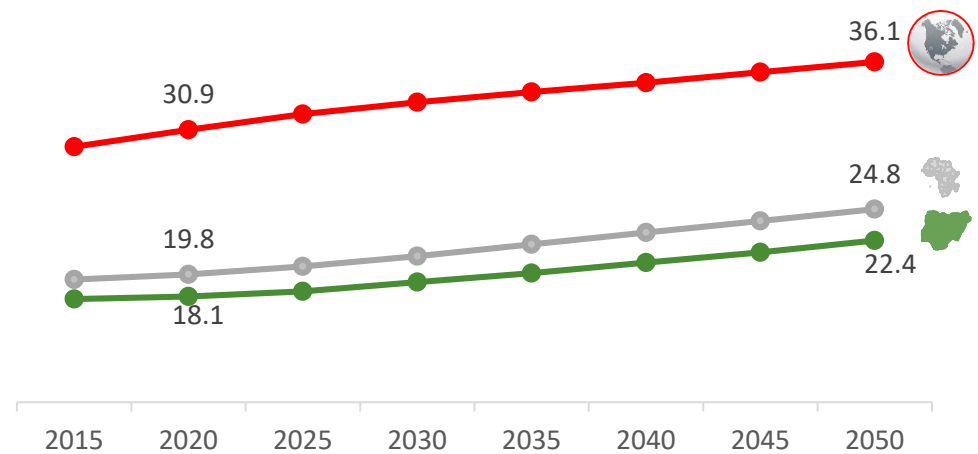
## By age



## By size, millions



## Median age



# Ideal gateway economy for leveraging AfCFTA









- **4 International airports** and major seaports in Lagos, Calabar and Bonny island
- **3,798 km** of railway tracks and **168,000 km** road network
- Land borders with **Benin, Cameroon, Chad and Niger** and a natural hub for the continent

## Nigeria is more ready than most African economies

1. Large domestic market makes Nigeria the ideal gateway economy
2. Expanded market for Nigerian goods and services, creating jobs and economic growth
3. Nigeria's manufacturing value addition is more than 7x the average of the top 20 economies in Africa
4. Effective trade remedies will allow action against injurious practices by foreign countries and companies
5. Many Nigerian companies, particularly in the services sector, have long developed the capacity to serve the rest of Africa
6. Complements Nigeria's national development agenda and can catalyse economic diversification

# Selected Nigerian companies and their networks in Africa



Company	Sector	African operations	
 United Bank for Africa	Services (Banking)	20	Benin, Burkina Faso, Cameroun, Chad, Cote d'Ivoire, Congo Brazzaville, Gabon, Ghana, Guinea Conakry, Kenya, Liberia, Mali, Mozambique, Nigeria, RDC, Senegal, Sierra Leone, Tanzania, Uganda, Zambia
 DANGOTE	Manufacturing (Industrial, Food & Beverages)	12	Cameroun, Cote D'Ivoire, Congo, Ethiopia, Ghana, Liberia, Nigeria, Senegal, Sierra Leone, South Africa, Tanzania, Zambia,
 GTBank <small>Guaranty Trust Bank</small>	Services (Banking)	10	Cote d'Ivoire, Gambia, Ghana, Kenya, Liberia, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda
	Telecommunications	5	Benin, Cote d'Ivoire, Ghana, Nigeria, The Gambia
	Tech Ecosystem (Digital payments and Commerce)	3	Kenya, Nigeria, Uganda
 your cash, anywhere, anytime	FinTech	2	Ethiopia, Nigeria

