## CONTENTS

### Country Profile
- 08 Nigeria at a Glance
- 10 Nigeria Country Profile

### History & Culture
- 16 History & Culture Overview
- 20 Nigerian Leaders 1960–2010

### Politics
- 26 Politics Overview
- 30 Interview: Mr. Odein Ajumogobia (SAN), Minister of Foreign Affairs
- 32 Interview: Mrs. Farida Mzamber Waziri, Executive Chairman, Economic and Financial Crimes Commission (EFCC)

### Economy
- 34 Economic Overview
- 38 Nigeria’s Economic Growth
- 42 Interview: Dr Emmanuel Egbogah, P.Eng, (OON), Special Adviser to the President on Petroleum Matters

### Foreign Direct Investment
- 46 Foreign Direct Investment Overview
- 48 Interview: Engr. Mustafa Bello (FSNE), CEO/Executive Secretary of Nigerian Investment Promotion Commission (NIPC)
- 54 In Focus: Eko Atlantic
- 60 Incentives for Investors
- 62 Doing Business in Nigeria
- 66 Interview: Mr. Mirko Plath, Managing Director, Weststar Associates Ltd
- 70 Interview: Dr. Bamanga Tukur, President of the African Business Roundtable (ABR) and Chairman NEPAD Business Group
Special Investment Destinations
74 Kano State: History and Background
80 Interview: His Excellency Mallam Ibrahim Shekarau, Executive Governor of Kano State
82 Bayelsa State: History and Background
90 Interview: Chief Timipre Sylva, Executive Governor of Bayelsa State

Legal & Accounting
92 What You Need to Know About Doing Business in Nigeria
101 In Focus: Kenna & Associates

Banking, Finance & Insurance
102 Banking & Finance Overview
106 Interview: Mr. Stephen Olabisi Onasanya, CEO, First Bank of Nigeria
111 In Focus: First Bank of Nigeria
114 In Focus: Commerzbank
116 Nigeria Banking Developments 2010: A New Broom Sweeps Clean
120 In Focus: Guaranty Trust Bank Plc

Energy
124 Energy Overview
128 A New Era for Oil
132 Nigeria and OPEC
140 Natural Gas in Nigeria
142 Nigerian Liquid Natural Gas
144 Electricity in Nigeria
148 Alternative Energy
Infrastructure – Telecommunications & IT
152 Telecoms Overview
156 Interview: Mr. Steve Evans, CEO
Etisalat Nigeria
162 Internet Taking Off
164 Mobile Market Matures
166 Innovation in ICT

Infrastructure – Transport
168 Transport Overview
172 Interview: Mr. Michael Druce,
Managing Director DHL Express Nigeria
179 Facts & Figures DHL Express Nigeria
180 Aviation in Nigeria
184 Investing in Transport
188 Firsts in Transport

Industry
190 Industry Overview
194 Nigerian Sugar
196 Beer Industry
198 Nigeria’s Trade Relations

Solid Minerals
200 Solid Minerals Overview
204 Interview: Arc. Musa Mohammed Sada,
Honourable Minister of Mines
and Steel Development
CONTENTS

Agriculture
208 Agriculture Overview
212 Cocoa Growing
214 Cassava – a Multi-Purpose Plant
216 Nigeria’s Food Security

Construction
218 Construction Overview

Tourism
222 Tourism Overview
228 Interview: Mr. Panos Panayis,
   General Manager Eko Hotel
   & Suites, Victoria Island
233 In Focus: Eko Hotel & Suites Lagos

Listings
234 States of the Federal Republic of Nigeria
235 Good to Know – Nigeria
238 Airlines
239 Hotels
242 Diplomatic Missions Abroad
249 Foreign Embassies in Nigeria
254 List of the Federal Cabinet
255 Weblinks Corporate Nigeria
256 Imprint
FDI Overview

Nigeria has made it into the top 20 global destinations for FDI.

Nigeria receives the largest amount of Foreign Direct Investment (FDI) in Africa. Foreign Direct Investment inflows have been growing enormously over the course of the last decade: from USD1.14 billion in 2001 and USD2.1 billion in 2004, Nigeria’s FDI reached USD11 billion in 2009 according to UNCTAD, making the country the nineteenth greatest recipient of FDI in the world.

Nigeria’s most important sources of FDI have traditionally been the home countries of the oil majors. The USA, present in Nigeria’s oil sector through Chevron Texaco and Exxon Mobil, had investment stock of USD3.4 billion in Nigeria in 2008, the latest figures available. The UK, one of the host countries of Shell, is another key FDI partner – UK FDI into Nigeria accounts for about 20% of Nigeria’s total foreign investment. As China seeks to expand its trade relationships with Africa, it too is becoming one of Nigeria’s most important sources of FDI; Nigeria is China’s second largest trading partner in Africa, next to South Africa. From USD3 billion in 2003, China’s direct investment in Nigeria is reported to be now worth around USD6 billion. The oil and gas sector receives 75% of China’s FDI in Nigeria. Other significant sources of FDI include Italy, Brazil, the Netherlands, France and South Africa.

Investment Framework and Bodies

In 1995, the Nigerian Investment Promotion Commission Act laid out the framework for Nigeria’s investment policy. Under the Act, 100% foreign ownership is allowed in all industries except for oil and gas, where investment is constrained to existing joint ventures or new production-sharing agreements. Investment from both Nigerian and foreign investors is prohibited in a few
industries crucial to national security: the production of arms and ammunition, and military uniforms. Investors can repatriate 100% of profits and dividends.

The Act set up the Nigerian Investment Promotion Commission (NIPC) to facilitate and promote investment in Nigeria. In March 2006, the NIPC set up a One Stop Investment Centre (OSIC) on its premises in Abuja. OSIC brings together agencies with mandates relating to investment in order to streamline the process of investing in the country. The stakeholders represented within OSIC are: the Nigerian Investment Promotion Commission (NIPC); the Corporate Affairs Commission (CAC); the Central Bank of Nigeria (CBN); the Ministry of Federal Capital Territory; the Ministry of Solid Minerals Development; the Federal Ministry of Finance; the National Bureau of Statistics; the Nigeria Immigration Service (NIS); the Nigeria Customs Service (NCS); the Federal Inland Revenue Service (FIRS); the National Service (NCS); the Federal Inland Service (NIS); the Nigeria Customs; the Nigeria Investment Promotion Commission (NIPC); the Standards Organisation of Nigeria (SON); the Nigeria Customs Service (NCS); the Federal Inland Revenue Service (FIRS); the National Office for Technology Acquisition and Promotion (NOTAP); the Standards Organisation of Nigeria (SON); the National Agency for Food and Drug Administration and Control (NAFDAC); the Northern Nigeria Development Corporation; and the O‘dua Investment Corporation Limited. OSIC has registered more than 2'500 companies since 2006.

Nigeria’s FDI framework has successfully catapulted the nation to the top of the investment table in Sub-Saharan Africa, but the government is committed to bringing in even more investment. In August 2009, UNCTAD and the Japan Bank for International Cooperation (JBIC) presented the Nigerian government with a 15-point action plan to develop the country’s investment promotion structure so as to enable Nigeria to meet its target of becoming one of the world’s top 20 economies by 2020. Among the recommendations, the so-called ‘blue book’ calls for the installation of a computerised investor tracking system by OSIC, reforms in the tax system, and the establishment of a Presidential Initiative to encourage best practices in the transfer of land rights. The book is the sixth produced by UNCTAD and JBIC for Africa, with others going to Ghana, Kenya, Tanzania, Uganda and Zambia.

**Sectors and Prospects for Future Investment**

Nigeria has a range of resources and industries ready for development and global interest in the economy is rising. Outside of petroleum, the country has largely untapped mineral resources including coal, iron ore, lead, tin and zinc, and the country’s expanses of arable land make agriculture and agro-processing viable and attractive. Nigeria’s telecoms industry is flourishing, and certain areas of manufacturing, like cement and beverages, are increasingly drawing in investors.

