



ABUJA



Nigeria 2015



NIGERIA



Presentation Outline

- Facts About Nigeria
- Opportunities in Nigeria
- Nigeria SWOT-PEST Analysis
- Investment Incentives
- Main Challenges when Doing Business
- How To Do Business in Nigeria
- Top Tips for Doing Business in Nigeria
- About AG Leventis



Facts about Nigeria:

- Located on the coast of West Africa
- Nigeria gained independence from Britain in 1960. Today a member of the Commonwealth of Nations.
 - A vibrant country with a rich and diverse culture.
- The most populous country in Africa and the 7th most populous country in the world.
- Politically stable with democratic elected government, new elections in March 2015



- Capital is Abuja with economic center being Lagos
 - Official language is English
- US-style federal republic, legislation based on English law



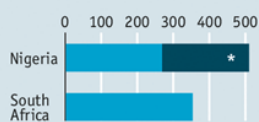
NIGERIA

The 'Giant of Africa'

ECONOMY

GDP

2013 estimates, \$bn



24th

Largest Economy in the World
1st Largest Economy in Africa

CURRENCY Naira (NGN)



POPULATION

174.51

MILLION

Ranks 8th (July 2013 estimates)

URBAN POPULATION

49.6%

Approximately (2011)

36

& a Federal
Capital
Territory,
Abuja



MAJOR CITIES

Lagos	10.2 million
Kano	3.3 million
Ibadan	2.7 million
Abuja	1.8 million
Kaduna	1.5 million

(2009)

CAPITAL

Abuja 1.8 million

GOVERNMENT

Federal Republic

DEMOGRAPHICS

43.8%

0-14 years

53.2%

15-64 years

3%

65 years +

LANGUAGE



250+

ETHNIC GROUPS



PRODUCERS



12th largest
crude oil
producer in the
world & 8th
largest exporter.



12th largest
petroleum reserves
& contributes to
85% + of
government's
revenue.



Top 5
cocoa bean
producing
countries in
the world.

After Egypt, Nigeria is the largest
newspaper market in the world.



Nigeria - Current Challenges and Opportunities



Opportunities:

- Large population (193mil by 2017)
- Favorable demographics expected to spur demand for goods
- Growing middle class
- Rapid urbanisation growing at 4% p.a.
- Rising household consumption expenditure (\$438 billion by 2017, raising the number of people in consuming-class households to 160 million in 2030)
- Young, educated, entrepreneurial population
- Untapped natural resources
- Nigerian diaspora investing back into their home country

Major Challenges:

- Tackle security issues in the North and the South
- Ensure political stability
- Navigate through failing oil price (rising unemployment, funding inability)
- Poor infrastructure that can lead to higher operating expenses (energy and transport)
- Barriers of doing business due to difficult regulatory processes and undue influence

Nigeria SWOT-PEST Analysis



	Political	Economy	Social	Technology
Strength	<ul style="list-style-type: none"> Political Stability since 1999 Regional political leader in Africa 	<ul style="list-style-type: none"> Oil Producing Minerals & Land Endowment Young Population ratio Large Consumers Relatively stable exchange rate 	<ul style="list-style-type: none"> Big human capital resources Cultural & Religious diversity Large Population 	<ul style="list-style-type: none"> Computerization of Govt & Private Sector business Telecoms revolution Launch Nigeria SAT 1
Weakness	<ul style="list-style-type: none"> Increasing ethnic & religious restiveness 	<ul style="list-style-type: none"> Inadequate data for planning Weak 'doing business' indicators 	<ul style="list-style-type: none"> High illiteracy rate Ethnic Conflict Infrastructure inadequacy 	<ul style="list-style-type: none"> Large capital outlay for start-ups Illiteracy Slow ICT Innovation
Opportunity	<ul style="list-style-type: none"> Growing international recognition Widening political participation 	<ul style="list-style-type: none"> Economic Reform <ul style="list-style-type: none"> Power, Oil & Gas & agric. Reforms Huge infrastructure development 	<ul style="list-style-type: none"> Cultural & Tourism potentials Emerging PPP in infrastructure building Privatisation and deregulation 	<ul style="list-style-type: none"> Telecom revolution E-commerce E-learning E-governance
Threat	<ul style="list-style-type: none"> Ethnic frictions Policy uncertainty 	<ul style="list-style-type: none"> High costs of doing business (decaying infrastructure) Crime & insecurity 	<ul style="list-style-type: none"> Security threat in the North Lack of social security system 	<ul style="list-style-type: none"> IT security (hacking) Loss of markets Dominance of foreigners in the IT industry



