

“TRADE & INVESTMENT OPPORTUNITIES IN NIGERIA”

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Introduction

- It is my honour to once again address this august gathering of delegates to the 3rd Nigerian-Taiwan Joint Business Council meeting on “Trade & Investment Opportunities in Nigeria”.
- This interactive session is timely after a series of trade visits between our two countries at both Government and Private Sector levels.

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Trade & Investment Opportunities in Nigeria

- Let me inform our Taiwanese businessmen/women that Nigeria's Investment climate is business-friendly and enabling.
- I will therefore encourage Taiwanese businessmen/women to seize the opportunities and incentives provided by the Nigerian Government in doing business with their Nigerian counterparts, most of who are here today to hold Business-to-Business (B2B) interactive sessions with the Taiwanese companies at this 3rd Nigerian-Taiwan Joint Business Council meeting.
- I strongly believe that the business interactions amongst the Nigerian and Taiwanese companies today would further deepen/boost the existing bilateral trade relation between Nigeria and Taiwan.

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Trade & Investment Opportunities in Nigeria (Contd.)

- Indeed, NACCIMA is the foremost Apex Business Membership Association in Nigeria, referred to as “**Voice of Nigeria Business**”. The Association is the premier, umbrella body for all Regional, State, City, Bilateral, Multilateral Chambers of Commerce, Professional/Business Associations and corporate organizations in Nigeria. The Association, which is globally recognized, is all encompassing up to the grassroots level.
- Ladies and Gentlemen, Nigeria as a country is a mixed economy and emerging market. The Nigerian business and investment environment, like that of any other developing economies in the world, has its peculiar challenges.

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Trade & Investment Opportunities in Nigeria (Contd.)

- However, with the on-going economic reform programme of the Federal Government of Nigeria, trade & investment climate has tremendously improved with numerous opportunities due to various fiscal and non fiscal incentives provided by Nigerian Government to woo foreign investors, including the Taiwanese.
- Consequently I will give a brief overview of the key sectors/sub-sectors for ample and rewarding/profitable trade and investment potentials in Nigeria, which Taiwanese companies could take optimal advantage of. These sectors are:

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Trade & Investment Opportunities in Nigeria (Contd.)

(1) Mechanised Agriculture and Agribusiness

- Nigeria is basically an agrarian economy with a wide variety of produce and strong value chain for Agribusiness. Between 60-70 per cent of the population are currently engaged in agriculture and agribusiness activities. The contribution of Agriculture & Agribusiness to the Gross Domestic Product (GDP) has been quite high and over 40%.
- At the moment, there is a wide variety of Agricultural produce with strong value chain for Agribusiness and extensive potentials for industrial utilization in terms of trade and investment. Amongst these are:
 - i. All aspects of direct agricultural production, but in particular, rehabilitation of groundnut, cotton, cocoa and oil palm production, fish production and forest reserves;

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Trade & Investment Opportunities in Nigeria (Contd.)

- ii. Investment in processing of agricultural produce and storage facilities;
- iii. Investment in processing of agricultural input supply and distribution;
- iv. Agricultural mechanization e.g. adoption and use of farm equipment (such as bulldozers, tractors, etc) including the provision of land clearing and land preparation services;
- v. Agricultural support activities including research and funding of research activities;

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Trade & Investment Opportunities in Nigeria (Contd.)

- vi. Water resources development, especially for irrigation and flood control infrastructures along river basins;
 - vii. Development of earth dams and construction of wash bores and tube wells; and
 - viii. Development and fabrication of appropriate small-scale and mechanised technologies for both on-farm processing (e.g. threshing) and secondary processing of agricultural produce for consumption or storage.
- These potentials in the Agriculture/Agribusiness sector are not yet fully exploited and thus offer great opportunity for investment by both local and foreign investors.

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Trade & Investment Opportunities in Nigeria (Contd.)

(2) Manufacturing

- Nigeria's manufacturing sector offers considerable investment prospects for foreign investors. Presently, its contribution to GDP is below 5%, hence, the Nigerian Government's Industrial policy focuses on some key areas of industrial investment critical for growing the economy. These include, among others, the following:

- i. Foundries and forges, metal fabrication;
- ii. Chemical/petrochemicals;
- iii. Agro – allied i.e. rubber, plastics, sugar & sugar confectionery

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Trade & Investment Opportunities in Nigeria (Contd.)