Between 2001 and the end of 2009, the telecoms sector received USD18 billion in FDI, on the back of a liberalised regime that has made Nigeria Africa’s biggest mobile market. The petroleum sector attracts the bulk of foreign investment, and the high prices of a diminishing commodity should see investment in the sector continue strong in the future. Exxon Mobil plans to invest USD11 billion in the Nigerian oil sector in the years to 2011, and Total’s investment between 2005 and 2011 is set to be around USD10 billion.

Other sectors are also receiving their share of FDI inflows. Between 2001 and the end of 2009, the telecoms sector received USD18 billion in FDI, on the back of a liberalised regime that has made Nigeria Africa’s biggest mobile market. Transnational corporations are active in the brewing industry, where in 2004, Heineken invested around USD390 million in buying Nigerian Breweries, and in 2009, SABMiller bought two Nigerian breweries and expressed interest in buying more.

Factors that have deterred investment in the past include the unrest in the Niger Delta. In 2009, following a Presidential intervention, the extension of an amnesty to the rebels saw some 8'000 militants lay down their arms. A ceasefire has largely held since, and President Goodluck Johnson has made reinventing the amnesty programme set up under his predecessor one of his chief priorities.

Another worry for investors in the past has been endemic corruption; the activities of the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC) have led to the trial and conviction of many public figures, and the government has reiterated its commitment to fighting corruption.

Even as the rest of the world struggles to get back to investment levels before the global economic crisis, Nigeria’s FDI inflows keep on growing. As the government continues to build an investment-friendly policy environment, more and more external investors are recognising the opportunities available in one of Africa’s most promising economies.
Interview:
Corporate Nigeria (CN) talks to
Engr. Mustafa Bello (FSNE)
CEO/Executive Secretary
Nigerian Investment Promotion Commission

Improving and Creating a Better Investment Climate

CN: The Nigerian Investment Promotion Commission (NIPC) is a government agency whose role is to aid the promotion and coordination of investments in Nigeria. Can you outline the progress the NIPC has made in this regard since it was established in 1995?

Mr Mustafa Bello: The Nigerian Investment Promotion Commission (NIPC) is a Federal Government Agency in Nigeria established by the NIPC Act No. 16 of 1995 to promote, encourage and co-ordinate all investments in Nigeria. The basic functions and powers of the NIPC are as prescribed by Act 16 of 1995.

In line with its role of promotion and coordination of investments in Nigeria, the Commission has made some progress in the following areas, especially since it commenced full operation in May 1999:

i. Enhanced inflow of FDI: The steady stream of investment being attracted into the economy, mostly in the Non-Oil Sectors has been due largely to the un-relenting drive of the Commission in promoting investments in the Country. NIPC had consistently engaged in organizing Business and Investment Forums (BIFs) across the World, mainly to highlight the investment opportunities in Nigeria, the incentives available to investors, and various reforms being undertaken to improve the investment climate. The result of this has been the quantum rise in FDI inflow from USD1.0billion in 1999 to USD20.0billion in 2008, and slight decline to USD12.0billion in 2009 due to the global meltdown/economic crises (UNCTAD Yearly Reports).

ii. Streamlining the Entry Procedures: The Commission, in an effort to streamline the Business Entry Procedures established the One-Stop Investment Centre (OSIC). OSIC is an investment facilitation mechanism where relevant Agencies of Government are brought to one location, co-ordinated and streamlined, to provide efficient and transparent services to investors. Accordingly, Business Entry Procedures into the economy have been made very transparent, convenient, efficient, simple, timely and in one location. The establishment of the Centre has greatly restored the confidence of investors on receiving prompt, efficient and transparent service from Government Agencies.

iii. Advocacy for Improved Business Climate: The Commission has been at the fore front in advocating for improved business environment in Nigeria through the following programmes:

a. The hosting of the National Conference on Investment (NCI): A forum for bringing together Federal Government Ministries, Departments and Agencies (MDAs), State Governments, and the private sector, with the overall objective of providing a platform for Stakeholders to network and interact with one another to proffer measures and strategies to improve the business environment of the country.

“organizing Business and Investment Forums (BIFs) across the World, mainly to highlight the investment opportunities in Nigeria, the incentives available to investors,”
b. The Presidential Committee on Problems of Investors: An Inter-ministerial Committee established to consider all problems confronting investors in Nigeria, with a view to presenting their problems to Government for immediate remedy or action. This has gone a long way in assuring investors of the sincerity of Government in adhering to the rule of law, prompt solving of their problems as well as providing a level playing field for all investors.

c. Development of Sector Specific Investment Policies: This is an on-going Project of developing sector-based and globally competitive policies aimed at creating a predictable and stable policy environment by eliminating as much as possible distortions often created by grant of discretionary concessions and privileges.

d. Administration of Pioneer Status Incentive: As a way to encourage investment in the country, the Commission presently administers pioneer status incentives (tax holiday from 3 -5 years) to deserving investors in Nigeria. The transparent process of administering the pioneer status, ensuring fairness and credibility has been reassuring to investors of the sincerity of Government to encourage investment and eliminate corruption in government business.

e. Networking: The Commission believes in team work in promoting investments in the Country, consequently it has built a strong and virile partnership with Governments, Private and Multilateral Organisations in promoting & facilitating investment in the Country.

"The transparent process of administering the pioneer status, ensuring fairness and credibility has been reassuring to investors of the sincerity of Government ... ”

v. Encouraging and Building the capacity of State Governments to establish Investment Promotion Agencies: The Commission is presently encouraging State Governments to establish Investment Promotion Agencies and as well, building their capacities to be able to perform effectively. This is aimed at creating a healthy competition for FDI by all the States and focuses them towards adopting some measures at their level to enhance their competitiveness and improve their business environment.

vi. Match-making: The Commission has successfully linked a number of local entrepreneurs with foreign partners. We are also nurturing these relationships through our After-care Services and the Account Team Mechanism.

What services does the OSIC offer, and what effect has the OSIC had on the Nigerian investors’ experience?

⇒ The One Stop Investment Centre (OSIC) is an investment facilitation mechanism where relevant Agencies of Government
are brought to one location, co-ordinated and streamlined, to provide efficient and transparent services to investors. The services at the Centre include:

i. simplified administrative procedures for the issuance of Business Approvals, Permits / Licenses,
ii. Company incorporation and
iii. Provision of investment information; statistical data and information on the Nigerian economy, Investment Climate, Legal and Regulatory Framework as well as Sector and Industry specific information to aid existing and prospective investors in making informed business decisions

“The establishment of the Centre has greatly restored the confidence of investors on receiving prompt, efficient and transparent service from a Government Agency”

The Centre has effectively removed bottlenecks faced by investors in establishing and running business, thus ultimately reducing the cost of start-off of business in Nigeria.

Investors and non-investors alike have, on first contact with the Centre, expressed delight at the level of professionalism of Staff and the synergy present among participating Agencies at the Centre.

The establishment of the Centre has greatly restored the confidence of investors on receiving prompt, efficient and transparent service from a Government Agency, something that was hitherto considered impossible.

Testimonials have been received from personalities across all walks of life. Worthy of mention are: “The facility/concept is an excellent one, we will surely recommend its usage by our mission and South African Companies” – South African High Commissioner to Nigeria.

“I have seen many ‘One Stop Shops’ across Africa but never seen one so well run, empowered and ready to act” – Christian Wright, Director Power Aldwych International.

Records available indicate that 70% of the investors that have accessed one service or the other at the OSIC have all met their request or quest fully satisfied.

What strategy is the NIPC employing to diversify foreign investment into other, more stable economic Sectors?

→ There is a concerted effort by NIPC and some Government agencies to promote investment into some priority non-oil sectors as a means to diversify the economic base of the nation. Consequently, there have been a number of policies streamlining to establish a conducive business environment for non-oil activities. The NIPC has keyed into this policy shift. Principally, the Commission’s promotional strategy has been hinged on organisation of targeted out- and in-bound business/investment missions tagged Business and Investment Forum.

The Forum has been a platform through which the Commission highlights Government’s Policies, the evolving business climate and the opportunities available in the economy with preference for Non-oil activities. Participants at the Forum are mostly targeted – top players in the Sector in the host economy and investors that have signified strong desire to invest in Africa.

Complementing this Strategy is the After-care Service on offer. This Service entails giving a ‘soft landing’ to new entrants and supporting existing investors as they navigate the business environment. Each project is given a dedicated team (Account Team) to ensure the delivery of personalised service. Again, we have focused on Non-oil activities.

