



**NIGERIAN
INVESTMENT
PROMOTION
COMMISSION**

PROSPECTS AND OPPORTUNITIES OF GREEK ENTREPRENEURS FOR TRADE AND INVESTMENT IN NIGERIA

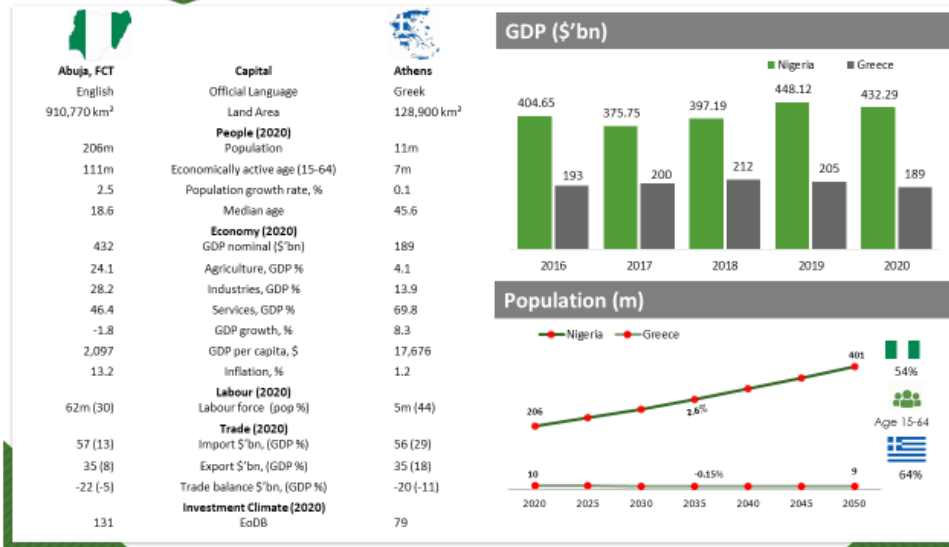
Hellenic-African Chamber of Commerce and Development

Emeka Offor
Ag. Executive Secretary/CEO

Virtual | 23 February 2022

Nigeria – Greece Relations

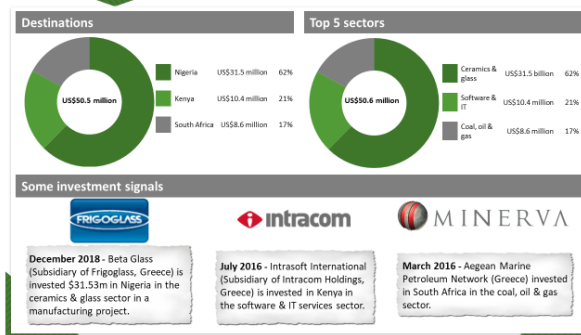
Nigeria – Greece



Sources: [www.data.worldbank.org](https://data.worldbank.org), World Bank Databases, UN World Population Prospects 2019, World Bank Doing Business (EoDB) Report 2020

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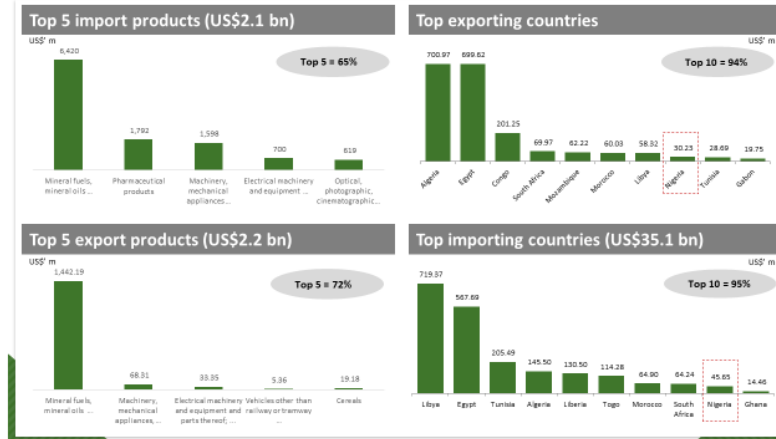
Greece investment interests in Africa, 2016 - 2020



