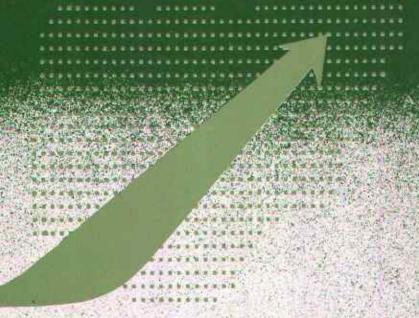
REPORT ON THE

SIXTH NIGERIAN ECONOMIC SUMMIT 1999



Report on the Sixth Nigerian Economic Summit

20-22 October, 1999 Abuja



Spectrum Books Limited
Ibadan
Abuja • Benin City • Kaduna • Lagos • Owerri

Published by
Spectrum Books Limited
Spectrum House
Ring Road
P.M.B. 5612
Ibadan, Nigeria

in association with
Safari Books (Export) Limited
1st Floor
17 Bond Street
St. Helier
Jersey JE2 3NP
Channel Islands
United Kingdom.

Europe and USA Distributor African Books Collective Ltd. The Jam Factory 27 Park End Street Oxford OX1, 1HU, UK

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First published 2000

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ISBN: 978-029-193-8

Printed by Polygraphics Venture Limited Ibadan

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Introduction

The Sixth Nigerian Economic Summit, held at Abuja, October 20-22, 1999, came at an auspicious time in Nigeria's history. This is because it is the approach of a new millennium and the commencement in office of a democratic government, battling to resolve the social and economic problems, legacies of a succession of military regimes. Given the euphoria with which both the national and the international communities have greeted the new democratic dispensation, expectations are understandably high. However, the resolution of Nigeria's problems will not be easy and it is necessary that these problems are understood by all sections of the community and particularly by Nigeria's overseas friends. In the words of one of the speakers at the Summit, "Nigerians have to persevere, persevere and persevere."

The government has already set in motion a range of bold measures to address many of the problems which have become very deep-rooted in the Nigerian society. The fight against corruption has sent a clear and unequivocal message to everyone that the days of facilitation fees and over-invoicing are over, just as the new watchword in both the public and private sectors is transparency in all economic activities. It is also clear that those who violate the new way of conducting business will have to face sanctions, whether they be inside or outside government.

After many years as a pariah nation, Nigeria is now attracting considerable interest from potential investors and from the bilateral and multilateral agencies. These stakeholders are prepared to give Nigeria an opportunity to demonstrate that it is completely committed to restructuring its economy and creating a better future for its citizens. Nigeria also has to position itself to play its rightful role not only in the African sub-continent but also on the world stage.

Much needs to be done and time is very much of the essence. While the government can consider itself fortunate that, since it took office, the price of oil has moved above the \$20 per barrel mark, this might not last given the vulnerability of the oil market to a range of external forces. Nigeria therefore has to spend its revenues wisely and effectively to expedite the development of a number of other sectors where foreign exchange can be generated. Oil is a finite resource and, although Nigeria has vast reserves of gas, given the uncertainties in the petroleum market, there is a pressing need to diversify and create a balanced economy which would be less vulnerable to external pressures.

There is little doubt that agriculture is a sector which has enormous development potential and could indeed become a high revenue earner over time. Having once

been the nation's primary source of foreign exchange and since it still employs some 50-70% of Nigeria's work force, it must clearly be a priority area for development and government has already declared this to be the case. Developing this sector will undoubtedly offer the most expeditious way of tackling poverty and creating employment opportunities.

The solid minerals sector also has enormous potential although its development would need massive investment and long lead times before the sector can offer significant returns to the investor. Necessary groundwork, such as aerial and geological surveys as well as other infrastructure support, should be speedily provided to attract investment in the sector. The future for investment in this area is, no doubt, very bright and investors should be ready to take advantage of the opportunities available.

The manufacturing sector will also have a major role to play as a provider of manufactured goods to the domestic economy, ECOWAS and, indeed, Africa in general. The sector will, however, need dramatic improvement in infrastructure since shortcomings in this area add considerably to the cost of doing business and hence, the price of finished goods. This has made it difficult for the sector to compete both internally and in the export market. There is also a surfeit of counterfeit and smuggled goods in the market, the importers of which do not pay any taxes or tariffs unlike the genuine manufacturer.

Infrastructure such as power, water supply, transport, communications, health and education have suffered from a long period of neglect, lack of funding, poor maintenance and ineffective management. This has negatively impacted on the lives of Nigerians and the economy in general. In addition, a long period of low economic growth and, indeed, near stagnation has led to massive unemployment and extreme poverty for many Nigerians. The proportion of citizens living below the poverty line of \$1 per day is currently close to 50%.

The high level of poverty, coupled with the excessive bureaucratic requirements of successive governments, has increased the crime rate and heightened the levels of corruption to a stage where they now constitute major problems. It is thus essential that Nigeria bakes a "bigger cake" so that everyone can benefit while these societal ills are being simultaneously tackled. A bigger cake will mean growing the economy as expeditiously as possible and getting government out of businesses which could be more efficiently operated by the private sector. Government should then provide the enabling environment in which private investment can thrive.

It was in this setting that the Sixth Nigerian Economic Summit was held with its theme of "Rebuilding the Nigerian Economy and Enhancing Productivity". While the

Summit process has always involved dialogue between government and the private sector, the 1999 Summit provided an opportunity for many legislators to experience the process for the first time. The Summit was unique in that it also brought into the process, for the first time, a number of state governors who were given the opportunity to showcase investment opportunities in their respective states.

The objectives of NES #6 were to:

- foster continued public/private sector dialogue
- define/identify the macro-economic framework for rebuilding the Nigerian economy
- fashion out clear policies and strategies for enhancing productivity, and
- develop an Action Agenda for presentation to the President of Nigeria as an input into policy formulation for the year 2000 budget.

As in previous summits, the organisational framework involved pre-summit briefings while the summit work took place in plenary and work group sessions.

Section 1:

Sixth Nigerian Economic Summit

The Sixth Nigerian Economic Summit, as in previous years, provided a forum for leaders of the private sector, senior public sector officials, members of the diplomatic corps, representatives of the private development agencies and international agencies to meet to discuss Nigeria's economy and its direction. This year, the theme for the Summit was "Rebuilding the Nigerian Economy and Enhancing Productivity". In addition to the key element of rebuilding the economy and enhancing productivity, the Summit focused on steps to attract foreign investment and options to resolve the country's foreign debt. The role of the National Assembly in rebuilding the Nigerian economy was also examined.

For the first time, 21 States participated and outlined investment opportunities in their States, as well as the incentives available to investors.

The following is a summary of the events and proceedings:

Wednesday, 20th October, 1999

Welcome to Participants

Mr. Pascal Dozie, Chairman of the Nigerian Economic Summit Group (NESG), welcomed participants to the pre-summit dinner hosted by the NESG. In doing so he referred to the importance of the 6th Summit which was the first to be held following the return to democratic government. It was also to involve state governors and members of the National Assembly. The two-day Summit would be very eventful and demanding. He hoped that everyone would put in his best to achieve the desired goals.

Pre-Summit Dinner Address:

"Rebuilding the Nigerian Economy: The Strategic Imperatives" - Mr. Maurice Tempelsman

In his presentation, the Guest Speaker Mr. Maurice Tempelsman, the newly elected Chairman, Corporate Council on Africa, USA, pointed out that current efforts to rebuild the Nigerian economy stand a good chance of succeeding because of an

auspicious domestic policy context, the move from centrally controlled economies in Africa and Nigeria's strategic importance in world affairs.

He identified the building blocks of Nigeria's new reform programme as including:

- constitutional reform resulting in a stronger and more stable federalism
- economic reform centred on the private sector and new investment
- military reform aimed at a purely professional corps, removed from politics
- security reform designed to bring peace to the various areas of tension in the country
- social equity reforms focused on improving the well-being of all elements of society through such goals as the elimination of poverty, and
- economic infrastructure reform which ensures that lights work, telephones connect
 and the queues at the petrol stations disappear.

While stressing that these were vital and laudable aims which Nigeria's foreign friends would recognise as indispensable to fulfilling its vast promise, Mr. Tempelsman stated that achieving the nation's great potential would also depend on other factors, many of which transcended Nigeria's borders.

On the retreat of authoritarian regimes in Africa, the guest speaker praised Nigeria's recent historic turn from its past to face the future with vision, courage and determination. He recalled the many recent gains that have been made on the African continent including the emergence of a new generation of African leaders in tune with the new world economy. Other sources of hope for African development included in his list;

- the improvement in the human rights situation within most African countries –
 and this notwithstanding the terrible crimes of genocide and mass mutilation that have occurred
- the progress of democracy which, in spite of some setbacks, has now won the intellectual argument in Africa and has to its credit a significant number of successes
- the ascendance of economic reform programmes which, while not yet achieving a reduction in poverty levels, have nonetheless moved the African economy away

from old rigidities toward more flexible market-based solutions - with resultant improvement in growth rates

- the discovery and exploitation of oil and gas along the West African coast, making significant resources available to African countries for development purposes
- the rapid expansion of modern, growth-oriented sectors of the economy such as telecommunications and power generation and distribution, which augurs well for the future, and
- the creation by African states of regional peacemaking and peacekeeping organisations such as ECOMOG.

With reference to Nigeria's strategic importance in world affairs, Mr Tempelsman believed that the foregoing trends were bound to propel the country into an even greater leadership role in Africa. He anchored his optimism on three key considerations, namely that:

- Nigeria will not only remain the sole nation in the region capable of projecting its
 force across long distances on behalf of peace and security but also now become
 a leader on security issues throughout the continent
- no other country in the region can perform the role of locomotive, pulling fellow
 economies toward higher growth rates. Thus, the region as a whole and its
 friends internationally must be prepared to help Nigeria succeed in its economic
 reform programmes, and
- Nigeria's historic turn from authoritarian military rule toward true democracy and
 federalism is both vital and highly visible in a world torn apart by ethnic and civil
 tensions. In a real sense, no one can afford to let Nigeria's bold new pact with
 the future to fail.

Speaking "frankly and from the heart", Mr. Tempelsman warned that growth, the dividend of real economic reform, would again slip out of Nigeria's hands unless the reform programme was skillfully implemented. "Your ultimate success depends upon what you do — how you implement your laudable goals," he advised, adding that the on-going reforms should provide for:

- quick and effective implementation of President Obasanjo's anti-corruption drive needed to assure the world of the emergence of a truly new and vibrant Nigeria
- · enthronement of the rule of law as a key requirement for establishing an enabling

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environment for investment, both foreign and domestic

- restraint in using armed violence to resolve internal and regional problems
- commitment to building a reliable infrastructure with greater reliance on private capital and initiative, and
- a genuine preparedness to remove the state from certain business sectors in the belief that efficient private management, and not just money, is needed to attain world-class outputs and competitiveness.

In conclusion, he called for a firm resolve, as President Obasanjo has stated, to work closely with the Bretton Woods institutions as Nigeria strives to attain "a transparent, market-driven, private sector-led, employment generating economy with low levels of inflation." The country must also resolve to persevere, persevere and persevere as it implements necessary rigorous reforms.

Vote of Thanks – Mr. Gamaliel Onosode

Mr. Onosode lauded the theme of the Sixth Nigerian Economic Summit and recalled that the Summit was the first to be held under a civilian administration. He praised the action of the present Administration in beginning to address and effectively eliminate the past contradictions that bedevilled Nigeria.

He noted the President's clear commitment to improving the lot of the common people. He then indicated that with people such as the Chief Economic Adviser, Chief Phillip Aslodu, and the Minister of Power and Steel who has so far performed creditably, as well as other members of the Obasanjo cabinet, the nation could expect sound and stable policies.

Mr. Onosode thanked the guest speaker, Mr. Tempelsman, particularly for his clear commitment to the economic development of Africa and his encouragement for Nigeria in its monumental task of rebuilding its economy.

Mr. Onosode also thanked the Nigerian Economic Summit Group for organising the Summit, and the Board and management of Zenith International Bank that sponsored the dinner.

Thursday 21st October, 1999

Welcome Address - Mr. Pascal G. Dozie

Mr. Pascal Dozie in his welcome address referred to a quotation he made at the end of his closing remarks at the 1998 Economic Summit from Hernando de Soto which states that:

"The present has finally prevailed.

The past shall not return.

The future is here."

Mr. Dozie pointed out that while last year the quotation was prophetic, there could be little doubt that it was now a truism.

He thanked President Obasanjo for his support for the Economic Summit process and outlined the rationale behind it. He listed the objectives of the Summit as including an analysis of the economic situation and examining in depth major economic and social issues with a view to recommending practical and lasting solutions. The Summit also aims at monitoring the implementation of earlier recommendations and providing guidance and policy input into government's short and medium term policies.

Mr. Dozie highlighted the 18 issues already emphasised by the President Obasanjo Administration. Top on the list was the fight against corruption, followed by, *inter alia*, food supply and food security, law and order, education, infrastructural problems, job creation, poverty alleviation, the provision of housing and youth empowerment. Mr. Dozie then suggested that while the Summit Group agreed unequivocally with the identified problems it believed that they should be classified into short, medium and long-term issues if they were to be effectively addressed.

He then went on to discuss the theme of the 1999 Summit which was "Rebuilding the Nigerian Economy and Enhancing Productivity." He pointed to the need for all stakeholders to show commitment in order to obtain the visible results necessary to convince the international community that Nigeria deserved support for its efforts to obtain some form of debt relief from its international creditors. He then offered a note of caution – pointing out that, as yet, there was no clearly defined economic policy direction and we were therefore sending out conflicting signals to foreign investors. He considered it essential that Nigeria should match political gains with economic success and avoid making policy reversals.

He pointed out that it was important that the millennium budget should meet the expectations of stakeholders and aim at jump-starting the economy.

Mr. Dozie then emphasised the specific objectives of the 1999 Summit as being: the continuation of private/public sector dialogue; the identification and definition of a macro economic framework for rebuilding the economy; examining the economic priorities; fashioning clear policies and strategies for enhancing productivity and finally, developing an action plan and a timetable for rebuilding the economy.

The process to be used during the Summit was then explained with Mr. Dozie expressing the hope that these Summit goals would be achieved.

In conclusion, Mr. Dozie highlighted one of the perceived shortcomings of the Summit process as being the lack of a clear follow-up process. He, therefore, requested that the President should consider establishing joint public/private sector committees to monitor and advise on the implementation of Summit recommendations.

Finally, Mr. Dozie repeated the quotation from Fernando de Soto – "The present has finally prevailed. The past shall not return. The future is here".

Keynote Address - His Excellency, President Olusegun Obasanjo, GCFR

President Olusegun Obasanjo, in his keynote address read on his behalf by the Vice-President, Alhaji Atiku Abubakar, at the opening session of the Summit, expressed his delight at the opportunity given to him to declare open the 6th Nigerian Economic Summit. He congratulated The Nigeria Economic Summit Group for its initiative and effort in ensuring that the forum was held every year.

The President observed that this was the first Summit to be held under a democratically elected Government. He took the opportunity to restate his Government's commitment to good governance, maintenance of the rule of law, respect for human rights, transparency and accountability and to the security of life and property. However, he recognised that these aims could best be achieved in the context of a vibrant economy.

President Obasanjo then lauded the theme of this year's Summit which he considered very appropriate at this stage when efforts were being made to meet the aspirations of all Nigerians. He highlighted the Government's immediate priorities as being the alleviation of poverty, revitalisation and modernisation of agriculture, resolution of the external debt problem and pursuing needed economic reforms. He also stressed the need for greater investment in education if Nigeria is to compete in the new world order.

The problems due to the shortcomings in the nation's infrastructure were then acknowledged, particularly their negative impact on the investment climate. The President made it clear that these problems would be resolved through a combination of greater public investment, privatisation, deregulation and liberalisation as well as by a re-orientation of the bureaucracy to be more committed and efficient. He stressed that the private sector would be expected to play a leading role in the economy.

President Obasanjo then expressed his hope that participants, in reaching decisions on the measures necessary to develop a market economy, would not forget to take account of the needs of millions of Nigerians who deserve access to the basic necessities of life.

He assured participants that government would carefully consider the Summit's recommendations but expressed the hope that they would also include private sector commitment to implementing measures that would accomplish the set goals.

In conclusion, the President reminded the audience of the impact of liberalisation and globalisation on national economies, pointing out that while government facilitates, the private sector must invest and be internationally competitive.

Finally, the President restated the fact that the summit would be addressed by several Ministers and that State Governors were also to have the opportunity to "showcase" the investment opportunities in their states. He was pleased to see that members of the National Assembly were also participating; thereby providing for all arms of Government and all sectors of society to work together for a common goal.

Presentation By the Private Sector - Mrs. Funke Osibodu and Mallam Mohammed Hayatu-Deen

The presentation by Funke Osibodu and Mohammed Hayatu-Deen set the stage for the subsequent deliberations by participants at the 6th Nigerian Economic Summit. Their presentation aimed to establish answers to the questions – "Where we are", "where we want to be" and "how to get there". The presentation therefore aimed at appraising the overall realities on the ground, setting objectives and targets, and defining the necessary rebuilding process.

Funke Osibodu began the presentation by reminding participants of the theme of the 6th Nigerian Economic Summit, i.e. "Rebuilding the Nigerian Economy and Enhancing Productivity". She highlighted a number of human development indices which showed

Nigeria as ranking extremely low among the oil producing nations. For example, only 51% of Nigerians have access to potable water! She also showed that Nigeria even ranked below Iraq in the human poverty index among oil producing countries.

She identified the realities on the ground as including:

- weak institutions and leadership
- oversized and ineffective bureaucracy
- weak judicial system
- lack of respect for the rule of law
- debilitating corruption
- inadequate security system of life and property
- · decaying social and economic infrastructure
- timid and weak private sector
- high debt overhang
- weak unbalanced economic structure
- declining real sector
- negative capital flows
- non-existent market for long term funds
- · abysmally low saving ratio, and
- low purchasing power.

Finally, she emphasised the lack of an economic blueprint and the prevalence of misery and poverty throughout Nigeria.

Mrs. Osibodu also highlighted Nigeria's over-dependence on oil showing that over a ten-year period to 1995, the oil sector accounted for over 97% of its exports.

Making the point that broken down infrastructure and ineffective institutions cannot support economic development, Mrs. Osibodu stressed that since a strong economy was essential to sustain democracy, it was imperative that Nigeria's oil wealth should be invested wisely in order to build the rest of the economy. She highlighted Nigeria's potential strengths as including not only oil and gas, but also agriculture, solid minerals, cheap labour, large and expanding markets and a strong entrepreneurial drive. Having listed the nation's strengths, she looked at the critical bottlenecks in the oil sector. These included inadequate funding, oil community disturbances, low incentives for gas exploration and gas flaring. She stressed that revenue was sustained by price rather than volume growth. On the downstream side, apart from neglect and mismanagement of the refineries, pipelines had been vandalised and the distribution network was due to collapse, if not addressed urgently, while a regulated pricing policy prevailed.

Mrs. Osibodu referred to the potential in the agricultural sector which includes its ability to provide food security, sustainable export earnings, job creation opportunities and alieviation of poverty, while also providing input to agro-allied industries. The impact of population growth without a comparable improvement in food production leads to lower food intake and increased food imports, she stressed. The bottlenecks to agricultural development were highlighted to include the Land Use Act which was considered a major impediment; lack of loan facilities; ineffective technology and research institutions as well as low levels of mechanisation. The failure to recognise that subsidies do not work and neither does an artificially strong Naira, was lamented. The latter, in fact, depresses agricultural prices. There are also inadequate linkages between the various agricultural sub-sectors while the lack of essential infrastructure inhibits the development of the sector. Excessive levels of corruption was identified as yet another problem which negatively impacts input delivery.

As regards the manufacturing sector, Mrs. Osibodu pointed out that the Nigerian manufacturing sector now contributed only 5% of GDP. This was deplorable and called for measures to reverse the trend. She examined the bottlenecks affecting the sector, particularly the impact of infrastructural shortcomings, and their effect on the costs of doing business in Nigeria. Such high cost reduced the ability of the sector's products to compete in international markets. The tariff structure, unskilled manpower, security problem and the poor record of respect for the sanctity of contracts were other factors impeding investment and growth of the sector.

Turning to infrastructure, in which shortcomings have a pervasive impact on all other economic and social activities, Mrs. Osibodu pointed out that less than 30% of the population had access to power. She also stressed the need for privatisation as a matter of national priority if the inadequacies of the power sector were to be resolved.

Referring to telephones, she said only 3 Nigerians in every 1,000 have access to a telephone line. This compares with a figure of 683 per thousand in Sweden and 147 per thousand in Malaysia. The importance of telecommunications to rapid economic development was stressed. It was pointed out that information technology recognises no boundaries and that it is a sector that is also developing in quantum leaps. She argued that there was a clear need for Nigeria to expedite privatisation and stimulate competition, if Nigeria's telecommunications sector was not to fall further behind the rest of the world.

Access to potable water was also highlighted. She observed that only 15% of Nigerians have access to water compared to Sweden's 100% and Indonesia's 62%. Transportation was yet another sector requiring considerable change – particularly increased investment and the removal of "toll gates". It was necessary to integrate

all the elements of the transport system in order for the economy to realise the maximum possible benefits – particularly a reduction in the present chaos and costs. Mrs. Osibodu identified irregular maintenance; and an over-stretched road system which handles the bulk of cargo traffic as the bane of the transport system. There was also inadequate access to rural and agricultural areas. The railways depends on obsolete equipment and a narrow gauge system and has not received any significant real investment since independence. There exists enormous potential for cargo haulage by rail but future development must include a change to a standard gauge system if the potential of rail transportation was to be realised.

As regards the ports, she referred to their inadequate facilities and uncompetitive tariff structure which result in much of Nigeria's business being diverted to neighbouring ports. There were also long clearance delays and the target of 24-hour clearance was far from being realised. Such delays, as experienced in Nigeria, add to the cost of business and hence impact negatively on the economy.

Mrs. Osibodu then posed the question - "where do we go from here?"

At this point, Mallam Mohammed Hayatu-Deen took over the presentation by listing the strategies for economic success. He pointed out that growth fundamentally induces continuous innovation and change, while a clear vision and a globally competitive strategy were essential for success. He stressed the need for a change of the entire value system, including work ethics and productivity to enthrone honesty and accountability as well as openness and an improved learning environment.

Mallam Hayatu-Deen then went on to look at the relevance of the forces shaping the world. These he identified as including globalisation, technology and liberalisation, adding that he believed that no country could ignore these forces. He looked at the effects of globalisation, noting particularly that manufacturing and service industries know no boundaries and that firms compete using truly global strategies. This means that they must be prepared to sell into global markets and also to source materials from anywhere in the world. They also locate activities wherever there is low cost advantage. He emphasised that it must be recognised that strength can be acquired through mergers, acquisitions and alliances and that capital flows to credit worthy nations.

Mailam Hayatu-Deen proceeded to discuss the impact of technological change on business activities. He stressed that it must be understood that such changes were not only pervasive but were accelerating rapidly, while micro-electronic technology had effectively miniaturised the world with advanced information systems. These reduce the world into what is, in essence, a global village. Businesses now use the

internet, telephony and E-mail systems as key elements in their day-to-day operations.

There was also a need to recognise that technology would progressively replace labour and even raw materials, through the use of bio and laser technology, robotics, cloning, precision farming and miniaturisation.

Moving on to the need for liberalisation, he pointed out that free markets foster a more efficient and rational allocation of resources, while free markets and competitive economies thrive much better than controlled or protected markets. "It is internationally recognised that liberalisation and competition enhance innovation and that exports, not imports, constitute the real engine of growth." This truism has resulted in governments everywhere embracing the principle of privatisation, he observed.

Mallam Hayatu-Deen drew attention to the need to "bake a bigger cake" and reflect on the lessons learnt from past mistakes. These included failure to exploit the country's natural resources with agriculture funding the development of the economy. The resources generated from agriculture should then have been used to create a modern infrastructure and to educate the populace, particularly in the use of information technology. This would have assisted in the development of a strong base for the development of Nigeria's technological capability and thus position her to be globally competitive. He stressed the need for the articulation of a clear vision and the development of an appropriate strategy to ensure its attainment. This requires strong and visionary leadership as well as a clear economic blueprint, and a set of consistent policies essential to national progress. The government needed to take action in these areas.

So, "what then is the recipe for baking the bigger cake?" he asked. Firstly, the establishment of a clear long-term vision which should articulate the economic blueprint to achieve the ultimate dream. This could be implemented through the development of a medium term strategy using a rolling plan, and a short-term plan utilising the budget process. It also has to be remembered that a strong economy nourishes democratic institutions.

Turning then to the long-term vision, Mallam Hayatu-Deen proposed a number of target indices. These are:

- · achieving a 10% annual growth rate for the economy
- achieving a top 25 ranking in the Human Development Index
- creating a robust and globally competitive economy
- making the basic needs of life affordable for every Nigerian, and
- fostering a united, industrious, corruption free, caring and God-fearing democratic

society.

He then declared that Nigeria's ultimate goal must be "to build Africa's leading economy."

With regard to the medium-term strategy, he proposed the need for a clear and unequivocal macro-economic framework in which Government would play the facilitating role while the private sector acts as the engine of growth. It was absolutely essential that a solid foundation should be established in order to ensure sustainable economic development, he emphasised.

Turning to the macro-economic framework, he stressed the need to focus on areas of competitive advantage, which requires:

- fostering free and open markets
- instituting fiscal and monetary discipline
- targeting single digit inflation
- ensuring consistent economic policies, and
- privatising state-owned enterprises.

To fulfill its enabling role, government should concentrate on a number of key issues. These include:

- creating an enabling environment which will stimulate private sector savings and investments
- facilitating the development of a modern infrastructure
- developing human capital, particularly through education and health
- ensuring security of life and property
- respecting the sanctity of contracts, and
- respecting the rule of law.

If government played the role of enabler by creating a conducive investment environment, the private sector should stand prepared to act as the engine of growth. This should result in:

- investment in job creation and economic expansion
- ensuring best global business practices, embracing
 - ethics
 - productivity
 - quality

- innovation.
- the creation of sustainable comparative advantage.

In summary, as Mallam Hayatu-Deen put it, "invest, invest, invest,"

Turning to the short-term plan, it was pointed out that the 6th Nigerian Economic Summit should focus primarily on ensuring that budget 2000 is consistent with the long term vision and the medium term plan. This would require the development of specific action plans to lay a solid foundation for:

- agriculture
- manufacture
- infrastructure
- foreign loans/debt management
- oil and gas
- solid minerals, and
- financial systems.

These steps, if properly implemented, would jump-start Nigeria's economic recovery and lead to the baking of the much needed "bigger cake".

Presentation on The Role of the US Export-Import Bank in Rebuilding the Nigerian Economy - Mr. James Harmon

Mr. James Harmon, in his presentation, pointed out that he was the first chairman of the Export-Import Bank to visit Nigeria in the bank's 65-year history and that this reflected the commitment of the current President of the United States, Bill Clinton, to effective partnership for trade and development with Africa. He then outlined the Export-Import Bank's role as the United States government's official export credit agency, pointing out that in 1999, some \$16.7 billion of U.S. exports were financed through the provision of loans, guarantees and insurance to creditworthy buyers in emerging markets. Of this, some \$600 million went to sub-Saharan Africa and that this figure was expected to increase to \$1 billion next year.

Mr. Harmon then spoke on the potential for increased trade between the U.S. and Nigeria and how Export-Import Bank could play a role in this development. He lauded the promising development in Africa and stressed that this was recognised in the United States. He pointed out that developments in Nigeria and President Obasanjo's leadership had laid a foundation which should attract capital. He emphasised that no nation could achieve economic stability without political stability

and that where both of these conditions were present, recovery was assured.

He then referred to the "democracy dividend" and confirmed that this would undoubtedly accrue to Nigeria if political stability, transparency and good governance were realised.

He reminded listeners that, while Export-Import Bank operated in high risk markets, it had still not done business in Nigeria for ten years. It was thus a clear indicator of real confidence that the bank had recently agreed to reopen its programmes in Nigeria thereby opening the door for Nigerian businesses to obtain goods, etc. from the United States. He disclosed that EXIM bank already had credit authorisation with eleven Nigerian banks.

Mr. Harmon also indicated that groundwork had been carried out to lay a foundation for the development of financial structures for major economic projects. This could lead to a project incentive agreement with the government and the CBN, and the financing of projects such as the Escravos Gas Project and the West African Gas Pipeline. He then pointed out the benefits of the development of the capital market and urged the private sector to take advantage of the opportunities provided by the bank.

Mr. Harmon believed that the Export-Import Bank should do more to expand its programmes in sub-Saharan Africa and was pleased to point to a doubling of its involvement in African markets in the past year.

He concluded by expressing the view that "Nigeria and Africa's time had come" He believed that the year 2000 represented a turning point in U.S.-Africa trade relations. He promised that the Export-Import Bank would play a positive role in this development.

Ministerial Presentations

Eight Ministers made presentations to the Summit. These were the Ministers responsible for:

- Agriculture
- Environment
- Finance
- Industry
- Petroleum and Energy

- Power and Steel
- Solid Minerals, and
- Works and Housing.

The presentations focused on problems and prospects of government policies and the way forward. Below are the highlights:

The Role of Agriculture in the Nigerian Economy - Alhaji Sani Zangon Daura, Minister of Agriculture and Rural Development

The Minister pointed out that agriculture remained the back bone of the Nigerian economy, providing some 38% of GDP and providing food for a rapidly growing population. He then highlighted the vast potential in the sector and its ability to supersede oil as the "engine of growth" for Nigeria.

He detailed the Administration's policy thrust for the agriculture sector as including:

- increased production and productivity
- · enhanced food supply and food security
- poverty alleviation
- agro industrial development
- export promotion
- agro technology improvement
- environment preservation, and
- build-up and dissemination of agricultural information.

The Minister went on to analyse the issues and policies. One major issue highlighted was the marginalisation of the rural areas as a result of the collapse of physical and social infrastructure. There was also the lack of access to foreign markets and the absence of measures to insulate farmers against frequent seasonal gluts. Access to rural finance was yet another critical element that must be addressed if the farmers were to be able to expand production and compete in international markets. Remedial action should be private sector driven with government providing the enabling environment.

The Minister also pointed to the negative impact of recent macro-economic reforms on rural dwellers who increasingly had no disposable income to invest in agricultural developments, thereby keeping production levels low.

The factors impeding policy and programme effectiveness were identified as including:

- policy instability
- inadequate agricultural research and training
- difficulty in accessing land
- soil degradation
- deforestation
- low soil fertility, and
- increased agricultural imports.

The impact of Nigeria's membership of the World Trade Organisation (WTO) was also highlighted, particularly the opening up of better market access. In addition, the negative effect of the deregulated economy and the high cost of agricultural inputs were also discussed. The Minister pointed out that budgetary allocations to agriculture had been low and the release of available funds had not taken account of the seasonal nature of agriculture.

The remedial action recommended by the Minister included:

- improving the macro-economic environment
- making agricultural credit accessible and affordable
- policy stability
- timely budget allocations
- improved technology
- improved agricultural practices to promote export products, and
- the use of technology to help reallocate land and labour towards high value markets.

The action programme necessary to achieve a target annual growth of 7.5% for the agricultural sector requires large scale investments. It was recommended that 60% of this should come from the private sector while the public sector should contribute 40%.

In conclusion, the Minister reiterated that agriculture should be Nigeria's "engine of growth" and confirmed that the present administration had accorded priority to the sector. He stressed that the private sector should take "the driver's seat" in the development of the sector.

Environment as the Major Business of the Next Millennium - Ambassador (Dr.) Hassau Adamu, Minister of Environment

In his presentation, the Minister of Environment, Ambassador Hassan Adamu, spoke of the need for proper attention to the environment in the quest to rebuild the country's economy and enhance productivity.

The business of the environment, he observed, would be the global major business of the next millennium. For example, between \$300 and \$600 billion would be spent on pollution control, goods and services, about \$1 trillion would be needed for new power generation capacity in developing countries and economies in transition and over the next 20 years, about \$250 billion would be spent on energy efficient projects, while the global market for electric vehicles would grow from zero level in 1994 to about \$2.5 billion by the year 2000

He said that both the government and international partner agencies would in the next millennium invest substantial funds in environmental projects such as development of private power wind facility and environmental improvement activities such as sustainable forest operations and green technologies. Nigerian companies, he said, must be prepared for these win-win opportunities.

The Minister also hinted that his ministry would encourage and promote local adaptation of best available technologies in order to improve local technological know-how, save money for industries and improve the environment.

He, therefore, charged the private sector to strive to manufacture products with high environmental standards and refrain from damaging the environment of neighbours. He added that practices such as using resources more efficiently and sustainably, recycling raw materials and rejects, minimising wastes and their disposal in environmentally safe manner were right paths to sustainable growth.

The Minister also reminded the business class of the need to avoid the tortuous path trodden by the older businesses in developed countries by going straight to best practices. According to him, "high environmental standards are much cheaper to incorporate into new facilities than to add on when it is built" as it is much more expensive to clean up past mistakes than getting it right from the first time. However, he said his ministry would be on the look out for firms that preferred business as usual without adequate regard for the environment and guide them back to the path of environmentally sustainable investments.

The Federal Ministry of Finance and the Nigerian Economy - Alhaji Ciroma, Minister of Finance

The Minister expressed his appreciation for the Summit Group's initiative in organising the annual Summit which, he believed, enriched the policy process. He reminded the audience of the role of his Ministry as the nation's treasurer and the requirement for it to report regularly on the management of the accounts. The ministry also serves as the Federal Government's treasurer and, among other things, released funds to meet those Federal Government expenditures approved by the National Assembly.

He went on to talk of revenue collection and its implications and its relationship with the Nigeria Customs Service. He pointed out his ministry's role in revenue collection and the monthly revenue monitoring and reconciliation meetings attended by all revenue collection agencies.

His ministry's immediate plan was to deepen tax awareness and enforce greater compliance with tax laws. He then referred to measures introduced to reduce tax avoidance and punish tax evasion.

With reference to the ministry's budgetary function, the minister discussed its role in the development and implementation of budget policies. He referred to the economic management role of the ministry which it conducts in collaboration with a number of other government agencies. He also referred to its role in the capital market, the insurance industry and the administration of micro-credit schemes.

Turning to the ministry's role in the fight against corruption and the enthronement of transparency, he confirmed his ministry's emphasis on compliance with all financial regulations. He discussed the collaboration with the CBN in liquidity management before examining the issue of economic rejuvenation and his ministry's role in the process. He said that he was working with other ministries to implement the privatisation programme and to facilitate local and foreign investments. His ministry was also designing measures aimed at reducing lending risks for agricultural and small and medium scale enterprises.

