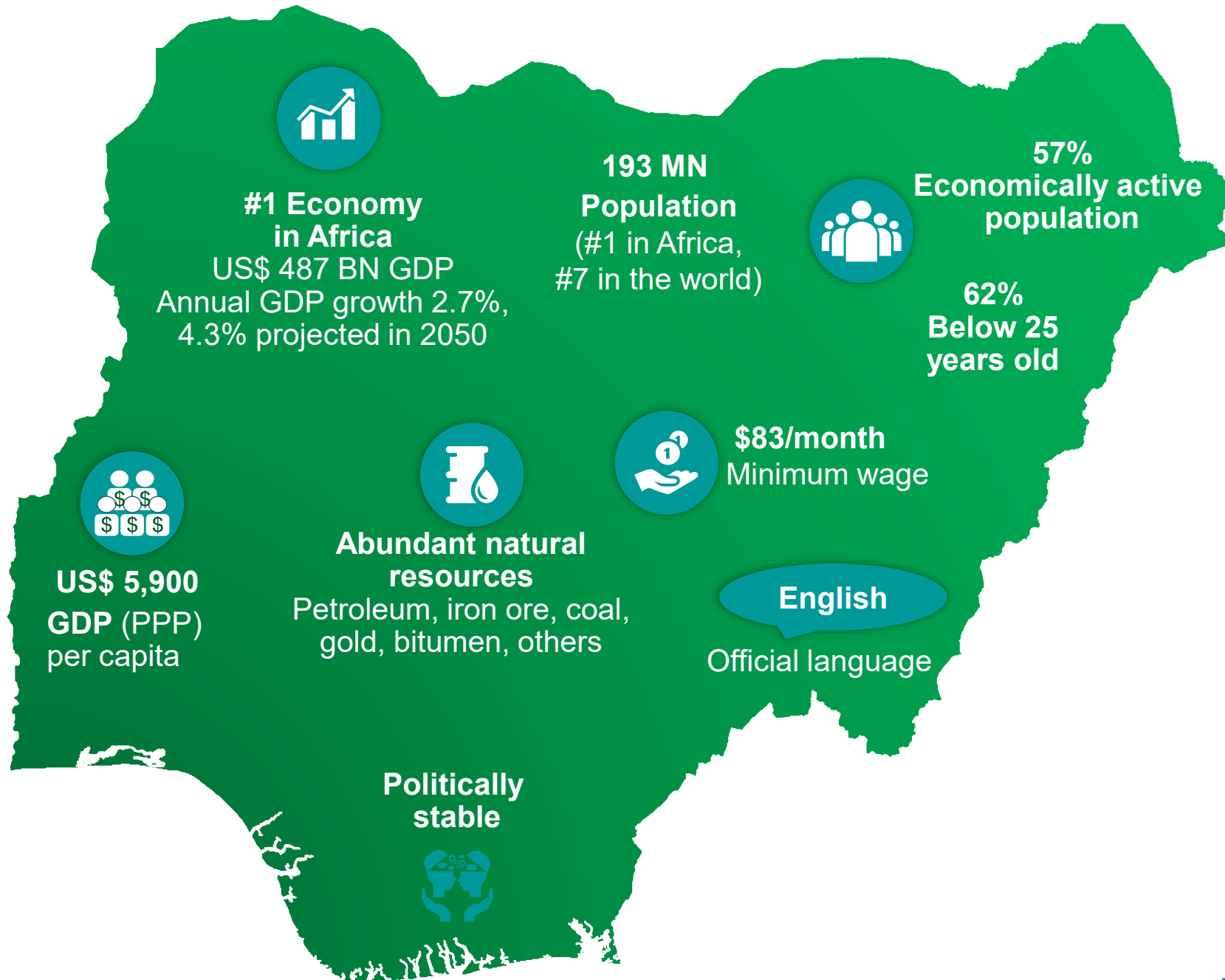








# Nigeria is an attractive investment destination with strong fundamentals





# The ERGP identified 12 priorities across 5 strategic thrusts




## Stabilise the macroeconomic environment

-  1 Align monetary, trade and fiscal policies
-  2 Accelerate non-oil revenue generation
-  3 Drastically cut costs
-  4 Privatisise selected public enterprises/ assets