- iv. Alcohol or fuel from agricultural products;
- v. Iron and Steel;
- vi. Cement and other non – metallic building materials (ceramics, bricks, glass etc);
- vii. Biotechnology;
- viii. Plant and Machinery manufacture;
- ix. Aircraft, shipbuilding and trains;
- x. Bitumen/Coal, etc;
- xi. Small/medium scale plant for sheet metal production;

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Trade & Investment Opportunities in Nigeria (Contd.)

- iv. Long fibre pulp/kraft paper production; and
 - v. Food processing, leather and leather products.
- These sectoral activities while not exhaustive are considered strategic, and their development will stimulate the laying of a favourable industrial base; and serve as a catalyst to industrialization.

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Trade & Investment Opportunities in Nigeria (Contd.)

(3) Solid Minerals

- Nigeria is endowed with enormous solid mineral deposit in almost all the States of the Federation and the current level of exploitation is very low in relation to the extent of deposits found in the country as it contributes far less than 1% to the GDP and with over 50 unexploited minerals.
- In view of this, tremendous business and investment opportunities abound in:
 - i. gemstone cutting and polishing;

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Trade & Investment Opportunities in Nigeria (Contd.)

- ii. gold processing;
- iii. processing of salt from sea water;
- iii. sodium triple phosphate production;
- iv. multi-mineral plant for gypsum, talc, kaolin, marble, dolomite, baryte etc.
- v. lead and zinc projects;
- vi. Sodium triphosphate production;
- vii. Exploitation of coal; and
- viii. Mining of industrial minerals–bitumen, etc.

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Trade & Investment Opportunities in Nigeria (Contd.)

(4) Tourism/Hospitality

- A tourism policy that is investors' friendly has been evolved in Nigeria. The policy encourages private sector participation, including foreigners in tourism/hospitality development through investment opportunities within the country.
- These areas include, among others, the following:
 - i. Overhead safaris, National Parks, Game and Gorilla Viewing, Deep Sea Recreational Fishing, Lake and River Fishing;

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Trade & Investment Opportunities in Nigeria (Contd.)

- ii. Archaeological Tours, Beach Resorts and Hotels;
- iii. Transportation – water, land and air;
- iv. Hotels and Event Halls/Centres;
- v. Surfing and Snorkeling; and
- vi. Theme Parks and Exposition Centres.

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Trade & Investment Opportunities in Nigeria (Contd.)

(5) Oil & Gas

- Currently, Nigeria has enormous gas reserve that remains unutilized/under- utilized. Therefore, investment opportunities abound in the upstream and downstream activities in the oil and gas sub-sector.
- Specifically, foreign investors/joint venture partners are required in areas such as:

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Trade & Investment Opportunities in Nigeria (Contd.)

(a) Upstream Activities

- Petroleum Exploration and Exploitation;
- Search for development of local substitute for such items as medium pressure valve, pumps, shallow drilling equipment drilling mud, bits, fittings drilling cement, etc;
- Manufacturing of consumable materials in exploration such as explosives, detonators, steel castings magnetic tapes, etc; and
- Other areas are; Construction and Maintenance, Pipelines, Well and Transport services, etc.

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Trade & Investment Opportunities in Nigeria (Contd.)

(b) Downstream Activities

- Petroleum Refining;
- Domestic Production and Marketing of Liquefied Petroleum Gas (LPG);
- Liquefied Natural Gas (LNG);
- Manufacturing of LPG cylinder, valves regulators, installation of filling plants, retail distribution and development of simple, flexible and much less expensive gas burner to encourage the use of gas instead of wood;
- Establishment of processing plants and industries for the production of refined mineral oil; petroleum jelly and grease; bituminous base water/damp-proof building materials such as roofing sheets, floor tiles, rubber, etc;

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Trade & Investment Opportunities in Nigeria (Contd.)

- Establishment of chemical industries such as distillation units for the production of naphtha and other special boiling point solvents used in plant and food processing industries; processing Linear Alkyl Benzene, Carbon Black and Polypropylene, etc;
- Building of asphalt storage, packaging and blending plants to handle the product for export;
- Establishment of small-scale industries to produce chemicals and Solvents, for example chlorinated methane, Formaldehyde, Acetylene, etc, from natural gas; and
- Participation in all phases of the Nigerian Gas Industry development programme from exploration, gathering, production and processing to transmission.