As a facilitation Agency, we are aware of the need to engage with other national, international and private Organisations in rendering these Services to the investors. Consequently, we have engaged a number of these Organisations across the Sectors. Of particular mention are our relationships with Nigeria Maritime Administrative and Safety Agency (NIMASA) for the Maritime Sector, Nigeria Electricity Regulatory Commission (NERC) for the Power Sector and World Bank towards enhancing the SME activities, etc.

“The impact of the global economic downturn has been more or less positive on the Nigerian economy in terms of inflow of Foreign Direct Investment (FDI).”

What incentives does the NIPC currently offer to potential investors?

→ Basically, NIPC administers the pioneer status, that is, tax holiday which ranges from 3- 5years to deserving investors, while some Federal government MDAs and the States offer other incentives to encourage investments into their sectors and states respectively.

What effect, if any, has the global economic downturn had on the level of foreign investment in Nigeria?

→ The impact of the global economic downturn has been more or less positive on the Nigerian economy in terms of inflow of Foreign Direct Investment (FDI). In the years of the economic downturn, FDI inflow into the economy had considerably
Upcoming events in Africa:

The Future of Zimbabwe Summit
When will there be a real recovery?  Johannesburg September 16th 2010
Zimbabwe’s impoverished economy has enormous growth potential in the long term. The country has abundant natural resources and still has relatively strong infrastructure, although the latter is in need of repair. But today the country faces extensive poverty and malnutrition, as well as serious political risks. Investor enthusiasm about the power-sharing government has ebbed. When will the country be ready for a real recovery? Will Zimbabwe be a business hotspot in five years’ time, or will it take far longer? What are the prospects for reversing the brain drain? This high-level, one-day conference will offer a frank assessment from business leaders, Economist Group analysts, representatives of diaspora organisations and diplomats from a range of different viewpoints.

The Economist Debate
Africa’s young population: opportunity or risk?  Nairobi October 21st 2010
Global executives cite Africa’s young and growing population as one of the continent’s biggest competitive advantages. And indeed in Asia, the growth of the working age population over the past few decades, as birth levels simultaneously slowed, accounted for as much as a third of the region’s economic boom. The same demographic window of opportunity is opening in Africa, where population growth is currently three times the world average but the birth rate is slowing fast. Today’s reality, however, is that unemployment is high and especially so amongst young people. How can African countries reap the demographic dividend? What does the private sector need to create sufficient jobs – and what are the main constraints? What can governments do to ensure young people have the skills they need to find jobs? Where are Africa’s competitive advantages in a rapidly changing global economy? The debate will consider the lessons of Asia and ask whether African economies, and Kenya in particular, are on the right track to benefit from their human resources and what the implications are for government policies on everything from trade and investment to education, family planning and healthcare. A gala dinner after the debate will provide opportunities for the business community to discuss Kenya in more depth with senior members of government.

Angola Business and Investment Summit
The realities of doing business in a difficult market with massive potential  Cape Town November 25th 2010
Eight years after the civil war, Angola’s reconstruction has made significant progress and the country may be poised for a step change in growth. The country is full of opportunities—not just in raw materials but in transport, infrastructure and financial services—yet the operating environment remains difficult. This high-level one-day event is part of a two-part series of summits on business and investment in Angola, the first taking place in Cape Town and the second taking place in Luanda in 2011, reviewing progress on issues raised at the first event.

www.economistconferences.com
Foreign Direct Investment

Increased. According to UNCTAD records, the economy received about USD20billion and USD12billion respectively in years 2008 and 2009. This was a major leap from the less than USD7billion in the previous years.

This was associated to the growing competitiveness of the environment; the access it grants to the European and American Markets; and most importantly, the fact that it is a cash-based economy. Although a negative effect was seen in the Capital Market especially on the Stocks of the Financial Sector.

"items of export were Cocoa, Timber, Garlic, Palm Oil, Rubber, Cassava, Sorghum, Oil Seeds, Hide and Skin, Cement, Plastic and Plastic Products, Solid Minerals and Articles thereof, etc."

What do you consider to be an ideal – and sustainable – level of growth and foreign investment in the Nigerian economy?

We agree with the Economic Management Team’s (Government’s Think-Tank) projection of 10% and maintaining the inflation rate at single digit as it pushes towards the attainment of the Vision 20:2020. Similarly, about NGN13trillion investment is projected as private investment required towards attaining the Vision 20:2020. This therefore means that an average USD8billion (NGN195billion) would be required yearly.

Can you give some details of Nigeria’s main trade relationships with major global economies, apart from Oil and Gas related trade?

2009 figures shows that the Country’s total export volumes stood at about USD45.43billion. Major items of export were Cocoa, Timber, Garlic, Palm Oil, Rubber, Cassava, Sorghum, Oil Seeds, Hide and Skin, Cement, Plastic and Plastic Products, Solid Minerals and Articles thereof, etc. The UK and the US are the largest trade partners for Nigerian exports. Other countries whose trade relationship with Nigeria has also risen over recent years are China, UAE, India, Brazil, Japan, etc.

Also the 2009 figures indicate that the country’s imports grossed over USD42.1billion. Machinery, heavy equipments, consumer goods and food products were the major imports. A large portion of the imports arrive from the EU, particularly the Netherlands, the UK, France and Germany, China, the US and South Korea are also major import trade partners.

What changes would you like to see in the legal and regulatory environment for investors in Nigeria?

The Nigerian business environment is faced with a number of challenges. However, some of these challenges can be reduced if the following measures can be implemented:

i. Appropriate empowerment of NIPC to undertake its investment coordination function effectively. The enabling Act needs to be reviewed to create an Organisation with wider powers to facilitate and negotiate investment and incentives with investors;

ii. There should be consistency in Macroeconomic Policy and Management. Policy of banning items should be totally eradicated; all items should be allowed in with competitive tariff and levies applied;

iii. The entry procedures should be further streamlined; appropriate ‘Single Window’ technology should be deployed to allow easy access by investors and information sharing by all relevant Agencies;

iv. A competitive Tax System should be put in place; multiplicity of taxes across the tiers of Government should be eradicated.

What are the biggest obstacles to doing business in Nigeria today and what steps is the government taking to overcome these obstacles?

The major obstacles to doing business in Nigeria include: i. Inconsistency of Government Policies: One of the biggest obstacles to doing business in Nigeria is the inconsistency in policy formulation and implementation. This does not allow for effective planning by investors, and more so, engenders distortions in the policy environment.

Taking note of this, NIPC is currently developing Sector Specific Investment Policies aimed at creating a predictable, stable policy environment by eliminating, as much as possible, distortions often created by grant of discretionary concessions and privileges as well as creating a level playing ground for all investors.

ii. Poor Infrastructure:

[a] Poor Power Generation, Distribution and Transmission: Lack of Power has been the bane of industrialization in the country. However, the Sector has been totally deregulated and government continued to assess its policies towards making the environment more attractive for private investment. Arrangements are presently being finalised towards re-engaging the process of unbundling the Power Holding Company of Nigeria (PHCN) thereby removing Government direct participation in the Sector. The desire however is to ensure a sustainable generation of 10,000MW by the end of this year.

[b] Transport System including entry ports facilities and management: (Road, Rail, Water, Air and Pipe)
Government is engaging the Private Sector as drivers of this Sector. Already the Infrastructure Concession and Regulatory Commission (ICRC) has signed concession agreements with a number of private firms to upgrade and operate existing facilities, and build and operate new facilities.

The aim of Corporate Nigeria is to inform the global business community about business, trade and investment opportunities in Nigeria. Why should foreign investors consider investing in Nigeria?