Opportunities in Nigeria

- **Oil and gas** – government’s plans to raise output means the sector has long-term opportunities
- **Agriculture** – the country’s agricultural potential is largely untapped and the government is keen to attract investment and technical expertise. A lot of reforms are currently being done in the agricultural sector.
- **Mining and mineral processing** – investment incentives are being considered
- **Power** – Huge scope for private participation the market is being really opened up
- **Communications** – huge opportunities exist with Nigeria being the most lucrative telecoms market in Africa, growing at twice the African average.
- **Healthcare**
- **Financial and Professional Services**
- **Information and Computer Technology (ICT)**
- **Creative Industries**- Nigerian’s film industry is the world’s 3rd largest and the Nigerian music industry is growing rapidly.
- **Transport**
- **Construction and Infrastructure** development
- **Education and training** – Nigerians are hungry for knowledge.
- **Aid-funded business**



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**Source: UKTI 'Doing Business in Nigeria Report*



Investment Incentives

- The Federal Government of Nigeria offer a number of investment incentives intended to stimulate foreign direct and internal investment. Some of these incentives are available across all sectors whilst others are industry specific.



Centre of Excellence - Lagos, Nigeria



(i) Companies Income Tax Act

- The Companies Income Tax Act has been amended in a bid to encourage existing and potential investors and entrepreneurs.





(ii) Tax relief for research and development

- Industrial organisations are encouraged to engage in research and development (R&D) for the enhancement of their processes and products. Up To 120% Of Expenses On R&d Are Tax Deductible Provided That Such R&d Activities Are Carried Out In Nigeria And Are Connected With Businesses To Which Allowances Are Granted. The Result Of Such Research Could Be Patented And Protected In Accordance With Internationally Accepted Industrial Property Rights*.





(iii) Free Trade Zones

Nigeria Export Processing Zone Authority's (EPZ) regulatory regime is liberal and provides a conducive environment for profitable operations. Investors wishing to locate their businesses within Nigeria's Free Trade Zones are party to a number of benefits and incentives





Challenges When Doing Business

- Lack of Infrastructure
- Talent Acquisition
- Corruption
- Insecurity



How to do business in Nigeria

- All businesses must be registered with the Registrar-General of the Corporate Affairs Commission (Register of Companies). A foreign investor wishing to set up a business operation in Nigeria should take all steps necessary to obtain local incorporation of the Nigerian branch or subsidiary.
- Business activities may be undertaken in Nigeria as follows:
 1. Private or public limited liability company;
 2. Unlimited liability company
 3. Company limited by guarantee
 4. Foreign Company (branch or subsidiary company)
 5. Partnership/Firm
 6. Sole Proprietorship
 7. Incorporated trustees
 8. Representative office

Source: CAC



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Top Tips for Doing Business in Nigeria

1. Nigerians love to bargain! Be prepared to compromise at both point of sale and in the boardroom.
2. Among traditional Nigerian business people appointments are not always private.
3. It is very important to address people by their correct title.



Things we love about Nigerians!

1. **Competitiveness**
2. **Sense of Humour**
3. **Innovation**





Leventis Presence in Nigeria

- Operates in Nigeria and Ghana since the 1930's
- Three operating companies, of which 2 are listed on the Nigerian Stock Exchange
- Employs about **12,000 people**
- Has 2014 turnover of over **€800 mil.**
- Has **invested** more than **€670 mil.** in Nigerian operations over the last 10 years





**DRUCKFARBEN
NIGERIA LTD**



- Druckfarben Hellas is the largest Greek manufacturer of flexography and rotogravure inks for flexible packages (plastic bags, food packages, carton boxes, etc.) in the Balkans. The company also produces and sells offset inks for newspapers, magazines and other printed media. It also holds a significant market position in the area of architectural paints and varnishes, under the well-known Greek brands Kraft and Pacific.
- Following a detailed market research in Nigeria before the formation of the JV, the first customer agreement was concluded in March 2011, whereas offers to other customers were at that time in progress.
- A 50%-50% JV between AG Leventis Nigeria and Druckfarben Hellas was established in February 2011.
- The business of the Nigerian company is mixing, filtration, packaging and sale of ready made print packaging ink or intermediates in Nigeria and Ecowas.
- The location of new factory facilities was selected in early 2011 and repairs and renovation were completed in 6 months.