Source: IPI Markets

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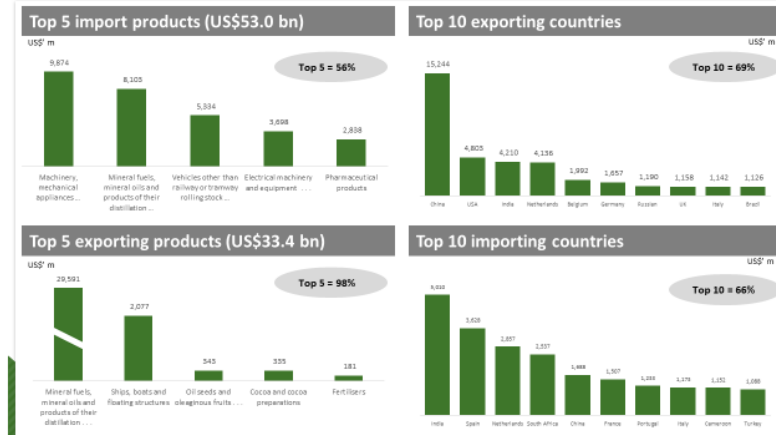
Greece: Africa trade relations, 2020



Source: I Trade Map
N.B: Classification is based on Customs' Harmonized System Code

4

Nigeria: global trade relations, 2020



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Investor feedback (no particular order, most frequent in red)



"corruption: you can't get anything done without paying a bribe"

"government is anti-big business"

"government agencies harass investors"

"poor private sector engagement in policy formulation"

"painful, long, unpredictable government approval process"

"frequent policy changes make long term planning difficult"

"meeting with senior government officials cancelled after investor's arrival"

"everything is smuggled in; borders are too porous, so tariff measures never work"

"difficult operating conditions: erratic power, bad roads, poor public utilities"

"multiple taxes by federal and state agents"

"lack of skilled labour, poor work ethic"

"security situation is getting worse"

"corrupt judiciary; too many sacred cows"

"road to Apapa port costs us"

"we are concerned about getting fx and the exchange rate"

"difficulty with getting visas"

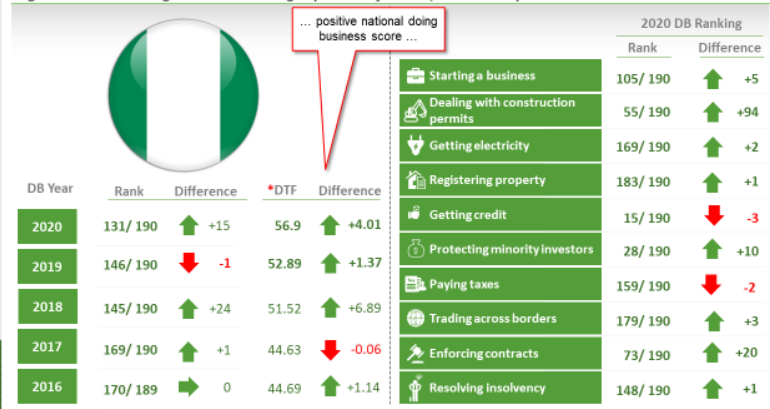
"access to long term capital is challenging"

"high cost of doing business"

Enhancing the competitiveness of the investment landscape

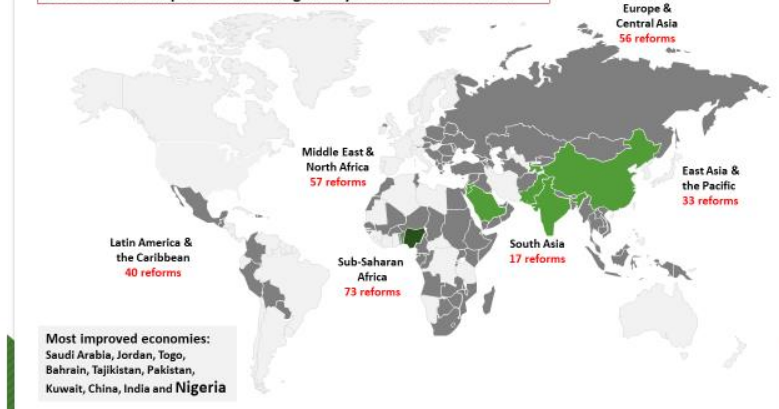
Improved ease of doing business ranking: Nigeria (131/190)