NIPC has 10 basic reasons why Nigeria should be the preferred destination of investment for any investor considering investing in Africa. These are:

i. Large Market: A population size of 150 million is unequalled anywhere else in Africa. This population also possess appropriate purchasing power parity. The economy also grants access to West African Market; being a member of the Economic Community of West African States (ECOWAS) provides the investors the opportunity of harnessing the West African market. This regional integration has already developed into a Customs Union.

ii. High Return on Investment: the economy unarguably provides the highest return on investment globally. In some activities, as high as 100% return on investment is guaranteed.

iii. Trainable Workforce: with a considerable level of literacy among its population, availability of trainable and affordable workforce is guaranteed.

iv. Political Stability: With two consecutive transitions from civil to civil rule, Nigeria continues to emerge as a strong, stable democratic nation.

v. Low Debt/GDP Ratio: after exiting the Paris club, the nation has consistently maintained a low debt/GDP ratio.

vi. Huge Deposit of Economic Resources: the nation is blessed with huge deposit of economic resources. Aside from Oil and Gas, there are over 36 differently identified mineral deposits in commercial quantity spread across the nation. Prior to the discovery of Oil, the nation had been a successful Agrarian Country.

vii. Free Market Economy: The Government has created a favourable climate for business and industrial ventures. Administrative and bureaucratic procedures have been greatly streamlined. The Government has put in place policies and programmes that guarantee a free market economy.

viii. Robust Private Sector: The country has a dynamic Private Sector, which has assured greater responsibilities under the new economic environment.

ix. Free Flow of Investment: Exchange control regulations have been liberalized to ensure free flow of international finance. There is now unrestricted movement of investment capital.

x. Attractive Incentives: A comprehensive package of incentives has been put in place to attract investment.

xi. Democratic Polity.

xii. Embrace of best practices.

---

### NIPC Business and Investment Forum (BIF) Calendar 2010

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Mission to Taiwan</td>
<td>January 16th - 22nd, 2010</td>
</tr>
<tr>
<td>Nigeria - India BIF</td>
<td>February 7th - 13th, 2010</td>
</tr>
<tr>
<td>*Nigeria - Japan</td>
<td>April 17th - 24th</td>
</tr>
<tr>
<td>*Nigeria - China BIF</td>
<td>June 3rd - 12th</td>
</tr>
<tr>
<td>*Nigeria - Turkey BIF</td>
<td>June 12nd - 21st</td>
</tr>
<tr>
<td>*Nigeria - Ireland</td>
<td>June 21st - 28th</td>
</tr>
<tr>
<td>*Nigeria - Brazil BIF</td>
<td>July 26th - 30th</td>
</tr>
<tr>
<td>Nigeria - Iran BIF</td>
<td>September 23rd - 30th</td>
</tr>
<tr>
<td>Nigeria - Taiwan BIF</td>
<td>October 2nd - 8th</td>
</tr>
<tr>
<td>Hongkong</td>
<td>October 20th - 21st</td>
</tr>
<tr>
<td>Macao **</td>
<td>October 21st - 23rd</td>
</tr>
<tr>
<td>Nigeria - Singapore BIF</td>
<td>October 25th - 27th</td>
</tr>
</tbody>
</table>

** Macao International Trade & Investment Fair

Contact Details:

Reuben I. Kifasi, Director, Investment Promotion
Tel. No.: 08037867879 - Email addr: kifasi@nipc.gov.ng or kifasi@yahoo.com
Website: www.nipc.gov.ng
The great cities of New York, London, Paris, Sydney, Buenos Aires, Dubai, and Hong Kong are known all over the world. Each has its own character, its distinctive architecture, and its famous landmarks. Within the next decade, the new city of Eko Atlantic will take its place among them, famous for its unique position on reclaimed land currently under the ocean off Victoria Island in Lagos, Nigeria.

Eko Atlantic will be a well planned, sustainable, well designed and efficiently run modern urban masterpiece. It will be an exemplar for city living in the 21st century. Rising from land the size of Manhattan that is being taken back from the Atlantic Ocean, the city will have six million square metres of prime development plots for sale. Eko Atlantic will be home to quarter of a million people who will work in the bustling financial and commercial hub and live in the pleasant tree-lined or waterfront residential districts. Another 100,000 will commute in each day from neighbouring Lagos using the well connected transport links. “We predict that Eko Atlantic will be one of the most modern and dynamic cities in Africa, perhaps in the world,” says Bernard Bridi, Marketing and Communications Director of South Energyx, Nigeria Limited, the development company responsible for making Eko Atlantic a reality.

The vast groundworks on which the cities foundations will be built are well under way. Already, a large portion of land that was torn away from the coastline by the power of the Atlantic surge has been recovered and now measures in excess of one million square metres. Extending a mile and a half out in the Atlantic Ocean, the city will face the waves, secure behind the protective barrier of the extensive Great Wall of Lagos, eventually to be 7 kilometres long.
A Desperate Need for Eko Atlantic

Eko Atlantic is not an urban design showpiece; it will fulfil a real and important need in Africa. The need for new urban breathing space in chronically overcrowded Victoria Island and Lagos is now urgent. Victoria Island was originally intended to be a suburban housing area, but in recent years, it has become the nation’s financial capital as commercial giants and multinationals have moved in. The area has become the financial centre of West Africa, creating opportunity and wealth but also generating intense competition for land and building space.

Lagos is now the world’s fastest growing major city. Estimates say that it will be home to 25 million people by 2015, making it the fourth most densely populated metropolis in the world. Although Lagos and Victoria Island may be the financial heartbeat of West Africa today, the heart itself is struggling to cope. Its infrastructure and amenities can barely keep up with the heavy and frequent influx of residents and visitors. “We have inadequate water supplies and unreliable power and too much traffic, but people have to come here to do business,” says one experienced businessman who represents a Saudi company. The scarcity of land means that real estate values soared and vital business and commercial opportunities were lost.

People are not the only pressure. The Atlantic Ocean has been encroaching on the coast of Lagos and Victoria Island since the time of our great grandparents. Bit by bit, the shore has been eroded, a process accelerated by the inexperienced placement of ocean defences – the east and west Lagos harbour breakwaters – in 1905. The ocean regularly used to flood the main coastal highway and the continued existence of Victoria Island was under serious threat.
Turning Things Around
In order to protect Victoria Island from further erosion, Hi-Tech, a subsidiary of The Chagoury Group, was commissioned to develop a permanent shoreline protection plan for Bar Beach, a front line in the battle against the advances of the sea. It was discovered that the only workable solution was to build a new and effective sea defence system to take back that land on which our ancestors walked, using it to create the space to expand and prosper. Eko Atlantic will not only protect the vital core of Victoria Island, it will relieve overcrowding, providing new areas for business, commerce and for people to live, enjoyably and sociably.

A Privately Funded Project
Eko Atlantic is unique because it is funded entirely by private investment with private equity and loans from financial institutions, led by First Bank, FCMB and GT Bank on the local level. Internationally, BNP Paribas Fortis has partnered with South Energyx Nigeria, the developers and city planners of Eko Atlantic which is also a subsidiary of The Chagoury Group, a company that has been doing business in Nigeria for over 30 years. The Chagoury Group has a successful track record for completing challenging projects such as Banana Island in Lagos and the National Assembly building in the federal capital. South Energyx Nigeria Ltd has been licensed by Lagos State to develop Eko Atlantic. Its associates include Royal Haskoning, a world class Dutch company that has been involved in safety assessment plans, design and construction, flood management, marine works and city planning for over 120 years. They are providing extensive architectural, engineering and environmental expertise that Lagos needs to build its new world-class city. The Belgian company, Dredging International a leader in its field, shoulders the responsibility for harvesting and replacing the sand to build the foundations for Eko Atlantic.

Commitment to Sustainability
“The design of the new city reflects our responsibility to the environment. This will be a sustainable city, clean and energy efficient with minimal carbon emissions,” stresses David Frame, Managing Director of South Energyx Nigeria Limited.

An Environmental Impact Assessment (EIA) of the project is already with the Lagos State Environmental Protection Agency (LASEPA) and the Federal Ministry of Environment and Urban Development. The construction process will use eco-friendly and local materials wherever possible. Space will be used wisely. Roof top gardens will provide green, restful shady places that will also collect rain water. And by making use of solar energy, solar powered air conditioning systems and energy efficient buildings Eko Atlantic will be a shining example of a modern, yet sustainable city.