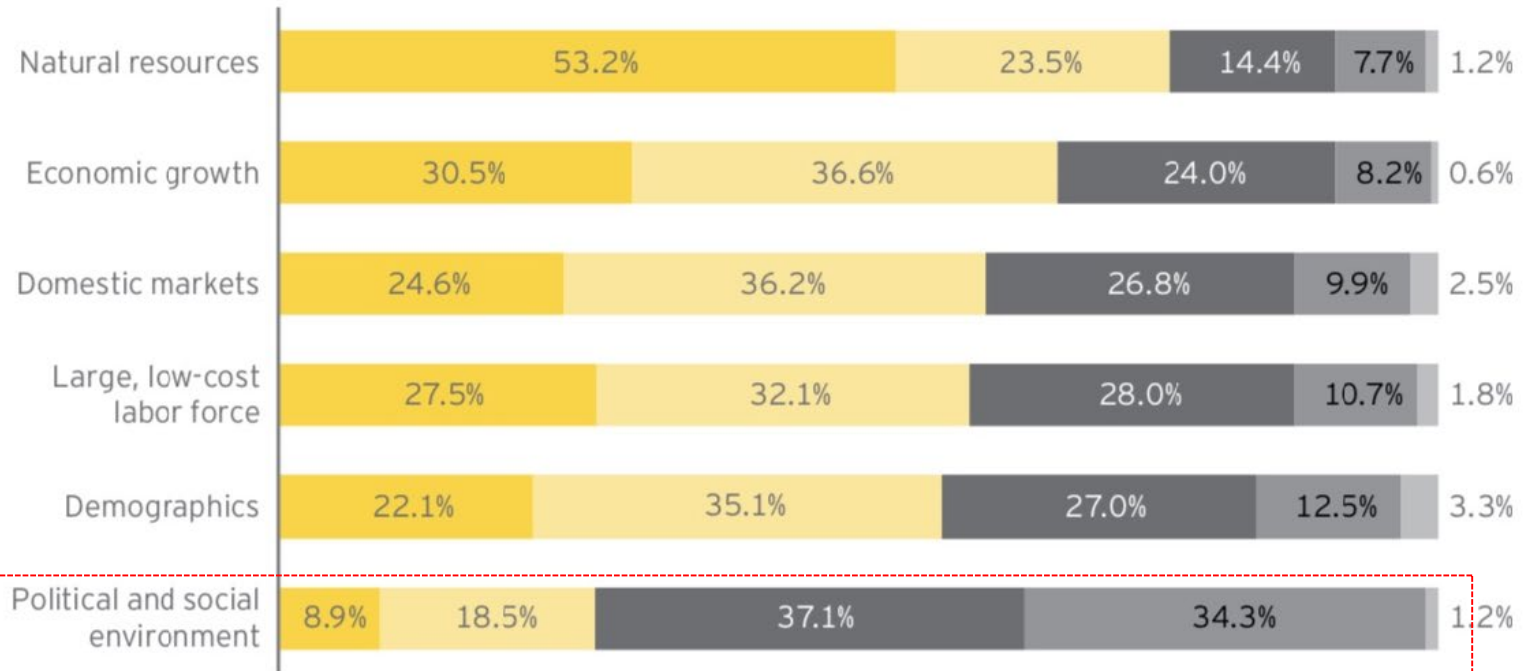
# What investors tell us



# Africa's investment attractiveness



Biggest draws:  
natural resources,  
high growth rates  
and large  
domestic  
markets...



■ Very attractive  
 ■ Fairly attractive  
 ■ Not very attractive  
 ■ Not at all attractive  
 ■ Can't say

Nigeria has 4 of the 5 key factors investors look for in its favour ■ ■

...yet concerns about business environment persist

# Improved ease of doing business ranking: Nigeria (131/190)



## Nigeria's ease of doing business ranking improved by 15 steps and 4.01 points



... positive national doing business score ...

DB Year	Rank	Difference	*DTF	Difference
2020	131/ 190	↑ +15	56.9	↑ +4.01
2019	146/ 190	↓ -1	52.89	↑ +1.37
2018	145/ 190	↑ +24	51.52	↑ +6.89
2017	169/ 190	↑ +1	44.63	↓ -0.06
2016	170/ 189	→ 0	44.69	↑ +1.14

	2020 DB Ranking	
	Rank	Difference
Starting a business	105/ 190	↑ +5
Dealing with construction permits	55/ 190	↑ +94
Getting electricity	169/ 190	↑ +2
Registering property	183/ 190	↑ +1
Getting credit	15/ 190	↓ -3
Protecting minority investors	28/ 190	↑ +10
Paying taxes	159/ 190	↓ -2
Trading across borders	179/ 190	↑ +3
Enforcing contracts	73/ 190	↑ +20
Resolving insolvency	148/ 190	↑ +1

# CAMA 2020, changing the investment landscape



Signed into law on 7 August 2020



**Single shareholder for private companies**

*S.18(2) makes it possible to establish a private company with only 1 shareholder.*



**Minimum Issued Share Capital**

*S.27(2) replaces 'authorized share capital' with 'minimum share capital'.*



**Exemption from appointing auditors**

*S.402 exempts small companies or single shareholder companies from appointing auditors to audit the financial statements of the company.*



**E-filing and virtual meetings**

*S.176(1) and S.240(2) allow electronic instruments of transfer and virtual meetings (for private companies)*



**Limited Liability Partnerships (LLPs)**

*S.746 – 810 acknowledge LLPs as a business structure.*



**Reduction of filing fees for registration of charges**

*S.223(12) reduces the fees payable for filing to 0.35% of the value of the charge, a 65% reduction from the old law*



**Enhancement of minority shareholder rights**

*S.265(6) restricts the chairman of a public company from acting as its chief executive officer*



**Appointment of company secretary**

*S.330(1) makes the appointment of a company secretary optional for private companies*



**Business rescue provisions for insolvent companies**

*Frameworks for rescuing a company in distress and to keep it alive introduced in sections S.434 to S.442, S.443 to S.549, and S.718 to S.721*



**Disclosure of significant control and beneficial ownership**

*S.119 and S.120 provide that significant control in any company be disclosed within a week of acquisition*

# Despite the challenges, there are very many reasons to invest in Nigeria...



One of the most **entrepreneurial, innovative and ingenious economies...**



Strategic location



Strategic time zone  
GMT +1



Favourable weather



Language: English



Large growing population –  
3<sup>rd</sup> largest by 2050



Growing middle class  
population



Young, energetic, tech-savvy  
entrepreneurial population



Optimistic mobile  
population



Resilient, hard-working “can-  
do” spirit



Large population of  
consumers



Huge unfilled demand



Improving business  
Climate



Abundant natural  
Resources



Abundant economic  
opportunities



Generous investment  
incentives



Sophisticated financial  
markets



Generous investor  
protections



Private sector-led  
economy



Home to many large local  
and international brands

...scale of **opportunities**,  
quality of **talent**, scale of  
**ambition and aspiration**  
of **government...**