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

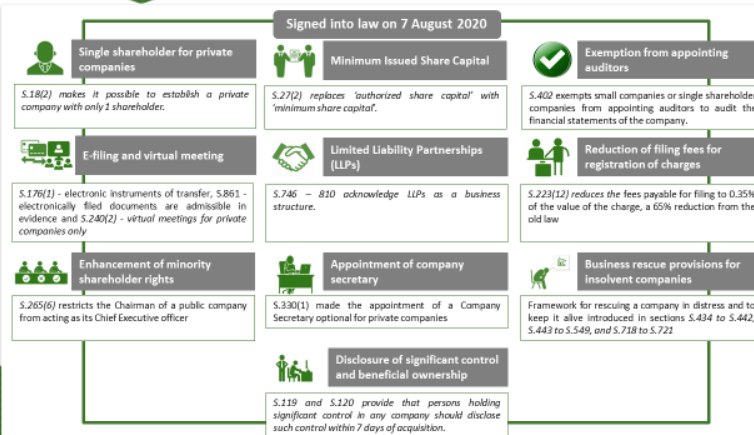


One of the most committed to business environment improvements

115 economies implemented 294 regulatory reforms across 10 areas



CAMA 2020, changing the investment landscape



CAMA - Companies and Allied Matters Act, 2020

6

Finance Acts 2019 and 2020 provide further support for investments

Finance Act 2019

- Exempted small businesses from CIT and charging of VAT
- Granted tax relief for medium sized companies with annual turnover >N25 million <N100 million
- Protected locally produced goods and facilitates importation of raw materials not available locally
- Over 600 basic food items and locally manufactured goods are also VAT exempt
 - included sanitary towels, pads or tampons, services rendered by microfinance banks, tuition fees and businesses with turnover <N25m

Finance Act 2020, introduced more reliefs

- Exempted those earning minimum wage from Personal Income Tax
- Exempted small companies with <N25m turnover from tertiary education tax
- Exempted flight tickets from VAT
- Companies in primary agriculture may be granted pioneer status for an initial 4 years and an additional 2 years

CIT: Company Income Tax; VAT: Value Added Tax

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Nigeria, one of the most improved investment environments – WB Doing Business Report, 2020

Why Nigeria?

Nigeria's key competitive advantages...