Relations with multi-lateral and bi-lateral financial institutions were also considered critical, given the need for financial support. However, the responsibility for external debts was now that of the Chief Economic Advisor, although the Ministry of Finance continued to monitor projects financed with external loans and credits.

He referred to the efforts to expedite the dialogue with the Bretton Woods institutions

in order to increase investment inflows and create an environment for "Paris Club" discussions.

In conclusion, the Minister stressed the efforts being made to improve the investment climate by making the economy market-driven.

Rebuilding the Nigerian Economy and Enhancing Productivity – Minister of State for Industry, Chief Lawrence Nwuruku

The Minister drew attention to the importance of the industrial sector in the effort to achieve sustained economic growth and employment generation. He referred to Nigeria's position as the 13th poorest nation in the world in spite of its vast resource endowments. He stressed the need for Nigeria to pursue vigorously an industrialisation agenda to improve the present abysmal performance whereby the manufacturing sector contributed only 5-7% of GDP during the last eight years.

The problems facing the sector were then discussed including: an unfavourable macroeconomic environment; poor infrastructural development; inefficient institutional development; inefficient institutional framework and non-commitment to industrialisation by both the private and public sectors.

The Minister discussed the challenges to be faced and the policy direction of Government to achieve sustainable economic growth. The creation of a favourable macro-economic environment to encourage investment as well as the rehabilitation of infrastructural facilities to reduce production costs were emphasised. He also referred to government's commitment to develop core industries such as iron and steel, petrochemicals, pulp and paper etc. to strengthen the industrial base.

The need for Research and Development (R&D) with government pledging to provide generous tax incentives for those carrying out R&D, was emphasised. He also referred to the importance of training with a commitment to strengthen the Industrial Training Fund (ITF).

The Minister disclosed that government's immediate policy attention was on the resuscitation of ailing industries through the provision of a congenial financial and interest rate environment. Efforts were also being made to enhance the effectiveness of relevant institutions, such as the Industrial Development Centres (IDCs), to enable them to act as catalysts for the development of entrepreneurship. Emphasis was also being placed on the promotion of small and medium scale enterprises to address unemployment and poverty alleviation issues. The minister called on states and local

governments to assist this initiative.

Attention was also focused on the lack of adequate funds and the high cost of such funds. To address these problems, the various development finance institutions were being appropriately restructured and strengthened, the minister disclosed.

He listed a range of sub-systems which could provide the necessary multiplier effects on the economy through the provision of inter and intra-sectoral linkages. He concluded his presentation by calling on the Summit participants to examine the issues and produce appropriate strategies to ensure the early realisation of Nigeria's industrialisation goals.

Agenda For Power in Nigeria - Chief Bola Ige, S.A.N. Minister of Power and Steel

The Minister gave a dynamic and stimulating address by itemising the inadequacies of the power sector at the time the new democratic government took office. These included: gross inefficiency and poor maintenance; continuous deterioration of facilities; frequent large scale power outages, inadequate coverage of the population; low per capita consumption; massive power subsidy and enormous revenue loses. Such inefficiencies had led to an unbearable increase in the cost of production as well as undesirable social consequences.

The Minister went on to outline his ministry's agenda to address the problems and highlighting the actions already taken to address them. The overall objective of government policy is to provide quality service in the short and long term within a transparent framework.

The first step, he stressed, was to halt the decline and decay in the industry, where NEPA had held a monopoly since 1972. Actions required included appraising the existing system and the physical inspection of installations. These would be followed by establishing periodic targets in the battle to eradicate power cuts, improve service quality and the amount of generated power through the refurbishing of existing facilities as well as through feeding temporary supplies into the national grid. The rural electrification power projects that were abandoned had been resuscitated and work had already started on 186 uncompleted projects, in order to link them to the national grid within six months.

He also spoke about the new regime of open tendering for all contracts in order to promote transparency which is a major plank in the present government's policy. Furthermore, he stated that in order to achieve its aims, the government plans to restructure the power sector into at least four groups; namely, generation, transmission, distribution and regulation. He made it clear that the next phase would be to take the emergent companies to the stock market for systematic privatisation as government divests its interests with a view to allowing 'significant' private sector control. The national grid would be appropriately modified and local and foreign investors encouraged to invest in the sector. Independent Power Producers (IPPs) would be welcome and an enabling environment created, with a level 'playing field' for would be investors, while market forces would prevail.

He made it clear that the aim of the government is to provide electricity to all Nigerians and to establish an independent body to regulate the rejuvenated sector. He then gave a hint of the main features of the new system in terms of freedom of ownership and access, as well as the reviewed targets for power generation. He concluded his address by summarising the positive achievements in the power sector since the present government took office. These included a reduction in power outages; an increase in power delivered to the consumer; a more consumer responsive work force and an influx of foreign investors eagerly submitting proposals to participate in Nigeria's emerging power market.

The Role of Oil in the Nigerian Economy - Dr. Rilwanu Lukman, Presidential Adviser on Petroleum and Energy

Dr. Lukman began his address by referring to the dependence of Nigeria on oil revenues and the consequent gloom when budgets have to be produced at a time when oil prices are low. He pointed out that oil exports currently account for 95% of Nigeria's export earnings and more then 80% of government's revenue.

Although efforts had been made in the past to change from this monocultural structure, all such efforts had failed. However, the latest political changes should constitute a winning strategy in the renewed pursuit of the objective to reduce Nigeria's dependence on oil.

The upstream and downstream sections of the oil sector are the most developed in Nigeria's economy and could actually play a major role in the attainment of the goal through the provision of funds to revitalise other sectors. It could also provide capital for other sectors of the economy, particularly those having socio-economic impact. Dr. Lukman stressed that this point had been well made in the Vision 2010 Report.

He explained how the oil and gas sector could play the role he proposed. He pointed out the limitations of the present structure in meeting the necessary requirements and noted that the Federal Government and a few multinational companies were the major players in a sector which presently suffered from inadequate investment and delays in the payment of cash calls. There was also the high technical cost of production, due to low level of technological development and the restrictions imposed by community disturbances. There was also the problem of environmental degradation due to the flaring of gas. All these affected investor confidence.

There was thus a need to increase crude oil reserves and producibility, utilise associated gas and encourage increase in local content of oil operations. Other aspects include judicious use of resources, promoting community co-operation and increasing private sector participation through incentives, among other measures to be taken to achieve the goals of the sector.

He discussed the problems in the oil producing communities and said that the Niger Delta Development Commission (NDDC) was expected to play a significant role in the ultimate resolution of these problems.

He disclosed that the World Bank had been invited to carry out a comprehensive review of the petroleum sector but that the results were not expected until the third quarter of next year. The government had, however, already identified a number of measures which it could implement. These include opening new acreages; recovery of and reallocation of unexplored or poorly explored acreages as well as a number of other miscellaneous measures, coupled with a "carrot and stick" fiscal policy that would reward those introducing new technology.

The Adviser stressed that the goal of policy was to achieve an increase in crude reserves and in daily output. He said that this would cost some \$40 billion of which government would be expected to provide \$15 billion. There was a need to search for innovative arrangements that would support such funding. It was also pointed out that increased crude output would increase the quantity of associated gas to be reinjected if the Vision 2010 targets were to be met. Dr. Lukman went on to discuss gas operations starting with LNG and the impact of this on the Nigerian economy. He pointed out that gas development had been very slow, but observed that gas utilisation was increasing and that the development of the West African Gas Pipeline project would open up enormous potential for gas utilisation. He pointed out that gas was the fuel of the future and that it has particular advantages over oil.

On the downstream side, Dr. Lukman highlighted the dominating influence of the public sector, stressing that the sector had been the victim of bad management and poor maintenance. These limitations had led to petroleum shortages and high foreign exchange costs of imported fuel. He observed that local consumption was less than the capacity of the refineries and thus, ideally, there should be excess of refined

products to export. Unfortunately, this had not been the case. To achieve the desired goal, there was need for liberalisation and deregulation to attract needed foreign investment into the downstream sector.

After confirming the benefits of Nigeria's membership of OPEC, Dr. Lukman concluded his address by restating the need to diversify Nigeria's revenue base, pointing out that this could be achieved by increased use of natural gas and improved refining capability.

Developing Solid Minerals for Profitable Investment - Dr. (Mrs.) Bekky K. Igweh, Minister of State for Solid Minerals Development

Dr. Igweh started her presentation by highlighting the reasons why the solid minerals sector in Nigeria had failed to attract investment. These included:

- the long gestation period for investment
- · its capital intensive and risky nature
- lack of geological information
- instability of laws and policies
- poor fiscal incentives
- poor infrastructure
- unstable foreign exchange system
- environmental problems
- restricted ownership structure
- · low return on investment
- · large scale involvement of the public sector, and
- a range of other disincentives which inhibited the development and growth of the solid minerals sector.

Having presented the down side of solid minerals development, Dr. Igweh proceeded to emphasise the role which solid minerals could play in the Nigerian economy. She confirmed President Obasanjo's determination to give the sector priority for development since the sector could be a significant earner of foreign exchange. She drew attention to the side-benefits from minerals exploitation, pointing out that associated infrastructural development for mines also benefited otherwise isolated areas with consequent multiplier effect. She also pointed to the beneficial aspect of transfer of technology as the sector develops, stressing that solid minerals occur in every state of Nigeria.

The present shortcomings of the sector were then detailed as including a lack of a comprehensive database and the fact that most mining tended to be shallow alluvial

mining, generally involving small-scale miners. There has thus been a very low level of investment in the sector as the small scale miners do not have access to funds.

The Minister said that although a number of parastatals have been involved in the sector for some time, they too have experienced funding problems. The involvement of the private sector had also been minimal. She emphasised that the approval of a new solid minerals policy had stimulated the interest of private businesses, some of whom now appeared to be willing to undertake exploration work.

She disclosed that there was now a revised mining law and that there had been some improvement in the supply of industrial minerals to the manufacturing sector. Some 13 minerals were now being exploited and many other mineral occurrences had been identified. A large number of industries depend on minerals to produce finished goods with minerals such as limestone providing an essential input to a range of manufacturing industries, including cement manufacturing. Nigeria should harness this potential.

The lack of significant private sector activity in mining was also partly attributed to non-availability of large mineral reserves and the fact that there are no quoted mining companies. Dr. Igweh recommended that funds for mining should be tapped from a well organised market. However, if mining is to be properly developed, it will require the intervention of large experienced multi-national companies to invest on a 90% ownership basis. At the same time, land should be made available for small scale miners who should also be involved in the acquisition of technical and financial assistance. The opposition of vested interests to the privatisation process was emphasised and it was suggested that this problem could be tackled by using information campaign.

The Minister discussed the various factors to be considered in encouraging private investors and the elements to look for in the investing company to ensure success. Since foreign investors prefer minerals with high global market prices and since industrial minerals tend to have a low export price, there was the need to encourage the local investor to produce such industrial minerals. Dr. Igweh then listed the factors affecting profitability and the measures necessary to encourage private investment.

She advocated the establishment of joint ventures between private companies and the Nigerian Mining and Coal Corporations, emphasising the need for a policy that would provide for the participation of states and local governments in mineral exploration. The option of production and profit sharing agreements was also discussed and an example of an existing operation based on production sharing was described. The use of a system of "tributing" was then explained as a useful tool in reducing illegal mining if the leaseholders paid the "tributers" attractive prices. Such innovations

should lead to greater investment in mining.

The involvement of state and local governments in the development of solid minerals would help to discourage illegal mining. The downstream benefits for cottage industries could also act as incentive for small scale farmers, provided cheap processing equipment could be designed. The use of the media to propagate information on all aspects of the sector was then discussed followed by the guidelines for entering the mining industry.

In conclusion, the Minister of State spoke on the impact of globalisation on solid minerals development and stressed the need for political will if the ultimate success is to be achieved.

Updating Infrastructural Facilities as a Means of Rebuilding the Nigerian Economy and Enhancing Productivity – Chief Tony Anenih, Minister of Works and Housing

The Minister began his address by referring to the neglect of the Nigerian economy over the past 15 years and its effect on infrastructural facilities and public utilities. He then emphasised the economic and social importance of infrastructure to national development.

He pointed out that, as a first step, the recommendations made by the Presidential Policy Advisory Committee were now being implemented although subject to the availability of funds. Road rehabilitation was at the top of the Administration's agenda since more than 80% of commercial activity depends on the road system. The system was presently in an extremely poor condition due to poor maintenance and lack of effective supervision during the construction stage. The Minister then detailed the rehabilitation programme which would cover some 2,500kms of federal roads annually for the next five years with many being dualised. Bridges would also be constructed and rest stations built. Such stations would be provided with telephones and other facilities. There would also be a 24-hour rescue service.

In view of the huge cost of the envisaged programme, the government had recognised the need for alternative sources of funding for road developments and acknowledged that this would, of necessity, have to be provided by the private sector. To this end the ministry had developed a policy titled "Road Vision 2000" which aims at reducing the costs to the three tiers of government in the area of road maintenance. He pointed out that both the World Bank and the IMF were in support of the Vision 2000 initiative.

Work was said to be already in progress to improve the condition of federal highways and contracts for these and new projects were already open for tender. The ministry had also been directed to give priority to housing, infrastructure and environmental matters.

With respect to housing, the plan was to provide 5,000 housing units, annually over the next four years at affordable prices. The low-income group would be consulted and made to benefit from the programme. There would also be provision for easier access to land so that individuals can build their own houses under a "site and services scheme".

The Minister concluded by stating the government's conviction that improved infrastructural facilities play a significant role in socio-economic development and that this dictated its commitment to substantially improve the present position.

Vote of Thanks by U. J. Itsueli and Chief Kola Jamodu

In his vote of thanks, Dr. U. J. Itsueli expressed delight that the Vice-President was able to grace the occasion and open the Summit on behalf of the President in spite of his busy schedule.

He also thanked the Senate President for staying throughout the opening session. The Summit, being a public/private sector partnership, it was important that all those from the three arms of governance—executive, legislature and judiciary participated fully. He thanked them for their participation so far. He, however, noted that the work was just starting. Over the next two days, the participants would need to rewrite and update the National Economic Blueprint, he said. Similarly, Chief Kola Jamodu welcomed the growing partnership between the private and public sectors as exemplified by the broad-based participation at the Summit. He thanked the Ministers for their presentations and looked forward to very stimulating sessions ahead.

Group Discussions

After the departure of Vice-President Atiku Abubakar (who represented the President, Chief Olusegun Obasanjo) and his entourage, participants dispersed to their various committee rooms to discuss the following selected topics:

- Manufacturing Industry: Issues
- Manufacturing: Small and Medium Enterprises
- Commerce and Trade.

- Financial Systems 4,
- 5. Foreign Loans and Debt Management
- 6. Agriculture and Poverty Alleviation
- 7. Solid Minerals
- Power 8.
- Telecommunications 9.
- Transportation 10.
- 11. Oil and Gas Sector

The workgroup discussions continued till late in the night to enable all the groups conclude their deliberations and prepare for the presentation of their reports to the plenary session the following morning.

Friday, 22nd October, 1999

Presentations by State Governors

The Summit organisers invited state governments to the Sixth Nigerian Economic Summit to showcase investment opportunities in their respective states, profile their resource endowment and advertise investment incentives offered to would-be investors. In all, an impressive representation from 21 state governments was recorded. These are:

Abia	Delta	Gombe	Kogi	Niger
Adamawa	Ebonyi	Jigawa	Kwara	Ogun
Akwa Ibom	Ekiti	Kaduna	Lagos	Ondo
Bauchi	Enugu	Kebbi	Nassarawa	Ovo
Benne				-,-

Below is a summary of the presentations made by each state:

Abia State

Overview

The state capital is Umuahia. The state shares common borders with Akwa Ibom, Rivers, Imo and Ebonyi States.

Resource Endowment

In his presentation, the Governor, Chief Orji Kalu, stated that Abia State has enormous gas reserves. It grows many cash crops which include cocoa, coffee, cassava, oil palm and pineapples. It boasts the best concentration of human capital in the West African sub-region, at affordable costs.

Investment Opportunities

The state is embarking on a privatisation programme which entails outright sale of existing industrial activities such as glass making, printing, hotels and tourism. The government is also interested in attracting investors into the areas of energy generation, telecommunications, petroleum and petrochemicals, mining and quarrying.

Incentives

The government pledged to provide infrastructure and industrial incentives to aid investors in reducing their cost of operation. It also intends to develop a number of industrial estates in various parts of the state as well as give statutory rights of occupancy to industrialists for land acquired outside the industrial estates. Tax concessions would also be made available to start-up companies.

Adamawa State

Overview

The state was represented by Mr. P.P.T. Audu, a Chief Planning Officer. The state which was created in 1991 has its capital at Yola. It has a population of 2.4 million people. The state can be accessed by air and through a network of good motorable roads.

Resource Endowment

In his presentation, the Chief Planning Officer stated that a majority of the people of Adamawa State are engaged in farm activities which involve the production of food crops, cash crops and vegetables. Others are engaged in fish farming and cattle rearing. Agro-based products found in the state include milk, guinea-corn, maize, millet, rice, groundnut, cowpea and cotton. The mineral raw materials available in the state include limestone, gypsum, chalk/clay and sand, barytes, cassiterite, columbite, ceramic clay, bentonite clay, feldspar, marble, uranium and gold. The speaker gave an assurance that the state is endowed with adequate skilled and trained manpower.

Investment Opportunities

Investment opportunities include rice milling, vegetable oil milling, animal feeds manufacturing, dairy industries, leather tanning and fruit juice production. Others include fish smoking, tea and coffee growing and processing, cotton growing; ceramic industry and ceiling board manufacturing, cement, salt, roofing and plasterboards industries.

Incentives

The state has a generous land allocation policy which gives priority to investors. The

government is prepared to participate in the equity of any business to be established in the state, if desired by the promoter. Industrial layouts with necessary infrastructure would be provided while tax concessions would be granted to start-up companies.

Akwa Ibom State

Overview

In his presentation, the Governor, Architect (Obong) Victor Attah, said that Akwa Ibom has a population of about five million people with about a million of it living in Uyo, the state capital.

Resource Endowment

The state is endowed with large deposits of oil and gas and, as claimed by the Governor, the state is among the largest producers of crude oil in the country. The favourable weather in the state enables it to produce food and tree crops as well as livestock. The state has an Export Processing Zone (EPZ).

Investment Opportunities

There is ample opportunity for investment both in upstream and downstream oil operations. The state government is determined to exploit the marginal oil fields in its territory. The state needs oil transmission and distribution facilities and called for investors in this area. Opportunities in gas re-injection projects and the gathering of associated gas for sale to other industries were also emphasised. Also, a fertiliser plant that will produce particular brands of fertiliser for crops grown in the state is necessary. He assured that opportunities exist in the area of farming as well as investments in downstream aluminium industry, taking advantage of the aluminium smelter plant in the state. Insulators for powerline distribution could also be manufactured taking advantage of the ceramic factory in the state.

Incentives

The EPZ offers land for siting of any new industry in a peaceful and low crime environment insulated from civil strife.

Bauchi State

Resource Endowment

In his presentation, the Governor, Alhaji Ahmadu Adamu Mu'azu, stated that Bauchi is an agricultural state with good weather, beautiful game reserves and abundant natural resources. The state has various types of cereals, legumes, vegetables, fruits, tree crops, industrial crops, livestock and fisheries. It also has abundant mineral resources which include metallic ores (cassiterite, iron ore, ratile, zinc/lead etc), non-metallic ores (kaolin, granite, galena, silica, clay, etc) and gemstones (aquamarine, amethyst, topaz, sapphires, etc.). The state claims the existence of large deposits of oil and gas. It has a good road network, railway and two airstrips at Bauchi and Azare.

Investment Opportunities

The state plans to expand the cultivation of sugar cane to attract private sector participation in the establishment of a sugar factory. Investment opportunities abound in agriculture and agro-allied sectors such as flour milling, rice milling, starch manufacture, animal feeds, canned/sliced fruits, meat processing and the processing of wood and wood products. The state welcomes investments in the area of service industries, pharmaceutical manufacturing, paint manufacturing, kaolin processing, ceramics industry, among others.

Incentives

Well-developed industrial estates are said to be available in the state. The state is prepared to offer free land and provide infrastructure for factories located outside such industrial estates.

Benue State

Overview

The state is located in the middle belt of the country within the Southern Guinea Savannah ecological zone. It has a population of about 3 million people.

Resource Endowment

In his presentation, Governor George Akume pointed out that the state is endowed with vast arable land and a virile farming population. It also possesses solid minerals

such as limestone, coal, kaolin, barytes, gypsum, etc. The major food crops produced include yam, soya bean, beniseed, rice, cassava, maize, sorghum, groundnut, sugarcane, sweet potato, ginger, beans and millet. The state also produces tree crops and vegetables and has abundant livestock and fisheries.

Investment Opportunities

In view of the agricultural potential of the state, investment opportunities exist in the areas of large-scale mechanised farming, food processing and meat canning. The huge limestone deposits in the state would support additional cement plants. There is also opportunity for the establishment of industries to produce glass, plastics, salt, etc. The state has commenced its privatisation programme which will include divestment of the Taraku Mills and the Makurdi International Hotel project. All investors are welcome to participate.

Incentives

The package of incentives available include accelerated processing of applications for land; tax exemption for an initial period of five years; offer of serviced industrial plots, and large parcels of cleared land for large scale farming. Other incentives offered include joint partnership with investors and provision of feasibility studies.

Delta State

Overview

The Delta State Governor was represented by the Commissioner for Commerce, Industry and Tourism, Dr. Joshua E. Enueme. In his presentation, the governor stated that Delta State was created from the former Bendel State on the 27th of August, 1991. The state currently has a population of about 3 million people. There are five major ethnic groups in the state, namely: Urhobo, Ibo, Ijaw, Isoko and Itsekiri.

Resource Endowment

The state is a leading producer of crude oil and natural gas. Minerals such as silica, industrial clay and kaolin are available in the state, so also are agricultural resources such as oil palm, rubber, cocoa, yams, plantain, cassava, fruits and timber. The state has three sea ports at Warri, Sapele and Koko.

Investment Opportunities

In his presentation, the Governor stated that the state accepts the philosophy of private sector-led economic growth and is, therefore, geared for the privatisation or commercialisation of the following state-owed industries; namely, Bendel Glass Industry Limited, Ughelli; Bendel Steel Ventures Limited, Enerhen; and Delta Hotels at Warri, Sapele and Agbor.

Incentives

The state offers numerous incentives for prospective investors, which include industrial estates, generous fiscal allowances and assistance in the preparation of feasibility studies.

Ebonyi State

Overview

Ebonyi State was created on October 1, 1996. It has a population of about 1.676 million with the capital at Abakaliki.

Resource Endowment

The Governor, Mr. Sam Egwu, stated that the following minerals are found in Ebonyi State; viz, lead, zinc, salt, limestone, gypsum, marble stone, bentonite, barytes, sulphur, etc. Major food crops available in the state are rice, yam, cocoyam, cassava, maize, vegetables, groundnut, beans, pepper, tomatoes, sugarcane, pineapple, banana and plantain. Available tree crops include oil palm, coconuts, teaks, kola, etc. The state abounds in tourist attractions which include the Abakaliki Green Lake, beautiful rolling hills at Afikpo North, and various fascinating rock formations, natural caves, waterfalls, etc.

Investment Opportunities

The state welcomes investments in the areas of its resource endowment which is solid minerals. In particular, additional investments in cement manufacturing would be welcome to complement the production at the cement manufacturing company at Nkalagu. The state also seeks investment in the hotel business and is urgently in need of 3-5 star hotels within and around Abakaliki, the state capital.

Incentives

The governor stated that the state government's involvement in economic activities was now purely regulatory. The state is generous in its land allocation policy for investments in identified priority areas. Usually, an application for land is processed in under two months. The state has a number of industrial estates and layouts equipped with the necessary infrastructure. Project profiles are available and there is a small-scale industry's credit scheme for the granting of soft loans for the establishment, modernisation and expansion of small scale industries in the state.

Ekiti State

Overview

Bkiti State was created on October 1, 1996 out of the old Ondo State.

Resource Endowment

In his presentation, the Governor of the state, Otunba Adeniyi Adebayo disclosed that the state is endowed with the following agricultural resources: cocoa, oil palm, kola nut, coffee, cashew, citrus, various foods and tubers, cereals, fruits and livestock and fisheries. The following mineral resources are also available in the state; namely: tin ore, kaolin, bulk and ceramic clay, granulated and weathered feldspar, gemstones etc.

Investment Opportunities

The state offers opportunities for investors in the area of tourism to complement the popular Ikogosi Warm Spring. Priority areas for immediate investment are highlighted in the state's industrial policy. Feasibility studies are available for most of the newly conceived projects such as rice milling, stone cutting and polishing, sawn wood factory and integrated palm oil mills.

Incentives

The state government acknowledges that its role is to provide an enabling environment for investors. To this end the state has decided, as a matter of policy, not to own more than 20 per cent equity in any industrial venture in the state. Investment incentives provided by the state includes provision of functional industrial estates to be allocated to investors at concessional rates and fiscal incentives for the first three years of the

establishment of new industries. The state will establish an industrial development fund to complement the small scale industries credit scheme and conduct regular geotechnical surveys of the state to establish its mineral resource endowments for utilisation by prospective investors.

Enugu State

Overview

In his presentation, the state Governor, Mr. Chimaroke Nnamani, indicated that Enugu, the capital of Enugu State is the oldest city in the Igbo speaking part of Nigeria and therefore home to all Igbo speaking people of the world. With a population of about 2.5 million people, the state has a population density that is two and half times the national average.

Resource Endowment

Existing industries in the state include industrial gas manufacturing, flour milling, flat sheets and billets manufacturing, fabrication of aluminium products, car assembly, beer brewing and mineral water bottling, plastic crates and containers manufacturing, tourism etc. Government intends to promote the establishment of industries in the areas of cement manufacturing, gas, hydrated lime, calcium carbide, metallurgical and machine tools as well as pharmaceuticals and various agro-allied industries.

Investment Opportunities

The state offers investment opportunities in the following minerals with which it is endowed, namely; iron ore, natural gas/petroleum, coal, limestone, clay/kaolin, silica, barytes, bauxite, gypsum, copper, etc. The soil and climate of the state is also conducive for the cultivation of a variety of food products including, yam, cashew, rice, cow pea and melon.

Incentives

The state government has decided to privatise all its enterprises under the following options:

- lease/refurbishment and management
- management service/investment and refurbishment arrangement
- management services agreement, and

immediate full privatisation.

The state offers incentives in the areas of provision of serviced industrial layouts, free land to designated priority enterprises; land for large scale farmers; funding of start up costs and related expenses, provision of project profiles as well as advisory services concerning sources of raw materials, machinery and equipment, etc.

Gombe State

Overview

Gombe State, popularly known as the "Jewel in the Savannah", was created on October 1, 1996. It has a population of about 2 million people.

Resource Endowment

In his presentation, the Governor, Alhaji Abubakar Habu Hashidu, said that the state enjoys good climatic conditions conducive for the production of most agricultural products. Some of the major agricultural products available in the state include, maize, millet, rice, sorghum, cowpea, groundnut, cotton, pepper, onions, tomatoes, cassava.

The state is also blessed with abundant mineral resources, including gypsum, limestone, coal, uranium, kaolin, barytes and bentonite, silica sand and iron ore. Precious stones also abound; these include sapphires, tourmaline, topaz, galena, amethyst, garnet, aquamarine, dolomite, quartz and corundum. There are good prospects of petroleum being available in commercial quantities as indicated by current drilling activities in the state.

Incentives

The government is eager to industrialise the state rapidly. To this end, it has promised to provide land free of charge to any investor within one week of application. Fiscal concessions would be granted to all new investors for the first five years of operation. An investment guideline has been published by the state giving details of available investment opportunities. Such opportunities are mainly in agro-allied industries, mining and tourism development.

Jigawa State

Overview

Jigawa State was created in 1991 from old Kano State.

Resource Endowment

In his presentation, the governor pointed out that Jigawa State is blessed with vast arable land. A major productive activity in the state is agriculture which is supported through irrigation from the massive Hadejia Jamare River Basin. Agricultural products of the state include millet, sorghum, soya beans, groundnut, sesame, rice and cotton. Economic tree crops include mango, date palm, guava, gum arabic and lemon. The state also has abundant livestock as well as minerals such as kaolin, tourmaline, tin, columbite, tantalite, quartz, silica, iron ore and mudstone. The state has characteristics which make it favourable for the development of tourism. Thirteen development zones have been established based on the particular resource endowment of each zone.

Investment Opportunities

Investment opportunities in the state are in the area of agro-allied industries, meat processing, leather related industries, mining and tourism, amongst others.

Incentives

The state government offers incentives including the provision of free industrial plots in rural and semi-urban areas, exemption from all land development charges for a period of five years and assistance with the preparation of industry profiles and feasibility studies. The state government has a policy of preferential patronage of industrial products produced in the state.

Kaduna State

Overview

Kaduna State is one of the oldest states in the country. It has a population of about five million people.

Resource Endowment

In his presentation, the governor stated that the state is richly endowed in agricultural products and mineral resources. The agricultural crops include cotton, groundnuts, tobacco, maize, yams, beans, guinea corn, millet, ginger, cassava and potatoes. Mineral deposits found in commercial quantities include graphite, kyanite, asbestos, gold, mica, tale, quartz and aquamarine. Animal husbandry provides large quantities of hides and skin for processing and export.

Investment Opportunities

The various historical sites, waterfalls and museums provide ample tourist attraction. The state has, therefore, selected some sites to be developed into tourist resorts. A museum of international standard is contemplated. The Kaduna Investment and Finance Company is charged with the responsibility of providing investment estimates for potential investors.

Investment opportunities in the state are mainly in the area of agro-allied industries, animal husbandry, alluvial mining and processing as well as tourism amongst others.

Incentives

Incentives provided by the state include industrial layouts that are provided with essential infrastructure. These could be provided free of charge to investors depending on the nature of the investment. Tax holidays also exist for companies that are granted pioneer status.

Kebbi State

Overview

Kebbi State was created in 1991 out of the former Sokoto State and has a population of 2 million people.

Resource Endowment

In his presentation, the governor stated that the state is a major producer of food in the country. It produces millet, sorghum, guinea corn, cow peas, groundnuts, cotton, rice, onions, wheat, tomatoes, sweet potatoes, sugar cane, etc. It is also a key supplier of livestock to the rest of the country. Mineral resources available in commercial

quantities include aluminium, clay, gold, salt, graphite, limestone, gypsum, quartz and mica.

Investment Opportunities

Investment opportunities abound in the areas where the state enjoys resource endowment. These are in the areas of export of leather goods and the production of kaolin, gold, canned tomatoes, shea butter, cashew nuts, etc.

Incentives

The state government promises generous incentives by way of tax concessions to prospective investors. There is an industrial estate with all the necessary infrastructure. There is also an aggressive scheme to link most of the rural areas of the state with motorable roads.

Kogi State

Overview

Kogi State was part of former Kabba province of defunct Northern Region. It was created in 1991 with capital at Lokoja.

Resource Endowment

In his presentation, the Governor, Mr. Abubakar Audu, pointed out that the state is rich in solid minerals such as iron ore, coal, marble, feldspar, limestone, quartz, gold, dolomite, gemstone, kaolin, talc, mica, phosphate, columbite, granite, etc. The state is also blessed with a wide stretch of arable land for farming, livestock and fishery. Food and cash crops commonly grown in commercial quantities include yam, cassava, rice, maize, guinea corn, cocoa, coffee, cashew and oil palm. The state hosts a number of landmark tourist attractions, including Lord Lugard's residence, his first administrative headquarters in the country, the first primary school in Northern Nigeria and Nigeria's biggest European Cemetery.

Investment Opportunities

There are tremendous opportunities for investment in the area of solid minerals. For instance, of all the solid minerals found in the state, only coal, iron ore, marble and feldspar are exploited in a very modest scale. The Ajaokuta Steel Complex upon

completion should provide opportunities for a wide range of downstream industries such as iron and steel foundries, tar distillation, fertiliser production and machine parts fabrication. The state has about 381,000 hectares of forest land offering excellent opportunities for wood export and furniture making.

Incentives

The state government is particularly interested in assisting potential investors in setting up large-scale agricultural ventures. It promises to give accelerated approval for applications for industrial plots of land at very low costs. Tax holidays are also available for new industries.

Kwara State

Overview

Kwara state is one of the first generation states created in 1967. The state has a population of about 1.5 million (1991 census) and its capital is Ilorin.

Resource Endowment

In his presentation, the governor stated that the state abounds in the following agricultural products; namely sugar, melon, sorghum, maize, shea nuts, tropical hard wood, kenaf, rice, groundnuts, cashew nuts, oil palm, citrus, soya bean, etc. The solid minerals include marble, kaolin, feldspar, clay, gold, tale and foundry sand. It also has tourist attractions such as Owu Falls, Kampe Game Reserve, Ero Omola Falls, Esie Museum and the Patigi Regatta.

Investment Opportunities

The state welcomes investment proposals in the following areas:- sugarcane processing, sheanut processing, spare parts manufacturing, petrochemicals, organic fertiliser production industrial estate development and marble and gold exploitation. Investors are also invited to reactivate the operations of the state's paper converter plant and the Patigi Rice Mill, among others.

Incentives

There are a number of industrial parks in the state capital as well as other urban centres. The state promises prompt allocation of plots of land for industrial and

commercial activities, including speedy issuance of Certificate of Occupancy. It also promises joint financing/ownership of projects and the granting of rebates on ground rent and other fees.

Lagos State

Overview

Lagos was the federal capital of Nigeria until 1991. In his presentation, the state governor, Chief Bola Tinubu described the state as the smallest in the country but the largest in population. It is the economic perve centre of Nigeria.

Resource Endowment

The state enjoys abundant supply of raw materials besides having a generous supply of skilled and unskilled labour. Natural resources in the state range from various species of hardwood such as teak, opepe, abora, etc. to agro-based resources (cereals, legumes, tubers, cash crops and livestock). There is, in addition, such minerals as clay, silica, crude oil, bitumen, spring water, etc. The state is the first in the country, since the return to democracy, to take concrete steps in the direction of private generation and supply of electric power. It recently signed a memorandum of understanding with ENRON to generate additional power for industrial users.

Investment Opportunities

The state government encourages investments in the areas of industrial development, non-oil exports, tourism and allied sub-sectors, agriculture (fisheries and food processing) metal/waste conversion and petrochemicals.