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Trade & Investment Opportunities in Nigeria (Contd.)

(c) Gas Sub-sector

- Nigeria is amongst the top ten (10) countries in the world with largest Gas reserve. The country has a proven gas reserve of over 100 trillion standard cubic feet (scf) while the probable reserve is over 250 trillion scf.
- Only about two billion scf of associated gas is produced daily, hence, there exist ample opportunities for investment in this sub-sector.

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(6) Electricity (Power)

- With the unbundling of power Holding Company of Nigeria (PHCN) concluded recently, it would create immense opportunities for investment by both local and foreign businessmen.
- Nigeria currently generates below 4,000 MW of electricity while it needs over 30,000MW of power, over 15,000 km of transmission lines, as well as more distribution facilities. At present only below 20% of rural households and below 50% of the country's total population have access to electricity.

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Trade & Investment Opportunities in Nigeria (Contd.)

- i. Therefore, major business & investment potential exists in:
- ii. Generation, transmission and distribution;
- iii. Solar Energy Development and other renewable sources;
- iv. Cables and Wires Manufacturing;
- v. Electrical Meters and Transformers;
- vi. Electrical Construction; and
- vii. Geothermal, etc.

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Trade & Investment Opportunities in Nigeria (Contd.)

(7) Telecommunication/ICT

- Telecommunication sub-sector is a major infrastructure for integrating Nigeria into the global economic system and which has been sufficiently liberalized to allow private sector participation, including foreigners.
- This sector has recorded phenomenal growth over the years with ample investment opportunities abound in the following, amongst others:

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Trade & Investment Opportunities in Nigeria (Contd.)

- i. Sales and installation of terminal equipments;
- ii. Provision and operation of public pay phones and private network links employing cable, radio communication or satellite within Nigeria;
- iii. Repairs, maintenance and manufacture of telecommunications equipment and accessories; and
- iv. Manufacture of high pair fiber optic cables.

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Incentives to Investors

- In order to attract Foreign Direct Investment (FDI) from private sector Businesses to the above promising sectors, the Federal Government of Nigeria has provided numerous Fiscal incentive schemes to enable such investors to not only recover their investment over a reasonable period of time but also to make desired profit on sustainable basis.
- I urge our visiting Taiwanese companies to take utmost advantage of the existing numerous incentives offered by the Nigerian Government and enter into long lasting joint venture business relationships with their Nigerian counterparts. The list of incentives could be obtained from Nigerian Investment Promotion Commission - NIPC).

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Some Initiatives of the Nigerian Government

- Ladies and Gentlemen, let me at this point inform us that the implementation of the Nigeria Industrial Revolution Plan was already yielding good results. An example is the success stories recorded in the cement industry through the Backward Integration Programme, which has been extended to other sectors of the economy. Government has consolidated its position in the cement sector, which has now attracted US\$8 billion aggregate till date and is supporting 1.6 million Nigerian jobs.
- Also, Nigeria attracted over US\$3billion of new investments in the sugarcane-to-sugar industry in 2013. Action is on-going in the auto industry as the Nigerian government's policy is focused on providing an enabling environment and level playing field for all stakeholders in the industry.

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CONCLUSION

- Ladies and Gentlemen, NACCIMA has no doubt that the trade between our two business communities (Nigeria and Taiwan) would further improve tremendously in the identified sectors of mutual interests, as well as new areas of interest to be explored/exploited through Joint Venture Partnerships that would be established here today and thereafter.
- Finally, it is my believe that present bilateral trade efforts would be accelerated by the Governments of Nigeria and Taiwan on one hand and our two private sector Associations (NACCIMA and CIECA) on the other hand through Public-Private Partnership arrangements that would be effective and result-oriented.

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Conclusion (Contd.)

- At our level as Private Sector Associations facilitating trade, we should re-enforce our role to ensure that the interactions during the B2B session(s) from this reciprocal mission is fruitful and highly rewarding to further promote the growth of businesses.

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THE END.

**THANK YOU
FOR LISTENING**

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