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



Strategic location



Strategic time zone
GMT +1



Favourable weather



Language: English



Large growing population –
3rd largest by 2050



Growing middle class
population



Young, energetic, tech-savvy
entrepreneurial population



Optimistic mobile
population



Resilient, hard-working “can-
do” spirit



Large population of
consumers



Huge unfilled demand



Improving business
Climate



Abundant natural
Resources



Abundant economic
opportunities



Generous investment
incentives



Sophisticated financial
markets



Generous investor
protections



Private sector-led
economy



Home to many large local
and international brands

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



Fast growth economic
projections – aspires to be
14th by 2050



Two decades of political
stability

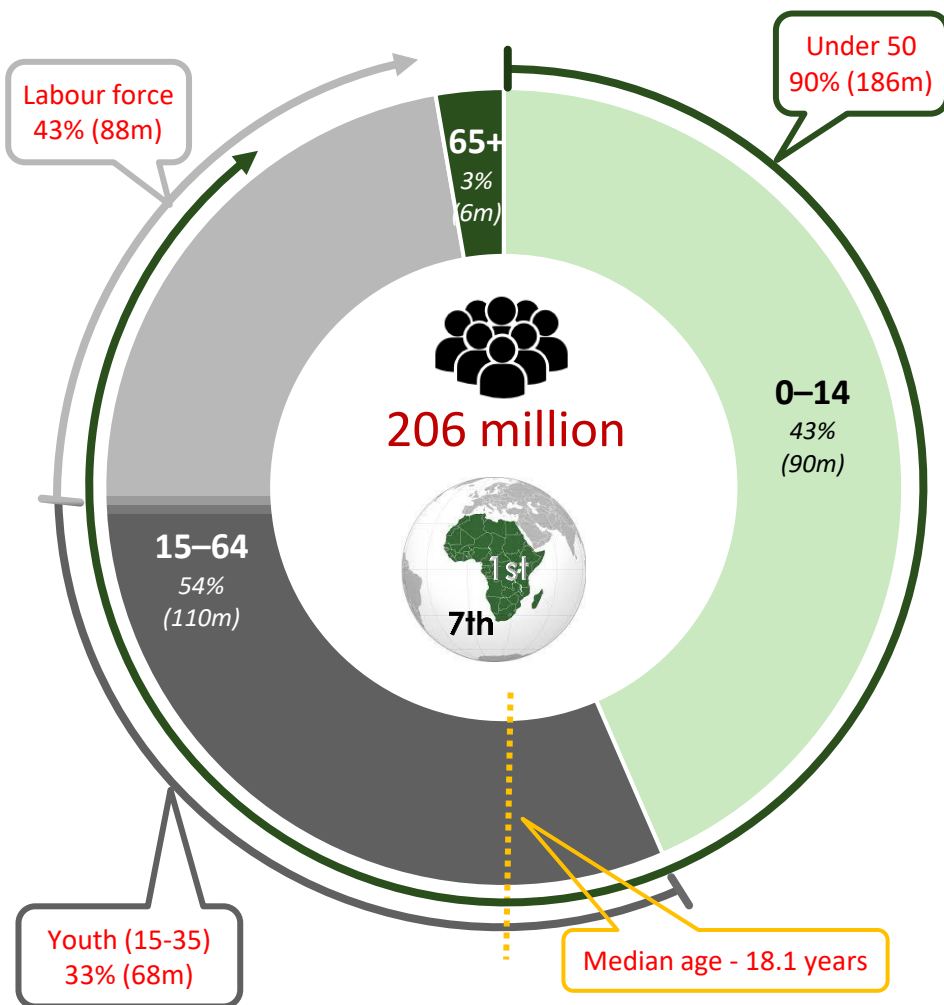


An essential component of
every Africa strategy

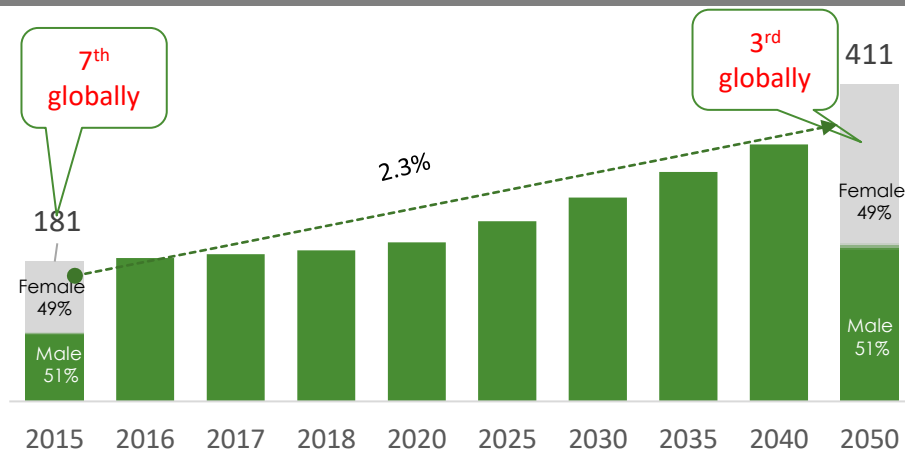
**...adaptability and
agility of the people**