Incentives

The state would offer assistance with the speedy acquisition of land through prompt processing of applications for Certificate of Occupancy.

Nasarawa State

Overview

Nasarawa State was created in October 1996. It is located in the middle belt of Nigeria and shares a common boundary with the Federal Capital Territory, Abuja. It

has a population of about 2 million.

Resource Endowment

In his presentation, the governor claimed that Nasarawa State is a leading food producer in the areas of yams, cassava, rice, maize, sorghum, beniseed, beans, soya beans, groundnuts, melon, cashew nuts, etc. The following minerals are also found in the state; namely: tin, tantalite, marble, coal, lead/zinc, salt, columbite, wolframite, beryl, baryte, etc. It has enormous tourist potential as seen in its rich diverse cultural heritage.

Investment Opportunities

Investment opportunities abound in the areas of resource endowment of the state as highlighted above. The state welcomes assistance from educational/human capital development institutions, health care, including AIDS support programmes, information/data base development, institutional support for democracy, judiciary, mass enlightenment, etc.

Incentives

The state government is currently formulating an investment policy, highlights of which would include the provision of cheap land for industrialists, development of industrial parks close to Abuja, generous tax allowance and the provision of social/physical infrastructure. The state is engaged in estate development for residential/office accommodation at Marafa, Karu, Masaka and Keffi targeted at workers in Abuja taking advantage of its proximity to the Federal Capital Territory.

Niger State

Overview

Niger State was carved out of the former North-Western State in 1976. It is located in Nigeria's middle belt and accounts for about 10 per cent of Nigeria's land mass. The land is readily accessible by land, sea and air.

Resource Endowment

In his presentation, the governor pointed out that, because of its massive land mass, the state has abundant fertile land for agriculture. Some of the agricultural produce

of the state include yams, cassava, rice, millet, peanuts, maize, sugar cane. The largest sugar plantation in the country is located at Sunti in the state. The state is also endowed with the following minerals; namely, silver, limestones, gold and marble. It similarly has rich and beautiful tourist attractions. It is home to the country's largest wild life park at Borgu which covers an area of 5,830 square kilometres. It has abundant skilled and unskilled labour.

Investment Opportunities

The state offers opportunities for investment in smaller hydro-electric stations. It is currently discussing with ESB International of Ireland on the possibility of obtaining funds from the European Union to establish a power project on River Gurara.

Incentives

The state promises to approve land allocation to any investor within one week of application. It will extend water and power to any industrial location in the state and grant 10 years tax holidays to investors. Feasibility studies conducted by the Raw Materials Research and Development Council with respect to almost all minerals in the state are available free of charge to prospective investors.

Ogun State

Overview

Ogun State, otherwise known as the Gateway State, was created in 1976 out of the old Western State. It has a population of about 2.3 million people as per the 1991 census.

Resource Endowment

The Governor, Chief Olusegun Osoba, in his presentation pointed out that the state has extensive deposits of limestone, chalk, phosphate, high quality stones, gravel, gypsum and tar sand (bitumen). A number of the food and cash crops common to most states in the country are available in the state including cashew, rubber, cassava and livestock. Tourist attractions include the famous Olumo Rock, Birikisu Sungbo Shrine, Yemoji Natural Spring, Madam Tinubu Shrine, among others.

Investment Opportunities

Opportunities for investment exist in the areas of the state's resource endowment

outlined above. There are good prospects for large scale production of oil palm, cashew, rubber, cassava as well as forestry and livestock farming. The state's proximity to Lagos makes it an ideal low cost alternative for the siting of industries to supply the Lagos market.

Incentives

The incentives offered by the state include liberal regulations for the establishment of industries, provision of free land in designated rural areas, generous allocation of industrial land in urban areas, accelerated land allocation for agricultural purposes, amongst others.

Ondo State

Overview

The state was created out of the old Western Region in 1976.

Resource Endowment

Governor Adebayo Adefarati, in his presentation said that Ondo State is endowed with the following mineral resources, namely: bitumen, silicate sand, limestone, bulky clay and coal, kaolin, marble salt, granite and iron ore. A detailed table was included in the state's presentation showing for each mineral resource its geographical location, possible uses and an indication of the extent of exploration and evaluation.

The following agricultural and allied resources abound in the state, namely, cocoa, coffee, kolanut, cashew, palm oil, rubber, citrus, pawpaw, pineapple, guava. Available forest trees include teak, gmelina, mahogany, iroko, obeche, etc. Tourism attractions abound in the state in the form of springs, lakes, hills and caves.

Investment Opportunities

Areas for investment identified in the state include, integrated fish and shrimp production, processing of cocoa beans to obtain beverages, confectionaries, wines, spirits, cosmetics, etc., textile manufacturing, timber and wood processing into hardwood, plywood, particle board and furniture for export, development of sericulture for silks and silk based clothing materials, etc. Investors are also invited to participate in the reactivation of moribund, though viable, industries in the state. These ailing industries include ceramic products, glass sheet production, galvanised iron sheets, wood and oil palm.

Incentives

The incentives offered by the state to prospective investors include easy access to

land through ready issuance of Certificate of Occupancy, and tax exemption to cover start up period.

Oyo State

Overview

Oyo State is one of the most urbanised states in Nigeria. Ibadan, the state capital, is considered the largest indigenous city in Africa south of the Sahara.

Resource Endowment

In his presentation, the state Governor, Alhaji Lamidi O. Adesina, disclosed that the state currently has four industrial estates at Ibadan, Oyo, Ogbomosho and Saki. The estates have been marked into plots with good roads and electricity supply. The state is blessed with a number of mineral resources which include marble, granite, kaolin, ted clay, aquamarine and tournaline. Investigation on the Internet reveals that the state ranks second in the world in the production of some of these minerals. The state is blessed with a number of tourist attractions which include Captain Bower's Tower, built in 1936 at Oke-Are from where 80% of Ibadan city can be viewed, Agodi Gardens and Ado Awaye suspended lake, amongst other numerous tourist attractions.

Eighty per cent of the land area of the state is available for agriculture. The state has about 1,000 hectares of dam to support dry season farming and commercial fishing. It has over 50,000 hectares under tree crop cultivation, which include cashew, oil palm and cocoa. There are twelve farm settlements in the state some of which are fully residential. There are a number of international agencies in the state that provide technical support and advisory services in agriculture. Such institutions include the Cocoa Research Institute of Nigeria, the National Institute for Horticultural Research and Training, and the International Institute for Tropical Agriculture.

Investment Opportunities

The state offers attractive assistance for the establishment of small and medium scale enterprises. Opportunities also abound for the establishment of agro-allied industries, chemical and allied products and general service industries etc. Investors are also invited into the areas of tourism development, agriculture and mineral resources exploration.

Incentives

Investment incentives offered by the state include the intention to provide investment estimates and feasibility studies and easy access to land acquisition as well as ready issuance of Certificate of Occupancy. Investors would also enjoy free health and free education for their children which is part of the state government's policy.

Presentation by the National Assembly

In his presentation, the President of the Senate, Chief Evan Enwerem, noted with delight the renewed interest in Nigeria's economic development, especially from abroad as a result of the return to democratic governance.

He referred to the problems in the Niger Delta and informed the summit about the interest the Senate and the House of Representatives Committees had taken to resolve these problems. Action taken had included visits, on-the-spot assessment, dialogue as well as other means, all aimed at ensuring the return of normalcy.

Good governance, he observed, was a *sine qua non* to political and economic stability, hence the legislature was committed to cooperating with the executive on all actions that would make for good governance. These include passage of bills on security, law and order.

He also cited as example of cooperation, the doubling by the legislature of the President's request for a supplementary capital appropriation of N40b to N82.040b. "We not only approved but appropriated more than the President requested," he emphasised.

The Senate had expected to have complementary remarks for the gesture, but none had been forthcoming. He stressed that the legislature was doing its best to enhance stable governance and was indeed working very hard. Among the various efforts made by the legislature in this direction are:

- the timely intervention and contribution of the House of Representatives in the settlement of the dispute between the Governor of Anambra State and the State House of Assembly
- the timely intervention by the Special Committee of the Senate to resolve the threatened strike by NUPENG
- visits to various flood disaster areas and so on.

He concluded by dismissing suggestions that the leadership of the Senate was

subservient to the executive, thereby compromising the independence of the legislature. He called for a better understanding of the business of law making so that all could join hands toward building the Nigerian economy and enhancing productivity.

FEEDBACK FROM WORK GROUPS

The work groups presented their reports to the plenary session during the morning and afternoon sessions after which presentation was made to President Olusegun Obasanjo, GCFR. The Group Reports were presented by the chairmen of the various groups. The reports are in section 2 of this Report.

Presentation to the President, Federal Republic of Nigeria: Summary

Introduction

The discussions and recommendations of the various work groups at the Summit were articulated and succinctly presented to the President, Chief Olusegun Obasanjo, GCFR-by Mr.Dayo Lawuyi and Dr. Pat Utomi.

The presentation focused on the Summit's theme which was "Rebuilding the Nigerian Economy and Enhancing Productivity." Mr. Lawuyi, who started the presentation, identified the following areas of concentration for development. They are:

- Productivity Growth
- Technology
- Human Capital Development

He reiterated the Summit's objectives which were to identify and define the macroeconomic framework for rebuilding the nation, determine economic priorities, fashion clear policies and strategies for productivity enhancement, develop an action plan and timetable for the rebuilding work and create and reinforce a true partnership of stakeholders.

He then gave the following outline of the presentation:

- Where we are
- Rebuilding Tasks
- Specific recommendations and Budget 2000 imperatives
- Closing prayer

Current Realities

Democracy

Mr. Lawuyi summarised the country's current realities as seen by the Summit participants. He noted the country's return to democratic governance. This, he observed, has created potential external support and great expectation, trust and legitimacy internally. But, the country's economy is still weak. He pointed out that democracy without a strong economy will not last, as external support will disappear, while local trust without visible output will dwindle.

Noticeable achievements

He said that some noticeable achievements have been made since the country's return to democratic governance. These include regular supply of power, petroleum products, anti-corruption awareness, righting past wrongs (both perceived and real) and the announcement of movement to a true foreign exchange market.

Against these successes were the fact that the economy still remained fragile and in recession, lacked a clear economic blueprint, as well as apparent lack of cohesion on economic pronouncements. He pointed to the lack of speed in implementing important and critical economic decisions, especially privatisation, total price deregulation across industries, and to halt de-industrialisation due to uncompetitiveness.

These point to a danger of missing another window of opportunity. Further threats to keeping this window of opportunity open include the forces of status quo, inefficient utilisation of resources, duplication of agencies of government, unproductive investment in bureaucratic machinery such as buildings, ears, etc; inability to attract private investment and mind-set based on progress through incremental steps rather than quantum-leap (e.g. Naira convertibility and movement towards becoming a currency of West Africa).

Rebuilding

In capturing the closing window of opportunity, there was the need to rebuild, reconstruct and create a solid foundation for the economy as sustainable economic development can only take place if there is a solid foundation and an enabling environment.

Rebuilding Tasks

In rebuilding the economy, the need to concentrate on national competitiveness was stressed. As such, the government should take the tough decisions now that the window of opportunity is still open, reduce cost of doing business (e.g. ports and deregulation/privatisation), free up the exchange rate, focus on financial deepening because domestic savings grow the economy; create massive incentives for investment, (local and foreign), create and implement incentives for export of manufactured goods; and facilitate Build, Operate and Transfer [BOT] development of infrastructure.

Agriculture

In rebuilding agriculture, there must be increased effort to facilitate access to credit through credit insurance, revitalisation of agricultural extension services, institution of a commodity exchange, giving incentives for investment in storage and distribution, and focusing on massive rural agriculture which has the biggest impact on poverty alleviation.

Infrastructure

Apart from BOT, there was need to concentrate on rural infrastructure development to create employment and open economic opportunities. There was also need to institute transparency and competitive bidding in infrastructural development.

Financing

The rebuilding of the economy must be financed. To do so, the petroleum goose must be rejuvenated in the following ways: pay cash calls or sell equity interest, deregulate and privatise downstream operations, provide incentives for gas development, and address oil producing area problems.

Another goose [solid minerals] must also be developed. To do so, the government should:

- create an effective one stop shop to facilitate investment
- encourage private investment
- deregulate and privatise [coal corporation, etc], and free cash for institution building.

Key Institutions

In capturing the closing window of opportunity, Nigeria must also rebuild the key institutions, especially those related to the maintenance of law and order. The Judiciary must be strengthened to ensure its independence and appropriate remuneration should

be given to judicial officers.

The police also needs to be rebuilt by providing it with adequate funding, changing its mindset and increasing the quantity and quality of its personnel.

The speaker also referred to the need to review the land use legislation [particularly to encourage agriculture and solid minerals], review housing fund to provide long—term housing finance and NSITF to encourage private pension plans. He also drew attention to the need to review all laws that impede competition.

Human Resources

On Education, he stressed the need to ensure human capital adequacy vis-à-vis technology development, fund institutions and offer competitive wages, as well as encourage private education at all levels.

There were also issues on health care. It was recommended that the health care system should:

- ensure adequate funding
- institute cost effective procedure for health care [insurance and social safety nets]
- facilitate development of apex benchmark institutions [teaching and research hospitals], and
- allow private sector to freely choose health care providers and insurers.

Specific Recommendations

At this juncture Dr. Utomi took over the presentation. He reeled out specific recommendations made by different workgroups for rebuilding the economy and enhancing productivity. On agriculture and poverty alleviation, he said we must achieve and sustain an exchange rate regime that enhances return on investment in agriculture, open access to agricultural credit and micro-finance, provide rural infrastructure and market access as well as pursue market-oriented policies.

He suggested key measures for achieving quantum leaps in agricultural output and poverty alleviation to include restructuring ministries, trimming parastatals, developing focused strategies, intensification of extension service, delivering knowledge on appropriate technology in farming techniques, providing incentives for investment in harvest storage and avoiding subsidies that are captured by middle men.

In Budget 2000, the country must:

- go to market pricing of fertiliser by January 2000
- revive extension service by third quarter of 2000
- align policies and capture grants and support from many willing bilateral and multilateral sources before June 30,2000, and
- finalise plans by December 2000 for electronic delivery of information to farmers.

On the contribution of manufacturing, SMEs and Commerce Sectors, he said that these account for not less than 25% of GDP, while exports of manufactured goods should not be less than 20% of total exports.

The key measures necessary for increasing manufacturing, SMEs and commerce output include the development of infrastructure through privatisation and opening up of long term financing through bilateral/multilateral negotiations. There should be identification and support of selected industries in the areas where we have competitive advantage and export potential, the establishment of export guarantee insurance and granting of tax incentives to financial institutions lending to SMEs.

Budget 2000 should provide for a reduction of duty on raw materials to 5% and eliminate duty on machinery and spares, and set duties on finished goods higher to provide for fair competition.

He called on the government to:

- increase public sector remuneration and pay arrears
- reduce PAYE (maximum 15% rate), and
- patronise locally manufactured goods as first option
- reduce corporate tax to 20%
- abolish VAT on raw materials input
- reduce WHT to 3%, and
- abolish automotive council levy.

In addition, government should make Nigerian ports to become competitive with regional ports by implementing 24-hour port operation, and cultivating supportive mindset shift for border post officials (immigration and customs). Also, NEPA tariff differential should be in favour of manufacturing and not residential, while export grants should be paid not more than two months after exporting and backlog of export grants cleared by 30/6/2000, while ECOWAS liberalisation should be effective and export taxes removed and encouraged, through resource pool, development of markets and funding for SMEs.

He made other recommendations in the specific areas of solid minerals, oil, and gas, infrastructure, transportation, telecommunications and power. The key measures recommended include deregulation of telecommunications, power, ports services, air and rail transport, introduction of stakeholder monitoring groups (e.g., OFTEL), promotion of Nigeria's privatisation (at home and abroad) and the legislative review and restructuring of all parastatal and extra-ministerial agencies. Toward this end, in budget 2000, the following were recommended, among others:

- complete sale of listed firms securities by 31/3/2000
- appoint advisers for NITEL and NEPA by 31/3/2000
- announce programme for sale of unlisted firms by 31/3/2000
- get NITEL to market by December, 2000, and
- give NCC full responsibility for oversight before February 2000.

In closing the presentation, the speakers observed that the dynamics of history waits for no country. Therefore, the ever closing window of opportunity must be captured now. What the country has going for it are significant goodwill following the democratic transition and government's positive signals which are favourably recognised locally and abroad. The opening-up of the gas sector is yet another opportunity which should generate significant future cash streams. Increased attention should also be paid to solid minerals while evolving a high calibre non-resident constituency.

The decisions to maintain the momentum and capture the closing window of opportunity will be tough and, in most cases, initially unpalatable. Such tough decisions are best made during periods of high goodwill and legitimacy. However, the value of tough decisions must be properly communicated to all stakeholders in order to capture and retain commitment at all levels. The government must not relent in the effort to create and sustain an enabling environment for investment and growth.

The private sector gave a commitment to join the government's anti corruption crusade. In doing so, the private sector would address intra and inter-private sector problems (transparency/integrity), expose "Toll Gates" and publish information on offenders; cooperate with law enforcement agencies and educate society to frown at corruption, starting with self. As part of its commitment, the private sector will boost trade and investments in the country. It will undertake trade missions, support private local investment initiatives, market Nigeria, encourage peer pressure to enforce standards, quality, performance and ethics and co-operate to sell abroad.

The private sector will also improve capacity and improve productivity. It will improve

education and skill acquisition through the development of management capabilities/ capacity and also support executive exchange programme between the private and public sector. It will assist public sector management development such as private sector business schools/ASCON and invest in education, youth training, industrial exposure and private education.

On the environment, the private sector will support environment protection initiatives, and reduce private sector pollution, (e.g. gas flares). The reality is that the task of rebuilding is not that of Government alone. "Therefore, we must subordinate our individual interest to the bigger national interest. We must also remember that the important thing is at any moment to sacrifice what we are for what we could become," the speakers concluded. The detail presentation is in section 3 of this Report.

Vote of Thanks by Pascal G. Dozie

In the final vote of thanks before the President declared the Summit closed, Mr. Pascal G. Dozie thanked the President for his support and for sparing his time to come personally to receive NES #6 Report. He said that after listening to the two presenters – Dayo Lawuyi and Pat Utomi, he was flabbergasted. The challenge was clear and Nigeria must take the bull by the horns. He also thanked the Senate President and the state Governors for their participation.

He said it would also be useful to subject laws to business impact analysis to ensure that they are business friendly. He thanked the other Government functionaries who delivered papers and participated in the deliberations. In future, they would all be given ample time to prepare and deliver their papers instead of being rushed as was the experience of NES #6.

He thanked the Chief Economic Adviser to the President, Chief Philip Asiodu, as well as members of the diplomatic corps for their participation. He stressed that Nigeria was now ready to take off and that she would not allow the emerging opportunity to pass by. "Tell them we are ready and that the time is now to invest in this country," he emphasised.

The Press, he said, has an important role to play to propagate the *sine qua non* of mindset changes. "Let them know that we now need a quantum leap in productivity and attitudinal changes, things we must do willy-nilly if we are to join the rest of the world," he charged.

He then finally thanked all participants and officials who had made the Summit a success.

Closing Remarks by the President, Federal Republic of Nigeria

In his closing remarks, President Olusegun Obasanjo, GCFR, apologised for his unavoidable absence at the opening of the Summit due to unforeseen circumstances. He observed that the outcome of the Summit in the form of recommendations to government, as presented by the duo of Dayo Lawuyi and Pat Utomi demonstrated the pertinence and relevance to the country of the issues discussed at the Summit.

He thanked the organisers of the Summit for the opportunity it afforded for interaction between the public and private sectors, pointing out that the private and public sectors were two sides of a coin which must continue to operate in tandem for meaningful progress to be made. He also expressed delight at the participation of members of the National Assembly and state governors in the Summit and recommended that local government chairmen be invited to participate in future summits. He observed that local government councils were the nearest to the grassroots and that the council chairmen would learn a lot from the Summit's process and recommendations.

President Obasanjo listed agriculture as the first priority of his administration, followed by education. He decried the high interest rates charged by banks and observed that no meaningful funding of agriculture could be done with interest rate in the region of 30-35%. He, therefore, urged the banks to reconsider their high interest rates in the overall interest of the country. While agreeing that there should be no subsidy to agriculture, the President said that the Government would help farmers. Citing foreign examples, he said the American Government helps their farmers to the tune of \$60 billion per year; the European Governments up to \$55 billion per year, while the Japanese Government spends as high as four times the cost of imported rice in order to promote local production of rice. "We would not give subsidy but we would give help to farmers to achieve food security," he maintained. He also urged bankers in the country to come forward with suggestions on how farmers could be helped in Budget 2000.

The President reiterated the Federal Government's commitment to the creation of a conducive environment for businesses to thrive and for the security of persons, investment and property. He described solid minerals as the country's second track to oil and gas, but admitted that the country was about 30 years behind in the development of this golden goose. Nigeria, the President said, lacked the necessary aerial and geological surveys, investment code or regulation and laws which an investor could take to his boardroom to obtain necessary approval. He promised that the Federal Government would take action in this regard so that sooner than later, the country could begin to reap the benefits of solid minerals exploitation.

On the issue of government's payment of its cash call for upstream oil operations, the President promised action, stressing that there would be no undue restriction on cash calls because "we want to increase our proven reserves and increase our production of both oil and gas."

President Obasanjo also reiterated his administration's determination to fight corruption in the country. He remarked that the world would not take Nigeria seriously if its citizens were not seen to be vigorously fighting corruption. He was pleased with the pledge by the private sector to join hands with the government in its anti-corruption crusade.

Concluding, the President agreed with the recommendation that Nigeria must take advantage of the window of opportunity open to it now and "realising that international goodwill is never for ever, Nigeria must make hay now to develop." He, however, reminded the country's international friends that "democracy is not an event; it is a process. Democracy has its dividends ... our international friends must help us to make democracy survive." The country would, therefore, appreciate the cooperation and understanding of its external creditors in granting the country debt relief. Finally, he assured that like the proverbial pig in the "chicken and pig friendship" illustrated in his speech, the government was totally committed to reviving and rebuilding the Nigerian economy.

Post-Summit Gala Dinner Address - Chief P. C. Asiodu, Chief Economic Adviser to the President

Chief P. C. Asiodu, the Chief Economic Adviser to the President, in his keynote address at the closing dinner commended the participants for their frank discussions and the openness displayed at the Summit. He remarked that the Summit's recommendations made to President Obasanjo were in line with the Federal Government's thinking which gives priority to agriculture, education and the creation of an enabling environment for business to thrive. Privatisation of public enterprises was also on top of the Administration's agenda. He hinted that in privatising affected enterprises, the government would ensure that the residual public sector holding and the Nigerian private sector holding would be in majority on the one hand, while the Nigerian private sector holding plus the foreign investor holding would also be another majority. In other words, the Nigerian private sector shareholders would be the "beautiful bride" to be courted by both the public sector and the foreign core investors.

The Adviser debunked critics' claims that the administration lacked an economic blueprint, saying that, in fact, the Vision 2010 report was one of the documents used

by the Presidential Policy Advisory Committee (PPAC) in preparing the government's economic direction. President Obasanjo's inaugural speech and the administration's pronouncements so far to the effect that the economy shall be market-driven with the private sector as its engine of growth, among others, gave indications of the Federal Government's economic direction. He hinted further that Budget 2000 would give specific short-term targets to be achieved by the Federal Government. He was optimistic that the government's economic direction, its transparency and anti-corruption stance would yield positive dividends in terms of growth of the country's Gross Domestic product (GDP) which, he expected, would hit 4% by the end of 1999, 5% in year 2000 and in excess of 7% thereafter. He indicated that the Niger Delta was not abandoned by the Government and that reconstruction of roads in the area would soon commence in the dry season.

On the management of the country's external debt, Chief Asiodu described it as an on-going process which would lead to the signing of an agreement with the IMF for a standby facility by the end of 1999 and another agreement with the Paris Club by the year 2000.

In conclusion, he was optimistic that the pace of development in the country would accelerate and that more inflows of foreign investment would be witnessed with time. He hoped that the new dawn would, indeed, be a reality.

Vote of Thanks by Alhaji Bamanga Tukur

In his vote of thanks, Alhaji Bamanga Tukur noted that the recommendations of the Summit were far reaching and, if implemented, could move the nation to greater heights. He thanked President Obasanjo for his total commitment to the economic recovery of the country as expressed by his actions so far and, in particular, for his pronouncements while closing the Summit. He also thanked the Vice-President, Alhaji Atiku Abubakar for his personal presence to open the Summit on behalf of the President. He thanked State Governors who came to the Summit to showcase the investment potentials of their States and the participants for making the Summit a success.

Section 2: Group Reports

Group 1: Manufacturing Industry Issues

Where We Are

The group made a current position assessment through the following SWOT analysis:

Strengths

- Large market size in terms of population which, given increase in income level, will stimulate effective demand
- Knowledge of domestic market following many years of operation
- Low labour costs relative to some other countries
- New democratic government with all the promises it holds for good governance
- Local raw material availability
- Low cost of energy, although this is offset by the additional cost of private power generation during power outages
- Enterprising people
- Presence of multinational investors, however few they are
- Abundant natural resources. Reference was made to petroleum and the potential
 for the development of such petroleum-based industries as petrochemicals.

Weaknesses

- Obsolete machinery that needs replacement with new technology to streamline production processes
- Low capacity utilisation due to dwindling demand, failing infrastructure and inadequate long-term financing
- Low capital base of many manufacturers and erosion of the capital base of some others through accumulated losses

- Weak infrastructure, especially power, potable water, roads and telecommunications, which adds to the cost of doing business
- Low skill base due to the weakening educational infrastructure
- Low quality products that cannot compete in international markets
- Low exports despite the opportunities available
- Import dependence for raw materials that exposes manufacturers to the volatility
 of the foreign exchange market
- Low level of environmental compliance due to lack of financing for environmental preservation
- Timid manufacturing sector
- Low productivity
- Weakening of the manufacturing system through state ownership. It was noted that government subvention to manufacturing companies, where it holds investments, impairs the drive for efficiency
- Poor maintenance culture.

Opportunities

- · The large market size waiting to be explored
- New democratic government that has avowed its commitment to economic reform
- The huge investment opportunities for manufacturers
- Opportunities for local value added
- · Opportunities for acquiring technology from abroad
- Utilisation of gas as alternative source of energy
- Proposed privatisation of state-owned enterprises and wide-ranging economic reforms

- Export market access
- Employment generation and skill development
- Development of specific local product standards in accordance with international standards (e.g. Standards Organisation of Nigeria)
- Proposed implementation of the manufacturing-in-bond scheme, Export Processing Zones and other incentives
- Foreign exchange market deregulation that provides further access to foreign exchange.

Threats

- Disabling environment, both regulatory and infrastructural
- Adverse environmental regulation. Environmental laws and regulations which are enforced without reference to cost of compliance
- High overheads resulting from private provision of supporting infrastructure
- Unfair competition due to smuggling and dumping
- Low consumer purchasing power due to inflation and dwindling disposable income
- Slow process of administration of justice that is not conducive to commercial dispute resolution
- Arbitrary taxes and unfair application of tax laws. Mention was made of withholding tax administration under which repetitive sales and purchases of goods in the ordinary course of business is subject to withholding tax. Input Value Added Tax (VAT) on services, like bank charges and utilities, is currently not offsetable against output VAT
- Multiple taxation under various forms and guises in spite of its abolition by the relevant decrees
- High interest rates that inhibit access to financing
- Unsupportive banking sector that prefers to lend short term for trading purposes

rather than long term for manufacturing purposes

- Multiple agencies at the ports and cumbersome clearing procedures
- Insecurity of life and property
- Poor administration of incentives.
- Corruption both in the public and private sectors
- Product counterfeiting and lack of effective machinery for poor trademark protection
- Tariff imbalances between raw materials and finished goods.

Where We Want To Be

The group envisioned that the manufacturing sector should be characterised by the following:

- Global competitiveness in terms of product quality, export development, customer (support industries and consumers alike) satisfaction, 25% contribution to GDP and technology base with focus on areas of comparative and competitive advantage
- Profitability in order to meet the expectations of all stakeholders, namely, government (taxes), shareholders (returns on investment), community (corporate responsibility) and employees (human capital development)
- · Environmental friendliness in order to achieve sustainable development
- Increased local value added with emphasis on local materials that add value and not additional cost
- Progressively expanding and growing sector through additional investment from existing and new investors
- Harmonious mix of indigenous and foreign investment
- High productivity without full capacity utilisation
- Attractiveness to those interested in making a career in industry
- Enabling environment through public and private sector partnership.

The group concluded the discussion of this segment with a consensus on the following as the manufacturing industries' ten-year vision:

"The manufacturing sector will represent a significant part of the national economy (25% of GDP) by producing and marketing high quality globally competitive products that meet the needs and aspirations of customers/consumers. The development of the sector will drive the support industries that provide high levels of local value-added and the entire chain will be technologically driven. The sector will represent an attractive proposition for investors and the best human resource talents in the country. Government will be a supportive partner by providing an enabling environment."

How To Get There

The following action plan was recommended for implementation in the immediate and short terms to set the country on track of world class competitiveness in the long term:

Action Plans	Responsibility	Time Frame
Low and differentiated tariffs that support local investment by favouring raw material and machinery importation as opposed to finished goods.	Federal Ministry of Finance (FMF)	1st January, 2000
Low interest rate and access to long term funding	FMF and Central Bank of Nigeria (CBN)	Immediate
Tax reform: Abolish withholding tax on sales and purchases in the ordinary course of business, even when they are repetitive; and make input VAT on services, (e.g. bank charges and utilities) offsetable.	FMF and Federal Board of Inland Revenue (FBIR)	1st January, 2000

Action Plans	Responsibility	Time Frame
Privatise infrastructure to attain world class competitiveness.	Federal Government	Articulate clear-cut policies and strategies in 2000 and start implementation thereafter to achieve objective in the long term
Institutional and regulatory reforms;		
- Customs and port reforms to accelerate clearing procedures	Federal Government	1st January, 2000
- Law enforcement by reinfor- cing the Police and reforming the Judiciary		
- Incentive administering agencies		
National Agency for Drug Control & Administration (NAFDAC)	FMF and FBIR	1st January, 2000
Reduce direct corporate and personal income taxes		1st January, 2000
Stimulate consumer demand through appropriate fiscal and monetary policies		

Group 2: Manufacturing - Small and Medium Enterprises

Where We Are

SMEs are mostly indigenous family-owned businesses. They range from very small enterprises to industrial outfits. Most of them are family or one-man owned businesses. Most of them use outdated semi-mechanical and mechanical equipment. They are largely unable to access banking facilities (i.e. unbankable) because of their poor profile.

High Failure Rate

- Many SMEs have failed for the foregoing reasons and the following:
 - poor access to credit and other financial support
 - exchange rate overhang, especially the well-organised ones that obtained loans tied to hard currencies
 - too high leverage
 - poor public sector support and policy inconsistency
 - inadequacy of a tariff regime to support the business
 - vulnerability to official corruption, the so-called "toll gates"
 - poor infrastructure and lack of funds to provide alternatives
 - inability to hire highly skilled personnel
 - poor networking, both vertical and horizontal linkages
 - discrimination against SME's products
 - delay in paying for their goods and services, particularly by public agencies
 - inadequate marketing
 - inadequate or lack of research, and
 - lack of database.

As a result of the above, SMEs are largely inefficient, unprofitable and have weak prospects for growth. The future of SMEs is therefore very bleak.

Where We Want To Be

The group envisioned SMEs that will:

- have access to credit facilities at reasonable and fixed rates
- contribute at least 25% of GDP by the year 2010
- produce good quality products and services for the local market, industry and for export
- become nurseries for large manufacturing companies that may become multinationals
- become good corporate citizens with high ethical practices and fulfilling all statutory and social obligations, and
- be adequately networked i.e. integrated vertically and horizontally to internal and external markets.

With these elements, the group formulated the vision for SMEs as follows:

"Efficient and profitable SMEs with sustainable growth prospect, contributing at least 25% of Gross Domestic Product (GDP) by the year 2010."

How To Get There

The objective of creating virile SMEs that are capable of sustainable growth and are adequately networked can only be achieved through the following:

- strong institutional support
- easy access to credit facilities at reasonable rates
- vertical and horizontal integration of SMEs to internal and external markets
- provision for industrial states/banks
- provide continuous training and research
- ensure capacity utilisation, and
- provide enabling monetary and fiscal policies.

Based on the foregoing, the group proposed the following action plans:

Action Plan 1

Establish a statutory body to serve as a functional SME National Co-ordination Agency with own Board and membership drawn from both public and private sector bodies such as:

- National Association of Small Scale Industries (NASSI)
- National Association of Small and Medium Enterprises (NASME)
- National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), and
- Ministry of Industry's Small and Medium Industry Development (SMID).

A representative of the private sector will serve as the Chairman of the Board of the Agency. The Board will appoint the agency's Chief Executive Officer.

The functions of the Agency shall include the following, namely, to:

- register SMEs
- establish and maintain database on SMEs
- assist SMEs in capacity building
- provide advocacy support for registered SMEs
- attract funds for disbursement to SMEs
- maintain interface with existing lending institutions and SMEs, and
- provide consultancy services to SMEs.

The responsibility for implementing the action plan is the Federal Ministry of Industry in consultation with the Organised Private Sector. The establishment of the agency should be announced in the 2000 budget and should be inaugurated by July 2000.

Action Plan 2

Establish SMEs Development Fund. The Fund is to be financed as follows:

- allocation of a minimum of 5% of revenue from Corporate Income Tax annually
- aids and grants from donor agencies, and
- income from services rendered.

The funds generated from these sources shall be utilised for on-lending through banks

to qualified registered SMEs. The loans shall be denominated in Naira. The interest rate to be charged shall not be more than the amount necessary to cover participating banks' administrative charges.

The Federal Ministry of Industry and the Presidency shall be responsible for implementing this recommendation through year 2000 budget.

Private Sector Contribution

The bigger private sector manufacturers are to directly assist the SMEs by engaging them to produce to given specifications and providing managerial, technical and other support. The cost of this support is to be made tax deductible by the government. Also, SMEs should, annually, be accorded public recognition and granted awards for local input to industry.

Interface with Existing Lending Agencies

The group recognised the existing lending agencies and acknowledged their on-going review by the Poverty Alleviation Committee. The group urged the acceptance of the above proposals and that the national SMEs co-ordinating agency be given adequate support.

Group 3: Commerce and Trade

Introduction

The group deliberated on the underlying causes and effects of low performance of both commerce and trade in the nation's economy. Towards this end, a working definition of the terms "commerce" and "trade" was developed.