## Achieve agriculture and food security

-  5 Deliver on agricultural transformation

## Improve transportation infrastructure

-   6 Deliver targeted high- priority transportation projects
-  7 Enable private sector infrastructure financing

## Ensure energy sufficiency in power and petroleum products

-  8 Urgently increase oil production
-  9 Expand power sector infrastructure
-  10 Boost local refining for self-sufficiency

## Drive industrialisation focusing on SMEs

-  11 Improve ease of doing business
-  12 Accelerate national industrial revolution plan implementation



# Industrialisation drives inclusive growth and structural transformation



## Job Creation

- Manufacturing provides more job opportunities with better working conditions and also creates indirect jobs; for every direct job created, 5-20 indirect jobs are created<sup>1</sup>

## Social Investment

- Industrial growth increases tax revenues for social investment in health and education

## Transformation

- Rarely have countries moved from poor to rich without moving from agrarian and resource based activity to manufacturing and services<sup>2</sup>

1 - SOURCE: UNIDO, World Bank,  
2 – Prof Justin Yifu Lin, New Structural Economics



# Nigeria is attractive due to strong fundamentals and favourable policies

## Intrinsic strengths



## Favourable government policies

### 1 Competitive cost environment

- Minimum monthly wage of US\$83, low input costs due to proximity to source, tax & customs incentives

### 2 Proximity to inputs

- High raw material availability –growing cotton output, high supply of petrochemical feedstock for production of synthetic fibres
- Proximity to raw materials including cotton and petrochemical feedstock for production of natural and synthetic fibres

### 3 Proximity to key export and domestic markets

- ~12 shipping days to reach Europe and the US
- Proximate to ECOWAS trade region
- 6 hours from major European airports

### 4 Duty-free access to USA and ECOWAS

- African Growth and Opportunity Act (AGOA) and ECOWAS Trade Liberalisation Scheme ensures duty-free access to a market of 650m consumers, combined
- US apparel imports through AGOA grew at a CAGR of 7% from 2012-2016, all other sectors declined

### 5 Large working population

- Most populous African country (193m people), large labour force (54% of population aged 15-64 years)

### 6 Baseline installed capacity

- 24 active textile mills with opportunity for modernization

### 1 Favourable policies and initiatives

- Policies in place to stimulate growth, including National Cotton Textile and Garment Policy, Presidential Enabling Business Environment Initiative
- Development of Lekki Free Trade Zone 80-100km from Apapa Port and Murtala Muhammed International Airport

### 2 Financial benefits

- Complete holiday from all federal, state and local government taxes, rates, and levies.
- Duty free importation of capital goods, machinery/components, spare parts, raw materials and consumable items in the zones.
- Export Expansion Grant for exporters<sup>1</sup>
- Negotiated special incentive for strategic investments

### 3 Business benefits

- One-stop approvals for permits, operating license and incorporation papers<sup>2</sup>
- 100% foreign ownership of investments
- 100% repatriation of capital, profits and dividends
- In SEZs, waiver of all imports and export licenses
- Permission to sell 100%<sup>2</sup> of SEZ goods into the domestic market<sup>3</sup>
- For prohibited items in the customs territory, SEZ goods permitted for sale upon meeting 35% domestic value addition requirement<sup>4</sup>

<sup>1</sup>Administered by NEPC. <sup>2</sup>One stop shops available at SEZs and NIPC. <sup>3</sup>25% for Export Processing Zones and 100% for Free Trade Zones. <sup>4</sup>Subject to custom duty on imported raw materials. Source: NEPZA and NIPC, Index Mundi