**DRUCKFARBEN
NIGERIA LTD**



Financial Results

- Over the last 4 years of its operations, Druckfarben Nigeria is a profitable business with good prospects for expansion especially with the introduction of new products and exports in new neighboring markets / countries.
- Initial investment €645k, dividends received up to now €539k.

in €	2011	2012	2013
Sales	1,447,590	2,866,270	3,337,560
EBITDA	292,940	314,960	398,630
EBT	278,480	268,200	336,990



CHRISSTAHL NIGERIA LTD



- Chrisstahl Nigeria Ltd, a Leventis/ ChryssafidisJV Company, is a supplier of quality industrial plumbing products and engineering services.
- Chrisstahl maintains a modern 2000 m2 warehouse and office in Lagos
- Targeted customers are food and beverage manufacturing plants, petrochemical, construction companies, shipping and commercial entities
- Chrisstahl's experienced engineers supporting petrochemical, food and beverage industries.
- Providing maintenance assistance for certain critical product lines. In short, we aim to differentiate the services and products we offer to the Nigerian market by focusing on customer needs and providing solutions to them.



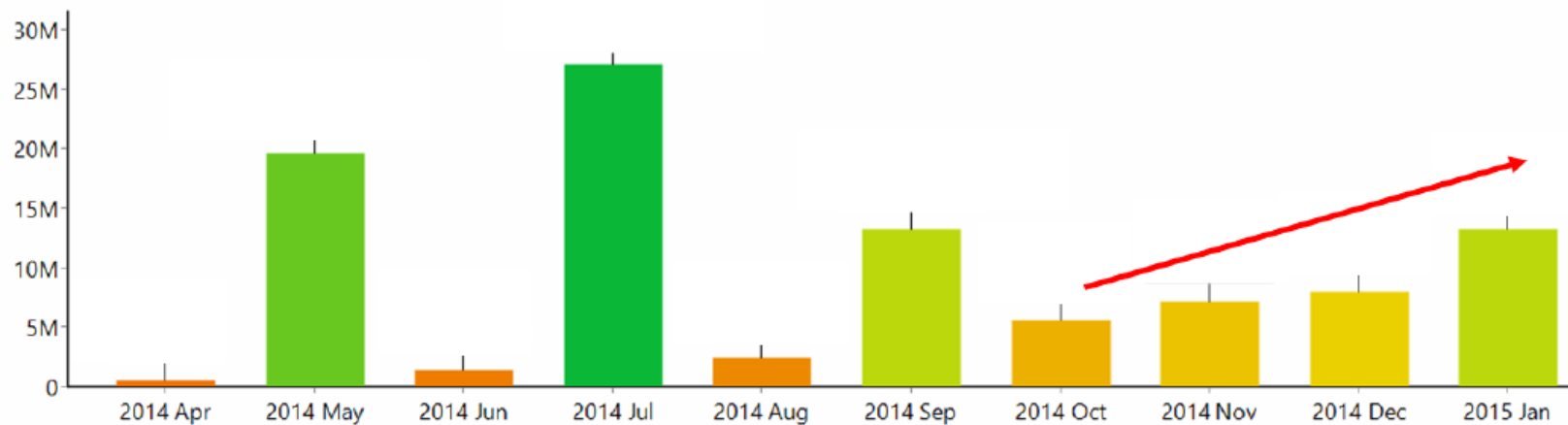


**CHRISSTAHL
NIGERIA LTD**



- Chrisstahl was registered in the Nigerian Chamber of Commerce in September 2013
- Total investment will be €860k
- Commenced Business : 04/2014 (First Invoice)
- 2014 Revenues approximately €65k
- 2015 Budget Revenues €1.1 mil

Sales 2014 / 2015 per month





Fast forward 2050

... the 13th economy in the world in 2050 will be



ITALY

14th economy in the world
with GDP 3.8 US\$ trillion

SPAIN

15th economy in the world
with GDP 3.6 US\$ trillion

CANADA

16th economy in the world
with GDP 3.55 US\$ trillion

NIGERIA

with GDP 4 US\$ trillion
overtaking Spain, Canada
and Italy



THANK YOU