Fast growth economic  
projections – aspires to be  
14<sup>th</sup> by 2050



Two decades of political  
stability

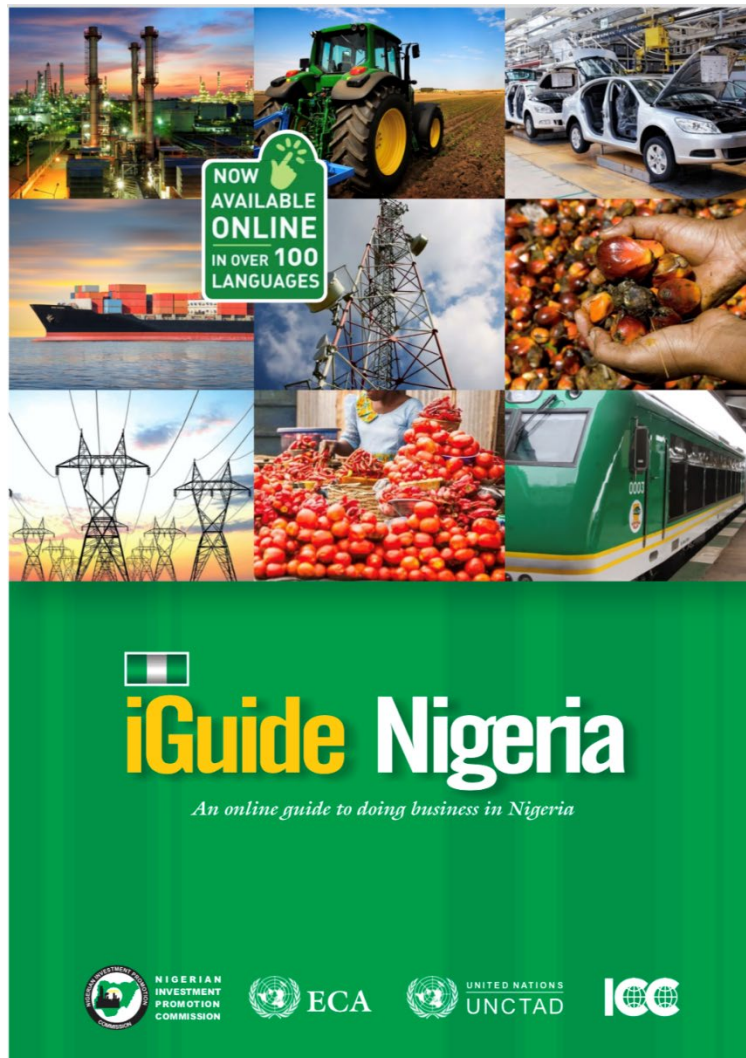


An essential component of  
every Africa strategy

...**adaptability and**  
**agility of the people**



# Accessing Nigeria



- An easy-to-use **online investment guide** that provides investors with up-to-date and pertinent information on the processes, procedures and basic costs of doing business in Nigeria
- It provides information on **starting business, labour, production factors, land, taxes, investor rights, growth sectors and opportunities**
- The information will enable investors to make better informed decisions on Nigeria as a preferred investment destination
- Available at:
  - [www.theiguide.org/nigeria](http://www.theiguide.org/nigeria)
  - [www.nipcc.gov.ng](http://www.nipcc.gov.ng)

## COMPENDIUM OF INVESTMENT INCENTIVES IN NIGERIA



NIGERIAN INVESTMENT PROMOTION COMMISSION  
AND  
FEDERAL INLAND REVENUE SERVICE



FIRST EDITION: 31 OCTOBER 2017

- Compilation of fiscal incentives in Nigerian tax laws and duly approved sector-specific incentives
- 6 principal sections
  - Investment policies and protections
  - General tax-based incentives
  - Sector-specific incentives
  - Tariff-based incentives
  - Export incentives
  - Special Economic Zones
- First step in understanding impact of incentives in achieving Government's economic objectives and considering incentive reforms
- Available at [www.nipc.gov.ng](http://www.nipc.gov.ng)

# Select investment incentives in Nigeria



## Pioneer status incentive

- For companies in industries recognised as “pioneer”
- Allows a company income tax holiday for 3-5 years
- Dividends also exempt from tax

## Deduction for research and development

- For companies undertaking R&D activities for commercialization
- Allows 20% investment tax credit on qualifying expenditures

## Rural investment allowance

- For companies >20km from government facilities who incur capex for providing electricity, water, tarred roads, etc for the purpose of a trade or business
- Rates: 100%: no facilities; 50%: no electricity; 30%: no water; 15%: no tarred road

## Investment tax relief

- Similar to rural investment allowance, but only available for 3 years max for companies who have not enjoyed pioneer status

## Export expansion grant

- Post-shipment incentive for non-oil exports
- Qualifying exports must fully repatriate proceeds within 300 days

## Export processing zones incentives

- 100% capital allowance
- Rent-free land during construction
- Full holiday from federal, state and local government taxes