The group defined "commerce" as economic activities involving financial transactions, while "trade" was taken to mean exchange of goods and services between individuals and nations for money or money's worth.

Commercial and trading activities cover such sectors as banking, manufacturing, hotel and catering services, transportation, as well as wholesale and retailing.

Where We Are

There was a consensus of opinion among group members that the nation's commerce

and trade was in a deplorable state owing to several negative factors, including government policies. The group identified the following as factors militating against the growth of commercial and trading activities:

- Low income levels which leave individual consumers with little disposable income for effective demand for goods and services
- · Poor quality of goods and services
- Uncompetitive products due to poor quality and high cost of production, e.g. production of toilet rolls
- Monocultural product economy dominated by crude oil, which accounts for over 95% of foreign exchange earnings
- · Dominance of trade in redistributive services, which are not exportable
- Manufacturers' preference for short term profit at the expense of long term investment and quality products
- Market is prone to piracy due to non-protection of intellectual property rights
- Poor external image of the country
- Inefficient payment system and cash-based economy
- Fraud, dishonesty, poor business ethics and inability to enforce contracts
- Trade and non-trade barriers, which inhibit both domestic and external trade
- Large informal sector whose transactions are not officially recorded.
- Poor educational system that is incapable of supporting modern commerce
- Poor, collapsing and unreliable public utilities power, telecommunications, roads and water
- Preference of Nigerians for cheap and sub-standard imported used goods such as motor vehicles, electronics, clothes and shoes which have turned the country into a veritable dumping ground for such goods

- · Proliferation of regulatory bodies and "toll gates" inhibiting commerce and trade
- Higher cost of production than in most neighbouring countries
- Technological backwardness, (e.g. e-commerce) is yet to take root in the country.
- Unreliable infrastructure, e.g. power and water, the private provision of which is adding to the cost of doing business, and
- Gross indiscipline at all levels of society and corruption in high and low places.

Where We Want To Be

Having identified the problems inhibiting the growth of commerce and trade, there was a consensus of opinion among the participants that the following should be the country's goals and objectives for the next five to ten years, namely to:

- establish a non-oil based export economy
- achieve 60% reduction in the level of dependency on oil by the year 2010
- promote packaged tourism as a source of foreign exchange earnings, and increase the share of non-oil exports to 40% of total exports by 2010.

Example was given of Germany and Japan, which have no oil but are two of the world's strongest economies. In Germany, handicraft exports constitute a major source of revenue. A German member of the group promised that her embassy would be willing to offer assistance and detailed information on opportunities in this area, if requested.

To attain the goal of moving the nation's economy forward as envisioned at the Summit, other critical areas identified were:

- establishment of functional infrastructure, stable polity, good governance, law and order, respectable and capable judiciary as well as up-to-date information technology;
- consistency in government policy was necessary to enable manufacturers and industrialists to have a long term plan;

- taking advantage of our population size to economically dominate the West African sub-region and thus become the hub of commerce and trade in the sub-region and, indeed, Africa;
- improved qualitative education to world class levels to make Nigerian higher institution graduates competitive in any part of the world;
- improved quality of finished products that are destined for international markets, e.g. Nigerian cocoa products should compete favourably with cocoa products from Côte d'Ivoire;
- attainment of technological advancement and high level of e-commerce;
- full industrial capacity utilisation; and
- achievement of realistic per capita GDP of \$1,500 by the year 2010

For a population that is growing by 3% annually, it was recommended that a realistic growth rate of the economy should be targeted to keep pace with population growth. The target should be to achieve a 6% growth rate over the next five years as a democracy dividend.

Pre-shipment Inspection versus Destination Inspection: The group discussed the return to pre-shipment inspection and urged the government to revert to destination inspection in view of its overwhelming advantages. These include lower cost to importers and the country, less documentation, greater flexibility, faster turnaround and speed of clearing goods. The infrastructure for effective destination inspection should be put in place. Also, the problem of corruption should be addressed.

How To Get There

Excessive regulation was seen as a great disincentive to foreign investment and explains why most potential investors have been diverting cargo to neighbouring countries in the recent past. Example was given of a situation whereby a foreign importer who wanted to buy Nigerian banana encountered eight different regulatory/ "toll gates" before he could take the banana, a perishable item, out of the country. Yet, bananas are a perishable commodity. In order to attain the goal of bringing down dependency on oil by 60% in 10 years and expanding the growth of commerce, particularly exports, the following measures should be adopted:

- Achieve self-sufficiency in food production and export surplus output
- Reduce the bottlenecks/hurdles which exporters face and generally reduce export processes and procedures
- Reduce the importation of rice and promote food security
- Eliminate citizens' preference for the so-called "Tokunbo" goods through production
 of high quality but low priced products
- Make Nigerian-made goods globally competitive
- The Export Processing Zones (EPZ) and the Nigerian Investment Promotion Commission should effectively play their roles to re-position commerce and trade in the country
- Government should, as a matter of urgency, release adequate funds to the Calabar EPZ to enable it to fully take off
- Simplify port procedures and reduce the number of security agents at the ports
- Stabilise the price regime for agricultural products
- Establish cold rooms and siles for storage of perishable agricultural products
- Establish export production villages to enable cash crop producers, be it yams, garri, cocoa or groundnuts, to concentrate in areas where they can be assisted
- Promote thriving tourism industry through a liberal visa policy. Intending tourists should be able to obtain visa to Nigeria within 24 hours of application
- Clear all entry points of touts and reduce road blocks
- Ensure that foreigners with genuine visas are able to move freely around the country without let or hindrance
- Improve telecommunications and road network
- Commence privatisation of public utilities to make them efficient, competitive and commercially viable

- Improve the nation's battered external image through organised external image and publicity management
- Grant foreign investors tax holidays such as in Ghana, to ginger their interest in the economy
- Review and liberalise expatriate quota system to promote investment, and
- Revert to destination inspection and immediately commence the process of providing infrastructure to support it.

Group 4: Financial Systems

The workgroup deliberated on a wide range of issues in the financial industry with most discussants focusing more on the banking industry. Other sub sectors which featured were insurance, the capital market, Development Finance Institutions (DFIs) and the money market.

Three key issues were highlighted by the group. They were:

- Where we are
- · Where we want to be
- How to get there

Long Term Funds and Capital Formation

Where We Are

The discussants focused on the low income level exemplified by the average Nigerian, a lack of confidence in the system, inconsistent government policies, low and negative, yield on investments. The issue of poorly managed public funds, though not directly under the focus of the group was discussed in some detail by the group. The poorly managed government initiated pension fund schemes were also discussed.

How To Get There

The strategies should involve the creation of strong mutual life companies, payment of higher wages to employees, reduced direct taxes, provision of incentives for savings, making pension schemes mandatory for/funded by, the private sector. Appropriate pricing of long term securities should also be embarked upon by the CBN. The Trustees Investment Act should be updated as well as the Income Tax Management

Act. The government should endeavour to run DFIs as venture capital operators and provide tax incentives for long term funds creation, and on income derived from long term investments. Incentives should also be stretched to cover lending to strategic sectors.

Policy Stability and Consistency

Where We Are

The dichotomy between regulators and operators was highlighted as well as the belated implementation of policies when applicable.

Discussants from the banking sector bemoaned the over-reaction of the CBN to short term disturbances in the system. It was typical for the CBN to overkill while trying to rectify a shock to the financial system. Invariably, these shocks are caused by the government and yet private operators bear the repercussions of these government excesses. The volatility in the exchange rate was also discussed.

Where We Want To Be

Well-considered and balanced policies derived from wide consultations and consensus. This should be complemented by well-managed macro economic indices to predetermined levels of interest rates and foreign exchange rates.

Interest Rate Management

Where We Are

Interests rates are too high. Also, the spread between the savings rate and the lending rate was also considered high. It was unanimously agreed, however, that high interest rates curtailed economic expansion and contributed to the uncompetitiveness of Nigerian products.

Where We Want To Be

Interest rates that can be absorbed by the real sector and at the same time aid global competitiveness.

How To Get There

The relevant authorities should make loanable funds available and ensure stability and consistency. The CBN rates should reflect the market, but should not exceed circa 5% above the inflation rate. CBN should ensure fiscal discipline, help to reduce the deficit overhang and if applicable, use moral suasion to manage the spread between savings and lending rates.

Infrastructure

Where We Are

The financial system infrastructure is characterised by over-regulation and inhibitive laws and regulations. There is inadequate collaboration between banks and the banking system is not integrated. Tariffs do not reflect the cost of transactions, they are not competitive and the regulatory bodies charge exorbitant tariffs, sometimes increasing the cost of raising capital by as much as 50%.

Others include:

- Poor knowledge about risk management, and low skills of operators
- · Absence of a direct debit system in payments
- Inefficient clearing system, and a cash and carry culture with a high percentage
 of funds held outside the banking system.

Where We Want To Be

- Easy access to affordable consumer and SME credit. On the legal side, a more supportive and facilitative judicial system is most desired. A high awareness of risks and the availability of skills to facilitate economic development.
- A proactive, responsive, supportive and facilitative regulatory framework, and a manageable and competent regulatory body in each industry.
- A near cashless society, with internationally comparable state of technology.
- Tariffs from regulators should be internationally competitive, while the entire tariff structure should be deregulated and market driven.

How To Get There

For the creation of a viable credit system, the national identity card system should be implemented. Insurance products should be developed to support consumer credit. Indentives and government guarantees (as is done in some LDCs with particular reference to India) on 'small loans' given to SMEs.

Carry out the following legal reforms:

- judgement debts should attract interest rates not less than the contractual rate
- specialised revenue courts should be made to handle loan defaults
- review land use act to expunge governor's consent
- encourage alternative dispute resolution
- enforce the dud cheques act
- expedite the introduction of new denominations of the naira and the cheque clearing system
- pursue the direct debit system, and
- make tariffs from regulators internationally comparative and scrap bankers tariff.

Group 5: Foreign Loans and Debt Management

Where We Are

There was disagreement on the actual amount of debt that Nigeria was owing, although admittedly, this might be known to the authorities. The outstanding debt was believed to be between 28 and 32 billion U.S. dollars, 70 per cent of which is due to the Paris Club members while the remainder constitutes debt due to the London Club and other creditors. It was noted that the bulk of the debt stock, about 20 billion dollars is made up of accrued interests, penalties, etc. and that annual debt service ratio to current earnings is between 40-60% depending on the price of oil. Debt stock to Gross Domestic Product is unsustainably high at 300 per cent and actual annual debt service budget has been about 50% foreign exchange earnings or in the order of 4 billion – 5 billion U.S. dollars. It was not surprising that the country was currently not considered credit-worthy.

It was felt that the outlook for negotiated debt settlement is brighter as a few sticky points remained. Disagreement on the actual debt stock persists and efforts to obtain debt forgiveness lacks merit because of unconvincing effort at loot recovery and flamboyant life style as often evidenced in large travelling delegations. There is no significant return of flight capital. Poor maintenance culture persists. There is also poor effort to boost revenue generated internally and resource allocation is not market-driven.

Where We Want To Be

It was generally agreed that the country should aim to be in a position where its debt was manageable, serviceable and sustainable. For the debt to be sustainable, it was agreed that annual debt service relative to export earnings should not exceed ten per cent. Similarly, the debt stock in relation to the Gross Domestic Product (GDP) should not exceed 20 per cent. So, much emphasis was placed on the fact that the country should enter into negotiations with other countries to agree on the amount of annual debt service. The group decried the unilateral manner by which this decision was taken in the past. The country should also aim to be credit worthy, acquire institutional capacity for debt management and enjoy ready access to various sources of debt.

How To Get There

It was felt that for Nigeria to make any progress in its quest for debt forgiveness the country must quickly agree on a Medium-term Economic Reconstruction Programme (MTEP) with the multilateral financial institutions. It was felt that progress has been made on most of the issues in contention. These include market-determined exchange rate, deregulation of petroleum prices which should result in the removal of subsidy, and the initiation and implementation of a transparent privatisation programme. It was felt that, considering the urgency attached to this agreement, the country should aim to conclude an MTEP by January, 2000. In discussions with the Paris Club, the country should seek for maximum flexibility by increasing the portion of the debt that should be eligible for debt conversion or buy back. There should be a clear indication regarding the conditions the country accepts to avoid embarrassing inability or unwillingness to keep to agreed terms. We should aim to conclude agreement with Paris Club by September 2000.

To make the country's request for debt forgiveness credible, it must make sincere and credible efforts at loot recovery and adopt a low profile consistent with a country requesting debt forgiveness. The effect of debt forgiveness on the country's credit rating was also discussed. The proposed low profile should reflect on the size of the delegation that is sent for these debt negotiations. Effort should be made to create an environment conducive for the return of flight capital through a revisit of the terms and conditions of some of the inhibiting regulations such as the Money Laundering Decree.

The country must adopt market mechanisms for the allocation of resources. The

prevailing practice whereby oil concessions or telecommunication licences are not auctioned but offered at the discretion of the authorities to favoured individuals or groups amounts to mismanagement which is certainly not acceptable to the creditors.

The country should centralise, professionalise and strengthen debt management. It must embrace the culture of full disclosure on matters relating to debt. Account should be rendered on the debt situation to the nation quarterly. The country should aim to boost the resource base of the country by adopting a strategy of export-led growth. We should enhance fiscal incentives to discourage the flaring of gas, reactivate projects with export potential such as the Aluminium Smelter Company and resolve the oil communities' unrest so that we do not kill the goose that lays the golden egg.

Group 6: Agriculture and Poverty Alleviation

Where We Are

The group noted that development of the agricultural sector was the key to achieving food security, economic prosperity and long-term sustainable development. It noted that there was a strong correlation between agricultural development and poverty alleviation. Against this background, the group discussed the current realities in this sector.

The group observed that agriculture has over the years remained under-developed and characterised by subsistence farming and low and sub-standard yields. It identified the main constraints of agriculture as unguaranteed markets for farm produce, under developed rural infrastructure, lack of credit to farmers, inappropriate technology and limited access to domestic and foreign markets as well as environmental degradation.

Where We Want To Be

Against the backdrop of the importance of agriculture to the economy and the need to improve the living standard of the citizenry, the poor in particular, the group identified the following as where the country should be in agriculture and poverty alleviation:

- Achieve food security for the citizenry at affordable prices
- Transform and modernise agriculture
- Stem rural-urban migration
- Develop export markets for our agricultural products, and
- Alleviate poverty through empowerment of the poor.

How To Get There

The group identified the following policies and action steps as necessary for the country to, among others, transform agriculture, achieve food security and alleviate poverty:

Rural Infrastructure

Place emphasis on the rapid development of rural areas in order to stem rural to
urban migration, create jobs, facilitate local capacity building efforts, increase the
awareness and adoption of best practices. The provision of basic amenities in
the rural areas should be accorded top priority.

Post-Harvest Management

- Adopt post-harvest transformation and storage management techniques in order to reduce post-harvest losses, increase the value of agricultural products, facilitate access to markets as well as raise the farmers' income;
- Develop modern marketing systems through the establishment of efficient distribution networks and the dissemination of required information.

Technology

- Concentrate on the development of the appropriate techniques/technology required to increase productivity and simplify agricultural practices
- Strengthen agricultural extension services
- Ensure the continuous training of farmers and extension agents, and
- Establish technology information centres.

Agricultural Input and Credit

- Ensure adequate supply of fertiliser for increased yields
- Ensure availability of credits at low interest rates to support and stimulate feasible
 investments in the agricultural sector. The various options of specialised finance
 for the agricultural community should be explored (rural finance, micro credits,
 etc.), and
- Develop and provide high yielding seeds, seedlings and stock and ensure adequate supply of fertilisers and herbicides.

Marketing Systems

 Develop marketing systems by establishing distribution networks, providing information and adopting basic quality control standards.

Reforms

- Review the provisions of the Land Use Act.
- Create enabling macroeconomic environment especially through the provision of fiscal incentives to attract private investments as any investment in the sector is bound to generate job/income-creating opportunities.

Poverty Alleviation

Key Actions

- Empower the poor through the acquisition of skills, improved access to capital
 and functional/qualitative education, adopt a holistic approach towards policy
 alleviation
- Emphasise job creation by the state and the individual
- Restore the dignity of labour through productive employment
- Focus on community-based solutions by adopting a "bottom-up" approach and by encouraging the "ownership" of projects by all stakeholders.
- Coordinate, harmonise and manage the activities of international donor/aid agencies
- Provide basic social services to the poor the rural poor must have access to health, housing, education and power/water supply
- Address gender specific issues, especially for the women folk and promote
 population control strategies as well as enhance the income generating
 opportunities for women in agro-allied/food processing activities because women
 form a majority of the labour force in rural areas
- Provide a minimum of 60% of budgetary allocation to poverty alleviation based projects, and
- Rehabilitate and empower the disabled/disadvantaged members of the society including people infected with AIDS.

Group 7: Solid Minerals Development

Where We Are

The group acknowledged that there were 450 known mineral occurrences as published by the Federal Ministry of Solid Minerals Development. However, it observed that the exact quantities of these minerals were unknown due to inadequate information from the Ministry and the lack of up-to-date geological studies. This state of affairs has contributed to high cost of doing business in the sector and encouraged illegal mining activities.

It was acknowledged that the regulatory processes in the sector were not only cumbersome but also obsolete. It was felt that if the regulatory problems were not addressed quickly, Nigeria would continue to be unattractive to foreign direct investment.

The group also observed that the policy on solid minerals development was inadequate for effective development of the industry.

Where We Want To Be

The group started by articulating where the country should be in solid minerals development in the next two years. Towards this end, it recommended that solid minerals development should be raised from the present level of 0.3% of GDP to 1%.

It was also resolved that an imperative should be the achievement of self-sufficiency in the production of industrial raw materials such as gypsum, kaolin, barytes, feldspar, dolomite and calcium carbonate, etc.

How To Get There

The group recommended the enactment of a competitive mining legislation and suggested that this legislation should have the following hallmarks:

- Provide for a "one stop shop" for licensing, and information dissemination
- Provide for a fiscal regime which would be competitive with those of other developed mining economies
- Provide for security of tenure in mining titles, stability in mining operations and sanctity of fiscal guarantees
- Grant subordinate interests and rights like mortgages/other security interests, and
- Address conflict between the different mineral rights, including the Land Use Act.

It was also suggested that all administrative inefficiencies in title administration be eliminated by streamlining the administrative process.

The group recommended that Government should embark on a comprehensive and systematic geological data acquisition programme through the services of the several research institutes and geo-sciences departments of the universities. The group believed that this approach would enhance human capital development and provide the much-needed information in the industry and reduce the cost of business accordingly.

It was recommended that in the short-term, Government should take the following steps immediately in order to stimulate growth in the solid minerals sector:

- enact a competitive mining legislation to attract private investment
- provide a one stop shop for licensing, information, tax incentives, etc.
- embark upon a comprehensive geological survey of Nigeria
- fund research institutes and departments of geo-sciences in universities
- grant incentives to solid minerals related industries
- provide infrastructure to support the sector
- grant tax waivers to investors who embark on infrastructural development
- ensure stability of policies and security of tenure
- provide for creative and sensible protection of local mining industries using tariffs
- use part of recovered funds to establish venture capital funds for the sector
- restructure development banks like NIDB and NBCI to make them more proactive and effective
- streamline the regulatory overlaps and strengthen regulatory agencies
- consider a review of the land use act, and
- ensure best environmental practices in solid minerals exploitation.

Lastly, the group recommended that banks should lend funds to operators in the sector on the basis of long term concessions and or proven reserves of solid minerals.

Group 8: Power Supply

Introduction

The group deliberated on the issues of concern in the power sector and the aspirations of the Minister of Power and Steel for the sector. It lauded the Obasanjo administration's emphasis on power development with particular reference to the benchmark set by the Power and Steel Minister to ensure power availability to Nigerians. However, the group believed that a lot more should be done to meet the expectations of Nigerians in the power sector. Overall, the group did a situational analysis on where we want to be in the power sector, where we are and how to get there. The results of the deliberations are summarised below:

Where We Are

While reviewing all the segments of the power supply system (generation, transmission, distribution and marketing) the group observed that the power sector had not changed significantly from its state at the last Summit. Specifically, the group observed that the current state of the power sector in Nigeria was characterised by the following:

Generation

NEPA's current installed generating capacity is 5,876MW of which the maximum available capacity is 2,400MW as at the time of this report. The gap between installed capacity and available capacity is mainly due to aging plants and delayed Turn-Around Maintenance (TAM) as a result of funding constraints. This, unfortunately, caused untold hardship as many individuals and companies now depend on generators to provide electricity at exorbitant cost. Consequently, generators that are supposed to be back-up for power are increasingly becoming the main power sources!

Transmission Grid

The current transmission grid is overloaded. Available reports indicate that NEPA has an aging network of 11,000 kilometres of 330/132 KV transmission lines that are seriously over-stretched. This causes occasional system collapse.

Distribution Network

NEPA's distribution network is plagued by incessant sabotage and large-scale equipment vandalisation. The distribution network constitutes the weakest link in the supply chain and is characterised by illegal connections, meter tampeting, inadequate distribution stations and transformers. This results in high non-technical losses estimated at about N1.0b per month at July 1999 generation level.

Marketing

NEPA's cost of production reportedly remains at about 11cents/kWh but the government has fixed NEPA's tariff at about 3.5 cents/kWh. Despite the low tariff, NEPA is owed several billions of Naira by both private and public sector consumers. This further adds to the non-technical losses due to poor billing, metering and ineffective collection system.

Where We Want To Be

The group classified this into short and long short term measurable landmarks. These are:

Short Term

The group advocated that for the period between October 1999 and December 2000 wanton power failure should be reduced by 50% by June 2000 and 75% by December 2000. The group would also like NEPA's peak electricity supply to increase from the current 2,400MW to 4,000MW by December 2000. The group reiterated that, NEPA should be fully Y2K compliant since anything short of that would not be in the nation's power interest.

Long Term

In four to ten years, the installed power generating capacity of NEPA should increase from the current level of 5,876MW to 20,000MW. There should be 95% accessibility to public power supply. Public energy consumption per capita per annum should be approximately 3,500Kwh. Power reliability should be about 99%. NEPA should aim to eliminate fully all non-technical losses before year 2010. In the next 4-10 years there should be complete privatization and deregulation of the power sector.

How To Get There

The recommendations, divided into immediate, near term, medium term and long term actions, are as follows:

• Immediate Actions (October - December 1999)

- NEPA should rehabilitate selected generating plants
- Federal Government should establish National Electricity Power Regulatory Commission (NEPRC)
- NEPA should embark on aggressive revenue collection drive to reduce overdue receivables by 50%
- Federal Government should immediately initiate deregulation of power tariff, and
- NEPA should urgently assess Y2K problems and fix the critical ones.

• Near Term Actions (January - December 2000)

- NEPA should commence expansion to link all state capitals to 132kV lines
- NEPA should increase the number of transformers, injection and distribution stations nationwide
- Federal Government should develop blueprint for deregulation and privatisation

- of the power sector
- Federal Government should also initiate credit rating for NEPA. The rating
 process will assist with the situation audit of NEPA, as well as put in place
 sound and more effective organisational structure
- Federal Government should restructure NEPA in preparation for privatisation
- Federal Government should encourage Independent Power Producers to build power plants and supplement with existing NEPA's capacity, and
- Federal Government should fully deregulate power tariffs.

Medium Term Action (2 – 3 years)

- Federal Government should create enabling fiscal and operating environment for the power sector
- Federal Government should establish an independent transmission company, and
- Government should maintain infrastructure to encourage private investors to all sectors.

Long Term Actions (4 – 10 years)

- Federal Government should accomplish full deregulation of all arms of power sector. Government should ensure power supply to all areas, while maintaining multi-tier tariff structure to cushion the effect of deregulation and privatisation on the rural populace
- Government should develop gas network to assist NEPA and Independent Power Producers to provide power at affordable prices to Nigerians, and
- Government should encourage the commercial development of alternative sources of power generation e.g. wind and solar energy.

Group 9: Telecommunications

Introduction

The group deliberated on issues concerning the telecommunications industry with emphasis on where we are, where we want to be, and how to get there.

Where We Are

The group acknowledged the existence of a National Telecommunications Policy document. It blamed the current situation for the raging confusion within the industry over operating conditions, stressing that the avoidable uncertainty was delaying

investment in the sector. Members agreed that the current dominant role of the NITEL was negatively impacting the growth of the industry. It was felt that NITEL was not cooperating with other players to solve interconnectivity problems; it was neither complying with government regulations; nor submitting itself to regulation by NCC; it lacked skilled manpower and was unable to fully utilise its inadequate existing capacity. Also, the group felt that the national carrier had not shown enough commitment to achieving early Y2K compliance neither had it taken stakeholders into confidence on milestones so far crossed in this direction.

At about 4 lines to every 1,000 persons, Nigeria's teledensity was considered unacceptably low with distances to phone lines generally above 25kms in many areas. Besides, the group observed that the relatively high cost of service to consumers was reducing access and raising affordability issues to the front burner. In addition, participants agreed that entry costs to operators were high relative to the practice in other African countries. The consensus was that this was undermining national growth and development.

The group acknowledged daunting problems with frequency management and the national numbering plan generally considered cumbersome. It decried the lack of sharp focus on internet development in the country blaming it on inadequate official appreciation of the role of Information Technology (IT) in rapid national development. Lastly, participants noted the absence of local manufacturers of telecommunications equipment, attributing it to lack of an enabling environment.

Where We Want To Be

A modern telecommunications industry that is notable for significant private sector investment, high telephone density, affordable prices, wide access and an investment -friendly regulatory environment all of which facilitate achievement of national goals including planned GDP growth rates.

How To Get There

National Telecommunications Policy

The group prepared a road map for the journey into modernity with emphasis on the next two years (i.e. by December-end 2001). The policy should be comprehensive and be widely publicised among all stakeholders. Its content should include the following, among others:

Consumer protection

There should be a firm statement protecting the consumer with regard to price, quality and service delivery.

Operations/Frequency Licensing

The operations and frequency licensing process should be transparent with only one body responsible for both i.e. a one-stop shop to simplify the process.

Universal Service Obligations (USO)

All operators should be required to meet approved standards that must be regularly monitored and enforced.

Number of licences in each undertaking

The policy should clarify this and remove uncertainty about the rights and obligations of licence holders. It should also put in place an appropriate machinery to effectively manage the process.

Bidding or other procedure for licensing

The policy regime should establish what method is to be used. Above all, it should be based on a known model that clearly states the criteria for obtaining licences.

Incentives for operators

There should be no ambiguity on incentives to encourage operators' participation in the industry.

Standards

The policy should set clear standards for operators.

Tariffs

Tariff policy should clearly articulate required taxes and fees and ensure that these are kept within reason and affordability.

Role of NITEL.

NITEL should participate strictly as any other operator and it should be subject to NCC regulations. There is need to constitute a strong independent board for NCC to enable it adequately perform its role. In this regard, the NCC's licensing powers should be extended to include national carriers and basic voice. NCC should subsequently initiate legislation that would encourage fair competition while also monitoring technical issues. It recommended privatisation for M-TEL immediately and for NITEL within two years.

Teledensity

A target of one percent teledensity should be achieved in line with UN recommendations for developing countries. This translates to 1.2m lines assuming uptake of NITEL's unutilised 300 subscriber points to bring up existing capacity to 700,000 lines. It is envisaged that the balance of 600,000 lines would be created in two years at 300,000 lines yearly. This can be achieved through the appointment of one or two additional national carrier(s) and other private operators. Milestones should be set for the national carrier(s) and operators to facilitate attainment of the recommended minimum 1% teledensity by December-end 2001.

A target of at most 20kms to a phone line should be vigorously pursued with emphasis on payphones to address accessibility problems. Payphones should account for at least 50-100,000 of the total 1.2m lines.

Cost of Service

Services should be made affordable and within reach of the average Nigerian. This will greatly aid economic development and also increase the revenue base of the industry. Similarly, entry costs to operators should be set to discourage unqualified operators while accommodating serious investors. The approach would be to get prospective operators to present a business plan as an evaluation yardstick. An incentive package of fiscal concessions should be put in place to ensure reasonable entry and operating costs.

Frequency Management

This should be transparent, efficient and preferably under NCC.

Internet Development

It is necessary to provide data capacity for effective internet access. Key participants in government – ministers, permanent secretaries, directors – should be adequately educated and provided with the necessary tools to facilitate a near paperless operating environment thereby achieving a partial electronic government. This should prompt the necessary focus on the need for internet development nation-wide. Furthermore, internet facilities should be introduced to secondary schools beginning with a certain number in each local government.

Manufacturing

In the short term, the necessary operating environment should be created to ultimately encourage the local manufacture of telecommunications equipment, parts and components to meet existing and anticipated demand. This should make a positive contribution to the evolution of affordable prices.

Group 10: Transportation

Introduction

The group identified transportation as an indispensable catalyst in the economic and political growth of the nation. It stressed that the country's transport sector was crying for structural reform considering the fact that it was inundated by first generation technology and equipment that was ageing and deteriorating fast, while the developed world had moved from second and third generation transport technology. To fully discuss the issues in transportation, the sector was broken down to the following modes of transportation:

- Rail transport
- Water transport
- Road transport
- Air transport

Pipeline transportation was suggested for consideration but it was agreed that the requirements and the economic potential for it might be too sophisticated for the country, given the fact that pipeline transport had been applied specifically to crude oil and, to some lesser extent, water in the country.

Rail Transport

Where We Are

- narrow, old and weak rail tracks
- collapsed signalling and communication gadgets
- ill-equipped and deteriorated terminals, and
- inadequate funding.

Where We Want To Be

To develop an efficient intra-city and inter-city rail system designed to connect
the different parts of the country for the mass movement of people and goods.

How To Get There

- revisit the rail master plan
- unbundle the Nigerian Railway
 - rail tracks
 - rail service.
 - engineering
 - regulation
- build standard gauge double track rails
- improve interconnections inter and intra urban
- commercialise and privatise the rail system
- · coordinate rails with other modes, and
- encourage Build, Operate and Transfer (BOT) and Build, Own and Operate (BOO) rail systems.

Air Transport

Where We Are

- substantially improved communication and navigational equipment
- aging aircraft and pilots
- improved security checks
- ineffective passenger facilities at airports
- large number of uneconomic airports
- inadequate funding for airline operators
- high landing, handling, etc. fees at the airports

- inadequacy of aircraft personnel, and
- high cost of aviation fuel.

Where We Want To Be

 build a safe, dynamic customer-focused, market-driven, self-sustaining and technology-driven industry that attracts business ethically in domestic, regional and global markets.

How To Get There

- the Government should deregulate the economics of air transport but regulate safety
- create an enabling environment for airlines to get funds to acquire modern aircraft
- provide concessional charges on landing, handling and fuel charges
- encourage National College of Aviation Technology, Zaria to provide pilot and technicians for the aviation industry, and
- continue to improve port facilities to international standard for the comfort of passengers.

Water Transport

Where We Are

- apparent under-utilisation of sea ports
- inadequate ports delivery services
- excessive bureaucracy and bottlenecks at the ports
- excessive presence of government agencies
- poor maintenance culture
- low skill level of marine manpower
- uncompetitive tariffs
- low indigenous participation, and
- poor utilisation of inland waterways.

Where We Want To Be

 to build an efficient and effective water transport industry, devoid of the usual bureaucracy and equipped with modern facilities to meet international water transport needs.

How To Get There

- review and update maritime policy
- provide regulation to protect the local industry and participation
- create enabling environment
 - sabotage law
 - manpower development
- create maritime superhighway
- plough back revenues collected by NPA and NMA into shipping developments through the federation account
- give less visible role to government agencies in regulation
- establish and develop inland dry ports
- government should divest from shipping
- introduce sanctions for wrong duty validation.
 - indigenise and privatise shipping and ancillary services (clearing, forwarding and cargo handling agencies)
- embark on positive and effective training of manpower
- prevent people from issuing additional debt notes on goods already inspected
- restructure NCS to make it productive
- review the various maritime laws and regulations, etc., and
- encourage indigenous capacity for ship building and repairs to promote technology and conserve foreign exchange.

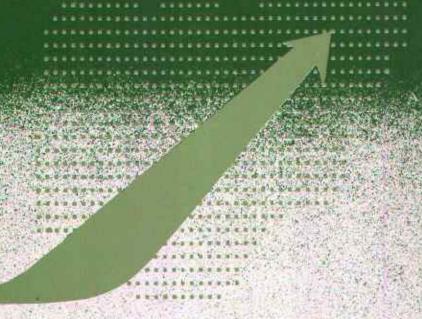
Road Transport

Where We Are

- deplorable condition of roads
- inadequate transport facilities in urban areas
- absence of road complementary facilities
- inadequate research before road construction
- poor maintenance
- numerous uncoordinated operators
- conflicting roles between the three tiers of government
- inadequate vehicles for goods and freight transport
- poor law enforcement
- absence of regulation of transportation of dangerous goods
- governments' participation in road transport service, and
- poor driving habits and operation of road-worthiness certificates.

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Where We Want To Be

 an adequate, efficient, affordable, cost effective and well maintained road transport system that connects all urban centres and opens the rural areas to markets.

How To Get There

- privatise some roads on Build, Operate and Transfer (BOT) basis
- · utilise appropriate technology to build durable roads
- government to focus on road transport infrastructure and regulation and divest from operating commuter buses
- · government to automate toll collection
- government to encourage local motor vehicle assembly plants
- effective co-operation and collaboration between all tiers of government
- prepare a road transport policy and develop a road transport information system
- improve road accessibility to urban and rural areas
- enforce road safety regulations
- launch mass campaign and awareness for road safety
- eliminate conflict of roles between different bodies managing the road transport system, and
- create a highway authority.

Group 11: Oil and Gas Sector

The sector was categorised into three main sub-sectors, namely, Upstream, Downstream and Gas.

Where We Are - Upstream Sub-Sector

Restive Communities

The kidnapping, vandalisation and disruption of operations of oil producing companies in the affected areas was having a negative effect on oil production and, ultimately, income generation.

Inadequate Funding

The key issue had to do with government's cash-call arrears obligation and its ability to fund the new investments required to increase output of oil from present levels to about four million barrels of oil per day by the year 2010. At present funding levels, it was very doubtful that the country would be able to achieve this target. On cash-call arrears, the cash owed the JV partners was now mostly in Naira denomination.

Environmental Guidelines with Reference to the Deep Offshore/Multiple Environmental Supervision

The group felt that there was duplicity in environmental supervision of the sector and that there were no clear guidelines concerning companies operating deep offshore blocks.