Favourable demography

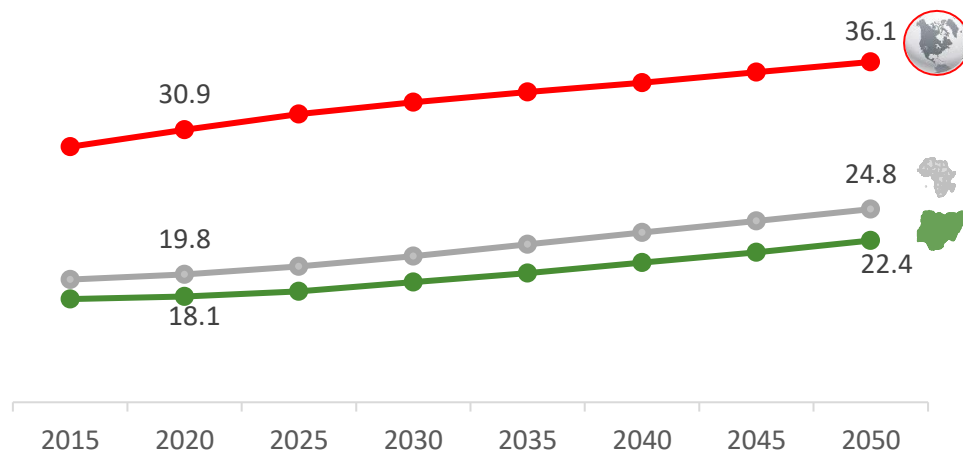
By age



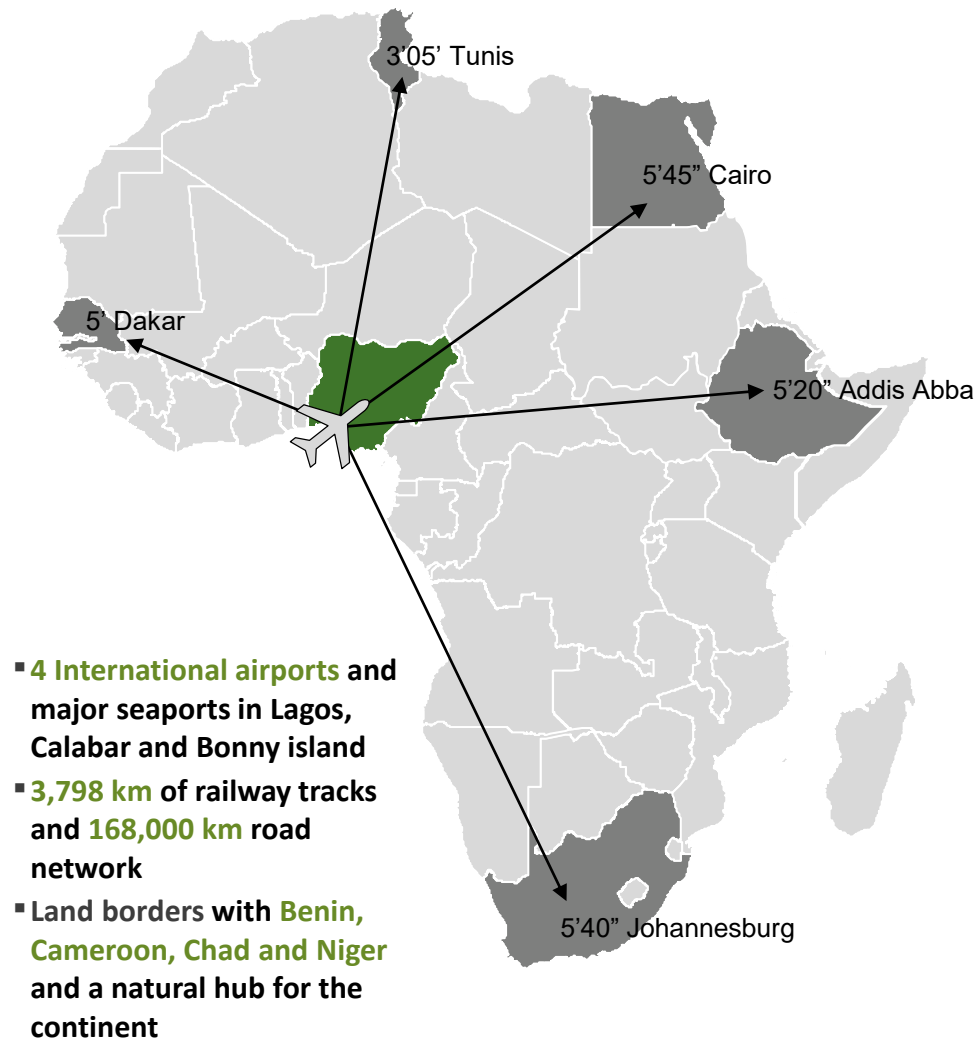
By size, millions



Median age



Ideal gateway economy for leveraging AfCFTA









Nigeria is more ready than most African economies

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

Selected Nigerian companies and their networks in Africa



Company	Sector	African operations	
 United Bank for Africa	Banking	20	Benin, Burkina Faso, Cameroun, Chad, Cote d'Ivoire, Congo Brazzaville, Gabon, Ghana, Guinea Conakry, Kenya, Liberia, Mali, Mozambique, Nigeria, RDC, Senegal, Sierra Leone, Tanzania, Uganda, Zambia
 DANGOTE	Manufacturing (Industrial, Food & Beverages)	12	Cameroun, Cote D'Ivoire, Congo, Ethiopia, Ghana, Liberia, Nigeria, Senegal, Sierra Leone, South Africa, Tanzania, Zambia,
 GTBank	Banking	10	Cote d'Ivoire, Gambia, Ghana, Kenya, Liberia, Nigeria, Rwanda, Sierra Leone, Tanzania, Uganda
 glo	Telecommunications	5	Benin, Cote d'Ivoire, Ghana, Nigeria, The Gambia
 Interswitch	Fintech and e-Commerce	3	Kenya, Nigeria, Uganda
 paga your cash, anywhere, anytime	Fintech	2	Ethiopia, Nigeria