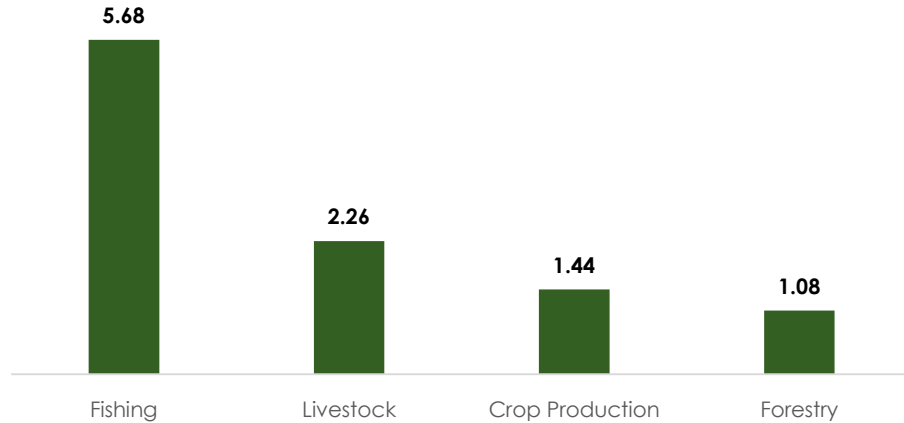


# Winners and losers from COVID-19, Q2 2020



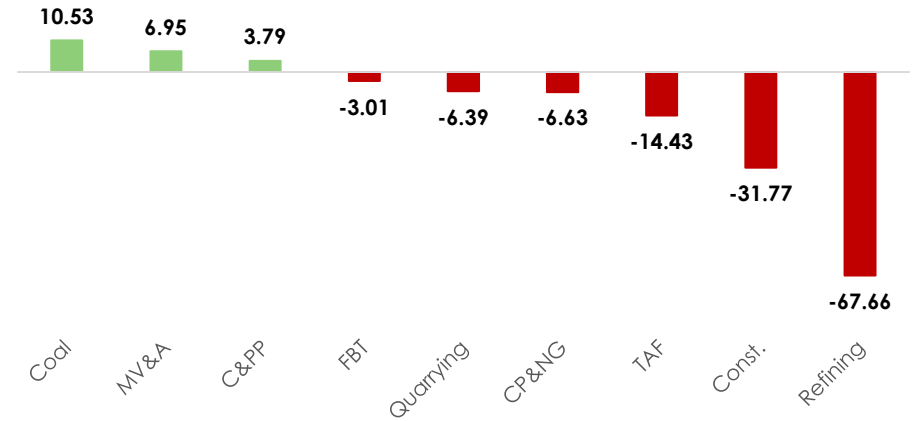
## Agriculture, (₦3.9 trillion)

+1.58%



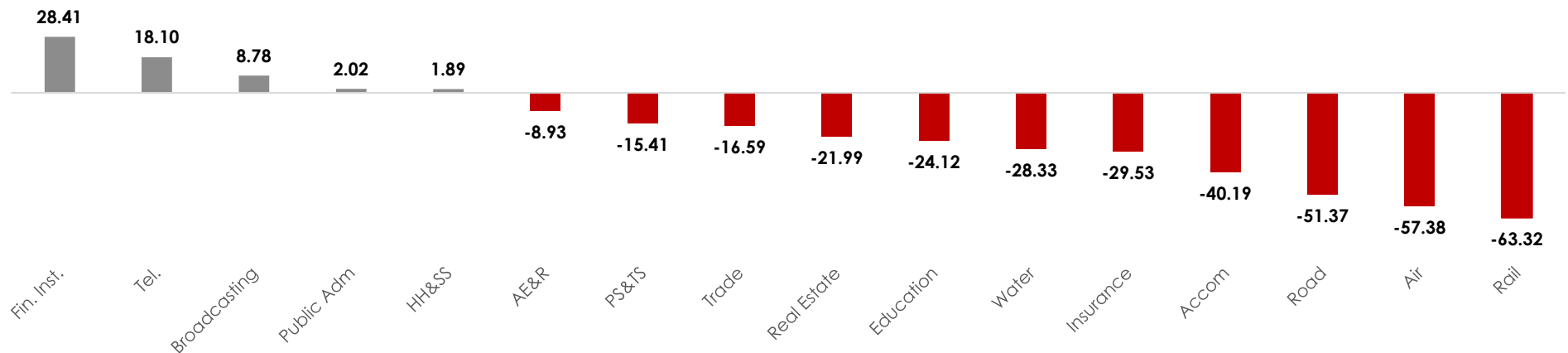
## Industries, (₦3.5 trillion)

-12.05%



## Services, (₦8.5 trillion)

-6.78%



## Investment Opportunities In Nigeria's Sorghum Value Chain

January 2020



## Investment Opportunities in Nigeria's Wheat Value Chain

January 2020



## Investment Opportunities In Nigeria's Piggery Value Chain

January 2020



## Investment Opportunities in Nigeria's Maize Value Chain

January 2020



## NIGERIAN RICE INVESTMENT OPPORTUNITIES AFRICA INVESTMENT SUMMIT

London, January 2020



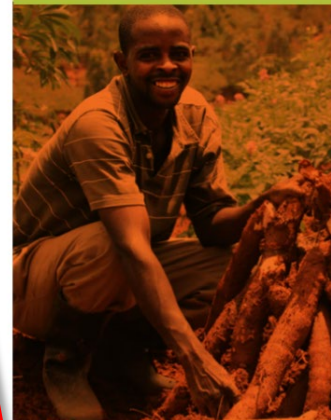
## Investment Opportunities in Nigeria's Poultry Value Chain