Difference between Gas and Oil

The public needs to be informed of the difference between oil and gas. Oil yields higher returns than gas. Unlike crude oil, gas is a margin's business. Gas contracts, especially the LNG, have very long duration. Any default in gas delivery attracts penalties and may lead to cancellation of contracts.

Law and Order

Acts of kidnapping, vandalisation of property and lawlessness were being perpetrated with impunity. The group urged Government to arrest the situation as soon as possible.

Indigenous producers

The group was of the view that new legislation was necessary to give special consideration to marginal field operators, as their operating costs were higher than their counterparts operating commercial fields. The law should be structured along volumes and not marginal fields. Shell Petroleum, for instance, should not be given special considerations for operating their marginal fields because their total production was quite high.

Stability of Fiscal Terms

The group felt that situations where memoranda of understanding/agreements were not enacted into law allowed for arbitrary changes by government bodies e.g. tax authorities. These changes affect financial plans of oil companies. Reference was made to Production Sharing Contracts where taxes payable by the companies are changed from time to time.

Insurance

Although the idea was mooted that operators should insure a percentage of their risks with Nigerian companies in order to aid the growth of insurance industry in Nigeria, the group rejected the idea as regulatory.

Where We Want To Be And How To Get There - Upstream Sub-Sector

The group made the following recommendations to address the above issues:

Restive Communities

- Continuation of company-sponsored community development
- Implementation of the 13% derivation principle in revenue sharing formula
- Make communities stakeholders. Compensation should be linked to production
 in the area. If a disruption occurred in a particular community and production is
 affected, the community should forfeit any compensation, as this would be directly
 linked to oil production, and
- Passing into law the Nigeria Delta Development Commission (NDDC).

Inadequate Funding

- Sustenance of the Nigerian National Petroleum Corporation (NNPC)'s current funding of cash calls. Operators should be allowed to source alternate funding for projects outside approved budget
- Payment of cash call arrears should be negotiated between the involved parties and then a mode of payment should be agreed, and
- Cash calls should be deducted at source so that Government can plan with its
 own share of oil income.

Environmental Guidelines with Reference to the Deep Offshore/ Multiple Environmental Supervision

- Approval and updating of the existing National Energy Policy, and
- codification of fiscal terms.

Difference between Gas and oil

Workshops and seminars should be held to educate the society on gas.

Law and Order

- Enforcement of the rule of law. People should be made to realise that no one is above the law and that any breach of the law will attract appropriate sanctions, and
- Specialised training should be undertaken for security agencies to ensure that
 peace is maintained in the oil producing areas and any unrest is professionally
 handled.

Indigenous Producers

 Proposal for introduction of special fiscal terms that would apply to producers whose output is below a stipulated production level.

Stability of fiscal terms

Bills relating to the oil industry should be passed into law as soon as possible.

Where We Are - Downstream Sub-Sector

Product Transportation/Distribution

 Issues arising include the efficient movement of products to different parts of the country and the elimination of inadequate supply.

Product Demand and Supply Growth

 The group adverted its mind to the issue of how to increase supply to meet increasing demand and get the refineries to satisfy local demand and generate income from product export.

Product Pricing/Deregulation

• The group was of the view that government's control of pricing is preventing the private sector from participating in the sector. The price of petroleum products at ¥20 per litre was more efficient at the time crude oil was selling at \$9 per barrel. Since price of oil had doubled the price of petrol had not moved accordingly. The implied subsidy was hampering maintenance, efficiency and quality in the industry.

Product Quality

The group opined that the relevant regulatory bodies were not doing their jobs to
ensure the quality of products being distributed. There is lack of product
differentiation. Hence, high performance cars imported into Nigeria have to
downgrade their engines to be able to use the petrol supplied or produced in
Nigeria.

Law and Order

 The group observed that, unlike in the upstream sector, vandalisation of pipelines had become a major business transacted for profit.

Recovery of Waste Oil

 The group observed that this was an environmental issue that should be addressed by the relevant regulatory body.

Shipping Costs

Bonny island is said to be the most expensive port in the world. The companies
utilising the port have no alternative because their cargo cannot be transported to
other cheaper ports. Delays experienced at these ports are expensive to the
users.

Other issues

Job creation and cordial industrial relations. The group observed that these issues
cut across all sectors of the economy and were not peculiar to the industry.

Where We Want To Be And How To Get There - Downstream Sub-Sector

Product Transportation and Distribution

 Deregulation and privatisation of the system would improve efficiency and service to customers.

Product Demand and Supply Growth

Deregulation and privatisation.

Product Pricing and Deregulation

 Deregulation in order to bring competition, both on price and service quality, to the industry.

Product Quality

- Department of Petroleum Resources should be equipped and re-organised to properly carry out its job, and
- Deregulation Should force competition and force players to differentiate their products.

Law and Order

 Enforcement of the rule of law. People should be made to realise that no one is above the law and that any breach of the law will attract appropriate sanctions.

Recovery of Waste Oil

Enforce existing statutes and regulations.

Shipping Costs

Regulatory bodies should curb unfair practices.

Where We Are Now - Gas Sub-Sector

Gas flaring

 Revenue lost to gas flaring amounts to about \$3 billion per annum coupled with environmental pollution

Inadequate Information on Gas Utilisation

Nigerians are not aware of the benefits of gas utilisation and on-going gas projects.

Gas infrastructure/Master Plan

There is no local infrastructure for gas distribution and utilisation. There is neither
a clear masterplan for gas development in Nigeria nor its exportation regionally
or internationally.

Community Issues

The issues raised are the same as in the Upstream sub-sector.

National Gas Policy

The group observed that the country lacks a national gas policy.

Master Plan for Gas Distribution (Commercialisation of Gas)

 As in gas infrastructure, the group noted that the country needs a gas distribution masterplan.

Where We Want To Be And How To Get There - Gas Sub-Sector

Gas flaring

 Oil producers have decided to eliminate gas flaring by the year 2008. A few of the oil majors have projects in the pipeline that will eliminate flaring by this time.

Inadequate Information on Gas Utilisation

The Nigerian Gas Association is to educate the Nigerian public on gas and its
uses, and

The industry should embark on public enlightenment to educate the public.

Gas Infrastructure/Masterplan

This can be achieved through privatisation of the industry.

National Gas Policy

The existing energy policy should be updated for approval.

Master Plan for Gas Distribution (Commercialisation of Gas)

 The group recommended the development of infrastructure to sell and distribute gas locally, regionally and internationally.

Questions and Answers

At the end of the presentation in plenary, participants were given opportunity to field questions. Below is a selection of such questions and the answers given:

Manufacturing, SMEs, Commerce and Trade

Question:

What is your group's definition of small and medium scale enterprises

(SMEs)?

Answer:

We are aware of the various conflicting definitions of SMEs. To us, apart from the multinationals and the large companies, any other business enterprise which is legally set up and has the force of law behind it qualifies to be an SME. Most business organisations in the

country are in this category.

Telecommunications and Power

Question:

If NEPA is privatised how would the rural communities now without

access to electricity be served?

Answer:

This is one of the reasons why we are advocating the establishment of a regulatory commission to, among others, ensure that rural communities yet to be served with electricity are not forgotten. Ultimately, remote locations will be subsidised by both operators and

urban consumers.

Ouestion:

Why did you recommend that only one carrier should compete with

NITEL?

Answer: We recommended that at least one more carrier should compete

with NITEL. A critical threshold is required for investment in national carriers for it to be meaningful. The British moved from monopoly to duopoly. We believe that one or two additional carriers will be

appropriate for our purpose.

Question: Will deregulation of the telecommunication industry not be the quickest

way to achieve a rapid teledensity growth in the country?

Answer: Yes, deregulation of the telecommunication industry will enable us to

achieve rapid teledensity growth.

Question: What are the immediate implications if NITEL and NEPA are not

Y2K complaint by January 1, 2000?

Answer: It is essential that NITEL systems be Y2K compliant as

telecommunication systems are computer based, otherwise the telephone exchanges and your telephones will not work on that day. For NEPA, everybody will be thrown into darkness if the authority's systems are not Y2K compliant by January 1, 2000. Of course, if

NEPA puts you in darkness, you can, as usual, switch to your

generators.

Agriculture and Poverty Alleviation

Question: Are you advocating that we should not process our agricultural

products to enhance their value before they are exported?

Answer: The customer is your partner, but you cannot force your product

down his throat. You must give him what he wants if you want to

remain relevant in the market.

Question: How do you think farmers can get assistance in terms of credits or

finance?

Answer: We are advocating low interest rates. We believe something is being

done to bring the interest rates down.

Question: Is setting up of farmers associations or congresses of any use to the

farmers?

Answer: Yes. It is overdue. Farmers need information on their products,

such as how to better package their agricultural products to the market. The farmers associations will help in disseminating information among their members and also act as pressure groups to press for farmers' rights.

Question:

Some of the fertilisers used in agriculture are injurious to our soil.

Don't you agree that some areas (soil) do not need fertilisers?

Answer:

Agronomy is very important. We advocate judicious use of fertilisers.

This is the position of the farmers congress.

Question:

You mentioned export of agricultural products to earn foreign exchange. Don't you think dumping of these products will further depress their prices in the international market?

Answer:

You must take your product to the market at the right time. As a farmer I export my mangoes to the market in Europe earlier than other mango exporters in West Africa. By the time the others are preparing to ship their mangoes to Europe I would have finished my supplies.

Solid Minerals

Question:

Illegal miners are employing themselves and providing a service.

Shouldn't we register them?

Answer:

They are subsistence miners. They should be registered to formalise

their business.

Question:

Are regular banks not inadequate and the National Risk Fund

moribund to fund the solid minerals sector?

Answer:

I agree that we should not proliferate risk capital providing organisations, but if this sector must grow, we need to creatively

establish a risk fund for it.

Question:

Why is there no science and technology committee at this Summit and why is the Science and Technology Ministry not present at this Summit, if only to take advantage of the recommendations of the

Summit?

Answer:

I agree with you, but I didn't organise the Summit neither do I know

the reason for their absence at this year's Summit.

Section 3:

Summary of Summit Recommendations Presented to the President, Federal Republic of Nigeria

Summit Theme: Rebuilding The Nigerian Economy And Enhancing Productivity

The Summit identified the following key areas for concentrated development action:

- Productivity Growth
- Technology
- Human Capital Development

Summit Objectives

The objectives of the Summit were to:

- Identify and define the macroeconomic framework for rebuilding the nation
- Determine economic priorities
- Fashion clear policies and strategies for productivity enhancement
- Develop an action plan and timetable for the rebuilding work
- Create and reenforce a true partnership of stakeholders.

Presentation Outline

The presentation addressed:

- A Where we Are
- B Rebuilding Tasks
- C Specific Recommendations and Budget 2000 Imperatives
- D Closing Prayer

A Current Realities - Where We Are

Democracy has

- Created potential external support and
- Created great expectations and trust/legitimacy internally.
 However, the economy is still weak.

"Democracy without a strong economy will not last because external support will disappear, while local trust without visible output will dwindle."

- Noticeable achievements to date must be recognised. These include improvement in:
 - NEPA reliability
 - Petroleum product availability
 - Anti-corruption awareness and attitude
 - Righting past wrongs, both perceived and real, fund recovery, etc.
 - Announcement of movement to a truly free foreign exchange market.

Unfortunately

- There is little progress on the economy which is still fragile and in recession
- There is no clear economic blueprint
- There is an apparent lack of cohesion on economic pronouncements
- Important and critical economic decisions are not being expedited
 - Privatisation is not progressing fast enough
 - Total price deregulation across industries is still to be realised
- De-industrialisation still prevails because of uncompetitiveness.

"WE ARE IN DANGER OF MISSING ANOTHER WINDOW OF OPPORTUNITY."

Further Threats To Keeping The Window Open

- Forces of status quo.
- Inefficient utilisation of resources
 - Duplication of agencies of government
 - Unproductive investment in bureaucratic machinery (buildings, cars, etc.)
- · Inability to attract private investment
- Our mindset is based on progress through incremental steps rather than quantumleap thinking, such as introducing Naira convertibility and making it the currency of West Africa and basing UBE on internet education.

"WE MUST NOT MISS THE WINDOW OF OPPORTUNITY AGAIN."

B. Capturing The Closing Window of Opportunity - Rebuilding Tasks

What Re-Building Involves

- To build again (starting afresh)
- To reconstruct

"WE STRONGLY BELIEVE THAT SUSTAINABLE ECONOMIC DEVELOPMENT CAN ONLY TAKE PLACE IF THERE IS A SOLID ECONOMIC FOUNDATION AND AN ENABLING ENVIRONMENT." – Pascal G. Dozie

Re-Building Tasks

- Concentrate on National Competitiveness
 - Take the tough decisions now while the window is still open
 - Reduce cost of doing business; e.g. ports and deregulation/privatisation
 - Free-up the exchange rate
 - Encourage domestic savings to grow the economy
 - Create massive incentives for investment (local and foreign)
 - Create and implement massive incentives for export of manufactured goods
 - Encourage Build, Operate and Transfer (BOT) development of infrastructure.

Broader Impact Areas

Agriculture

- Facilitate access to credit (provide credit insurance)
- Revitalise agricultural extension services
- Institute commodity exchange
- Provide incentives for investment in storage and distribution
- Massive rural agriculture development has biggest impact on poverty alleviation.

Infrastructure

- Apart from BOT, concentrate on rural infrastructure development to create employment and open economic opportunities
- Institute transparency and competitive bidding in infrastructural development.

Financing the Re-Building

- Rejuvenate the petroleum goose
 - Pay cash calls or sell equity interest
- Deregulate and privatise downstream
- Provide incentives for gas development
- Address oil producing community problems
- Develop another goose (Solid Minerals)
 - Create effective one-stop shop to facilitate investment

- Encourage private investment
- Deregulate and privatise (Coal Corporation, etc.)
- Free cash for institution building.

Re-Building Key Institutions

The following institutions will need to be strengthened:

Law and Order

- (a) Judiciary
 - Ensure independence
 - (ii) Introduce appropriate remuneration
 - (iii) Provide adequate work tools
 - (iv) Cleanse the system
- (b) Police
 - (i) Provide adequate funding
 - (ii) Change mindset
 - (iii) Increase quantity and quality

Regulations

- Review land use legislation (particularly for Agriculture and Solid Minerals)
- Review Housing Fund to provide long-term housing finance
- Review NSITF and encourage private pension plans
- Review all laws that impede competitiveness.

Border Post Officials

- Change mindset to become supportive service organisation
- Ensure accountability and transparency.

Education

- Ensure human capital adequacy vis-à-vis technology development
- Fund institutions and ensure competitive wages
- Encourage private education at all levels.

Health

- Ensure adequate funding for health
- Institute cost effective procedure for health care (insurance and social safety nets)
- Facilitate development of apex benchmark institutions (teaching and research hospitals)
- Allow private sector to freely choose health care providers and insurers.

Releasing The Promise

- Make specific actions to boost productivity
- Develop shared values on "how to"
- Build monitoring capacity.

"MIND-SET CHANGE IS IMPERATIVE"

C. Specific Recommendations

- Leapfrog concepts
- Key measures
- Budget 2000 imperatives.

1) Agriculture And Poverty Alleviation

· Leapfrog Concept

- Achieve and sustain an exchange rate regime that enhances good returns on investment in agriculture
- Open access to agricultural credit and micro-finance
- Provide rural infrastructure and market access
- Pursue market oriented policies.

Key Measures

- Restructure ministries, trim parastatals, develop focused strategy
- Provide extension services
- Deliver knowledge on appropriate technology in farming techniques
- Provide incentives for investment in harvest storage
- Avoid subsidies since they are captured by middle men.

Budget 2000 Imperatives

- Go to market pricing of fertiliser by January 2000
- Revive extension services by third quarter, 2000
- Align policies and capture grants and support from many willing bilateral and multilateral sources before June 30, 2000

2) Manufacturing, SMEs and Commerce

Leapfrog Concept

- Aim for manufacturing sector to provide not less than 25% of GDP
- Target export of manufactured goods to be not less than 20% of national exports
- Attract major investors with adequate incentives in areas of competitive advantage e.g. food processing and storage, solid mineral conversion, etc.
- Foster globally competitive manufacturing.

Key Measures

- Develop infrastructure through privatisation and open up long term financing through bi-lateral/multi-lateral negotiations
- Identify and support selected industries with competitive advantage and export potential
- Establish export guarantee insurance
- Institute tax incentives for financial institution lending to SMEs.

Budget 2000 Imperatives

- Reduce duty on raw materials to 5% and eliminate duty on machinery and spares
- Set duty on finished goods relatively higher for fair competition
- Re-establish open account transaction/bill for collection for industrial raw material to support working capital
- Create effective demand through:
 - Increased public sector remuneration and paying arrears
 - Reduced PAYE (maximum 15% rate)
 - Government patronage of local manufacture as first option.

- Tax reforms

Reduce corporate tax to 20%

- Abolish VAT on raw materials input
- Reduce WHT to 3%
- Abolish automotive council levy.

- Port reforms to make Nigeria's ports regionally competitive

- Implement 24-hour port operation.
- Cultivate supportive mindset shift for immigration and customs
- Reduce security agencies
- Eliminate corruption
- Rehabilitate and improve equipment.
- NEPA tariff differential should favour manufacturing rather than residential consumers
 - Export grants should be paid not more than 2 months after export
 - Clear backlog of export grants by 30/6/2000
 - Make ECOWAS liberalisation effective and remove export taxes
 - Encourage, through resource pool, development of markets and funding for SME.

3) Mineral Resources

Leapfrog Concept

- Mineral wealth to fund creation of modern industry
- Attract private investment to:
 - Replace public sector funds
 - Fully develop petroleum sector
 - Create another "golden goose" solid minerals.

Key Measures

Upstream Petroleum

- Resolve community problems
- Create gas incentives
- Free gas pricing and privatise gas transmission and distribution
- Raise funding to levels needed to optimise crude oil reserves and production
- Shift to PSC arrangements for new concessions based on open and competitive international tenders.

Downstream Petroleum

- Privatise downstream operations
- Free up refined products pricing
- Permit full import and export of all refined products.

Solid Minerals

- Reform Land Use Act
- Foster private ownership
- Focus public spending on infrastructure and transport.

Budget 2000 Imperatives

Upstream

- Maximise private CAPEX/OPEX levels while working out funding from use of 1999 oil price windfalls and/or sale of government equity
- Pass NDDC bill and accelerate revenue allocation act that includes 13% derivation
- Phase in payment of cash call arrears and develop new funding of major new projects.

Downstream Petroleum

- Free up pricing by year-end
- Announce privatisation schedule and open international tender terms.

Solid Minerals

- Reform Land Use Act by mid-year
- Lay down favourable investment conditions for private investment.

4) Infrastructure

Leapfrog Concept

- Government should focus on modern, globally competitive infrastructure to -
 - Lower costs of doing business
 - Allow industry to compete globally
 - Attract private investment.
- Encourage international lending and private sector investment through creating enabling environment.

- Give priority to -
 - Rural areas (agriculture)
 - Solid minerals
 - Telecommunications
 - Low cost power
 - Efficient port/road systems.

Key Measures

- Abolish government monopolies and remove all anti-competitive legislation
- Privatise state-owned enterprises through open and competitive international tender - particularly NITEL, NEPA, NPA, NRC
- Establish competent and fair regulatory authorities.

Telecommunications

- Privatise M-Tel by mid year and NITEL by December 2000.
- Make NCC the sole regulatory authority for the industry.

Power

- Restructure NEPA and prepare for privatisation by December 2001
- Encourage private sector (IPPs) to build power plants.

Transportation

- Free up all transport prices particularly air fares
- Restructure and prepare state-owned enterprises for privatisation -Nigeria Airways, NPA, NRC by December 2000.

5) Finance

Leapfrog Concept

- Manage economic fundamentals to achieve low and stable inflation and interest rates
- Provide incentives for long term funds and capital formation
- Manage fundamentals and provide incentives for greater lending to real sector
- Reduce average cost of capital for business
- Drive GDP growth by raising contribution of mortgage finance and housing sector
- Ensure financial deepening and consumer credit

- Manage exchange rate policy to facilitate financial flows
- Free up the FX market
- Cut taxes to boost savings.

Key Measures

- Provide tax incentives for long term funds and income from long term investments
- Improve payment system to reduce transaction costs and facilitate efficient E-commerce
- Avoid policy shocks created by direct money supply management
- Move to current account convertibility of Naira
- Remove FX subsidy of banks and close arbitrage windows
- Improve supervisory capacity of CBN and NDIC
- Maintain stable monetary policy regime
- Make securitisation of government debts possible
- Ensure wider consultations before decisions.

Budget 2000 Imperatives

- CBN treasury bills to reflect market but not exceed 5% of inflation rate
- Abolish bankers' tariffs and allow the market to set rates for services
- Reform insurance and pension funds
- Establish strong autonomous CBN responsible for inflation monitoring
- Avoid direct controls by CBN
- Encourage bank consolidation and ratings agencies
- Free banks to be able to take equity positions
- Develop insurance products to support consumer credit.

6) Privatisation

Leapfrog Concept

- Free up capital to boost growth
- Eliminate improductive use of resources
- Harvest higher taxes from alternative uses of freed capital
- Leapfrog stages of development in ICT, banking, manufacturing
- Ensure efficient and faster provision of infrastructure
- Eliminate rent seeking opportunities.

Key Measures

- Deregulate telecommunications, power, ports services, air and rail transport
- Introduce stakeholder monitoring groups (e.g., OFTEL)
- Promote Nigeria's privatisation (home and abroad)

- Review state of all parastatals and extra-ministerial agencies for restructuring.

Budget 2000 Imperatives

- Complete sale of listed firms securities by 31/3/2000
- Appoint Advisers for NITEL and NEPA by 31/3/2000
- Announce programme for sale of unlisted firms by 31/3/2000
- Bring NITEL to market by December, 2000
- Give NCC full responsibility as regulatory body before February 2000.

Enabling Environment Hinges

Leapfrog Concepts

- Internalise open economy values
- Adopt export-led growth strategy
- Emphasise factor endowments and cheap energy in industrial strategy
- Focus on effective systems
- Recognise need to keep adapting to a changing globalised environment
- Manage economic fundamentals to stay globally competitive.

Key Measures

- Keep inflation low
- Avoid budget deficits
- Ensure fiscal discipline
- Implement privatisation.

Budget 2000 Imperatives

- Agree MTEP with IMF/World bank by January 2000
- Reach agreement with Paris Club by September 2000
- Strengthen CBN data bank capacity to help keep inflation below 10%
- Develop capital budget release programme to boost consumption in noninflationary way
- Improve wages to spur consumption.

D. Closing Prayer

THE DYNAMIC OF HISTORY WAITS FOR NO COUNTRY. THEREFORE, WE HAVE TO ACT NOW

Favourable Factors

Significant goodwill following democratic transition

- Government's positive signals have been favourably recognised (local and foreign)
- Opening-up gas sector should generate significant future cash streams
- Increased attention to solid minerals potential.

Maintain The Momentum

- Decisions will be tough and in many cases, initially, unpalatable
- However, tough decisions are best made during periods of high goodwill and legitimacy
- Value of tough decisions must be properly communicated to all stakeholders in order to capture and retain commitment at all levels.

Public/Private Sector Partnership

- Much is expected of public sector initiative particularly in creating an enabling environment for investment and growth
- Private investment is a more efficient substitute for public resources which can then be freed for more needed areas
- In response, private sector must make a strong commitment to Nigeria's economic development.

Private Sector Commitment

- Join anti-corruption crusade
 - Address intra and inter-private sector problems (transparency/integrity)
 - Expose "Toll Gates" and publish offenders
 - Cooperate with law enforcement agencies
 - Educate society to frown on corruption starting with self.

Boost Trade and Investments

- Undertake trade missions
- Support local private investment initiatives
- Market Nigeria
- Encourage peer pressure to enforce standards quality, performance and ethics
- Co-operate to sell abroad.

Job Creation

- Improve capacity
- Improve productivity.

• Education / Skill Improvement

Actively develop management capabilities/capacity

- Support executive exchange programmes private/public sector
- Assist public sector management development Private Sector Business Schools/ASCON
- Invest in education
 - Youth training
 - Industrial exposure
 - Private education

Environment

- Support environment protection initiatives
- Reduce private sector pollution, e.g. gas flares.
- The task of rebuilding is not that of Government alone
- We must subordinate our individual interest to the bigger national interest
- We must remember -

"THE IMPORTANT THING IS AT ANY MOMENT TO SACRIFICE WHAT WE ARE FOR WHAT WE COULD BECOME."

REALITIES

"HUMAN HISTORY AFFIRMS THAT OUR DREAM IS REALISABLE ... BUT MUCH DEPENDS ON WHAT WE DO NOW."

CONCLUSION

The Summit stressed that Nigeria is at the dawn of a new dispensation faced by a window of opportunity which she must not miss. The expectations are high and democracy dividends are expected. But the road to accessing the window of opportunity is rugged, hence, the need for Nigerians to persevere and persevere in the short to medium term.

The President of the Republic in his closing remarks suggested the extension of invitation to local government chairmen to participate in future Summits. This has to be considered and an appropriate format designed to accommodate such expansion.

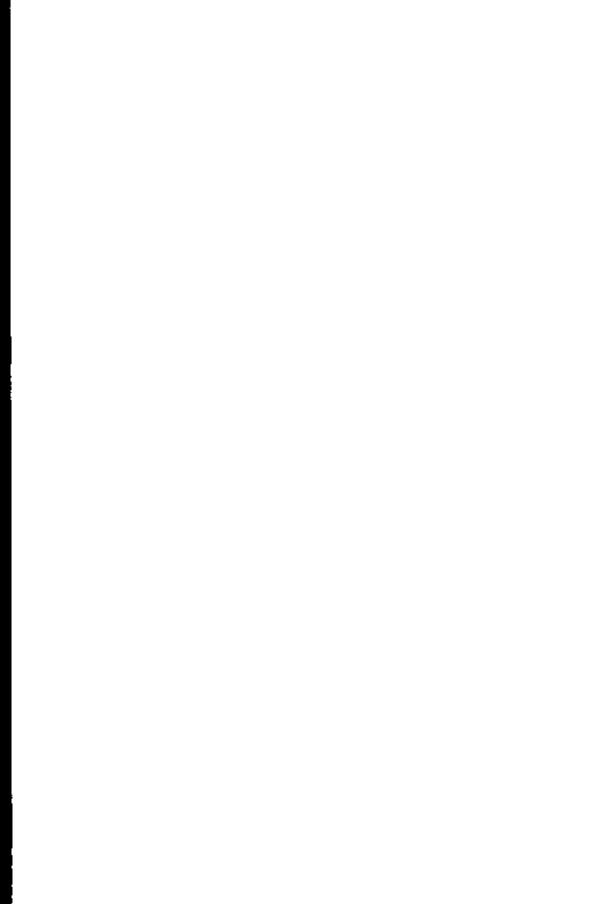
Previous Summits had made recommendations but subsequent ones had hardly taken stock of the score sheet of implementation, and the lessons learnt from implementation. NES #6 has adopted an Action Agenda which is a summary of key recommendations of the Summit, the implementation of which will be monitored beginning with Budget 2000.

The presentation was concluded with reminders that

- EXPECTATIONS ARE HIGH
- MOTHER NATURE IS BEHIND US
- WE HAVE WILLING PEOPLE
- WE HAVE A WILLING WORLD
- WE CANNOT AFFORD TO FAIL
- · AS GOD IS ON OUR SIDE, SURELY WE WILL NOT FAIL.

"NOW IS THE TIME TO CAPTURE THE CLOSING WINDOW OF OPPORTUNITY!"

Appendices



Appendix A:

Programme of Events at the Sixth Nigerian Economic Summit – Abuja, October 20 – 22, 1999

Theme: "Rebuilding the Nigerian Economy and Enhancing Productivity"

DAY 1, Wednesday 20th October, 1999

2.00 p.m.	Registration	All participants
3.00 p.m.	Group Leaders Meeting	All Co-Chairmen, Rapporteurs Scribes, Facilitators and members of the Organising
		Committee
4.00 p.m.	Press Briefing	Organising Committee
7.30 p.m.	Dinner	All participants
	Welcome Remarks	Mr. Pascal G. Dozie, Chairman,
		The NESG
	Special Guest of Honour	Vice-President, Alhaji Atiku
		Abubakar
	Guest Speaker	Maurice Tempelsman, Chairman,
		Corporate Council on Africa
	Vote of Thanks	Mr. Gamaliel Onosode

DAY II, Thursday 21st October, 1999

7.30 a.m.	Group Leaders Meeting	Co-Chairmen, Rapporteurs, Scribes and Facilitators (not present at the previous session) and members of the Organising Committee
8.30 a.m.	Participants and guests take their seats	All Participants and Guests
8.55 a.m.	Arrival of Chief Olusegun Obasanje President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria	
9.05 a.m.	Welcome Address	Pascal G. Dozie – Chairman, The NESG.
9.15 a.m.	Keynote Address/Declaration of Summit open	President Olusegun Obasanjo
9.45 a.m.	Presentation by the Private Sector	Mohammed Hayatu-Deen/ Funke Osibodu
10.45 a.m.	Options for eliminating the debt obstacles to the International Financial Institutions' support to Nigeria	James Harmon Chairman, U.S. Export-Import Bank
11.15 a.m.	Ministerial Presentations	Honourable Federal Ministers
12.15 p.m.	Briefing on Workgroup discussions	Henry Okolo/Asue Ighodalo/ Fola Adeola

12.30 p.m.	Announcements/Vote of Thanks	Chief Kola Daisi
12.50 p.m.	President departs	
12.55 p.m.	Group discussion (lunch to be served in the committee rooms)	All Participants
5.30 p.m.	Press briefing	Representatives of the Private/ Public Sectors
6.55 p.m.	Workgroup discussions cont'd (Dinner to be served in the committee rooms)	All Participants
DAY III, Fr 8.00 a.m.	riday 22nd October, 1999 States Plenary Session	All State Governors
10.30 a.m.	Presentation by the National Assembly	Chief Evan Enwerem, Senate President
11.00 a.m.	Feedback from Workgroups	All Participants
1.00 p.m.	Lunch (at designated venues)	All Participants
2.15 p.m.	Feedback from Workgroups Cont'd	All Participants
4.00 p.m.	Arrival of President Olusegun Obasanjo	
4.10 p.m.	Presentation of Recommendations of NES#6 to President Olusegun Obasanjo	Dayo Lawuyi/Pat Utomi
5.00 p.m.	Closing Address/Declare Summit closed	President Olusegun Obasanjo
5.30 p.m.	Press briefing	Organising Committee
7.30 p.m.	Gala Dinner	All Participants
	Special Guest of Honour Vote of Thanks	President Olusegun Obasanjo Alhaji Bamanga Tukur

Master of Ceremony:

Henry Okolo/Asue Ighodalo/ Fola Adeola

Appendix B:

Speeches and Presentations

 Rebuilding the Nigerian Economy: The Strategic Imperatives By Maurice Tempelsman, Chairman, Corporate Council on Africa, USA

Introduction

It is a great pleasure and honour for me, as the newly elected Chairman of the Corporate Council on Africa, to be with you tonight, on the eve of the 6th Nigerian Economic Summit.

The Corporate Council is the premier association of American business active in Africa, and we have had a long and productive history of collaboration with the Summit organisers. The goal of our collaboration has always been the same: to improve the enabling environment for investment in Nigeria, and in the process, to set the stage for real growth and progress in this greatest of African nations.

This year, your Summit theme, "Rebuilding the Nigerian Economy and Enhancing Productivity" reflects the positive outcome of recent political events and takes us a step further on our common road.

The prospect of good governance is a powerful attraction, a development the friends of Nigeria have long awaited, but, the question remains: Will this reform programme work, where others have faltered?

The Corporate Council on Africa has confidence in Nigeria and believes that you will succeed – for a variety of reasons, which I shall elucidate – not the least of which is the overall strategic environment.

The Policy Context

The first reason for our confidence has to do with the Nigerian policy context within which reform programmes must operate, and without which no credible progress can be made.

I believe few in this audience would disagree with the assessment that, in the past, Nigerian policy under military regimes has often served to undercut, rather than support,

a productive national economy. The policy context itself was burdened by corruption, as were the processes of government and business. The administration of President Obasanjo is thus to be praised for singling out the elimination of corruption as the *sine qua non* of rebuilding the Nigerian economy. But, as President Obasanjo has noted, tackling corruption is not enough. Nigeria's new reform programme therefore lays out an interrelated and coordinated series of reforms for both the medium and the long term.

As we in the Corporate Council understand it, that programme includes:

- constitutional reform resulting in a stronger and stabler federalism
- economic reform centred on the private sector and new investment
- military reform aimed at a purely professional corps, removed from politics
- security reform designed to bring peace to the various areas of tension in the country.

As we further understand it, the new reform programme is also based on key objectives relating to social equity and the well being of all elements of society, including such goals as

- the elimination of poverty which will require real economic growth rates of at least 6%; and
- a functioning economic infrastructure that ensures that lights work, telephones
 connect and the lines at the gas pumps disappear.

These are vital and laudable aims, which Nigeria's foreign friends will recognise as indispensable to fulfilling your nation's vast promise. Already, the regard of potential new investors has turned open and hopeful. But achieving that great potential will depend as well on other factors, many of which transcend Nigeria's borders.

The Global and African Contexts

For example, we know that no country today can operate in a vacuum. Both global trends and developments across the African continent will strongly influence your efforts to steer a better course for Nigeria.

The good news is that, at least in today's wisdom, global economic trends over the next decade seem unlikely to constrain Africa's economic prospects. The bad news is that foreign assistance levels and commodity prices seem equally unlikely to boost those prospects.

Debt reduction, perhaps even forgiveness, would be a benefit unto itself – but it will not provide the level of new resources popularly expected and required to attain 6% real growth. Only significant new private investment can do that.

Finally, we would do well to heed those economists who now believe that the high growth rates in Africa during the mid 1990s were due to a variety of coincidental forces that may well not recur during the next decade. If this proves true, most African countries could be stuck with real growth rates in the range of 1-4% annually.

By its own standards Nigeria will have to do better than this average...

There has been a recent debate in some American quarters over whether Africa is in full renaissance or in a free fall toward chaos. With respect, neither perspective seems to me to capture the truth. No less than other parts of the world, Africa is in transition. While the complexity of that transition and of the continent itself defy simple characterisation, one broad trend is a move from centrally controlled states and economies toward a more diffuse, liberalised system of politics and economies.

African countries are at various points along this spectrum of change. Many remain burdened by the legacy of old regimes — a legacy which inhibits their openness and adaptability to change. In most, the private sector remains relatively small and weak, and thus hard-put to take on its greater responsibilities in the new order.