The Great Wall of Lagos
Work on constructing the Great Wall of Lagos, a seven-kilometre defence system has been in progress for the past year. Its first job has been to protect the shoreline of Victoria Island from further erosion. As it has lengthened – and work is advancing it by up to 8 metres each day – it has created a calm lagoon within which dredging continues. This will continue so that the wall can protect the newly reclaimed land from the currents, surges and ocean tides.
The growth of the Great Wall looks deceptively simple but this is a major feat of 21st century engineering. The wall has been designed and tested by the Danish Hydraulic Institute, a company with an unparalleled reputation for ocean defence systems. Rigorous testing and modelling has shown that the wall will withstand the worst Atlantic swell likely to occur in the next 100 or more years.

**The Rise of a 21 Century City in Africa**

The land on which Eko Atlantic will be built is rising from the sea in a relatively short timescale over approximately six years. The land reclamation work will spread across three distinct phases. Work on the first phase is now well under way and this will be the site of the Eko Atlantic Financial Centre, a jewel in the crown of this great city. Eko Atlantic will be an exceptional development – the only city of its kind in Africa. It will be in a prime position, adjacent to Victoria Island and convenient for Ikoyi, Lekki and Epe. Transport links will be fast and convenient with four access roads linking up with the Lagos highway system. The planners have carefully calculated the traffic volumes expected when the city is fully operational – and designed the road system to cope easily.

The new city will thrive on its independently owned and operated infrastructure. Uninterrupted power generation will be guaranteed; no reliance on generators! Clean water will flow through the city from a dedicated treatment plant. Eko Atlantic will also have its own sewage system for maintenance and removal, making health and cleanliness a priority. A state-of-the-art telecommunications system based on fibre-optic technology will supply Eko Atlantic with a modern telephone, cable TV and internet system. Short journeys will not take hours as they often do in Lagos; the street parking ban will keep the traffic flowing freely along the clear, wide boulevards and the 100km road network. Developers must provide basement parking to accommodate all residential vehicles and there will be enough multi level car parks for commuters. Public transport will also be a central feature of city life with an eco-friendly 20 kilometre waterway transportation system and a 60-stop public light rail system. The amenities of Eko Atlantic will be reliable, dependable; so different to what people in Lagos have come to expect.

**A New Financial Hub**

Eko Atlantic will become the new financial, commercial and business hub of Nigeria and West Africa as a whole. The project will have such a positive impact on Lagos, allowing it to reach its potential instead of battling with overcrowding and the threat of erosion. Throughout the project’s lifetime, thousands of jobs will be created. Eko Atlantic will transform the way West Africa does business.

**The Seven Districts of Eko Atlantic**

The central Financial District will feature imposing architecture including a ring of spectacular towers that make up the stand alone development of the Financial Centre which will house a world-class conference centre and stock exchange. Eko Atlantic’s skyscrapers and towers will create a new and memorable skyline. Many of the buildings, including some of the tallest towers in Africa, will be visible from ships sailing in the Atlantic Ocean, as
well as from Lagos itself. Easy access from the highway network will provide excellent links between this district of Eko Atlantic and the current financial centres in Lagos City and Victoria Island. Like other districts, residential apartments will be at penthouse level, with shops, restaurants and social areas at street level.

Ocean Front will stretch along the coastline for around seven kilometers with breathtaking views over the Atlantic providing pleasant waterfront walks and inspiring places to relax and meet friends. The waterfront will feature a rich mix of shops, restaurants, green spaces, seated areas, water sports activities and other leisure amenities. Bold landscaping will add character with tree-lined streets and lush green gardens. The Eko Tramway is also within easy reach of everyone who will be living, working or visiting this district. A spectacular tram ride along the entire length of Ocean Front by day or night will be an unforgettable experience for all to enjoy in Eko Atlantic.

The exclusive Harbour Lights lies between two dominant features in Eko Atlantic: Point Lagos at the south western tip of the city and the towering Financial District to the north. The skyline will dominate this sector of the Eko Atlantic cityscape with a road bridge that will cross the harbour entrance to link with the city of Lagos. In a prime position where the ocean meets the lagoon, Harbour Lights will buzz with energy, providing an international setting for professionals and tourists.
Eko Drive will also contain a mixture of commercial and residential development and will face north, towards Victoria Island with the Financial District to the west. As well as the 8-lane highway, residents of Eko Drive will be able to travel to other parts of the city using the convenient Eko Waterway. To slow the pace of life, plots close to the waterway will be reserved for pedestrians, bordered by pleasant walkways and sculptured gardens.

The Marina district will span the eastern side of Eko Atlantic, forming a prime development area close to the main highway and the Eko Waterway. The marina itself will offer multiple berths for marine craft, so these plots of real estate will be highly sought after. Boat owners can enjoy the quiet waters of the internal city waterway or set a course for the ocean itself. A large plot of land adjacent to the marina will be reserved for public activity, with plenty of space for recreation and relaxation.

Avenues is a distinctive district adjacent to Eko Drive to the north, Ocean Front to the south and Downtown to the west. This is the geographical centre of Eko Atlantic. Avenues will have prominent green boulevards that will sweep through the large proportion of residential property in this district but there will also be plots for shops, restaurants, bars and cafes, giving Avenues a cosmopolitan feel.

Downtown will be encircled by Ocean Front, Harbour Lights, the Financial District and Avenues. It will become a densely built-up sector with varying sizes of buildings set in tree-lined streets with elegant squares. Downtown will provide the opportunity to develop land for some fine homes, offering an envious style of city life within easy access of the financial hub of the city.

International Recognition for Eko Atlantic

In September 2009, the Clinton Global Initiative, a forum dedicated to discussion and collaboration among world leaders, business executives, heads of NGOs, philanthropists and other activists, to tackle pressing challenges facing the global community, gave a stamp of premium recognition to Eko Atlantic. This confirms its status as the most ambitious environmental project ever to be undertaken in Nigeria. In reading of the project’s citation, Nicholas Kristof of the New York Times highlighted the joint commitment of the Government of Lagos State and South Energyx “against the devastating effect of the Atlantic Ocean.”

This recognition will grow as the city itself develops. Eko Atlantic will be a city of culture, an international business centre, a clean, efficiently run environment to live and work. The new, younger and beautiful face of Lagos. Eko o ni baje o!

South Energyx Nigeria Ltd.
10th Floor, 1686 Sanusi Fafunwa Street
Victoria Island, Lagos
Tel: + 234 (1) 461 6410
Mob: + 234 (0) 803 970 0270

www.ekoatlantic.com
Email: info@ekoatlantic.com
Incentives for Investors

The Nigerian government has put in place a range of incentives for investors looking to set up shop in the country.

Nigeria’s investment regime has been geared towards encouraging private sector involvement in the country’s economy. The corporate tax rate is 30% in all sectors except petroleum, which is taxed separately under the Petroleum Industry Bill.

Generous annual capital allowances are available, including 10% on buildings, 25% on plant and 20% on furniture and fittings. Added to this, companies can avail of special allowances in their first year, including 50% on plant and 15% on buildings and automotives.

Capital allowances may only reduce taxable income by two thirds in any given year, except in manufacturing and agriculture. Losses can be carried forward by four years, except in agriculture, where losses can be carried forward indefinitely.

Sixty-nine industries so far have been declared pioneer industries, in agriculture, agro-processing, mining, manufacturing, tourism, construction and utilities.

Pioneer Status and other Incentives

Many industries qualify for ‘pioneer status’, a special designation allowing them to take advantage of a tax holiday of up to seven years for those locating their business in economically disadvantaged areas, and five years for others. Sixty-nine industries so far have been declared pioneer industries, in agriculture, agro-processing, mining, manufacturing, tourism, construction and utilities. To qualify for pioneer status, indigenous companies need to invest minimum capital of around USD2,500, while foreign companies have to invest at least USD40,000. Capital allowances start at the end of the pioneer period, and losses can also be carried forward, so that qualifying companies are entitled to further years of tax relief when their period of pioneer status expires. Companies wishing to claim pioneer status must apply within one year of starting commercial operations.

Industries engaging in Research & Development (R&D) are allowed to
To further strengthen outside investor confidence in the economy, Nigeria has entered into various bilateral investment promotion and protection agreements with trade partners.