January 2020



Business Innovation Facility

## BIF CASSAVA MARKET ANALYSIS & STRATEGY



OCTOBER 30TH 2014

## BIF NIGERIA MARKET ANALYSIS AND STRATEGY -MAIZE



HOW TO IMPACT REAL LIVES, WITH REAL CHANGE, AND ACHIEVE REAL ATTRIBUTION

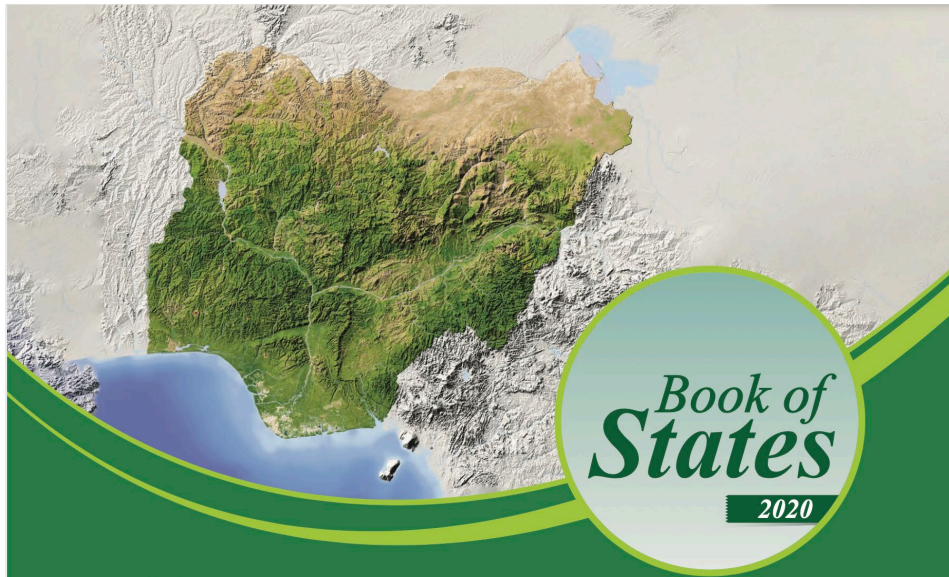
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The Sale of Napier Seedlings, Pellets and Silage

Sector reports available for download from NIPC's website

# Book of States: showcasing investment prospects across Nigeria



## Book of States 2020



**NIGERIAN INVESTMENT PROMOTION COMMISSION**

In Partnership with **NIGERIA GOVERNORS FORUM**

### Kaduna State

**Centre of Learning**

**IGR (2017)**  
N26.53bn (11 of 36)

**Budget (2018)**  
N216.55bn (11 of 36)

**GDP (2017)**  
N2.25tn (17 of 36)

**NICPS**  
To be determined once certification undertaken

**Competitive Advantage**

- Major economic and industrial centre
- Largest producer of ginger in Nigeria
- Efficient Transportation infrastructures (road, rail and airport)
- Efficient land management system (30days processing time)

**Investment Opportunities**

**Doing Business Ranking [5/36]**

**Capital** Kaduna

**Land Area** 46,053 km<sup>2</sup> (3 of 36)

**Arable Land** 65+ 258,000 (3%)

**Population** 8,352,366 (6 of 36)

**Demography** 0-14: 3,698,000 (4.3%)  
15-64: 4,844,000 (58%)  
65+ 258,000 (3%)

**Labour force** 3,258,608 (6 of 36)

**Climate** Tropical Savannah

**Topography** Scattered short trees, shrubs and grasses  
Lush, sandy and clay

**Services: Renewable Energy, Education, Livestock, Waste**

**Investment Opportunities**

**Doing Business Ranking [5/36]**

**Starting a Business** 13 of 36

**Paying Taxes** 9 of 36

**Registering Property** 24 of 36

**Trading with International Partners** 13 of 36

**Enforcing Contracts** 1 of 36

**Source:** IGR Doing Business in Nigeria 2014  
National Bureau of Statistics (NBS)  
NICPS: Nigerian Investment Certification Programme for States

### Plateau State

**Home of Peace and Tourism**

**IGR (2016)**  
N9.19bn (17 of 36)

**Budget (2018)**  
N146bn (26 of 36)

**GDP (2017)**  
N30bn (1 of 36)

**NICPS**  
To be determined once certification undertaken

**Competitive Advantages**

- Unique climate and favourable soil (exotic crops, vegetables and fruits)
- 700-hectare potato project
- Potential West Africa's largest potato producer
- +13 Tourism attractions
- The Gem City

**Investment Opportunities**

**Doing Business Ranking [x/36]**

**Capital** Jos

**Land Area** 30,913 km<sup>2</sup> (12 of 36)

**Arable Land** 4,200,442 (26 of 36)

**Population** 4,200,442 (26 of 36)

**Demography** 0-14: 65+

**Labour force** 1,942,601 (20 of 36)

**Climate** Tropical Savannah

**Topography** Rocky

**Services: Renewable Energy, Education, Livestock, Waste**

**Investment Opportunities**

**Doing Business Ranking [x/36]**

**Starting a Business** 20 of 36

**Paying Taxes** 1 of 36

**Registering Property** 13 of 36

**Trading with International Partners** 17 of 36

**Enforcing Contracts** 22 of 36

**Source:** IGR Doing Business in Nigeria 2014  
National Bureau of Statistics (NBS)  
NICPS: Nigerian Investment Certification Programme for States