Nigeria has just made a historic turn from its past, to face the future with vision, courage and determination. The Nigerian private sector is among the largest and most vibrant in Africa. Together with your country's strategic importance, that is why the world is watching you with such interest – and hope.

I need not dwell upon the negative effects of the AIDS epidemic, environmental damage, or the degradation of basic economic infrastructure throughout much of Africa. These facts, more than global economic trends or other external factors, pose the central challenge to sustained African progress.

So too, does conflict within and among African states. No real economic progress can be made in conditions of instability. The good news again is that African leaders have largely recommitted themselves to the imperative of ending conflict, and have begun to build regional security structures.

These serious challenges cannot be allowed to obscure the many recent gains that have occurred on the African continent. Among these are:

- the improvement in the human rights situations within most African countries –
 and this notwithstanding the terrible crimes of genocide and mass mutilation that
 have occurred
- the progress of democracy which, in spite of some setbacks, has now won the intellectual argument in Africa and has to its credit a significant number of successes
- the ascendance of economic reform programmes which, while not yet achieving a reduction in poverty levels, have nonetheless moved the African economy away from old rigidities toward more flexible market-based solutions - with resultant improvement in growth rates
- the discovery and exploitation of oil and gas along the West African coast a
 development which has made significant resources available to African countries
 for development purposes
- the rapid expansion of modern, growth-oriented sectors of the economy such as telecommunications and power generation and distribution, which augurs well for the future
- the creation by African states of regional peacemaking and peacekeeping organisations such as ECOMOG
- and, perhaps most importantly, a new generation of Africans, in tune with the new world economy, has arrived to lead the continent at the dawn of a new millennium.

The Strategic Implications for Nigeria

We at the Corporate Council believe these various trends must inevitably propel Nigeria into an even greater leadership role in Africa – and this for several reasons:

First of all, on the security front, Nigeria will not only remain the sole nation in the region capable of projecting its force across long distances on behalf of peace and security – it will now become a leader on security issues throughout the continent. This is why your military reform programme is both important and, we believe, it is likely to succeed. Africa needs a focused and effective Nigerian military force – and the world will assist you in this endeavour.

- Secondly, on the economic front, no other country in the region can perform the
 role of locomotive, pulling fellow economies toward higher growth rates. Thus,
 the region as a whole and its friends internationally are prepared to help you
 succeed in your economic reform programmes.
- Thirdly, on the political front, what I have called Nigeria's historic turn from authoritarian military rule toward true democracy and federalism is both vital and highly visible in a world ridden by ethnic and civil tensions. In a real sense, none of us can afford for Nigeria's bold new compact with the future to fail.

In sum, Nigeria's reform programme stands a good chance of succeeding where others have faltered precisely because the strategic context demands such success, and your friends are ready to help.

The Implementation of Reforms

What one might term the "strategic imperative" does not, of course, mean that such success is assured. Much will depend upon how this nation implements its reform programme. And here is where the international investment community will be watching closely, and such scrutiny will be particularly intense in several key areas to which I now turn.

Because it is so important, President Obasanjo's campaign against corruption will be closely monitored. Like poor governance in general, corruption has undermined the foundations of the Nigerian economy.

In any country, the entrenchment of unethical, rent-seeking behaviour leads inevitably to a dysfunctional economy which cannot produce enough jobs and which cannot address the needs of that nation's citizens.

Such practices, moreover, attract the worst kind of investors and businessmen – the kind that encourages more of the same and assist in the flight of Nigerian capital.

A successful anti-corruption drive, by contrast, will attract the kind of foreign capital that all nations compete for – the kind that can help create jobs, reduce poverty and address the requirements of social equity.

In sum, if Nigeria implements its anti-corruption drive quickly and effectively, the most significant battle of your reform effort will have been won, and the outside world will not fail to acknowledge the emergence of a truly new and vibrant Nigeria.

As the elimination of corruption is key to attracting the right kind of money and management, so too is the rule of law critical to establishing a conducive enabling environment for investment, both foreign and domestic.

And here I say foreign and domestic investment because if Nigerians do not invest in their own country, it is likely that foreigners will hesitate as well.

Will the reformed system in Nigeria assure investors of the sanctity of agreements? Will investors have alternative dispute settlement mechanisms available if the court system presents difficulties? Will investors and businesses be able to operate competitively in compliance with the anti-corruption rules of Nigeria and their home country, and in compliance with international law?

The answers to all of these questions must be yes! — and the answers must be reflected in deeds as well as words. Investors will be convinced by tangible results and accomplishments.

Such investors also take fright at civil disorder, and thus remain concerned about the continuing use of armed violence in much of Africa to address internal and regional problems.

Will Nigeria be able to dampen the tensions which exist in its own regions and adjoining ones? Will the solutions contribute to long term stability?

Will investors be able to safeguard their employees? If necessary, will they be able to evacuate them? What costs must be borne to cover the risks of damage from a breakdown in civil order?

These are the questions that weigh on the minds and decisions of global investors. Certainly, Nigeria is not alone in facing the challenges of potential instability and conflict. But if investment and growth is to take place throughout this vast nation, then civil order must be near the top of the priority list.

So must reliable infrastructure. Your government has affirmed the right of the Nigerian people to a reliable national infrastructure enabling them to pursue their daily lives and to progress. Investors, too, need phones that work; airlines that fly on schedule, safely; efficient ports and secure airports. Economic progress requires high quality education and health care as well.

Will the investments necessary on this front come from foreign aid and public spending, or in line with international trends, from a greater reliance on private capital and initiative? The private sector would prefer private sector solutions, but business

needs a basic infrastructure to get its job done, regardless of who builds that infrastructure.

Finally, there is the question of privatisation. What will it mean in practice? At one extreme it could entail a mere attempt to induce foreign ownership of minority stakes in existing state enterprises, in the belief that fresh money will solve the problem.

On the other hand, it could entail a genuine preparedness on Nigeria's part to remove the state from certain business sectors in the belief that private management, and not just money, is needed to attain world-class outputs and competitiveness.

President Obasanjo has said that the nation's privatisation programme will, and I quote, "...make the private sector the engine of growth. Government will henceforth content itself with the provision of an enabling environment...". And I submit to you that this is the way it should be.

Nigeria's privatisation decisions within this spectrum of state control versus. Private enterprise will determine the degree and quality of foreign investment in airlines, telecommunications, power and utilities, to name but a few.

And while enhanced private investment is by itself no panacea, I would respectfully submit that without it Nigeria will find little way to attain the 6% real growth rate required to eliminate poverty and secure the nation's future.

Rebuilding the Nigerian Economy - A Strategic Goal for All

Mr. Vice-President, Honourable Ministers, Mr. Chairman, Dear Friends, I have spoken frankly and from the heart. As you begin your 6th Economic Summit tomorrow, please allow me to leave you with the following thoughts in the same vein:

We at the Corporate Council believe that the Nigerian economy – like the Nigerian political system – can be rebuilt and made into a high performance operation worthy of Nigeria's potential and responsive to the demands of its citizenry and an increasingly competitive world. We believe that, at this moment, both the opportunities and the stakes are high.

The next ten years in Africa will not be easy. We may well see the end game of the political transition from rigid state structures toward more democratic models. And we will hopefully see the completion and fruition of economic reforms across the continent, resulting in high growth and better distribution.

But none of this will happen if Nigeria and a handful of other leaders in the region and beyond falter. And none of it will happen if the outside world does not lend its support to the reforms being undertaken.

In Nigeria's case, I believe that your friends — in America and Europe, in Asia and elsewhere — are indeed ready to help. Nor are those friends exclusively or even primarily to be found in the public sector. I can assure you that foreign investors want nothing more than to bring additional resources to bear on your behalf, as the context permits.

For example, the Corporate Council on Africa is sponsoring a trade and investment mission to Nigeria next February. We will focus especially on small and medium size businesses, the greatest creator of jobs in the U.S. economy, and perhaps, one day soon, in yours as we strive to create new partnerships between American business investors and Nigerian entrepreneurs.

Your ultimate success depends upon what you do - how you implement your laudable goals.

I have outlined some of the most important reforms that investors are looking for, but I would be remiss if I did not emphasise as well the importance of IMF and World Bank reform programmes.

President Obasanjo has made it clear that Nigeria intends to work closely with the international financial institutions in the nation's drive to attain – and again I quote from the President – "a transparent, market-driven, private sector-led, employment-generating economy, with low levels of inflation."

Mr. Vice-President, Honourable Ministers, Mr. Chairman, distinguished participants in this summit, I recall that on a recent visit to Washington, President Obasanjo said that democracy's dividend is....democracy.

So too, the dividend of real economic reform is growth ... which in turn provides jobs, health care and education for all Nigerians.

The Corporate Council on Africa stands with you in your determination to change Nigeria's image and reality so that they may reflect the greatness that is yours.

I thank you.

ii) Welcome Address By Mr. Pascal G. Dozie

Ladies and gentlemen, you are most welcome to the sixth in the series of the Nigerian Economic Summit. At the last economic summit I ended my welcome address by quoting Hernando de Soto thus:

"The Present has finally prevailed The Past shall not return The future is here."

I have to repeat this same quotation today because I believe it is more apt now than then. Last year we would say it was prophetic. Today, this statement is a truism. Return to civilian rule opens up the possibility to realise our economic potential which, in turn, is an imperative for a successful democracy.

As a result, we are gathered here to X-ray our national economy in order to ascertain how best we can arrive at a given level of sustainable development and growth commensurate with our resources for the ultimate wellbeing of the citizenry. On behalf of the Nigerian Economic Summit Group (NESG) I wish to thank the President of the Federal Republic of Nigeria, Chief Olusegun Obasanjo, and the members of his government for accepting to continue with the tradition of encouraging the Nigerian Economic Summit process. This process needs to be briefly explained in order to situate the Sixth Nigerian Economic Summit and the Summit process in proper perspective.

The Nigerian Economic Summit Group

The NESG is a non-partisan forum of private sector leaders from all walks of life covering the broad sectors of the economy including the manufacturing and commercial sectors, academia, labour, etc., who have joined together to analyse, understand and articulate the socio-economic issues of our time.

The concept of the NESG developed from a deep felt need for an objective and continuous dialogue and partnership between the Nigerian private and public sector leadership in the search for appropriate solutions to major socio-economic problems and issues for the benefit of all Nigerians.

National interest is the fundamental principle of NESG and its credo is the achievement of sustainable economic development through responsible private sector initiatives and drive with government providing the enabling environment.

Participation in the Nigerian Economic Summit is, therefore, open to private sector captains and top public sector officials and other stakeholders of this great country, Nigeria.

The general objectives of each economic summit are to:

- a) analyse the state of the economy
- b) prioritise the major economic and social issues
- c) provide practical and lasting solutions
- d) monitor the implementation of earlier recommendations, and
- e) provide guidance and policy inputs to the government on the short- and medium term economic and social policy direction.

Let me now turn to the work at hand.

The NES and the Obasanjo Agenda

We are delighted to note that the present civilian administration has started with the right agenda for creating an enabling environment. The President, in his inaugural address and subsequent speeches, has categorically sketched out the road down which he intends to take the country. The President identified eighteen *priority issues*, which his administration intends to tackle. Top on his agenda is the fight against corruption, which is the "greatest single bane of our society today." It is the single factor responsible for the inflated and outrageous cost of doing business in Nigeria and it has given the country a bad name at home and abroad.

Other priority areas of the administration include the crisis in the oil producing areas; food supply, food security and agriculture, law and order with particular reference to armed robbery, and to "cultism" in educational institutions, Universal Basic Education programme, exchange rate management, supply and distribution of petroleum products, the debt problem, drugs and organised crime, restoration of basic infrastructure—water supply, energy, telecommunication, ports, airways, national shipping, railways, etc; resuscitation of manufacturing industry, job creation, provision of housing for civilians and the armed forces; ECOMOG; health services; women and youth empowerment; and political and constitutional dialogue. In subsequent pronouncements, privatisation, commitment to economic liberalisation and financial market reforms and elimination of subsidies have been added as major priorities.

The Nigerian Economic Summit Group is in total agreement with the President that the above are priority issues which we should all put hands together to resolve. Our only difference could arise in classifying these issues into short-, medium- and long-

term as well as the measures required to address them effectively. Hence, this Economic Summit will no doubt be invaluable as it provides a non-partisan forum for dialogue between various stakeholders on the way forward and seeks to convert worthy priorities into a practical action plan.

The Sixth Nigerian Economic Summit

Your excellency, this is the Sixth Nigerian Economic Summit. Apart from 1994, the National Economic Summit has been held annually since 1993. It is our hope that a National Economic Summit will continue to hold each year on the date and month decided by the President.

The Sixth Nigerian Economic Summit is unique in two ways. It is the first to be held under a civilian administration. All three arms of government are involved. Even the states are also involved. Again, it is the last in this millennium. As Nigeria stands at the threshold of the 21° century, it is my belief that this summit provides a veritable opportunity for us to agree on an economic agenda to support our new found democracy and position our country for the challenges of the new millennium.

Ladies and gentlemen, the theme of the sixth Summit therefore is Rebuilding the Nigerian Economy and enhancing productivity. By rebuilding we mean to build again; to reconstruct; to create a solid foundation. We strongly believe that sustainable economic development can only take place if there is a solid foundation and enabling environment. By productivity enhancement, we mean the creation of material prosperity of this country through productive use of every available resource of the country - human, natural or created. It means that we must now earn and increase our prosperity through effective positive contributions to the national output which must be measured by increased effectiveness of each sector of the economy - agriculture, solid minerals, manufacturing, trade and distribution, petroleum, infrastructure, finance, services, etc.

It is clear that the priority issues identified by the President must be squarely addressed in order to rebuild our economy and to enhance our productivity. We must also show commitment and visible results to the outside world, so as to attract investment and at the same time get the necessary clearance to start negotiation with the Paris Club for some form of debt relief and debt reduction. In this regard we are proud of the successes of this administration in the diplomatic field. Nigeria has now been fully accepted and integrated into the comity of nations. All the sanctions imposed on the country have been removed. We now walk with our heads high in all international arenas. There is now visible commitment to the observance of human rights and the rule of law. What we need now is action to build lasting credibility and to secure active support.

In this regard, permit me to observe with due deference that the overall economic policy thrust of the government remains unclear. It is still largely confusing to prospective investors, whether indigenous or foreign. It is therefore important that we match our political gains with economic successes, and avoid policy reversals.

The whole world is now awaiting the millennium budget of the Federal Government. The minimum expectation will be a budget which jumpstarts the economy, brings a turn-around in the investment outlook and supports an accelerated level of expected GDP growth.

Mr. President, ladies and gentlemen, the specific objectives of the sixth Economic Summit, which we are gathered here to achieve include, but not limited, to the following:

- a) To continue with the private-public sector dialogue and cooperation process in a democratic setting
- To identify and define the macroeconomic framework for rebuilding the Nigerian economy
- To examine the economic priorities necessary for rebuilding the Nigerian economy
- d) To fashion out clear policies and strategies for enhancing productivity, and
- e) To develop an action plan and a timetable for rebuilding the economy and enhancing productivity for the next millennium.

As usual, the Summit process comprises five main sessions. The Summit is flagged off with a keynote address by the President, which will generally set the tone and direction of the Summit. The next session will be dedicated to paper presentation by private and public sector captains, as well as an invited foreign guest speaker. The Summit will then break out for group discussions. Each participant will be allocated to one of eleven workgroups during the breakout sessions. There will also be a special session dedicated to the states and the National Assembly. The final session will be the presentation of the recommendation of the sixth Nigerian Economic Summit to the President. The President will then declare the Summit closed.

What do we expect from the Sixth Summit? Briefly, I believe, we should expect the following:

- Continued public/private sector dialogue and cooperation
- Identification of economic framework for rebuilding the economy
- Our economic priorities well defined

- Clear policies and strategies for enhancing productivity, and
- An action plan and timetable for implementation of all recommendations.

One major shortcoming of the Summit process has been the lack of a mechanism for follow up and monitoring of the implementation of the recommendations of the Summit. In this regard I would humbly implore His excellency, the President, to consider the setting up of joint committees to monitor and advice on the implementation of the various key areas. This will not only improve performance but make private, public sector partnership more effective.

At this juncture, I will like to acknowledge the encouragement and support the Summit Group has received from the President of the Federal Republic of Nigeria, Chief Olusegun Obasanjo. The Economic Summit Group is encouraged by the call, in his inaugural speech, that all Nigerians should take up arms and work with him. Hence, I will like to remind all of us that, since our collective goals are the same, we must all join hands together and build a greater nation. Together we make it better.

Finally, ladies and gentlemen as I quote in the beginning so shall I quote in the end if only to ensure, that we all internalise the message.

Your excellency, distinguished ladies and gentlemen

"The Present has finally prevailed The Past shall not return The future is here."

Indeed, this future is ours to build by working together. I thank you for listening.

iii) Keynote Address of the President of the Federal Republic of Nigeria, His Excellency, Chief Olusegun Obasanjo, GCFR, at the Opening Ceremony of the 6th Nigerian Economic Summit on Thursday, 21st October, 1999

Protocols

I am delighted to be with you this morning to declare open the 6th Nigerian Economic Summit. The Summit is, indeed, an important annual event that brings together top-level executives from the private sector and government officials to discuss practical ways of advancing our economy, and enhancing public/private sector co-operation, in our renewed bid to develop and modernise our country. I congratulate the Nigerian Economic Summit Group for their initiative and efforts in ensuring that this forum is

held every year.

The Summit this year will be the first under a democratically elected government. May I, therefore, take this opportunity once again to restate our commitment to good governance, maintenance of the rule of law, respect for human rights, transparency and accountability and security of life and property. There is no doubt that our young democracy can be nurtured only in the context of a vibrant economy. We must, therefore, address the development imperatives of the country, and establish the firm foundation on which future generations can build.

I find the theme of the Summit for this year Rebuilding The Nigerian Economy And Enhancing Productivity very appropriate. Rebuilding the Nigerian economy is a challenge to all of us. Our people expect the dividends of democracy. It is the duty of all of us to work in concert with each other to rehabilitate the economy and meet the legitimate aspirations of our people.

To this end, the immediate priorities of government are poverty alleviation, the revitalisation and modernisation of agriculture, resolution of the external debt problem, and reform of the economy to achieve a higher level of efficiency. Our overwhelming dependence on oil as a source of foreign exchange earnings must be addressed urgently. We must lift the profile of the economy and rekindle the entrepreneurial talent of our people.

One of the long-term strategies for achieving these objectives is to invest in education. We launched recently a Universal Basic Education Programme to give impetus to educational development. Our children must be educated to the standards that enable them to compete in their generation, especially as they will live and work in an increasingly integrated and inter-dependent world.

In terms of infrastructure, energy, telecommunications, water and transportation must be improved to acceptable standards so as to reduce the high cost of doing business and attract genuine investors. Through privatisation, deregulation, liberalisation and the re-orientation of the bureaucracy, we shall create the enabling environment for investments. We shall pursue stable macro-economic policies including a market-determined exchange rate and lower interest rate. Clearly, however, the process of rebuilding our economy and enhancing the productivity of the resources with which Nigeria has been so generously endowed will take much more than government effort alone. The private sector is expected to be the major actor in economic revival and wealth creation.

It is my hope that the participants at this Summit will deliberate extensively on the

critical issues relevant to our objectives and the measures and programmes required to guarantee their success. The discussions at the plenary sessions and the group working sessions over the next two days must draw from the wide spectrum of informed opinions and expertise that abound in this room. I should however urge you to remember that while we must pursue our drive towards a market economy vigorously, it is important to create the appropriate safety net that secures the shortand medium-term welfare of the millions of Nigerians who may be disadvantaged but who also have rights to the basic necessities of life.

On our part, we will faithfully consider your conclusions and recommendations. I hope that such recommendations will include appropriate commitments by the private sector to which you will hold yourselves accountable. As the government pursues transparency and anti-corruption measures, I look forward to an increasing affirmation of good corporate governance to be exhibited by the private sector.

You must also gear up the enterprises you represent and prepare them for the inevitable competition that will accompany liberalisation and globalisation. Only those businesses that make the necessary investment and achieve the highest quality standards will be able to weather the storm of competition. Government's role is that of a facilitator to ensure a level playing field for all players in the economic arena.

I understand that this Summit for the first time will feature presentations by ministers who will discuss government programmes in their respective ministries. Time is also given to state governments to "showcase" the investment opportunities and incentives in their domains. I am pleased that your programme also features the participation of members of the National Assembly. All arms of government and all sectors of society must work together in order for us to achieve our dream of a modern country of free and happy people.

It is my pleasure to declare the Sixth Nigerian Economic Summit open. I wish you fruitful deliberations.

Thank you.

iv) Private Sector Presentation by Funke Osibodu/Mohammed Hayatu-Deen

The private sector presentation was made by Mohammed Hayatu-Deen and Funke Osibodu

The specific objectives were to

- review overall realities on the ground
- assess economic strengths and weaknesses
- discuss strategies for economic success
- define the necessary rebuilding process.

Overall Realities on the Ground

Nigeria, inspite of her abundant human and natural resources, remains one of the poorest countries in the world. This is largely unacceptable and difficult to believe.

The Human Development Indicators (HDI) on Nigeria ranks it amongst the lowest countries in the world as the table below shows.

HUMAN DEVELOPMENT INDICATORS

	1996
• Per capita income	<\$300
• Infant mortality rate (per 1000 births)	79%
 Labour force gainfully employed 	45%
Population literacy level	57%
 Population having access to safe water 	51%
 Household access to electricity 	34%
No. of connected telephone per 1000	4%

Nigeria also ranks lowest amongst the oil producing countries on the Human Poverty Index. This is buttressed by the figures below:

Human Poverty Index:- Nigeria Compared to other Oil Producing Countries

The country is bedevilled by:

- weak institutions and leadership
 - oversized and ineffective bureaucracy
 - weak judicial system.
 - Lack of respect for rule of law
- debilitating corruption
- weak security system -life, property, Niger Delta...
- decaying social and economic infrastructure
- timid and weak private sector
- high debt overhang
- weak unbalanced economic structure
- declining real sector
- negative capital flows
- non-existent market for long term funds
- abysmally low savings ratio
- · low purchasing power
- absence of an economic blueprint.

There is glaring misery and poverty all over Nigeria in the midst of plenty. Nigeria's economy has become overdependent on oil, a wasting asset. This monolithic economic base means that other sectors have been neglected and thus contribute minimally to total revenue. The table below clearly shows how non-oil sectoral contribution to revenue has declined over the years.

Sectoral Contribution to Export (%)

YEAR	AGRIC	MANUF.	CRUDE OIL	GAS	SOLID MIN.	OTHERS
1985	1.6	0.5	95.8	_	-	2.1
1990	2.2	0.7	97.0	-	-	0.1
1995	1.8	0.8	97.4	-	-	-

Over-dependence on crude oil.

This trend has not changed.

Assessment of Economic Strength and Weaknesses

All the foregoing depict the unfortunate realities on the ground and define, as it were, the weaknesses of the Nigerian economy on the one hand and the inherent challenges on the other.

The Challenge to Rebuild The Economy

- Broken down infrastructure and ineffective institutions cannot support economic development
- A strong economy is essential to sustain democracy
- Oil wealth must be invested wisely to build the rest of the economy
- We must start with our strengths and weaknesses.

Nigeria's Potential Strengths

No doubt Nigeria's strength lies in her abundant human and natural (untapped) potential, a fact often acknowledged by all and about which, most times, very little or nothing is done. These potential strengths include:

- endowment of petroleum resources particularly gas
- abundant agricultural potential
- vast solid minerals endowment
- low labour cost
- large and expanding markets
- strong entrepreneurial drive.

At the core of these potential strengths lay a series of bottlenecks, a continuum of weaknesses from which the economy must be disentagled if we are to rebuild our economy.

Oil Sector Bottlenecks

The goose that lays the golden egg is constrained by bottlenecks that threaten its survival. These are:

Upstream

- Inadequate funding
- Escalating clashes in oil communities
- Low incentives for gas exploration and eliminating gas flaring
- Revenue sustained by price, not volume growth.

Downstream

- Neglect/mismanagement of refineries
- Pipeline vandalisation
- Collapsing distribution network

Regulated pricing.

Agricultural Sector Bottlenecks

Nigeria's agricultural sector is a major economic strength because, if properly managed, it will:

- guarantee food self-sufficiency
- · provide inputs to agro-allied business
- ensure sustainable export earnings
- increase job creation/poverty alleviation.

However, there has been sharp decline in food sufficiency over the years. This is compounded by a population growth rate that averages 3% per annum.

Thus as the table below shows, Nigeria's population is growing faster than the rate of food production with basically two major consequences:

- Less food intake
- Rising food import bills estimated at about N40b by 1995.

Sharp Decline in Food Sufficiency

<u> 1985 - 1990</u>		<u> 1991 - 1995</u>	
Staple food	4.3	2.3	
Livestock	-1.1	0.6	
Fish product	7.7	2.9	
All Food	4.1	2.2	

To reverse the sharp decline in the agricultural sector, the following bottlenecks would need to be removed:

- Land use act which is a major impediment to agricultural development
- · Ineffective research institutions
- Ineffective technology and low level of mechanisation
- Lack of appropriately priced loan
- Failure to accept that subsidies do not work
- Attempt to keep the Naira artificially strong thereby depressing agricultural prices
- Inadequate linkages between various agricultural sub-sectors
- · Inadequate rural infrastructure

- Roads/distribution system
- Storage
- Corruption constraining free movement of agricultural inputs and outputs.

There are specific weaknesses in other areas which if removed would enable Nigeria actualise its agricultural potential. These are in the following areas:

Overcoming of Specific Weaknesses

- Manufacturing
- Infrastructure
- Labour productivity
- Law and order

The manufacturing sector presents a particularly pitiable picture. Nigeria compares poorly in terms of value added in the manufacturing sector when compared (in GDP terms) with selected countries with similar economic history.

Manufacturing Value Added

1995	% Share of GDP
Malaysia	33
South Africa	24
Brazil	24
India	19
Nigeria	5

The poor contribution to the GDP by the manufacturing sector can be traced to the following bottlenecks

Manufacturing Bottlenecks

- Infrastructural problems
 - Power
 - Telecommunications
 - Water
 - Transportation
- International competitiveness
 - High cost
 - Unskilled manpower

- low quality
- Long term funding
- Tariff structure
- Sanctity of contracts
- Security problems
- Low purchasing power

The infrastructural problems that impede manufacturing activity have combined to increase the cost of doing business and made Nigerian manufacturers uncompetitive.

Power as a Bottleneck

In the case of power:

- Less than 30% of population has power
- Existing capacity inadequate
- Private investment in new power is therefore critical
- Lasting solution is the privatisation of NEPA as an urgent priority.

Telecommunication as a Bottleneck

The table below shows the telephone lines per 1000 people in selected countries. Nigeria ranks lowest with a single digit index.

INFRASTRUCTURAL BOTTLENECKS - TELEPHONE USAGE

Country	Telephone lines per 100 people (1994)
Sweden	684
Malaysia	147
South Africa	91
Brazil	74
Indonesia	13
India	11
Nigeria	3

There is an apprehension of urgency in this area because of progress in telecommunications in the world. Developments in the telecommunications infrastructure are important because:

Telecommunication Progress

- Telecommunications is crucial to rapid economic development
- Technology is advancing in quantum leaps.
- Information and technology have no borders
- Nigeria needs to expedite privatization and stimulate competition
- Telecommunications is crucial to rapid economic development
- Technology is advancing in quantum leaps
- Information and technology have no borders.

Water Supply as a Bottleneck

Lack of potable water supply is a health hazard and Nigeria has consistently lagged behind on this index as the table below shows:

WATER

Country Potable Water	% of Population with Access to
Sweden	100
South Africa	99
India	81
Malaysia	78
Brazil	73
Indonesia	62
Nigeria	51

Transportation as a Bottleneck

Our transportation system have remained a significant source of unnecessary cost to the manufacturing sector largely because:

Transportation System

- Poorly integrated national transport system
- High incidence of "toll gates"
- Gross under investment in transportation
- High cost of doing business.

In specific terms bottlenecks in the transportation sub systems result from the following:

TRANSPORTATION BOTTLENECKS

Roads

- Inadequate feeder roads to rural/agricultural areas
- Roads overstretched by cargo traffic
- Irregular maintenance of road network.

Rail

- Obsolete equipment
- No significant investment since independence
- Untapped potential for cargo haulage
- Migration to standard gauge necessary.

Ports

- Inadequate Port facilities
- Uncompetitive tariff structure diverts business to neighbouring countries
- Long lead time for clearing hinders business
- Absence of 24-hour clearing facility raises costs
- Long queuing time to berth, costs money.

Strategies for Economic Success

Now we know "where we are" better but the big question is WHERE DO WE GO FROM HERE?

This far we have reviewed and assessed current economic realities as we see it highlighting the major parameters that depict the unhealthy situation, the ways in which our weaknesses manifest in our institutions and various sectors of the economy and the vast human and economic potential. Next is to discuss the way forward. The strategic imperatives for achieving economic success in Nigeria is predicated on the following reasonable assumptions.

Strategies For Economic Success

- Growth fundamentally comes from continuous innovation and change
- · Clear vision and globally competitive strategy are essential to success
- Involves entire value system
 - Work ethics and productivity
 - Honesty and accountability
 - Openness and learning environment.

Underlying these strategies are forces shaping the world (TINA) which no country can ignore

Forces Shaping the World

- Globalisation
- Technological change
- Liberalisation.

These forces provide no alternatives. It is imperative for Nigeria to take them seriously. But first what are the components and consequences of these forces:

Globalisation

This means that

- manufacturing and service industries know no national borders
- firms compete with truly global strategies.
 - Selling worldwide
 - Sourcing components/materials worldwide
 - Locating activities in nations with low cost advantage
 - Mergers/acquisitions and alliances to gain strength
 - Capital flows internationally to credit-worthy nations.

Technological Change

Technological changes have been

- Pervasive and accelerating
- Micro-electronic technology has miniaturized the world, advanced information systems has made the world a small village

- Internet
- Telephony
- E-Commerce

Technology is Replacing Labour and Raw Materials

There have been amazing developments in

- Bio technology
- Laser technology
- Robotics
- Precision farming
- Cloning
- Miniaturisation.

Liberalisation

Other component liberalisation means

- free markets foster more rational allocation and more efficient utilisation of resources
- free market and competitive economies thrive
- exports, not imports, are the engine of growth
- liberalisation and competition enhance innovation
- governments everywhere are privatising state enterprises.

Baking a Bigger Cake

The bottom line of this strategic approach is for Nigeria to be able to bake a bigger cake. A bigger cake would directly impact on poverty, national institutions, due process, justice, equity, sustainable economic development and democracy, improved Human Development Indices and, above all, a Nigerian society of everybody's dream.

Nigerian Vision

The need to bake a bigger cake is predicated on lessons we have learnt about our past, realities today, and the way forward. These lessons include:

Lessons Learnt

- Exploit natural resources and agriculture to fund development of a modern economy
- Channel such funds to create a modern infrastructure

- educate the populace with relevant skills, especially information technology
- develop a base for technological capability, and
- position Nigeria for global competitiveness
- have a clear vision and strategy which is essential to building a great nation
- develop strong and visionary leadership to lead the way
- have a well articulated economic blueprint and consistent policies essential to national progress.

Recipe

- Long Term Vision
 - Ultimate dream
 - Economic blueprint
- Medium Term Strategy
 - Rolling plan
- Short Term Plan
 - Budget
- Strong economy fosters democratic institutions

The recipe is to have a long term plan: an economic blueprint. It is the ultimate dream. It enables us to envision the long term state; develop medium term strategies, that is the rolling plan, and articulate our short- term plans (the annual budget) for achieving the envisioned state.

The rational remains the same, bake a bigger cake, build a stronger economy that fosters democratic institutions and set Nigeria on the path of sustainable economic growth, and development and stable democracy.

Long-Term Vision

The long term vision should aim at:

- 10% annual growth rate
- top 25 ranking in Human Development Index (HDI)
- creating a robust and globally competitive economy
- making the basic needs of life affordable for every Nigerian
- fostering a united, industrious, corruption free, caring and God fearing democratic society
- building Africa's leading economy.

Medium-Term Strategy

Our medium term strategy should be articulated to lay a solid foundation to support sustainable economic development by

- Specifying a clear macro economic framework
- Making Government to be an enabler
- · Assisting the private sector to be the engine of growth

Macro-Economic Framework

- Focus on areas of competitive advantage
- Foster free and open markets
- Institute fiscal/monetary discipline
- Target single digit inflation
- Ensure consistent economic policies
- Privatization of state-owned enterprises.

Government as Enabler

By Government as an enabler we mean that Government should:

- create enabling environment to stimulate private sector savings & investments, exports
- facilitate development of modern infrastructure
- develop human capital (education and health)
- ensure security of life and property
- · ensure sanctity of contract
- ensure rule of law.

Private Sector as Engine of Growth

Assisting the private sector to become the engine of growth requires that we:

- invest to create jobs and expand economy
- ensure best global practices and standards
 - ethics
 - productivity
 - quality
 - innovation
- create sustainable comparative advantage
- invest, invest, INVEST!

Short-Term Plan

The annual budget beginning with budget 2000 should address the immediate short-term aspects of the envisioned state in the context of the medium-term strategy.

Budget 2000 must be consistent with the long-term vision and medium-term plans. In this way there is harmony of purpose, consistency and therefore stability in the planning process.

Budget 2000 must have developed and specific action steps which would lay the foundation for rebuilding and jump-starting the economic recovery process through the following sectors of the economy:

- NES #6 is focused primarily on the short-term plan.
- Budget 2000 must be consistent with long-term vision/medium-term plans
- Develop specific action steps as foundation for:
 - AGRICULTURE
 - MANUFACTURING
 - INFRASTRUCTURE
 - FOREIGN LOAN/DEBT MANAGEMENT
 - OIL AND GAS
 - SOLID MINERAL
 - FINANCIAL SYSTEMS
 - Must JUMP-START economic recovery.

This is the focus of NES #6: the short-term plan.

The bottom line remains the same: baking a bigger cake.

v) Presentation by James A. Harmon - Chairman and President, Export-Import Bank of the United States of America

Protocols

It is a pleasure to be here in Nigeria with such a distinguished group with whom we share a common interest in developing trade and expanding upon Nigeria's great economic potential.

This is the first visit of an Ex-Im Bank Chairman to Nigeria in our 65-year history and

I hope it will prove to be a memorable one through the trade and business we create in the coming months and years.