To deduct up to 120% of the cost of R&D carried out in Nigeria. When R&D is carried out on local materials, 140% of materials expenses are deductible. A tax credit of 20% is given to businesses using local raw materials; in order to qualify for this credit, industries must meet a minimum local sourcing requirement of 70% for agro-processing and petrochemicals and 60% for engineering and chemicals. To encourage re-investment, businesses engaged in manufacturing can avail of an allowance on capital expenditure incurred in expanding production capacity, modernising facilities and diversifying output. Any company located 20km or more away from electricity and water facilities and other essential infrastructure is entitled to deduct 20% of the cost of providing these services themselves from their tax.

Incentives in the Free Zones

Nigeria has 11 export Free Zones in operation, with a further 13 under development, designed for companies whose primary business is creating products for export. Governed by the Nigeria Export Processing Zones Authority (NEPZA), different rules apply to companies located in the zones, under the Nigeria Export Processing Zones Act of 1992, and a range of incentives are available for companies who want to set up in the zones. These incentives include duty-free and tax-free import of raw materials and components for goods intended for re-export; tax holidays; duty-free import of capital goods, consumer goods, machinery, equipment and furniture; and the waiver of all import and export licences. Many industries are allowed to locate in the Free Zones, for example those producing electrical and electronic goods, textiles, wood products, petroleum products and chemicals, as well as companies providing logistical support to the oil and gas industries.

Cooperating with other Countries

The Nigerian Investment Promotion Commission Act guarantees businesses against nationalisation and expropriation by government and the Foreign Exchange (Monitoring & Miscellaneous Provision) Act allows foreign investors to freely repatriate their profits and dividends. To further strengthen outside investor confidence in the economy, Nigeria has entered into various bilateral investment promotion and protection agreements (IPPAs) with trade partners. These IPPAs ensure the safety of companies’ investments in the event of war, revolution, expropriation or nationalisation. It also assures investors on the transfer of interests, dividends, profits and other incomes and guarantees compensation in the case of dispossession or loss. IPPAs have been signed with France, United Kingdom, Netherlands, Romania, Switzerland, Spain and South Africa, and negotiations on IPPAs are under way with the USA, Belgium, Sweden and Russia.

Nigeria also cooperates with other countries on preventing double taxation. Under Nigeria’s tax treaties, companies subject to tax in other countries are eligible for a tax credit, so that tax payable in Nigeria on profits being remitted into the country is reduced by the amount of foreign tax paid abroad, and conversely, profits being sent overseas that have already been taxed in Nigeria are subject to reduced taxation in their destination country. Double taxation treaties exist between Nigeria and the UK, France, the Netherlands, Belgium, Pakistan, Canada, the Czech Republic, the Philippines and Romania. Nigeria is in the process of setting up taxation treaties with Turkey, Russia, India, and Korea.
Doing Business in Nigeria

Nigeria’s liberalised business regime and proactive reform measures are making it easier to do business in the country.

Since economic liberalisation in 1995, Nigeria has had one of the most open regimes in Africa for foreign investors. In the past 15 years, much has been done to reform business practices and regulations, and efforts to further improve Nigeria’s business environment are ongoing.

The Corporate Affairs Commission (CAC) is responsible for incorporating companies. It has offices in 32 of Nigeria’s 36 states. Since 2003, companies can use an online system for incorporation as well as an e-payment regime; these administrative improvements have brought the average duration of the incorporation process down to three days, from up to three months before the introduction of the online system. After incorporation, businesses with foreign participation must register with the Nigerian Investment Promotion Commission (NIPC) in order to be covered by the treatment and protection provisions of Nigeria’s investment laws. Companies locating in Nigeria’s Export Free Zones do not have to register with the NIPC – for them, investment approval and licensing is governed by the Nigerian Export Processing Zones Authority (NEPZA).

Working in Nigeria

Nigeria has slipped slightly in this year’s World Bank Ease of Doing Business ranks, from 120 in the world to 125, but one area in which it scores well is labour: for ease of employing workers, it is ranked 37th out of the 183 economies surveyed. Nigeria has a liberal labour regime based on English common law, and the majority of Nigerian workers are unionised. The country’s labour regime is currently being revised with the support of the International Labour Organisation (ILO). Nigeria’s minimum wage was set at N8,625 in mid-2007, but negotiations are under way to raise the minimum wage to keep up with inflation.
There are no significant restrictions regarding hiring and firing, although it may be difficult to source highly skilled workers locally for some industries. To hire workers from abroad, companies must obtain a Business Permit and an Expatriate Quota from the Ministry of Internal Affairs. Companies in the Free Zones do not need an Expatriate Quota, and workers from the other ECOWAS states (Benin, Burkina Faso, Cape Verde, Côte d’Ivoire, Gambia, Ghana, Guinea-Bissau, Liberia, Mali, Senegal, Sierra Leone and Togo) do not require a work permit to work in Nigeria.

Solving old Problems

Nigeria has been working to improve its reputation abroad, and it has made substantial progress in addressing the issues that have worried outside investors in the past. The current government was elected on a platform of restoring the rule of law and challenging corruption, and much headway has been made in the fight against graft. The Economic and Financial Crimes Commission (EFCC) was set up in 2002 to combat financial and economic crimes, including advance fee fraud, the so-called ‘419’ crimes that have tarnished Nigeria’s image abroad. The EFCC’s mandate calls for it to investigate and take preventative action against economic and financial crimes; it has the cooperation of the financial and banking sector, as well as of international organisations like Interpol and the governments of external partners like the UK, the USA and the EU. Acting in partnership with the EFCC is the Independent Corrupt Practices and Other Related Offences Commission (ICPC), established by the Corrupt Practices and Other Related Offences Act of 2000. The ICPC investigates complaints about corruption and prosecutes offenders, educates the public on bribery and fraud, and reviews and alters the practices and activities of public bodies to eliminate corruption.

As a result of the efforts of the EFCC and the ICPC, hundreds of offenders have been arrested and brought to trial, including many high profile figures. One prominent example is the chairman of the country’s ruling Peoples Democratic Party (PDP), who was in October 2009 sentenced to two and a half years in prison for corruption and abuse of office while head of the Nigerian Port Authority. Judges, ministers, state governors, police and customs officials have all been held accountable by the EFCC and the ICPC, with the result that the norms of business in Nigeria are shifting away from any tolerance for corruption and graft.

Long waits at port facilities and inefficient customs procedures have hampered business operations in the country in the past. To help alleviate the problem, Nigeria has implemented the Automated System for Customs Data Entry (ASYCUDA++) data processing system at its ports, with the support of UNCTAD. The software has speeded up processing times for customs control, duty tax collection and statistical economic analysis, so that clearance times at the ports where it is installed have dropped from two to three weeks down to two to three days. Nigeria’s government is working towards achieving 48-hour clearance times at all ports, and a committee has been set up to review and make recommendations for reform of the Nigerian Customs Service, so as to bring it into line with international best practices.
WHETHER YOUR BUSINESS IS BIG OR SMALL, WE'RE EXACTLY THE RIGHT SIZE.

At DHL we understand that different companies need different logistics solutions. That's why we provide air, ocean and road freight expertise that caters for your specific requirements. And we offer you flexibility and easy access to a wide range of services all over the world through a local and personalised contact. So whether you're moving ten pallets, or a hundred containers, you'll find something that fits you just right at DHL.

www.dhl.com/SME
WHETHER YOUR BUSINESS IS BIG OR SMALL, WE’RE EXACTLY THE RIGHT SIZE.

At DHL we understand that different companies need different logistics solutions. That’s why we provide air, ocean and road freight expertise that caters for your specific requirements. And we offer you flexibility and easy access to a wide range of services all over the world through a local and personalised contact. So whether you’re moving ten pallets, or a hundred containers, you’ll find something that fits you just right at DHL.

www.dhl.com/SME

DHL Nigeria Customer Services 01-2700908
Mr. Mirko Plath: Weststar Associates Limited as the Authorised General Distributor for all Mercedes-Benz vehicles in Nigeria handles, according to the agreement signed with Daimler AG in 2008. The entire product range of the brand Mercedes-Benz, from Passenger cars to vans, city and intercity buses plus light and heavy-duty trucks, including supply of genuine spare parts as well as the distribution right of the high end luxury Maybach. Weststar, (a derivative of the “west” as in West Africa and the “star” representing the Mercedes-Benz logo) is currently responsible for coordinating the manufacturer’s business activities in Nigeria which includes dealer support, marketing, public affairs, training, overall strategic and operative sales development and after-sales services.