Plus Nigeria's fashion, music and movies, which are consumed all over Africa

Some of Nigeria's MNCs



Investment opportunities

Choice of investments – ‘RIBS’



- Investments that comply with global standards on labour, human rights, environment, social and corporate social responsibilities

R

Responsible

- Investments that create jobs and has capacity for integration with SMEs

I

Inclusive

- Investments that would balance drive for investment returns with preservation of host community needs and national/state specific policies

B

Balanced

- Promote sustainable development objectives that align with agenda 2030 of the United Nations

S

Sustainable

Nigeria's competitive sectors



North West Region

Sector: agriculture, agro-processing, mineral mining, textile, garment and footwear, educational services

North Central Region

Sector: agriculture, animal husbandry, mineral mining, small hydro-power, thermal power plant, iron & steel, ceramics, tourism

North East Region

Sector: agriculture, animal husbandry, Small hydro-power

South East Region

Sector: mineral mining, agriculture, automobile, garment and footwear, food and beverages, tourism

South West Region

Sector: financial services, food and beverages, garment and footwear, ceramics, educational services, ICT, tourism, thermal power plant, maritime, inland waterways

South South Region

Sector: oil & gas, petrochemicals, tourism, fishing, thermal power plant, maritime, inland waterways



Animal husbandry



Crop production



Coastal fishing



Industrial production



Petrochemicals



Power generation



Services

Select investment incentives in Nigeria



Pioneer status incentive

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

Deduction for research and development

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

Exemption from minimum tax

- Aside companies engaged in agricultural trade, other companies that meets minimum eligibility criteria as states in Section 33 of CITA are exempted from minimum Corporate Income Tax

Import duty concession

- 0% import duty for machinery meant for agriculture and agricultural processing, power generation and distribution, aviation services and selected manufacturing activities

Export expansion grant

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

Special Economic Zones incentives

- 100% capital allowance
- Rent-free land during construction
- Full holiday from federal, state and local government taxes
- Unlimited sale of product within the customs territory