### Anambra State

**IGR (2016)**  
N16.19bn (11 of 36)

**Budget (2018)**  
N170.9bn (11 of 36)

**GDP (2017)**  
\$8.6bn (1 of 36)

**NICPS**  
To be determined once certification undertaken

**Competitive Advantages**

- Second-most densely populated state
- Largest market in Africa (Onitsha)
- Automotive Industrial Cluster (Newsw)

**Investment Opportunities**

**Doing Business Ranking [4/36]**

**Capital** Awka

**Land Area** 16,277 km<sup>2</sup> (21 of 36)

**Arable Land** 1,100,000 (1 of 36)

**Population** 11,000,000 (1 of 36)

**Demography** 0-14: 15-64: 65+

**Labour force** 2,371,482 (16 of 36)

**Climate** Tropical Savannah  
Hot semi-arid and hot desert

**Topography** Desert

**Services: Renewable Energy, Education, Livestock, Waste**

**Investment Opportunities**

**Doing Business Ranking [4/36]**

**Starting a Business** 11 of 36

**Paying Taxes** 11 of 36

**Registering Property** 9 of 36

**Trading with International Partners** 11 of 36

**Enforcing Contracts** 11 of 36

**Source:** IGR Doing Business in Nigeria 2014  
National Bureau of Statistics (NBS)  
NICPS: Nigerian Investment Certification Programme for States

### Edo State

**Heart Beat of the Nation**

**IGR (2016)**  
N23.04bn (11 of 36)

**Budget (2018)**  
N150bn (21 of 36)

**GDP (2017)**  
N30bn (1 of 36)

**NICPS**  
To be determined once certification undertaken

**Competitive Advantages**

- Largest oil palm yields in Nigeria
- Gelegele Season

**Investment Opportunities**

**Doing Business Ranking [x/36]**

**Capital** Benin

**Land Area** 17,802 km<sup>2</sup> (22 of 36)

**Arable Land** 1,100,000 (1 of 36)

**Population** 11,000,000 (1 of 36)

**Demography** 0-14: 15-64: 65+

**Labour force** 2,371,482 (16 of 36)

**Climate** Tropical Savannah  
Hot semi-arid and hot desert

**Topography** Desert

**Services: Renewable Energy, Education, Livestock, Waste**

**Investment Opportunities**

**Doing Business Ranking [x/36]**

**Starting a Business** 11 of 36

**Paying Taxes** 11 of 36

**Registering Property** 9 of 36

**Trading with International Partners** 11 of 36

**Enforcing Contracts** 11 of 36

**Source:** IGR Doing Business in Nigeria 2014  
National Bureau of Statistics (NBS)  
NICPS: Nigerian Investment Certification Programme for States

### Ogun State

**Gateway State**

**IGR (2017)**  
N78.49bn (\$245.2m) (1 of 36)

**Budget (2018)**  
N345.46bn (\$1.13tn) (1 of 36)

**Household Consumption (2017)**  
N250n/\$83m (1 of 36)

**NICPS**  
Highly qualified to help investors  
Did you know?  
The first Nigerian woman to drive a car was from Abeokuta in Ogun State

**Competitive Advantages**

- IPP Powered Industrial Zones
- Fibre optic broadband internet development
- Gateway to rest of Nigeria and West Africa
- Proximity to commercial capital of Nigeria
- Home to 30+ tertiary institutions
- Largest quantity of limestone in Nigeria