As well as supplying Mercedes-Benz luxury cars to the Nigerian market, Weststar Associates is also a distributor of Mercedes-Benz trucks and buses. Can you describe the different markets you cater to?

Mercedes-Benz, as a well-known brand, has built its reputation all over the world on a foundation of quality, safety, technological leadership and sustainability. The company’s marketing programme has been instrumental in establishing the right professional approach and structured business processes, a necessary strategic decision in order to be prepared for the future in a growing market.

What are your plans to expand the operations of Weststar Associates?

Weststar reckons with fact that the Mercedes-Benz market is growing in terms of customer base and thus, has a
A cockpit. An engine. Two wings.
Is it still a car?
The SLS AMG.
responsibility to improve our accessibility across the country, in order to adequately serve and support Mercedes-Benz loyal customers. We also provide our customers with the same level of quality service associated with the Mercedes-Benz brand through our various authorized dealership network and workshops across the country.

“... our new E-Class achieved this in 2009 with 63% the leading position in the luxury full size car sedan segment. In the premium car luxury segment, our S-Class achieved again sensational 87% market share in Nigeria”

We appreciate customers’ patronage and we have planned to increase our accessibility status across every nook and crannies of the nation. Our aim is to make all our customers comfortable and secure in their purchase, using trained professionals who have experience and supplying genuine parts within easy. We encourage customers and prospects to always patronize our authorized dealership network and workshops across the country, as only this can guarantee the genuineness of the products.

The world has changed and a good example is provided by the automotive industry, which is facing a major technological transformation. Our society is entering an age of mobility based on post-fossil fuel sources. Up to now, automobiles have been powered in Nigeria almost exclusively by oil-based fuels, especially petrol, but in the future, I believe apart from Diesel also electric drive components will play an increasingly important role. Here, environmental and economic goals will enter into a symbiosis. Only drive systems that are environmentally friendly will also be profitable in the long run.

Another important issue is the fuel consumption we look after. We need to make our vehicles “greener” Not only in Europe or America but also in Africa. The first steps have been taken and we launched the E200CGI Petrol Engine “Blue Efficiency”. A new 4 cylinder engine, which runs on fuel reduced technology, contributes positively to the environment and saves cost. The response by our customers is bigger than expected. We also see a trend to Diesel cars in Nigeria. In the commercial vehicle business Diesel is already standard and 98% of our commercial vehicles are sold with Diesel technology, due to reduced running costs and consumption involved.

What changes have you seen in the demand for luxury cars in Nigeria in recent years?

Though, sales of luxury vehicles are often used as a barometer of affluence in Africa. The proportion of premium and luxury car sales is directly correlated with per capita income. Mercedes-Benz is traditionally regarded as premium brand but from the early 1990s other premium and luxury brands have as well gained a strong foothold in the luxury market in Nigeria. Even non-luxury brands have also moved into the premium segments, while sports car manufacturers have brought out luxury SUVs or sport limousines.

Low- and low-medium income economies like Nigeria have low ratios of luxury car sales, which are mainly purchased by members of the political, business and social elites. Low incomes and the unequal distribution of national income mean that even entry-level cars are unaffordable to the vast majority. Though, we recognize a middle class developing very fast in Nigeria, which opens potential market for our brand. Consequently, most demand within the luxury segment in these countries is oriented towards the mid- and high-level of the market. Sales in the ultra-luxury segment are usually in single figures, with purchases made for the most senior officials and business leaders. Nevertheless, in the past few years, imports of premium cars rose even though this still represents little less than 10% of the total Nigerian Auto market.

However, it has been observed that our Nigerian customers are known for craving the best, and with Mercedes-Benz we offer in accordance with our brand claim - “the best or nothing”. Nigerians expect the best and these we are willing to give without any form of compromise. For Mercedes-Benz in Nigeria, the new E-Class which was successfully launched in May 2009, contributed immensely to increase our market share even till date, and I am proud to say that our new E-Class achieved this in 2009 with 63% the leading position in the luxury full size car sedan segment. In the premium car luxury segment, our S-Class achieved again sensational 87% market share in Nigeria and I like to use this opportunity to thank all our customers for their loyalty and trust in us and the brand Mercedes-Benz as a whole.

Mercedes-Benz is in the fast lane and Nigeria is not left out in the success story. Meaning, the groundwork has already been laid for further growth. Starting right now, all Mercedes-Benz products and technology innovations will be supported by a wide-ranging communications strategy, with the focal point being the new brand claim “The best or nothing” – the principle from the company’s founding father Gottlieb Daimler has been already extremely well received worldwide. The new brand claim is not only reflected in the core brand values of perfection, fascination and responsibility, but is also a living, breathing part of corporate culture and until this very day, this leadership expectation remains fundamental to the thoughts and actions of every single Mercedes team member.

The aim of Corporate Nigeria is to inform the global business community about business, trade and investment opportunities in Nigeria. Why should foreign investors consider investing in Nigeria?
With Nigeria’s large population, automatically translating to “market”, skilled manpower, abundant natural resources, and a surfeit of entrepreneurial spirit, which are the four basics differentiating Nigeria from many other markets in Africa, investors can achieve a whole lot. Though, perceptions of risk in Nigeria and Africa in general are grossly exaggerated. Africa in the 21st century offers good opportunities to investors bold enough to overcome such lopsided perceptions of risk in order to create wealth in a part of the world that offers huge economic opportunities especially as the nation strives to improve its tourism potentials. Visit to some regions within the nation like, Calabar, Abeokuta, Benin, Kaduna, Kano, etc. to mention a few, will be an eye-opener for any investor to tap into prospective profit oriented businesses which will in the long run shoot-up the development level of the nation as a whole. There are lots of business opportunities in Nigeria, the power sector, telecoms, tourism, agriculture – a potential of Nigeria which is barely being tapped and this explains the inability of the country to meet the ever increasing demand for agricultural products.

The agricultural sector remains a dominant employer of labour and seriously needs investment across the board to enhance production and increase the contribution of the sector to GDP. Foreign investors need to conquer fear which is as earlier mentioned, born out of exaggerated negative perception of Nigeria and that of Africa as a whole. The Nigerian market, as recently reported, is an increasingly sophisticated market where customers are discerning and in a competitive environment, which now exists as a result of market-oriented economic policy reforms, enacted by the Government of Nigeria, any investor must bear this in mind.

What should be done to improve the attractiveness of Nigeria as an investment destination?

First of all, Nigeria is a very good environment for investment as there are lots of opportunities to be tapped into. I see a great Nigeria sometime soon, but this can actually be achieved, if foreign investors can also take it up as a responsibility they can’t neglect, which together can be achieved. Nigeria’s governments have the responsibility to create an enabling environment for effective, value-adding foreign investment, without losing the prerogative of sovereignty. This means that investor confidence must be protected by visionary governance that puts the interests of the average Nigerian first, which must be protected by establishing and supporting a culture of business ethics and integrity through effective regulation. Corruption poses a fundamental strategic risk to Nigeria as a whole and has kept many foreign firms from investing in the country.

Ensuring policy consistency is essential if we are to obtain long-term benefits from foreign direct investment; foreign investment policies that change at the whim or caprice of every newly elected government will not do. They generate needless disputes that weaken investor confidence and raise questions about the sanctity of contracts - one of the basic tenets of the rule of law, and we must look at foreign direct investment from a deeper perspective than just that of the quantity of dollars or how many companies come into a developing country as foreign investment. We must look at the quality and structure of foreign investment, and we must address the question of whether FDI automatically catalyzes development.

Nigeria has a lot of potential for success but all forms of threat needs to be reduced to the barest minimum to attract more foreign investors.

…lots of business opportunities in Nigeria, the power sector, telecoms, tourism, agriculture – a potential of Nigeria which is barely being tapped and this explains the inability of the country to meet the ever increasing demand for agricultural products.”
Interview:
Corporate Nigeria (CN) talks to
Dr. Bamanga Tukur
President of the African Business Roundtable (ABR)
and Chairman NEPAD Business Group

Encouraging Investment

CN: NEPAD Business Group is comprised of leading business organisations that are committed to helping Africa realise its full potential and encouraging investment in sustainable development projects. Please outline the activities of NEPAD in the development of a more prosperous Africa.