Facilitating investments in Nigeria

NIPC's principal functions



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

Project Attractive Investment Image

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

Investment Promotion

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

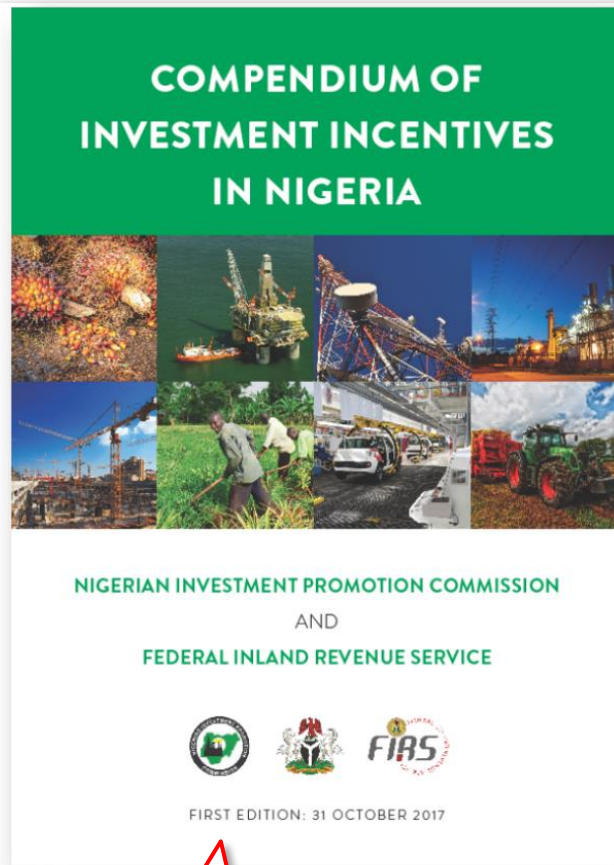
Investment Facilitation

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

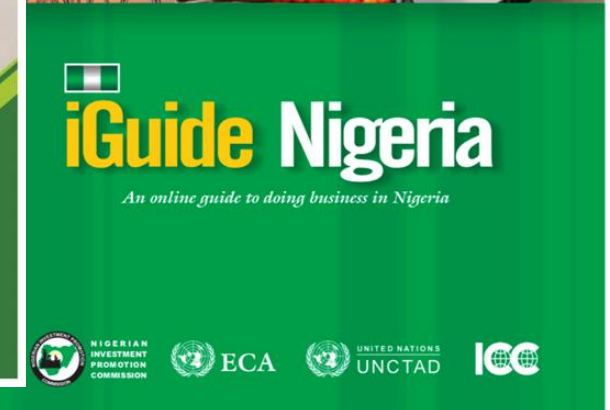
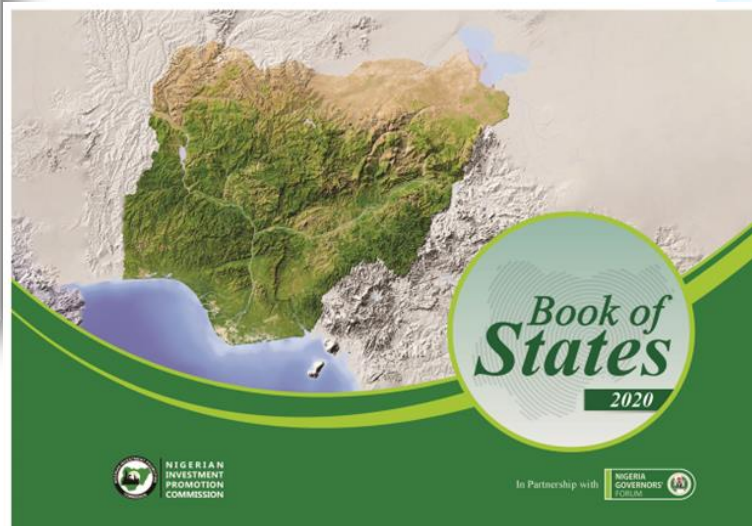
Policy Advocacy

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

Useful materials for investment opportunity assessment and location benchmarking



**2nd edition in
works**



Done: First phase of PSI reforms



Update of Pioneer List*	Biennial Review	Impact Assessment	Post-Approval Obligations
<ul style="list-style-type: none"> • Addition of 27 new industries • Removal of 2 sectors: <ul style="list-style-type: none"> • cement, based on maturity and recommendation of MOF-led inter-ministerial committees • oil production and prospecting (subject to PPT not CIT) • Reclassification based on international standard (ISIC) 	<ul style="list-style-type: none"> • To ensure list always relevant to economic aspirations • To define maturity by sector • Determine additions and deletions <ul style="list-style-type: none"> • Additions to be immediate, deletions to take effect after 3 years • Review Committee to include relevant MDAs and MITI, with input from economists in the public and private sectors 	<ul style="list-style-type: none"> • Biennial impact study to determine contribution to industrial aspirations 	<ul style="list-style-type: none"> • Submission of annual performance report • Payment of annual service fee based on actual tax savings

Instilled transparency, process efficiency and better articulation of the expected economic benefits

<https://www.nipc.gov.ng/product-category/opportunities-incentives/incentives/pioneer-status-incentive/>

e-OSIC

Launched on 02
Nov 2021

- All services offered at the One Stop Investment Centre (OSIC) will be automated;
- Will allow online application for business registration, document submission, fee payment, workflow-based review and tracking;
- OSIC agencies will be integrated as they adopt e-government

e-PSI

- To automate applications for incentives administered by NIPC, starting with Pioneer Status Incentive (PSI);
- Will allow online application, document submission, fee payment, workflow-based processing, automated stakeholder notification and report generation;
- Applicants can track processing status online



Single Window Investors' Portal



Stakeholder Relationship Management

- Will allow end-to-end management of all engagements with investors;
- All investor requests, applications, enquiries, complaints and responses will be tracked to deepen NIPC's institutional memory
- Seamless monitoring and reporting of interaction with investors

Investment Profiling

- Will ease generation of a broad range of investment summaries, based on predefined templates, from online profiles submitted by different stakeholders
- Will help automate matchmaking of investors to States and opportunities
- Will improve visibility of investable opportunities

Investor obligation and protections in the NIPC Act



Registration Obligation

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

Ownership

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

Guarantees

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

Dispute Resolution

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

What NIPC can do for investors



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

For further details, please
contact us



**NIGERIAN
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COMMISSION**

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