**Investment Opportunities**

**Doing Business Ranking [x/36]**

**Capital** Abeokuta

**Land Area** 16,400 km<sup>2</sup> (14 of 36)

**Population (2017)** 5,339,390 (14 of 37)

**Demography** 0-14: 1,967,079 (34%)  
15-64: 3,018,665 (56%)  
65+: 206,246 (4%)

**Labour force** 3,611,263 (8 of 36)

**Climate** Coastal, Rainforest, Savannah

**Topography** Rocky

**Services: Renewable Energy, Education, Livestock, Waste**

**Investment Opportunities**

**Doing Business Ranking [x/36]**

**Starting a Business** 1 of 36

**Paying Taxes** 18 of 36

**Registering Property** 16 of 36

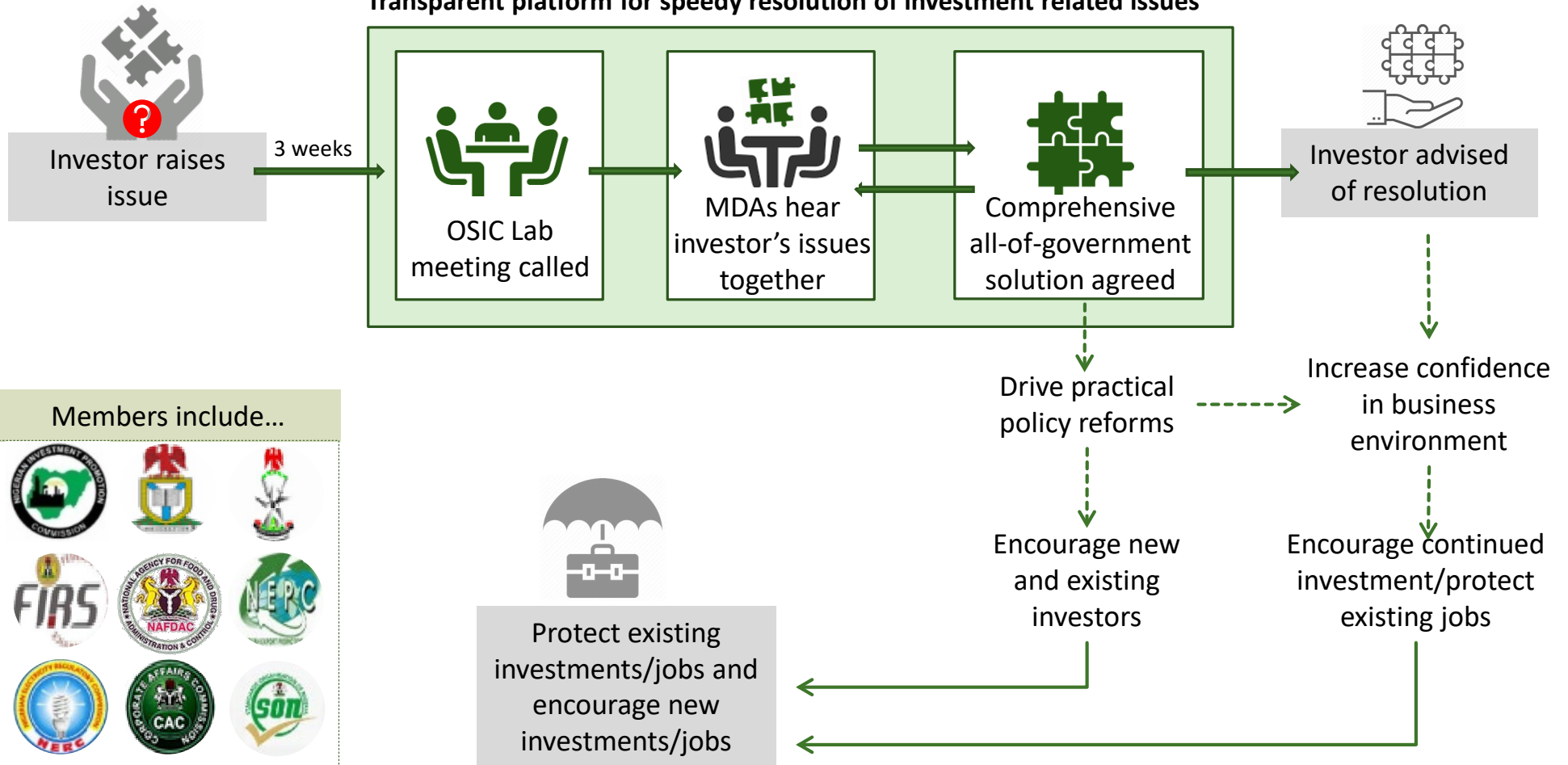
**Trading with International Partners** 17 of 36

**Enforcing Contracts** 17 of 36

**Source:** IGR Doing Business in Nigeria 2014  
National Bureau of Statistics (NBS)  
NICPS: Nigerian Investment Certification Programme for States  
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## Currently in pilot phase

### Transparent platform for speedy resolution of investment related issues



### Members include...



# Success Story: Nigeria LNG Limited



Origin: Nigeria

Sector: Oil & Gas

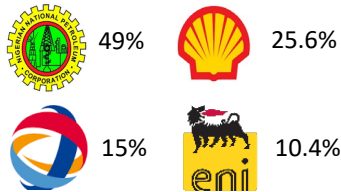
## Overview



Marketing, producing and shipping of Nigeria's gas resources

Head Office: Port Harcourt  
Plant: Bonny Island

## Shareholders

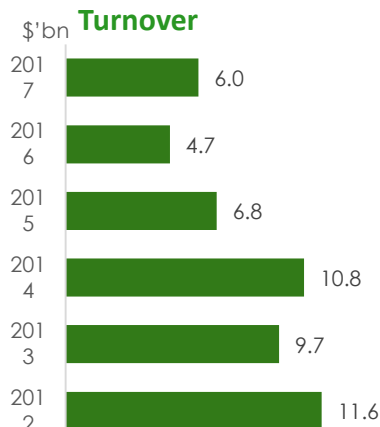


## Subsidiaries

Bonny Gas Transport Limited (BGT)  
NLNG Ship Management Limited (NSML)

## Financial Summary: 2012 - 2017

Capital Investment (2012 - 2017)  
**US\$2.35bn**



**"Our vision is to be a global player; helping to build a better Nigeria! NLNG remains the biggest opportunity for Nigeria to unlock her full gas potential – It's time for Gas!"**

**Tony Attah, MD/CEO  
Nigeria LNG Limited**

## Highlights

- 6-train complex is Nigeria's biggest gas plant and was the fastest growing LNG plant in the world between 1999 and 2007.
- Liquefies c.28 bcm of gas annually (since 2008)
- Capacity to produce 22 MTPA of LNG and 5 MTPA of NGLs
- Global delivery of LNG, Condensate and LPG around the world.
- Single largest supplier of LPG to the Nigerian market – (Over 50%)
- Total CSR spend of c. \$200m and also supported FGN with ₦60 billion commitment to actualize the Bonny-Bodo Road .
- Special incentive for investment expansion supported quick development of LNG trains