Dr. Bamanga Tukur: NEPAD is instituting good political and corporate Governance through the African Peer Review Mechanism. This is assisting African Governments to create an enabling environment for sustainable investment through improved business & Investment climate. There is a more coordinated approach and focused implementation strategy for the provision and maintenance of infrastructure across the continent thus enhancing competitiveness and more effective utilization of resources. NEPAD has encouraged the engagement and utilization of expertise available in Africa’s development institutions such as African Development Bank Group (AfDB), Economic Commission for Africa (UNECA) and the RECs for economic development thus facilitating more donor funding through a more professional presentation of development project. NEPAD has also spurred the integration objectives of the African Union, thus providing a platform for Public Private Partnership for accelerated development.

Given the effects of the global economic downturn, how do you see Nigeria’s economy developing over the next five years?

- Nigeria’s economy over the next five years will stabilize from the negative impacts of the meltdown over the first two years, especially with more confidence restored in the financial sector and capital markets, and with sustained implementation of necessary reforms in the civil service and critical sectors of the economy, consistent growth will be achieved within the next five years.

Are you confident that the goals set out in the government’s Vision 20:2020 are achievable?

- Yes, the goals are achievable provided there is the political will to provide guided and consistent leadership to drive the processes in a transparent manner, while ensuring focused and committed implementation framework involving all stakeholders – Public sector, Private Sector and the Civil Society.

The goal of the African Business Roundtable (ABR) is to foster economic growth and social development in Africa. Please outline the achievements of the ABR, and give some detail of the ABR’s strategy for the years ahead.

- ABR has been able to bring private sector issues, especially with regards to improved business climate to the front burner through consistent advocacy. The private sector is con-
considered more as a ‘partner’ in development issues rather than been looked upon with suspicion as an appendage of the public sector. ABR has consistently provided networking fora for African Entrepreneurs to interact and do business with each other thus promoting intra-African trade and regional integration. ABR has been able to sensitize African private sector associations and businesses to funding facilities to enhance their operation and competitiveness. Through our Enterprise Training project, we have built the capacity of MSMEs for sustainable businesses and enhanced their competitiveness. Through ABR’s consistent and active participation in the UN Financing for Development Initiative, we have placed Africa on the investment radar and helped mobilized resources for development in various African Countries. Our Strategy for the years ahead is to deepen and broaden our mobilization and engagement of the Business Community to cooperate and collaborate more on issues of common interest. This we plan to achieve through more engagement with the Regional Economic Communities and with funding assistance through the AfDB support Japanese Grant project, to reach out to businesses and business associations across the continent and the African Diaspora.

“ABR has consistently provided networking fora for African Entrepreneurs to interact and do business with each other thus promoting intra-African trade and regional integration.”
Since you became President of the ABR in 2001 the organisation has grown in stature to become a globally recognised consultative body on African affairs. What do you consider to be your greatest achievement as President of the ABR, and what is your vision for the future of the organisation?

» My greatest achievement since becoming President of the ABR in 2001 is to get African Businesses to be more active players in economic development and drive investments through partnerships. No one else will come and develop the continent for Africans, if Africans themselves do not own and take a lead in the process. This awareness has been created and I am glad to see more and more African owned businesses becoming global leaders in their sectors and reinvesting in the continent.

What are the greatest challenges facing Nigeria’s economic transformation in the near future?

» Real and perceived fears to the nation’s unity, thus creating an atmosphere of insecurity. This is a major disincentive to investments and economic transformation. Both political and economic actors are more engaged in sectional and selfish interest rather than pursuing a national agenda for economic transformation.

How would you characterise Nigeria’s utilisation of the African Growth and Opportunity Act?

» Nigeria is underutilizing the African Growth and Opportunity Act. Relevant information available in the public sector domain are not disseminated transparently to business; and business associations with information to share and build the capacity for SMEs to assess the American market lack enough resources to carry out the task. Governments and International Trade Facilitation Agencies should provide information in a timely and transparent manner, and also partner with private sector associations to boost competitiveness of our SMEs through trainings to respond positively to AGOA and access the market.

The aim of Corporate Nigeria is to inform the global business community about business, trade and investment opportunities in Nigeria. Why should foreign investors consider investing in Nigeria?

» The large size of the Nigerian market cannot be overlooked by any investor. There is available skilled labour that is relatively cheap when compared to the same quality obtainable in the developed countries. The current administrations’ consistent and focused commitment to the rule of law and institutional reforms to improve governance and enhance the investment and business climate is an attraction which should be supported by all investors (indigenous or foreign) so as to free up the potentials of the Country and create enormous business opportunities for all. In view of the enormous natural resources endowment of the country, foreign investors should look more at partnering with indigenous businesses to cushion the negative impact of the economic meltdown in the developed countries. By investing in Nigeria, they can create more demand for their services and products, thus stimulating employment and guaranteeing a decent income with all the attendant positive economic impact for their own citizens.

What, if anything, should be done to further open up Nigeria’s economy to foreign investment?

» Ensuring good governance, policy consistency and sustained reforms which are transparently implemented.
Corporate Nigeria 2010/2011 is a Corporate Guides International Ltd. publication, produced in collaboration with the Nigerian Investment Promotion Commission (NIPC).

**Publisher:** Corporate Guides International Ltd.

**Executive Director:** Elke Gill
e.gill@corporate-guide.com

**Editorial Director:** Anji Gill
a.gill@corporate-guide.com

**Assistant Director:** Jenny Tan
j.tan@corporate-guide.com

**Design & Production:**
CONIN Werbeagentur GmbH,
Cologne, Germany

**Please visit our website:**
www.corporate-nigeria.net

**For editorial information please write to:**
editorial@corporate-nigeria.net

**To advertise within Corporate Nigeria please write to:**
advertise@corporate-nigeria.net

**To purchase your own copy please write to:**
sales@corporate-nigeria.net

**Contributors:**
Justine Doody, Johnny Paige, Tony Kiely, Greg Leadham, Steven Mather

**Sources of Facts, Figures, Graphs and Tables:**
Access Intelligence
AllAfrica Global Media
Broad Street Journal Nigeria
Business Monitor International
Business Wire
BusinessDay Nigeria
Corporate Guides Research
FDA News
Finnish Fund for Industrial Cooperation
Global Insight
World Bank

**Governmental Sources**
Highway Africa News Agency
International Finance Corporation
International Telecommunications Union (ITU)

**Interviews: Corporate Guides Research**
IRIN (Integrated Regional Information Networks)
Lagos State Government
Library of Congress – Federal Research Division
Multilateral Investment Guarantee Agency
National Sugar Development Council
National Food Security Programme
Nigeria Export Processing Zones Authority
Nigerian Federal Ministry of Transport
Nigerian Investment Promotion Commission

**Nigerian National Agency for Food and Drug Administration and Control**
OECD
Office of the United States Trade Representative
OT Africa Line (OTAL)
Paul Budde Communication
Reuters
TeleGeography
The Associated Press
The Economist
The Economist Intelligence Unit
The Financial Times
The Nigerian Communications Commission
The Nigerian Ministry of Information and Communications
The Public-Private Infrastructure Advisory Facility (PPIAF)
This Day Nigeria
Transparency International
United States Department of Agriculture
US State Department
Vanguard Nigeria
World Bank
Xinhua News Agency

**Image Sources:**
Anji Gill
DHL
Elke Gill
Federal Government of Nigeria
iStock Photo
Jennifer Tan
Lufthansa
Nasa
Obudu Ranch Int. Mountain Race

**Special Thanks go to:**
NIPC – Nigerian Investment Promotion Commission
Stanbic IBTC Bank Plc

Whilst every effort has been made to ensure the accuracy of the information contained in this book, the authors and publishers accept no responsibility for any loss, financial or otherwise, sustained by any person using this publication. No part of this publication may be reproduced, stored in retrieval system or transmitted in any form by any means, without prior written permission of Corporate Guides. All rights are reserved.