I am pleased to be serving as chairman of the bank at this time because there has never been a President of the United States who cared more about partnering for trade and development with Africa.

For those of you who do not know us, the Export-Import Bank of the U.S. is the United States government's official export credit agency. In 1999, we financed \$16.7 billion of U.S. exports worldwide by providing loans, guarantees and insurance to credit-worthy buyers in emerging markets.

In sub-Saharan Africa, we provided loans and guarantees of \$600 million in 1999 – more than ten times the previous year. In the coming year, we expect to exceed \$1 billion.

Today, I would like to focus on the potential for increasing trade between the U.S. and Nigeria, and how the Export-Import Bank proposes to expand its financing to support this increased trade.

The importance of Nigeria in the overall economic development of Africa is clear to the U.S. government and business leaders. That is one reason why I am here today, why Secretary of State Albright was here yesterday and why so many high-ranking U.S. government officials have, and will come to your country this year.

Africa's time has come. The World Bank is forecasting a 4.2 per cent annual growth rate for sub-Saharan Africa during the next 20 years. Government subsidies and barriers to trade and investment are being reduced. Net foreign direct investment in the region has increased four-fold from 1990 to 1997. Aircraft and aircraft parts, oil and gas equipment and machinery are leading the way, but there has been recent strong growth in sales of telecommunications equipment and motor vehicles.

Africa's time has come – and the moment is now – for a strong U.S.-Nigerian partnership. Never has U.S. leadership supported this more than it does now, never has there been a larger, more successful African-American population residing in the U.S. – almost 30 million, and never has there been more liquidity of wealth in the U.S. searching for investment opportunities.

Nigeria's transition to a civilian democracy is helping to lay the foundation needed to improve economic conditions and attract capital that will provide greater prosperity to the country and to other countries on the African continent.

We are encouraged by President Obasanjo's first actions as head of state. He has taken a prominent leadership role in the region.

If there is anything we at Ex-Im Bank have learned from the recent global financial crisis – it is that we cannot have economic stability without political stability and we cannot have political stability without economic stability. Where these two conditions exist – by example Korea and Brazil – recovery progressed.

Conversely, in Russia and Indonesia, more difficult economic conditions continue to persist. Where there is transparency, good government, respect for the rule of law and leadership against corruption – there is also capital investment.

President Obasanjo has spoken of a democracy dividend. I like this term. I will copy it. I told him that there is such a dividend. Where there is economic and political stability of the kind that promotes transparency and good corporate governance, the investment climate becomes attractive and the country prospers. Ex-Im Bank programmes may be considered a democracy dividend.

Ex-Im Bank operates in high-risk, emerging markets but it does not act imprudently. Ex-Im Bank has not done business in Nigeria for 10 years. So I am especially pleased to report that two weeks ago, the board of directors of the bank approved the opening of our programmes in Nigeria.

Ex-Im Bank chose to open its programmes in Nigeria because we believe there has been progress in promoting transparency and good governance, and routing out corruption. We believe that further progress will materialise because your President is committed to reform of the economic and political systems.

It is for these reasons that Ex-Im Bank makes its financing available and that I believe there are tangible dividends accruing to Nigeria from these important steps of reform.

If Nigeria pursues a realistic budget, tax reform, and privatisation – investors could become very bullish. In short – business confidence and attracting foreign capital is not difficult to attain if Nigeria follows this recipe for economic reform.

Two weeks ago, we took a significant step forward in our partnership when we opened our financing in Nigeria. By providing financing in the private sector, Ex-Im Bank is opening the door for Nigerian businesses to obtain capital goods, raw materials, spare parts, and services from the United States.

We will consider applications for any of these purchases – small or large dollar transactions. Ex-Im Bank pre-cleared credit authorisations for 11 Nigerian banks and we are considering other banks at this time. So, qualified businesses in the private sector can access Ex-Im Bank financing directly or through these banks.

During my visit to Nigeria, I have discussed with Nigerian leaders, the signing of a memorandum of cooperation that will lay the foundation for developing the specialised financing structures needed for large-scale economic development to proceed by using hard currency commodity export contracts as security.

Entering into a project incentive agreement with the Government of Nigeria and Central Bank will allow us to take an important step forward that has the potential to create another form of financial empowerment, one that will provide economic growth and stability, along with the ability to invest in infrastructure development. With this project incentive agreement, the bank would be interested in considering financing for the Escravos Gas Project and the West Africa Pipeline.

As someone who spent 38 years as an investment banker in New York City, I cannot emphasise enough how important it is to have a strong private sector economy. But the U.S. Capital markets must come to know Africa better. During my private banking career, rarely did anyone make the case to me that there were investment opportunities in Africa.

The private sector must be engaged in the economy, and the best tool is through trade and investment. Africa will make its way onto the front pages of the American business and financial communities.

At the time President Clinton came to Africa eighteen months ago, Ex-Im Bank was open for business in about one-third of the countries of sub-Saharan Africa. I felt strongly that we should do more. So I am pleased that we were able to expand our programmes twice this year, now making Ex-Im Bank financing available in two-thirds of the countries of sub-Saharan Africa. That's right, over the course of last year, we have doubled the number of African markets where we are open from 16 to 32.

I am personally taking Ex-Im Bank's message directly to Africa's governments and businesses through forums like this and through official visits. In addition to my visit last year and this year, both members of Ex-Im Bank's board of directors and our senior Africa specialist have visited in Africa in the last 18 months, visiting 12 countries.

As I said earlier, I truly believe that Nigeria and Africa's time has come. With the

tools available through Ex-Im Bank, together with our sister trade-finance agencies, OPIC and TDA, we can make a difference in the region.

Expanding commerce between the U.S., Nigeria and the rest of Africa is more than just good business. It is also good for the people of all our countries. It helps foster greater understanding and cooperation among nations. Trade is essential for African development and for continued American growth and prosperity.

I hope that when people look back at this time, they will recognise that the year 2000 marked a turning point in U.S.-Africa trade relations, and our trade partnership. Beyond the symbolism, I hope that economic statistics will tell the story of expansion in trade that will have helped ignite economic growth throughout Nigeria and Africa. Most importantly, I hope the people of our nations see the benefit of expanded trade and I hope that Ex-Im Bank will have played an important role in making this happen.

Thank you very much.

Appendix C:

Ministerial Presentations

 The Role of Agriculture in the Nigerian Economy – Alhaji Sani Zangon Daura, Honourable Minister of Agriculture and Rural Development

Introduction

In spite of the rapid ascendancy of petroleum in the Nigerian economy since independence in 1960 and its paramount role in foreign exchange earnings and revenue generation, agriculture remains the backbone of the Nigerian economy engaging about 70% of the economic activities, providing food and fibre for a rapidly growing population, currently estimated at 108 million and accounting for about 38% of the Gross Domestic Product. No other sector of the economy touches the daily lives of the greater preponderance of Nigerians as agriculture.

The Role of Agriculture in the Nigerian Economy

Agriculture is the most important sector of the Nigerian economy. Its primary role includes the provision of food and fibre for the population, production of raw materials for agro-industry, production of export crops for foreign exchange earnings, generation of employment through primary production, processing and distribution and ensuring socio-political stability.

The wide range of agricultural products grown in the country, their industrial and dietary qualities and their demand in the national, regional and international markets are indicators of the high potential the sector has in the Nigerian economy in terms of job creation, wealth generation and socio-economic well-being of Nigerians. Agriculture has the potential of surpassing petroleum as the foreign exchange earner and becoming the "engine of growth" for economic development. Agricultural development is therefore necessary, if indeed, not a precondition for the development of the Nigerian economy.

The Agricultural Policy

Policy Objective

Nigeria's agricultural policy objective is to attain self-sufficiency in food production, achieve food security, provide raw materials for industry, earn foreign exchange from

export and guarantee economic diversification and development of the country.

Policy Thrust

The thrust of the agricultural policy is addressing the following:

- production and productivity
- food supply and food security
- poverty alleviation
- agro-industry, export promotion and marketing
- technology generation and dissemination
- environmental conservation and management, and
- agricultural information management.

Implementation Strategies

The areas identified are being implemented through the following programmes:

- Technology generation and dissemination through research-extension-farmerinput-linkage system
- Poverty alleviation programme through policy reforms, input supply and rural infrastructural development
- Afforestation, reforestation and land conservation programmes through communal forestry, arid zone afforestation, rehabilitation of degraded areas and desertification control and soil conservation programmes
- Farmer empowerment programme through small-scale fadama irrigation, special
 programme on food security, control of animal diseases and trans-boundary pests,
 food reserve and agricultural commodity marketing, and aquaculture/inland fisheries
 development programme.

The implementation of these programmes is private-sector driven while government provides the enabling environment.

Analysis of Issues and Policies

The dichotomy between urban and rural Nigeria in terms of development has to be bridged if the frustration of rural living is to be minimised and the potentials of the rural sector realised. Two recent trends are of great significance for the welfare of Nigeria's rural majority. First, is the virtual collapse of the little physical and social infrastructure that had been put in place. The other, is the impact of recent macroeconomic reforms that have tilted the domestic terms of monetary exchange heavily against rural Nigeria. The effects are the worsening incidence of poverty that has

left rural dwellers with virtually no disposable income to put to productive agricultural ventures, especially for the procurement of the farm input. The productivity of Nigerian agriculture therefore remains tragically low. In fact, most of the recent gains in agricultural production had occurred as a result of expansion of cultivable land, and the numerical strength of herds and stocks rather than increased productivity. Unless there is adequate provision of physical and social infrastructure in rural Nigeria and unless farm families are economically empowered, there can be no enabling environment for sustained agricultural development and the eradication of rural poverty in Nigeria.

Recent trends in the produce market also point to the need for market expansion in order to enhance access to foreign markets and for downstream investments. Of recent, the incidence of seasonal gluts has grown in frequency and intensity. Following the lifting of the ban on malted barley, the price of maize collapsed. Similarly, the rapid growth of cassava production has entailed real loss of income for farmers. The cotton market is plagued with gluts and unless farmers receive remunerative prices, sustained production will not be guaranteed. If remedial actions are not taken, the implementation of the World Trade Organisation agreement on agriculture portends more trouble for the Nigerian farmer, given his very limited capacity to compete internationally. Such measures will include support to agricultural production. Rural finance is also a critical need. At the prevailing interest rate and lack of enthusiasm on the part of commercial banks to lend to the rural sector, agriculture remains abysmally under-financed.

A close look at the programme landscape reveals certain fundamental weaknesses which impede policy and programme effectiveness.

Policy Instability

Policy instability has led to the absence of consistently pursued development strategies and continuity in programmes implementation and this has had severe drawbacks to growth.

Agricultural Research, Extension and Training

In the next millennium, increasing agricultural production will be achieved through increasing productivity using improved agricultural technologies including biotechnology rather than increasing area under cultivation. Thereafter, strengthening agricultural research, manpower development and provision of effective extension services will be critical to enhancing the performance of the agricultural sector of the economy.

Land Issues

While the problems of insecurity of land tenure, access to land, especially by women, and fragmentation of holdings to family members, continue to pose serious threats to the achievement of programmed agricultural activities, the most serious problem facing agriculture is the condition of the soil as it constitutes the medium in which agriculture is largely practised. Soil degradation, removal of vegetation cover and deforestation have caused low soil fertility and reduced agricultural output. Rate of loss of soil was given to be between 10 and 15 tonnes per hectare per annum with an estimated value of the degradation put at the colossal sum of about 1460b annually on organic and inorganic fertiliser to maintain soil fertility. The observed trend in land tenure and land degradation portends serious social economic consequences if not checked immediately.

Nigerian Agriculture and Uruguay Round (UR) Issues

As a result of Nigeria's membership of the World Trade Organization (WTO), the country is bound by the Uruguay Round Agreement in the conduct of international trade on agricultural commodities. Nigerian agriculture at its present developmental stage, dominated by the small-scale farmer and low productivity, cannot compete favourably with the more advanced agricultural economies of the developed countries of the world which the above agreement entails. However, the on-going negotiations on the Agreement on Agriculture in November offers a window for canvassing for better market access.

Economic Factors

The consequence of the deregulated economy since 1986 has been the high cost of money. The interest rate regime since the liberalisation has been high and this, coupled with the characteristic low return on investment in agriculture, have constituted serious disincentives to private sector investment. The high cost of basic input, especially of those with foreign exchange component, have escalated agricultural production costs. The harsh macro-economic environment thus created for agriculture has reduced the purchasing power of the farmer with the attendant less access to production inputs and adversely affected the size of farm-holding and profitability of agriculture.

Agricultural Budget

Government budgetary allocation to agriculture has been low and this has constrained the achievement of development goals. This problem has been manifested largely in the following areas:-

- Disparity between project costs and actual budgetary provision resulting in suboptimal allocation.
- Untimely release of funds, agricultural activities being seasonal and time-specific.

Remedial Action Prescription

The following remedial actions are required to increase agricultural production so as to effectively discharge the role of agriculture in the economy:-

- Improving the macro-economic environment through ensuring stability of the macro-economic parameters to encourage private sector participation in agriculture
- · Making agricultural credit system accessible and affordable
- Price support mechanism (buyer of last resort)
- Ensuring policy stability to give direction to prospective investors, both domestic and foreign
- Adequate and timely budgetary allocation as agriculture is a time-bound activity
- Development of germplasm and use of improved technologies to enhance productivity, increase production, raise nutritional status and assure sustainability of natural resources base
- Use of technologies that help reallocate land and labour towards high value marketoriented products that hold greater potentials for increasing incomes
- Improved cultural practice for traditional and non-traditional export products as well as processing, handling and food safety requirements.

Action Programme

A study carried out by the Food and Agriculture Organisation (FAO) of the United Nations in 1997 shows that Nigeria will have to substantially increase her investment in agriculture so as to realise her enormous agricultural production potential. The study gave a cumulative net investment in primary production, rural infrastructural development and agro-processing of US \$10.06 billion between 1997 and 2010 to achieve a target annual growth of 7.5% for the agricultural sector by the year 2010. About 60% of the investment required is expected to come from the public sector to address the critical issues of rural infrastructure, agricultural research and technology generation, agricultural extension, capacity building and other promotional activities. About 40% of the required investment is expected to come from the private sector which will be engaged in direct commercial agricultural production.

As an action plan, my ministry has articulated immediate, medium and long-term proposals covering the major sub-sectors of crops, livestock, fisheries, forestry, land resources, research, rural institutions and infrastructure.

Highlights of some of the programmes to be implemented between 2000 to 2002 period include production of 6 million seedlings of oil palm, 2.4 million suckers of plantain, among others, in the crop sub-sector. In the livestock sub-sector, 12 million heads of cattle will be vaccinated against contagious Bovine Pleuropneumonia. Fisheries will raise 26 million fingerlings. Research will produce 104 million vegetative cuttings of 19 major crops and 58 prototypes of labour-saving tools and equipment for use by Nigerian farmers. Details are provided in the annexure.

Conclusion

In conclusion, let me reiterate that it remains incontrovertible that agriculture has a very important role to play in the economic growth and development of Nigeria. As a matter of fact, agriculture continues to be the "engine of growth" and development in Nigeria. It is in this regard that the present administration has accorded top priority to the development of agriculture. I wish, therefore, to call on the private sector to take the driving seat in the development of the agricultural sector so that agriculture can play its rightful role in the economy.

Federal Ministry of Agriculture and Rural Development

Roles and Responsibilities:

Roles:

- ensuring food supply in adequate quantity and quality to keep pace with increased population and urbanisation
- expanding production of exports with a view to increasing and further diversifying the country's foreign exchange earnings
- promoting the production of agricultural raw materials for the extensive domestic manufacturing activities
- evolving appropriate institutional and administrative apparatus to facilitate a smooth integrated development of agricultural potentials.

Responsibilities

- agriculture is essentially a private-sector activity
- government responsibility, as a policy, is promotional and supportive
- government largely creates enabling environment through its programmes to address production and marketing constraints.

Issues of Agricultural Policy

- Macro-economic issues affecting agriculture, e.g. exchange rate, interest rate, tariffs, waivers, etc
- Technology generation and dissemination leads to increased productivity, promotion and food security
- Agricultural finance
- · Rural infrastructure
- Poverty alleviation
- Agro-industry, export promotion and marketing
- Rural institutions
- Environmental conservation and management
- Agricultural information management.

Targets

Activity	December 2000	Medium to Long Term
Indigenous fruit tree establishment	Raising of 80,000 assorted seedlings	Raising of 250,000 seedlings and establishment of 400 hectares of plantation
Integrated programme for desert control	Establishment of 40 ha woodlot	Production of 9,000,000 seedlings establishment of 800 ha of woodlot
Afforestation (shelter belt and woodlots)	Production of 70,000 seedlings of woodlots	Establishment of 600 hectares and plantation
Widescale use of simple affordable and labour saving tools	Promoting the use of 58 types of farm tools and equipment	Promoting the use of 58 types types of farm tools
Technology generation in production processing of agricultural commo- dities	Production of high quality seedlings of improved crop varieties	120 tonnes of breeder seeds of 18 major crops and 1.5 billion vegetative cuttings
Capacity building for middle level man- power development for extension delivery	Providing training for vocational skills acquisition for middle level manpower	Training of 7,657 trainees in vocational skills acquisition at National Diploma and Higher National Diploma

Activity	December 2000	Medium to Long Term
Animal health control and delivery: Survei- llance of livestock diseases	Animal vaccination campaign	Animal vaccination campaign to vaccinate a commutative of 100 million animals
Promotion of the use of different farm tools and equipment		
Livestock and pasture development. Animal health control and delivery: Surveillance of livestock diseases	Reviving livestock breeding centres and development of more grazing reserves	Development of 9 cattle mulitplication centres, 3 sheep and 4 goat breeding centres as well as stock route development and 37 livestock service centres
Aquaculture technology transfer	Training and capacity building	Expansion of training and capacity building at 5 zonal fish farms
Hatcheries establish- ment for fingerling production	Upgrading existing hatcheries and establishing new ones	Establishment of at least one hatchery per state
Promoting marine fisheries and stocking inland water bodies	Inventorisating of man- made lakes and reser- voirs	Annual stocking of the reservoirs and lakes
National Fadama Deve- lopment	Development of 6,000 hectares of Fadama land	Development of 150,000 hectares of Fadama land with an accompaniment of adequate washbores and 19,300 pumps

Activity	December 2000	Medium to Long Term
Industrial crop produc- tion	Provision of appropriate logistics for extention agents and rehabilitation of extension infrastructure	Incremental annual production of 6 million seedlings of oil palm for 40,000 ha. 26 million seedlings cocoa for 25,000 ha. 9 million budded stumps of rubber for seed for 400,000 ha
Strengthening of agri- cultural extension services	2,220 farmers to benefit from loans through NACB	2 tonnes of groundnut for 50,000 ha and million seedlings of cashew for 26,000 ha
Animal traction and hand tool technology		
Farm power improve- ment programme	2.8 million tonnes	
Food crops production of the following major crops	8.4 million tonnes	
Yam, cassava Sorghum		2,350 tonnes of seeds for 3,700 ha
Wheat		1,364 tonnes of seed for 17,000 ha
Rice		657.5 tonnes seed for 12,950 ha
Soil and fertiliser test- ing	Two laboratories to be completed	Three new laboratories in the remaining geo-political zones to be constructed
Soil map of Nigeria Phase II		to be constructed
Environmental management	Soil survey analysis of soil samples in selected states. Soil capacity classification and map ping	Soil survey of remaining state, analysis of soil samples and capacity map project
Agricultural land use	Soil degradation moni- toring and construction	Soil deregulation monitoring and routing land management

Activity

December 2000
non-off plot
Development of the agricultural land use and
management policy

Medium to Long Term

services

Promotion of proper land use and management

Review/Conclusion

- Improving the macro-economic environment through ensuring stability of macro-economic parameters to encourage private-sector participation in agriculture
- Increased private-sector participation in agricultural production
- Targeted or demand-driven research to produce improved planting materials and breeding stock supported with improved production packages
- Establishment of an agricultural credit system that is accessible and affordable to the farmer to stimulate production
- Improved rural infrastructure and maintenance irrigation facilities, roads, railways and jetties
- Self-reliance in farm input production, e.g. fertiliser, agro-chemicals, planting materials, farm equipment
- Irrigation to complement rain-fed agriculture
- · Encouragement of mechanisation
- Development of traditional and non-traditional agricultural export produce to increase foreign exchange income by a factor of 5 by the year 2000
- Increased development of primary and secondary processing both for value added and preservation
- Development of efficient storage and marketing facilities
- Establishment of a price support mechanism buyer of last resort to stimulate and stabilise production
- Conservation of natural resources and protection of the environment
- Agriculture to be profitable, sustainable and self-sufficient to provide security in food and raw materials.

ii) Environment as the Major Business of the Next Millennium -Ambassador (Dr.) Hassan Adamu, Honourable Minister of Environment

Protocols:

I am pleased and honoured to be invited to the breakout session of this important economic Summit whose theme is "Rebuilding the Nigerian Economy and Enhancing Productivity". The Summit has come at an opportune time when the need to follow-up on the recommendations of the recently concluded Washington World Bank/IMF

Seminar on "Nigeria – The Dawn of a New Day" has become imperative. The seminar has sufficiently recognised that without a proper attention being paid to the environment, there is really no way by which the Nigerian economy could be rebuilt, and its productivity enhanced.

It is important that we realise from the onset that the business of the environment is on the threshold of being the major business of the next millennium. At the global level, (i) about US \$300 to 600 billion is expected to be spent by the year 2000 on pollution control goods and services, rivalling the pharmaceutical industry, (ii) US \$1 trillion will be needed for new power generation capacity in developing countries and economies in transition, (iii) US \$250 billion is expected to be spent on energy efficiency projects over the next 20 years; and (iv) the global market for electric vehicles is expected to grow from virtually nothing in 1994 to US \$2.5 billion by the year 2000.

With the advent of democracy in Nigeria, international environmental companies are now poised to take advantage of the goodwill which Nigeria is currently enjoying. Both the government and international partner agencies shall in the coming millennium invest substantial sums of money in environmental projects such as the development of private power wind facility; and environmental improvement activities such as sustainable forestry operations and green technologies. Nigerian companies must be prepared for these win-win opportunities.

Rebuilding and enhancing our agricultural, petroleum, power and steel, industries, solid minerals, transport and infrastructural sectors without putting in place a viable environmental management system is like building a castle on a weak foundation. As I stated in my presentation at the Washington forum, the government has come to the realisation that the continuation of a "business-as-usual" approach by Nigerian manufacturing enterprises is a losing option. There is no better demonstration of this truism than the Niger-Delta crisis which has led to tremendous loss of revenue by both the companies and government. In effect, co-efficiency means increased profitability and productivity for the Nigerian enterprise.

Ladies and gentlemen, it is now evident that before international financing could be accessed for any investment project, most multilateral banks require an Environmental Impact Assessment (EIA) as a precondition. Such lending institutions would require compliance with the EIA Decree and related guidelines issued by the Ministry of Environment. It is our intention to seek the co-operation of Nigerian bankers to adopt this new approach to investment banking. The globalisation of a host of environment issues now has its attendant impact on global trade; such that international trade in a host of commodities are tied to their production through environmentally friendly processes.

As we are about to enter the new millennium, the Ministry of Environment shall encourage and promote local adaptation of best available technologies in order to improve local technical know-how, save money for industries and improve the environment. Furthermore, the Ministry of Environment shall complete the development of the framework for a comprehensive national guideline to address issues of response, compensation, liability and remediation for industrial pollution in order to insulate environmental issues from community political agitation.

The Ministry of Environment is already developing a mechanism for eco-labelling of products in order to raise consumer awareness about environmental effects of products and to promote the adoption of more environmentally sound production methods and technologies. It is also part of the ministry's agenda to assist in raising the consciousness of private and public enterprises and sustaining this for a time long enough to force some significant action.

On its own part, the private sector should strive for high environmental quality by manufacturing products with high environmental standards and refraining from damaging the environment of its neighbours. If we use resources more efficiently and sustainably, recycle raw materials and rejects, minimise wastes and dispose of them in an environmentally safe manner, then we are on the right path to sustainable growth.

The Nigerian business enterprise has a special opportunity in that it can avoid the tortuous path trodden by the older businesses in developed countries by going straight to best modern practices. It should not depend on rejected technologies dumped on us by more developed economies as the long-term costs will exceed the short-term benefits. High environmental standards are much cheaper to incorporate into new facilities than to add on once it is built. To clean up past mistakes is much more expensive than getting it right the first time. In any case, the Ministry of Environment will continue to be on the look-out for those firms that prefer the "business as usual" option and carefully guide them back to the path of environmentally sustainable investments.

I thank you for your attention.

iii) The Federal Ministry of Finance and the Nigerian Economy: An Address by Mallam Adamu Ciroma, Honourable Minister of Finance

Let me at the onset express appreciation to the Economic Summit Group which regularly organises this high level forum in collaboration with the government. The forum has become an annual dialogue between economic managers in the private and public sectors of the economy. The conclusions of the annual summit deliberations have always enriched the quality of policies that are aimed at improving the performance of the economy. It is therefore my pleasure to be here to share with other participants the policy focus of the Federal Ministry of Finance with particular reference to the management of the economy.

Treasury Function

The primary function of the Federal Ministry of Finance is to act as the treasurer of the nation. It, therefore, manages the instruments and processes for revenue generation, collection and disbursement. First of all, the Ministry monitors the performance of each line of resource in-flow into the Federation Account. It also ensures that every month, the credit balance in the account is shared to the beneficiaries in accordance with the revenue allocation formula. The beneficiaries of the federation account are specified in the Constitution while the indices or weights for the distribution are periodically updated by the Revenue Mobilisation Allocation and Fiscal Commission. The Ministry merely implements the law and the formula as an executor or a trustee. It, therefore, renders regular reports detailing the inflows and outflows from the account and any balance remaining therein in accordance with the wishes of the beneficiaries.

The Ministry of Finance also serves as the treasurer of the Federal Government. It manages the income and expenditure profile of the government. Whatever monies accrue to the Federal Government as its share from the federation account and those which accrue from its independent sources, such as those from its investments, are monitored and accounted for by the Ministry. It also releases funds to meet the expenditures of the Federal Government as approved by the National Assembly.

Revenue Generation

One of the basic functions of the Federal Ministry of Finance is that of revenue collection. It houses the Federal Inland Revenue Service (FIRS) which is responsible for the collection of Companies Income Tax (CITA). CITA contributed an annual average of **27b to the federation account between 1996 and 1998. The FIRS also collects Value Added Tax (VAT) and Petroleum Profit Tax (PPT) both of which generated average annual inflows of **34b and **71b respectively in the three years of 1996 to 1998.

The Ministry also houses the Nigeria Customs Service (NCS) which is responsible for ensuring the collection of import and excise duties as well as a number of special levies (such as port development charges, sugar levy, automobile development levy etc). Customs and excise duties collected in 1996, 1997 and 1998 amounted to \(\frac{1}{2}\)55b,

¥63b and ¥57b respectively. Total revenue collected through FIRS and NCS from 1996 to 1998 accounted for over 75% of non-oil receipts. The Ministry monitors regularly all the revenue collected from the oil sector. In addition to frequent field visits, the Ministry hosts a revenue monitoring and reconciliation meeting every last Thursday of the month at which all revenue collection agencies are represented.

The immediate plan of the Ministry is to deepen tax awareness and enforce greater compliance with tax laws. In this regard, additional VAT tribunals are being established across the nation to try VAT evaders while the interest of tax payers are being protected through the strengthening of the functioning of the Body of Appeal Commissioners. As for the enhancement of the collection of customs duties, this administration has re-introduced the pre-shipment inspection of imports with effect from September 1, 1999. Also, the computerisation of customs operations will soon be completed. Other measures will be introduced in the new year to narrow the chances for tax avoidance, punish tax evasion and give credit to prompt and accurate tax payment.

Budgetary Function

The Ministry of Finance plays a central role in the formulation and implementation of Federal Government's annual budget. The budget is not only a statement of income and expenditure, but also a compendium of government's intentions for the management of the economy and the governance of the people usually within a fiscal year. The budget is, therefore, a document into which all agencies of government make input. The Ministry of Finance then compiles and rationalises the various inputs to facilitate their adoption by the executive arm and their promulgation into law by the legislative arm. Once the budget is promulgated into law, it is the duty of the Federal Ministry of Finance to ensure its implementation as approved, including the release of funds through the issuance of expenditure warrants, as well as the monitoring of the achievement of the goals for which the expenditures are targeted.

Economic Management Function

The Federal Ministry of Finance also plays a key role in the overall management of the Nigerian economy. The Ministry, in conjunction with other ministries and agencies, notably the National Planning Commission and the Central Bank of Nigeria, strives to strike appropriate balance between fiscal and monetary policies. At any given time, appropriate balance must be struck between fiscal and monetary policies in order to moderate inflation, exchange rate, interest rate, balance of payments position and other indicators for monitoring the performance of the economy.

The Ministry of Finance plays an active part in ensuring the smooth functioning of the capital market. Through the Securities and Exchange Commission, it monitors the operators and the activities of the stock exchange. It also monitors the functioning of the insurance industry through the National Insurance Commission. The administration of micro credit to the low income group is carried on by the Ministry through the Peoples Bank while direct credit administration to small and medium enterprises is carried out through the National Economic Reconstruction Fund (NERFUND).

Of course, the Ministry remains the major shareholder on behalf of the Federal Government in the Nigerian Bank for Commerce and Industry (NBCI) and the Nigerian Industrial Development bank (NIDB). Despite their present state of illiquidity, the two institutions remain important in the provision of medium to long term financing for development in the country. Still on the financial sector, the Ministry licences Bureaux de change in the attempt to liberalise the buying and selling of foreign exchange in the economy, especially in respect of small purchases.

Accountability Function

The Ministry of Finance is actively involved in this administration's fight against corruption and lack of transparency. The Civil Service Rules and the Financial Regulations have been revised and made operational. The Ministry of Finance now lays much emphasis on faithful compliance with the Financial Regulations. As you well know, the accounting and internal audit sections of all ministries and government agencies are manned by officials from the Office of the Accountant-General of the Federation. These officials are under strict instructions to ensure that no payment is made except all relevant aspects of the Financial Regulations are complied with. In addition, the Directors of Finance and Supplies in all ministries have been directed to ensure that the sections of the Financial Regulations relating to the operation of stores are strictly complied with. This is to curtail waste and ensure that items purchased with government funds are used for the purposes for which they are meant.

When ministries and government agencies transferred their accounts to commercial and merchant banks earlier in the year, the liquidity in the economy became unsustainable. As part of the efforts to reduce the liquidity, the Ministry of Finance in collaboration with the Central Bank required all the ministries and government agencies to buy Treasury Bills (TBs) with the balances in their accounts that were temporarily surplus to their immediate needs. The measure, apart from its positive effect on the level of liquidity, served as a cost reduction mechanism. It facilitated active trading in TBs and prevented a situation in which government funds sat in ministries, and parastatals, bank accounts while the same government borrowed money from the CBN at a higher interest rate.

Economic Reform Function

The Federal Ministry of Finance is today in the forefront of implementing the policy of this administration in the area of rejuvenating the economy. The administration inherited an economy that has stopped growing and receding in all fronts. The GDP growth rate in the first six months of 1999 has been put at 1.5% in a country with a population growth rate of 3.5%. Capacity utilisation in the real sector is put below 30%. The Ministry, in collaboration with other government agencies, is facing up with the arduous task of deregulating the economy to transform it from being publicsector led to one that is private-sector driven. It is working with other Ministries and agencies to implement government's privatisation programme. The Ministry has, therefore, positioned itself for taking initiatives in the creation of fiscal and monetary environment that facilitates local and foreign direct investment and galvanises the private sector into leadership position in production and employment. It is pro-active in the design and implementation of poverty alleviation programmes and the provision and rehabilitation of critical infrastructure. The economy needs long term loanable funds, low interest rate regime and fiscal incentives that lower the risk of lending to and borrowing for the agricultural and the small and medium enterprises sectors in order to accelerate poverty reduction and employment.

External Sector Function

The Federal Ministry of Finance conducts Nigeria's relations with multilateral functions institutions such as the World Bank, the International Monetary Fund (IMF), the African Development Bank (ADB), etc. These institutions provide financial support and project financing to Nigeria. Much of the investment that sustains agriculture today was sourced from them. The Ministry also handles Nigeria's bilateral financial relations with other countries from which we have benefited significantly in terms of credits and grants as well as project financing.

The Ministry of Finance carries out all external borrowing on behalf of the Federal Government and issues guarantees for external borrowing by government agencies and state governments in accordance with the "Borrowing By Public Bodies Act". Until recently, it managed the resultant external debts from the borrowings on behalf of government. However, this responsibility has now been assigned to the office of the Chief Economic Adviser to the President. Even then, the Ministry of Finance remains a focal point in the monitoring and supervision of projects financed with external loans and credits.

The Ministry is doing its utmost to quickly conclude the dialogue with the Bretton Woods institutions for a Stand-By Arrangement (SBA) in order to accelerate the

inflow of foreign investment and open the way for debt sustainability talks with our Paris club creditors. It is working with other agencies of government and donors to rapidly overcome the erstwhile inclement investment atmosphere in the country and replace it with one that is investment-attracting and market-driven with immense opportunities for all economic agents to exploit.

Conclusion

All I have done in this paper is to highlight the main focus of the Federal Ministry of Finance and its agencies in the effort to re-direct the economy towards the resumption of growth. I have tried to down-play routine functions in favour of major policy direction. My aim is to let you see the goals which we are pursuing as one of the important channels through which this administration implements its economic and social revitalisation programmes.

I hope that the ensuing deliberations during this Summit will indicate areas in which the Ministry needs to pay greater attention or in which it needs to be more focused.

I thank you for your attention.

iv) Rebuilding the Nigerian Economy and Enhancing Productivity - Chief Lawrence Nwuruku, Honourable Minister of State for Industry

Protocols

It is my honour and privilege to address this eminent assembly on the occasion of the 6th Nigerian Economic Summit on this very important topic which is "Rebuilding the Nigerian Economy and Enhancing productivity".

The theme is particularly relevant in view of the myriad of problems which have faced our economy in the recent past. I wish, at this juncture, to commend the organisers of this Summit for providing a forum like this where public functionaries and private sector operators can exchange ideas on how best to tackle the various problems facing the Nigerian economy and repositioning it to compete in the global market economy.