## Expansion plans (3-5 years)

- Addition of 7<sup>th</sup> train and a common liquefaction unit will increase LNG production capacity by 36% from 22 MTPA to 30 MTPA
- Enabling expansion of domestic LNG and LPG

## Value addition to Nigeria's economy

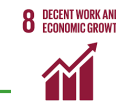
### Employment

- > 1,000 staff
- 100% Nigerian Management Team
- Has created over 18,000 indirect jobs for Nigerians
- Empowered local businesses



### Economy

- Contributes ~1% of Nigeria's GDP
- Paid total dividends of \$16.5bn and delivered \$6.5bn, in taxes, to Nigeria from inception to 2017



### Value chain

- Uses made in Nigeria paints, cables, anodes and furniture in the design and construction of its vessels
- Introduced Nigerian suppliers to global vessel manufacturers



### Global visibility

- Export of LNG makes Nigeria the 4<sup>th</sup> largest LNG exporter in the world (2016)
- Was the fastest growing LNG plant in the world between 1999 and 2007



### Environment

- Ensured reduced gas flaring by upstream companies from over 60% to less than 25%
- Supporting Nigeria's attainment of Paris Accord obligations

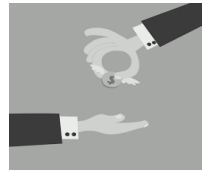


# Japan-Nigeria relations

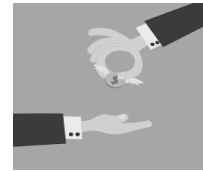
# Why Japan?



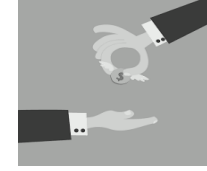
#2  
global investor



#7  
investor in Africa



#5  
investor in Nigeria



Top 10  
investor in services



Nigeria's top 20  
import partner



Nigeria's top 20  
export partner



Top 10  
investor in solid  
minerals



#5  
investor in oil  
refining



#5  
investor in real  
estate



## Background

- Established on 29 August 2019

## Objectives

- speedy resolution of business challenges
- foster sustained engagements between both governments and private sector
- address critical issues hindering greater bilateral trade and investment
- elevate dialogue among policymakers, business people, and investors

## Participants

- Co-chaired by H.E Ambassador of Japan and ES/CEO of NIPC
- Relevant MDAs, JETRO, JICA, Embassy of Japan, Japanese and Nigerian Business communities

## Structure

- Business-to-business (B2B)
- Business-to-government (B2G)
- Government-to-government (G2G)

## Joint Implementation Committee/Secretariat

- Embassy of Japan and JETRO office in Lagos
- NIPC



# Japanese brands in Nigeria



**Panasonic**



**HITACHI**



**SUNTORY**



**Canon**



**Marubeni**

**powerturbines**



**NEC**



**ASB**



**YOKOGAWA**

**JAPAN DESK**

**Country Desk Officer: Mohammed Baba**

**Email: [mohammed.baba@nipc.gov.ng](mailto:mohammed.baba@nipc.gov.ng)**



# About NIPC

# NIPC's principal functions



NIPC was established by the NIPC Act\* in 1995 to **encourage, promote and co-ordinate** investments in Nigeria

## Project Attractive Investment Image

- Promote Nigeria as an attractive investment destination
- Provide information on investment opportunities and capital sources

## Investment Promotion

- Promote investments in Nigeria, by Nigerians and non-Nigerians
- Co-ordinate all investment promotion activities in Nigeria

## Investment Facilitation

- Provide support services to investors and register enterprises in Nigeria
- Match-make investors with specific projects and advise on partners for JVs
- Provide information on investment incentives and approve Pioneer Status Incentive applications

## Policy Advocacy

- Initiate and support measures that enhance the investment climate
- Evaluate the impact of investments and incentives in Nigeria and make appropriate recommendations
- Advise Government on policy matters to promote Nigeria's economic development

# Investor obligation and protections in the NIPC Act



## Registration Obligation

- Enterprises in which foreigners can participate are required to register with NIPC before commencing business

## Ownership

- Nigerians and foreigners can invest in any sector, except for those on the negative list
- No restriction on foreign percentage ownership

## Guarantees

- Government will not nationalize or expropriate any enterprise
- Right of access to courts and fair and adequate compensation if acquisition is in national interest/for public purpose
- No restriction on repatriation by foreigners of investment returns or sale proceeds through an authorized dealer

## Dispute Resolution

- Amicable resolution by mutual discussion or arbitration of investor/government disputes
- Provisions of any Bilateral Treaty with the investor's country will apply
- Right of recourse to international arbitration under ICSID Rules

## What NIPC can do for investors



- Assist investors to navigate challenges in investing in Nigeria
- Assist with connecting prospective foreign investors with domestic partners
- Facilitate discussions with government agencies and policy makers
- Assist investors with quality information to help them implement their investment plans in Nigeria
- Facilitate investor input into the policy making process
- OSIC Lab provides a platform for resolving challenges faced by investors
- Work behind the scenes; easier for policy makers and regulators to change positions if persuaded privately, not confronted in public
  - This allows us to achieve the desired objective without compromising their independence
    - However, we cannot compel any government agency to do what we advice
  - The arguments we make need to be carefully thought through and driven by facts and data

For further details, please  
contact us



**NIGERIAN  
INVESTMENT  
PROMOTION  
COMMISSION**

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