Background Information

Experience has shown that industrial development in any country provides the brightest hope for sustained growth, employment generation, improved savings and investments, and indeed, economic development. There is no gainsaying that industrialisation

determines the dividing line between economically developed and the developing nations. Nigeria now ranks very low on the welfare scale. We have gradually slid from a position in which Nigerians enjoyed higher standard of living in the 1960s to a position where we now compete at the lower rung of the ladder of less developed nations. Available statistics indicate that in terms of per capita income, Nigeria is now the 13th poorest nation in the world. The above situation is rather unfortunate when considered against the huge resource endowment of the country. Thus, Nigeria, like other developing countries of the world, would depend on industrialisation to give her the quantum leap and the economic and technological transformation which are necessities in the quest for her economic and social development. Consequently, our present challenge should be how to articulate policies and strategies to make our industrial sector more efficient, productive and capable of competing in the international market.

In the early years of our nationhood, agriculture and mining, through the exportation of primary and unprocessed products, played significant roles in Nigeria's economic development. However, the world economic system has since changed and the prices of primary commodities have declined considerably due to availability of cheaper substitutes. It is clear, therefore, that we can no longer rely on primary and unprocessed products for our foreign exchange earning, but to process them locally as input into our industrialisation effort as value added.

Following from the above, the only alternative left for Nigeria, if she must participate in the global arena, is to pursue vigorously her industrialisation agenda. A situation where the contribution of manufacturing sector to Gross Domestic Product (GDP) continues to lie dismally on single digit is unacceptable. The performance of the industrial sector in the past decade has been abysmal. For instance, the contribution of the manufacturing sector to GDP from 1990 to 1998 had fluctuated between 5% and 7%.

Problems of the Industrial Sector

It is generally accepted that the poor performance of the Nigerian industrial sector is a fall-out of many factors which include the following:

- (i) unfavourable macro-economic environment
- (ii) poor infrastructural development
- (iii) inefficient institutional framework, and
- (iv) non-commitment to industrialisation by both the public and private sectors of the economy.

(i) Unfavourable Macro-economic Environment

Frequent changes, lack of focus and sometimes, inconsistency in macro objectives, policies and strategies have tended to affect industrialisation negatively. Such an environment has not encouraged investment, particularly foreign investment in the Nigerian economy. This unfavourable macro-economic environment has also contributed in no small way to the near collapse of the industrial sector as exemplified in high cost of operation, low capacity utilisation, weak competitiveness and high build-up of stocks, frequent and massive retirement of workers.

(ii) Poor Infrastructural Development

In most countries of the world, industrial performance depends greatly on the availability and efficiency of infrastructure such as transportation, telecommunications, energy, water supply, and industrial estates/layouts. In Nigeria, these have not been available in the right quantities, and where available, have not performed satisfactorily. Thus, since industrialisation relies very much on the availability and efficiency of these infrastructure, poor infrastructural development have to contribute to the poor performance of the industrial sector and, indeed, the entire Nigerian economy.

(iii) Inefficient Institutional Framework

The institutional framework put in place by government to enhance the performance of the industrial sector has not performed to expectation. The problem of smuggling, over-invoicing, under-declaration, importation of sub-standard goods, etc. are indications of non-commitment of some officials to duties.

(iv) Non-commitment to Industrialisation by both the Public and Private Sectors of the Economy

It is pertinent to note that although Nigeria has since realised the role industrialisation can play in the overall economic development, this has not been matched by the commitment to the development of the sector. For example, the successive budgetary allocations to industry by government have consistently fallen below the investment level in the sector recommended by the United Nations Development Programme (UNDP) for any developing country wishing to industrialise. Since the responsibility for investment in the industrial sector lies with the public and private sectors of the economy, the present state of the development of the sector can be attributed partly to the non-commitment of the two sectors.

The Challenges Ahead

Flowing from the problems enumerated above and our total experience in the management of the industrial sector, the following constitute the new policy direction of government for sustainable growth and development of the Nigerian economy:-

Creation of favourable macro-economic environment to encourage investment in the country

The driving force of any economy is first and foremost the prevailing macro-economic policies. Such macro-economic policies which manifest themselves in terms of inflation, interest rate, exchange and employment rates as well as income distribution, taxes and tariff regimes, play a key role in determining progress of the industrial sector and indeed all sectors of the economy.

Unless our macro-economic policies are such that they encourage investment, no sector of the Nigerian economy will make any meaningful progress in terms of development.

Rehabilitation and development of infrastructural facilities with a view to reducing cost of production particularly in areas of energy, transport, telecommunication and water supply

Recent events in our economy have shown vividly the crucial role of energy supply in our industrialisation efforts. Inadequate electricity supply by the National Electric Power Authority (NEPA) has compelled industrialists to invest in generators whose operation add to the cost of manufacturing. Where electricity is available, the cost to industries is a source of concern as industries are made to pay higher tariff rates than domestic consumers. This is against what obtains in many industrialised and industrialising countries like the United Kingdom (UK), United States of America (USA), Indonesia and Malaysia, among others. This situation was compounded in the recent past by the energy crisis arising from shortages of petroleum products and contributed to the low capacity utilisation and outright shut-down of some firms as it became increasingly difficult for them to run their operations.

Industrial Infrastructure

The competitiveness of any production outfit depends estensibly on its cost structure, especially overhead costs. This has to do with provision of infrastructure where there is none or provision to augment the inefficient ones that exist.

In addition to the provision of infrastructure, efforts should be made to address the issue of development of core industries like iron and steel, petrochemicals and chemicals, pulp and paper, foundry and forges, machine tools, and cement works. This is in view of their vital role in the provision of linkage effects with other sectors of the economy as well as providing the necessary input and raw materials for industrial development.

Another area related to infrastructural development is the need to promote Research and Development (R&D) as a matter of deliberate policy to encourage manufacturers to improve on the quality and cost so as to enhance the competitiveness of their products. Accordingly, generous incentives which are tax deductible are being provided for R & D carried out by manufacturers.

The place of standardisation and quality control is by no means less important in our quest for industrial development. In the present dispensation of liberalisation and competition, locally produced goods would only stand their chance if they meet international standards. Standard Organisation of Nigeria (SON) is, therefore, being strengthened to meet the challenges posed by quality expectation in a competitive international environment.

Availability of adequately trained manpower is another problem which is receiving policy attention. Lack of training and training in industrial management in particular, has been identified as one of the reasons for failure of industries. This training need is more critical in the promotion of small and medium scale enterprises in the country. Existing industrial training institutions such as the Industrial Training Fund (ITF), are being strengthened to carry out training in their areas of specialisation.

Resuscitation and Revitalisation of Ailing Industries

The immediate policy attention of government is focused on the resuscitation of ailing industries through ensuring:

- (a) Low inflation rate through increased domestic production and productivity
- (b) Appropriate exchange rate and incentives that guarantee low cost of production
- (c) Low and differential interest rates that will promote investment rather than commerce, and
- (d) Improved income distribution that would guarantee effective demand for locally produced goods.

Institutional Reforms

In line with government's current institutional reforms and reorientation, efforts are being made to restructure and streamline existing institutions to enhance their effectiveness in the process of industrial management. In this respect, considerable attention is being given to the Industrial Development Centres (IDCs) to act as catalysts for the development of entrepreneurship particularly for the promotion of Small and Medium Enterprises (SMEs). The states, local government areas and the private sector are, therefore, encouraged to identify with and utilise the facilities offered by these IDCs.

Promotion of Small and Medium Enterprises

In order to address the twin problems of unemployment and poverty, policy emphasis is being placed on the promotion of SMEs. Besides, emphasis is being placed on the SME as a strategy for the development of local raw materials. Viewed against the potentials of SMEs as a veritable instrument for rural industrialisation, I want to use this forum to call on states and local governments to take active interest in the promotion of SMEs for the development of their states and local government areas.

Industrial Development Financing

A major constraint militating against industrial development in the country has been identified as lack of adequate investible funds and high cost of funds when available. To overcome this problems, the Development Finance Institutions (DFIs) like the Nigerian Industrial Development Bank (NIDB) and the Nigerian Bank for Commerce and Industry (NBCI) are being restructured and strengthened for the effective discharge of their financing and development activities. In this respect, also, the Federal Ministry of Industry is considering the institution of a National Industrial Stabilisation and Development Funds (NISDF).

Commitment to Industrial Development

In order to achieve a quantum leap in industrial development, there should be a general commitment on the part of the generality of Nigerians. This should be demonstrated in terms of savings and level of investment in industrial development. As prescribed by UNDP and other international agencies, the level of investment in the industrial sector should not be less than 24% of annual GDP and should be consistent over time. Such investments should not only be on the productive sectors, but should be in areas which have great potentials to generate the necessary inter- and intra-sectoral

linkages and create the necessary multiplier effects in the economy. In this connection, I wish to draw attention to the subsystems identified under the Strategic Management of Industrial Development (SMID), otherwise referred to as the Industrial Master Plan (IMP), to move the overall industrial growth of the country. These sub-systems include:

- (i) foundries and forges
- (ii) metal fabrication
- (iii) pharmaceutical and chemicals
- (iv) rubber and plastic
- (v) food processing
- (vi) textiles and wearing apparel
- (vii) leather and leather products
- (viii) cement, and
- (ix) glass and ceramics.

The task before us, therefore, ladies and gentlemen, is for both the public and private sectors to re-invigorate their commitment to the promotion and development of these sub-systems.

Conclusion

I will like to conclude this paper, ladies and gentlemen, by drawing your attention to the place of industrial development in Nigeria. The journey so far has not been satisfactory. This is because the industrial sector has not been able to play its position in economic development. The major problems and constraints of the sector have been highlighted while policy measures have been prescribed. It is now left for this eminent gathering to examine these issues critically and map out strategies for the early realisation of our quest for industrialisation.

We have got the potential in terms of human and material endowment. All we need is a little more commitment and dedication and we will be there.

Your excellency, distinguished ladies and gentlemen, I thank you very much for your kind attention.

Thank you.

v) The Role of Oil in the Nigerian Economy - Alhaji (Dr.) Rilwanu Lukman, Presidential Adviser for Petroleum and Energy

An atmosphere of gloom always hangs over any Nigerian budget exercise that is undertaken during a period of low crude oil prices, as in the last two years. This is basically because no country in the world is as dependent on the sale of a single commodity, crude oil, and consequently as vulnerable to the vicissitudes of changes in its price, as Nigeria. The percentage of Nigerian export earnings attributable to petroleum rose from some 58% in 1970 to 97% in 1980. The contribution of petroleum export to government's total revenue increased from 0.8% in 1958 to 55% in 1974. The export of oil currently accounts for about 95% of Nigeria's export earnings, over 80% of Federal Government's revenue, and close to 30% of the country's Gross Domestic Product! This is too hazardous a situation for any economy to be in.

Efforts were made in the past to change the monocultural structure of the economy and broaden government's revenue base. Those efforts have, so far, had little effect, as the desired steady rise in the contribution of the non-oil sector to the economy has failed to materialise. Nevertheless, such efforts must continue, and indeed, be greatly intensified. The recent positive change in the political climate in the country as well as the present administration's strong commitment to liberalisation of the economy, privatisation and accelerated technological development should constitute a winning strategy in the pursuit of that most desirable objective of making the economy less dependent on crude oil. Paradoxically, the crude oil sector still has a major role to play in the realisation of that goal. Here is how.

Of all the elements that make up the real sectors of the Nigerian economy, the petroleum sector, both upstream and downstream, is the most developed, and therefore, the most capable of generating funds that are needed to either revitalise another real sector, like agriculture, or activate it, as in the case of solid minerals. It is also capable of providing much of the capital required for speedy development of education, technology, health, infrastructure, etc. that are *sine qua non* for rapid economic growth. This fact is well recognised in the main report of the Vision 2010 Committee which declared one of the core objectives required to turn the country into a middle income economy by the year 2010 as to, I quote, "develop fully the oil and gas sector to provide the launching pad for the development of the rest of the economy."

I now wish to address the issue of how to develop the oil and gas sector to play this very important role.

Upstream Operations

Activities in the upstream of the oil industry comprise exploration and production of crude oil. The main players in the Nigerian Upstream are the Federal Government, several major multinational petroleum companies, and, recently, increasing number of indigenous operators, who mostly carry out activities on their concessions through arrangements with some expatriate concerns. Currently, the main problems facing this sub-sector are:

- · inadequate investment
- · delays in cash call payments
- slow technological development leading to increased technical costs of production
- environmental degradation, particularly from gas flaring and resultant loss of means of livelihood for many, and
- disruptive community activities, capable of undermining investors' confidence.

The present challenge is to not only find solutions to these problems, but to attain the following new policy objectives that are considered vital to the oil and gas sector playing its launching pad role in the economy and which are the product of consultations and discussions with a wide spectrum of relevant public and private sector agencies:

- Increasing the crude oil reserve in the country through vigorous exploration efforts.
 It is the intention of government to increase the country's reserve to 30 billion barrels by the year 2003 and 40 billion barrels by year 2010.
- Increasing producibility to 3 million barrels per day (bpd) by the year 2003 and 4 million bpd by year 2010.
- Ensuring full utilisation of associated gas to stamp out flaring by year 2008.
- Promoting local content input in engineering and construction, supplies and materials utilization.
- Promoting maximum cooperation in communities of oil and gas operations.
- Ensuring judicious exploitation of oil reserves to ensure long-term benefit.
- Increasing private-sector participation (both indigenous and foreign) in all aspects
 of the petroleum industry through attractive fiscal incentives.
- Supporting measures to firm up oil prices in the international oil markets, through membership of international bodies dedicated to these objectives such as the Organisation of Petroleum Exporting Countries (OPEC and the African Petroleum Producers* Association (APPA).
- Maintaining domestic self-sufficiency in refining and distribution of petroleum products.
- Attracting local and foreign capital in the development of downstream gas ventures, such as the production of fertilisers, methanol and other petrochemical derivatives.

The present administration, in its short existence, has taken resolute steps to address the problems of the sub-sector and the attainment of its declared goals.

Niger-Delta Development Commission Bill

In an effort to seriously address the legitimate grievances of the indigenes of the oil-producing areas, the president, Commander-in-Chief, has sent a bill to the National Assembly aimed at attacking the problems of the oil-producing areas seriously and realistically. The bill seeks to enact the establishment of a Niger-Delta Development Commission with broad powers to deal with all the problems related to the development of the areas with a view to the restoration of peace and investors' confidence by seriously redressing the genuine grievances of the local population.

Petroleum Sectoral Review

Government has invited the World Bank to help undertake a comprehensive review of the petroleum sector. Senior officials of the Ministry of Petroleum Resources and the NNPC are collaborating closely with officials of the World Bank in the conduct of the review, which is to be very comprehensive and is aimed at identifying the most appropriate measures to be taken to resolve, among others, the current problems of the sub-sector, as well as attain government's set goals. The review is to last some eight months.

Regardless of whatever recommendations the review will throw up, there are certain obvious measures that Government can start putting into place or progress from present status, as highlighted below:-

Opening of New Acreage Frontiers

To achieve the goal of 30 billion barrels proven oil reserves, exploration activities must be expanded. Acreages in the recently blocked ultra-deep offshore are to be put up for open competitive bidding in the near future. The award of new acreages to foreign entities would be by way of Production Sharing Agreements, thus precluding the various constraints that plagued the old Joint Venture Agreements (J.V.AS).

Bringing Marginal Fields into Production

In addition to the opening up of new exploration frontiers, steps must be taken soon to bring abandoned marginal fields into production. Strong encouragement would be given to all those who have shown interest in particular fields to come speedily into agreements with the concession owners.

Recovery of and Reallocation of Unexplored or Poorly Explored Acreages
Stricter application of existing laws on diligence in exploration will have to be adopted

to recover acreages from unserious allottees. All those unable to meet their annual work programmes will stand the risk of having their licenses revoked.

Miscellaneous Measures

Apart from the above measures, steps will be taken to ensure that technical costs of JV oil exploration are brought down. A carrot and stick fiscal package will be put into operation rewarding those who introduce new technology to reduce costs and penalising inefficient producers. Efforts will also be intensified to monitor more effectively Joint Venture operations to ensure that government gets value for money paid in cash calls. Moreover, steps that have been taken that now ensure that delays in the payment of cash calls are things of the past will be sustained.

It is important to emphasise that attaining the set goals of increasing proven crude reserves to 30 billion barrels and daily output to 3 million barrels in the next 5 years, while geologically feasible is a formidable task and involves massive injection of capital of about \$40 billion to fund necessary activities. Out of this sum, government's contribution towards J.V. budgets above is estimated at \$15 billion. It is looking most likely that such funds would not be available from the traditional sources of funding government's participation in the upstream sub-sector. Innovative arrangements will have to be employed to generate these funds, and government is currently scrutinising various feasible alternate-funding mechanisms.

It should also be mentioned that the plan to increase daily crude output will necessarily generate, as well, a substantial amount of associated gas and there have to be in place contemporaneously projects for the consumption of such associated gas, in line with the Vision 2010's recommendation of phasing out gas flaring by the year 2010 and present policy target of achieving that goal even earlier, by 2008.

Gas Operations

With the recent loading of the first LNG ship from the NLNG's two-train facilities at Bonny, Nigeria's entry into the world LNG League can be said to be complete. Nigeria is now well on the road to diversification and stabilisation of its external revenues. With market deals concluded and the e.p.c. contract for the integrated "Train 3" project already awarded, Nigeria can look forward to covering 8% of the world's LNG market by the completion of that Project.

The promotion of gas utilisation has been on-going but has been very slow. Indeed, it can be rightly said that LNG production is coming twenty-five years late. However, gas utilisation has been gathering pace in the last few years which have seen the coming on stream of Chevron's LPG Extraction Plant and Mobil's NGL Plant at

bonny; Mobil is currently contemplating an independent Power Plant at Bonny. Of course, the largest power generating facility in the country, Egbin Thermal station, is gas-fired.

The West African Gas Pipeline project to pipe Nigerian gas to Ghana, Togo, and Benin, is also well advanced. More and more industry operators are switching to gas.

Their number would have swelled a lot more but for the fact that commercialisation of gas requires complex commercial arrangements involving many parties. The capital investments are usually large and commitments usually span long periods, of the order of 25 years. However, all these gas-consuming facilities make only modest contributions to gas utilisation compared with LNG. As mentioned earlier, the plan to boost daily crude output to 30 mmbdp would have been impossible but for LNG which will use up the associated gas co-produced. It is therefore not surprising that Nigeria LNG Ltd is already contemplating a fifth train.

Gas is the fuel of the future. It has the added attraction of being 'clean', this is, generating much lower levels of green house gases compared with other fuel like oil. With the increasing noises being made by environmentalists, Nigeria can look forward to a bright future.

Downstream Activities

This sub-sector is dominated by public enterprises. Nigeria has made huge investments in four refineries, with aggregate capacity of 445,000 bpd, and their small petrochemical adjoints, pipelines, (5000 kilometres), 21 product depots, including the three at refineries, petrochemical facilities as well as a major fertiliser plant. The sub-sector has been the victim of bad management, poor maintenance culture and has been in a state of decay until recently. The persistent interruptions in the refining and distribution of petroleum products, manifested in biting petroleum product shortages and long fuel queues at petrol stations reached crisis point just before the advent of this administration. The development took a heavy toll on the economy, and heavy foreign exchange expenditure had to be incurred to import products, even though the combined capacity of the refineries was much higher than demand. Indeed, the last of the refineries to be built, Port-Harcourt, was intended to be an export-oriented refinery.

The change of political leadership has rather strangely, on its own, brought about improvement in the products supply situation. The recent T.A.M. and Rehabilitation efforts in Kaduna and Warri Refinery are yet to be concluded. However, the aim cannot be less than maximum capacity utilisation. Since the local consumption is still

lower than the combined capacity of the refineries, there should be surplus products which can be exported to generate foreign exchange, contrasting with the erstwhile situation when huge amounts of foreign exchange were expended on products importation. Besides, the unhealthy situation where there is no buffer stock in strategic reserve to cushion the supply and distribution system against unpredictable eventualities in refinery operations can then be redressed, with the surplus so generated.

The lesson from the past is that there must be strong discipline in observing Turn Around Maintenance (T.A.M.), repairs, etc. promptly – a stitch in time saves nine.

The downstream sector, with the right atmosphere and attitude, can still become a significant foreign exchange earner. There is a need for further liberalisation and deregulation in the sector to attract necessary foreign investments to enjoy the full benefits of earlier investments in the basic facilities.

Membership of OPEC

Events in the last year have once again confirmed the immense usefulness of OPEC to its individual members. When discipline held sway among its members, OPEC was able to turn oil prices round from below \$10 to over \$23 recently. Nigeria will continue to stay in OPEC and fully participate in all its activities.

By way of conclusion, I will like to restate that oil will continue to play a major role in the Nigerian economy for many decades to come. Diversification of the revenue base of the economy can be achieved through, inter alia, increased use of natural gas, particularly by way of liquified natural gas. Further diversification is achievable through the government thrust in the refining, products marketing and petrochemical sector which is geared towards internal self-sufficiency and export, in order to generate employment, ensure technology acquisition and adaptation, as well as attract private-sector investments into these areas. However, it would still be necessary to continue to develop the oil and gas sector so that it can serve as a launching pad for the rest of the economy. In the short time available for this presentation, I hope I have been able to bring into focus the major issues in the development of the petroleum industry.

vi) Agenda for Power in Nigeria - by Chief Bola Ige, S.A.N., The Honourable Minister of Power and Steel

Introduction

The state of the electricity sector in Nigeria at the beginning of this administration (June 1999) was characterised by the following:

- gross inefficiency and ill-maintained system resulting in epileptic and erratic power supply
- continuous deterioration of facilities as installed capacity of 6,000 MW of electricity dwindled below the 2,400 MW peak demand level to some dismal 1,600 MW
- inadequate coverage reaching only 30% of the population
- low per capita consumption of less than 60 kWatt-hr per head
- provision of government subsidy on the sale of retail power by up to 170%
- losses in revenue estimated at №1.0b per month at July 1999 generation level of 1,600 MW due to non-technical losses.

The consequences of this inefficiency have led to unbearable increases in cost of production in the economy and a big blow on social activities.

Stemming the Tide

Against the background that electricity is an essential infrastructure and the lifeblood of national development and industrial growth, the Federal Ministry of Power and Steel has set an agenda to revamp the power sector. This is essentially to provide quality service in the short and long term as well as operate under a transparent framework.

The first step in this direction was to stem the tide of decline and decay in the power industry whose monopoly has been held by the National Electric Power Authority since 1972. The summary of actions taken is:

- thorough appraisal of existing systems and structure including physical inspection of installations
- setting targets for 6-, 12-, and 24-month periods to drastically reduce and eventually
 eradicate power outages
- programme to improve quality of service and quantity of power generated by refurbishing existing installations and feeding temporary supplies to the national grid.

In addition to the above, and in order to provide electricity to a greater majority of the population, the rural electrification project of the Federal Government has been stepped up. In the remaining part of 1999, work has commenced on a total of 186 hitherto

uncompleted projects with the view to complete and hook them on to the national grid within six months. And in the year 2000, another set of about 400 rural electrification projects will be completed.

The adoption of open tender process for all supplies, repairs, refurbishment and construction in respect of the generating stations, transmission and distribution of electricity as well as the rural electrification is amongst steps taken by this Ministry to promote transparency in government business.

Restructuring the Power Sector

In order to sustain an improvement in the delivery of power in the long run, government will restructure the power sector in the following ways:

- existing electricity power authority, NEPA, will be decentralised to reduce bottlenecks caused by over-centralisation and unnecessary bureaucracies.
- the power sector will be de-consolidated or unbundled into its elemental components

 generation, transmission and distribution.
- NEPA will be broken up into at least four groups comprising:
 - electricity generation outfit(s),
 - national transmission grid outfit,
 - electricity distribution outfit(s) and
 - national electricity power regulatory board
- the descendants of NEPA will be traded on the stock exchange and systematically privatised.
- Federal Government will divest its interests from the descendants of NEPA sufficiently to allow significant private sector control.
- the National Transmission Grid Company will be organised to facilitate bulk electricity trading
- the power sector will be deregulated and local and foreign investors will be encouraged to participate in all sub-sectors of power
- private initiatives including Independent Power Producers, IPPs will be encouraged to increase the capacities of the power generation, transmission and distribution
- an enabling environment for level ground and level competition will be created in the power market with the aid of appropriate power policy, legislative support and government incentives
- prices of retail and wholesale power will be driven by market forces.

Free Power Market

The goal of this administration is to provide electricity to all Nigerians for domestic or

industrial purposes in an open and free market environment. To achieve this, the quality and quantity of electricity will be assured by the participation of the private sector while an independent regulatory body maintains equity for all concerned as well as national security.

The main features of the emerging power market are summarised below:

- complete shift of ownership from public to private sector
- transparent framework which will remove all legal barriers in the power market and guarantee free competition
- guidelines for power purchase agreements and licences for IPPs to effect smooth operations
- increasing total power generated to 25,000 MW by year 2010 with private initiatives
- ensuring that all descendants of NEPA are fully privatised and under private sector control
- operating the National Transmission Grid Company to allow open access and free market bulk power trading
- opening up electricity distribution market to individuals or group to buy and sell electricity
- implementing multi-level metering system including pre-payment meters and computerised points-of-sale in concert with commercial banks
- operating differential billing system with prices driven by market forces.

Concluding Remarks

The efforts of the Ministry so far have yielded some encouraging positive results briefly listed below:

- frequencies and duration of wanton power outages have reduced significantly
- electricity power delivered to consumers has climbed from the 1,600 MW level in June 1999 to 2,400 MW as at the time of this report
- NEPA managers and staff have become more responsive to the consumer requirements and complaints
- · public impression of the electricity company, NEPA, has improved noticeably
- a host of foreign investors from all parts of the world and local investors have submitted proposals to participate in the emerging competitive power market in Nigeria.

The Ministry will continue to open its doors to suggestions and proposals and is prepared to collaborate with any group with viable solutions to enable the Ministry achieve its goals.

Thank you.

vii) Developing Solid Minerals for Profitable Investment - Dr. (Mrs.) Bekky K. Igweh, Honourable Minister of State for Solid Minerals

Development of Solid Minerals for Profitable Investment

Nigerians and non-Nigerians alike have not invested in mining in Nigeria due to various reasons. Whatever those reasons may be, they have by implication singularly or severally made mining unprofitable. Nigerians prefer businesses that make quicker returns on their investments. Solid minerals exploitation is not a fast way of making money. It is a slow but sure way of making money with a much longer gestation period than other businesses. Investors usually put their money where they make profit.

2.0. Benefits of Solid Minerals Development

Solid minerals are very important in the economic, social and technological development of Nigeria. Nigeria is endowed with many solid minerals, both metallic and non-metallic. These minerals have not been exploited for the maximum benefits of the nation. One of the most obvious reasons for this state of affairs was the lack of sufficient awareness in the past, on the importance of solid minerals in the national economy. I am happy to inform you that the present administration of Chief Olusegun Obasanjo realises the importance of solid minerals by giving it the priority it deserves through the appointment of two federal ministers for the Ministry of Solid Minerals Development. The main thrust of this Ministry is solid minerals development.

This implies that before the coming of the present administration, solid minerals were not well developed to meet the challenges of the national economy and consistent with the present privatisation policy of the present administration.

Solid minerals contribute to economic development in the following ways:

(a) Foreign Exchange Earnings: Minerals are required by industries all over the world, and therefore when we mine minerals here in Nigeria and export them, we earn foreign currency which can be used to obtain imported machinery and other items required for national development. Minerals for foreign exchange earnings are mostly metallic minerals which are mined for export, because Nigeria has not developed heavy and medium industries. (b) Saving Foreign Exchange Earnings: Conversely, foreign exchange earnings are saved when we produce in Nigeria minerals required by the domestic industries instead of importing such minerals for our industries. Minerals for foreign exchange savings are mostly industrial minerals which are usually bulky and have a low price on the international market.

Development of Infrastructure: Exploitation of minerals necessitates the provision of roads, electricity, water and telecommunications. Thus a remote area suddenly becomes lively when economic mineral deposits are found in that area because roads, power, water, communications, etc. are developed to serve the community.

Multiplier-Effect: When economic mineral deposits are being exploited, the community suddenly experiences an increase of money in circulation. Therefore various service-oriented industries usually spring up to serve the miners e.g. shopkeepers, taxis, tailors, welders, landlords, hotels, construction, banks, etc.

Development of Solid Minerals Facilitates Technological Transfer: The mining industry employs all aspects of science and engineering. Therefore mining engineers and technicians who are willing to learn usually become technologically experienced, after working in various sections of the mine for many years.

Solid minerals are located in all states of Nigeria. Therefore it can be seen that if you develop one industry, e.g. steel, coal or gold, you are only developing one area of the country. But if you develop solid minerals, you are developing the whole country.

Present State of Affairs with Solid Minerals Development

There are many known minerals occurrences, however only a very small number of them have been explored in detail. Most mining activities in Nigeria today are carried out on shallow alluvial deposits or outcropping veins.

Funding of Small Scale Mining

The small-scale miners lack access to finance for initial development and for working capital. The commercial bank will not lend money for exploration and mine development.

Impact of Solid Minerals on the Economy

Solid minerals have not yet made significant impact on the revenue generation of the government in recent years.

Role of Parastatals

The Nigerian Mining Corporation has continued to explore, establish new mines and produce minerals required by the domestic industries. But exploration has slowed down due to insufficient funds. The Nigerian Coal Corporation has continued to produce coal but the production has been very low.

Role of Organised Private Sector

The organised private sector is yet to be fully involved in the development of solid minerals. The private sector investors are unwilling to undertake exploration work.

Mining Policy

The new solid minerals development policy has been approved.

Raw Material Supply to Industries

There has been great improvement in supply of industrial minerals to manufacturing industries.

Some Issues Affecting Increased Private Sector Participation in Solid Minerals Exploration and Exploitation

Participation of Domestic Private Sector

The domestic private sector seems weak in mining activities. The sector has limited itself to small-scale mining.

Small Scale Miner and the Foreign Investor

Most of the mineral reserves available now lend themselves to small-scale mining. Foreign investors may not be interested in small deposits. Therefore, it is necessary to fund exploration work for establishing large mineral reserves to attract foreign investors.

Vested Interests

In some cases, it may be necessary to privatise state enterprises. This may set in motion forces opposed to the privatisation process. Workers and labour unions fear withdrawal of subsidies and reduction of size of workforce.

Solvency of the Company to be Privatised

Investors may not be interested in a loss-making enterprise. It will be necessary to improve the performance of the enterprise before inviting investors to acquire the enterprise. Government may have to write off liabilities of the affected enterprise.

Shortlisting of Incoming Private Investors

It is necessary to obtain information on incoming companies on their broad mining experience, how conversant they are with local laws and customs, their willingness to associate with local business and whether they will involve local staff in their operations. A sound financial and technical background will also be necessary.

Developing Solid Minerals in the National Interest

Foreign investors prefer minerals with high prices on the world market. These are mostly metallic minerals like gold, silver, platinum, tin, columbite, lead and zinc. But industrial minerals for domestic industries have a low export price, and are bulky, are usually ignored by foreign investors. Therefore, it is necessary for a deliberate effort by government to encourage the local private sector to produce industrial minerals. Meanwhile, government will use its parastatals to act as catalyst to stimulate interest in the production of industrial minerals.

Effect of Globalisation on Development of Solid Minerals

With rapid advances in information technology, the world has virtually become a global village. Furthermore, with the demise of the Soviet block the world is now under the strong influence of market forces, democracy and freedom to do many things. This means that our society is being exposed to stiff competition in the mining and other industrial sectors. Therefore, we must now be prepared for such competition in mining activities. Our minerals will remain in the ground untapped if our cost of doing business remains high, as investors will take their funds where costs of business are low.

Political Will

Development of solid minerals requires courage, skill and a spirit of adventure. Mining is a slow but sure way to wealth and thus it is not attractive to people who are not patient and are in a hurry to reap profits.

A lot of will power is required for continuous expenditure without seeing any returns. A lot of patience and perseverance is also required to overcome the numerous difficulties and uncertainties that may be experienced.

The Government has the strong political will to succeed. It is prepared to spend money on exploration which may or may not yield any fruits and will not relent in its efforts until favourable data on minerals in the country is obtained.

The challenges are not easy but with a strong will and dedication to the task, we shall surely succeed, God having enriched us with abundant solid mineral resources.

I wish to express my thanks to the Chief Economic Adviser to the President for giving me the opportunity to present this paper, and thank you all for your patience and for listening to me.

viii) Updating Infrastructural Facilities as a Means of Rebuilding the Nigerian Economy And Enhancing Productivity – Chief Tony Anenih, Honourable Minister of Works and Housing

As the theme of the 6th Nigerian Economic Summit, "Rebuilding the Nigerian Economy and Enhancing Productivity" suggests, the Nigerian economy has been badly battered and virtually brought to a state of coma in the last fifteen years or so. The abuses and neglect to which virtually all the sectors of the economy were subjected before the dawn of a new era, signified by the inauguration of a democratically elected government, are quite monumental and may be unprecedented in the history of Nigeria.

The aspect of the effects of the criminal abuse and neglect of the nation's economy which can hardly go unnoticed is the disturbing state of our infrastructural facilities and public utilities. These facilities are now crying for attention. Indeed, it is not as if this unwholesome development is just being uncovered or identified. Different people were drawing attention to it at different fora during the years of neglect but were conveniently ignored at the expense of the poor and helpless citizens of our great nation.

The importance of basic infrastructural facilities to the socio-economic development of any nation cannot be over-emphasised. The well being of the people and their contributions to the national economy will depend, to a large extent, on their access to good housing and transport facilities, among other things. It is against this background and in order to achieve the policy objectives of government in respect of sustainable environment, provision and maintenance of basic infrastructural facilities that the Federal Government of Nigeria has assigned responsibilities to various Ministries and other agencies.

As the Ministry charged with the statutory responsibility of planning, design, construction and maintenance of public infrastructural facilities like highways, bridges, public buildings and related engineering services, the challenges posed by this long-term neglect leading to almost total decay is enormous. This Government is however determined to reverse the ugly trend which it inherited. As a first step, the recommendations of the Presidential Policy Advisory Committee as they affect infrastructural facilities are now being implemented.

However, the extent to which the impact of the Ministry's efforts is felt will depend largely on the commitment of the Government as well as the provision of adequate funding for the effective discharge of the Ministry's mandate. As earlier noted, the last fifteen years witnessed a period of social inertia, economic impoverishment and

political disorientation partly because the successive governments during this period were lacking in commitment to the well being of the populace.

This unfortunate situation is already being reversed since the inauguration of this administration. In this regard, one of the first actions of the President was the setting up of a Presidential Policy Advisory Committee whose report has since been submitted while directives have been given for the implementation of its recommendations.

The efforts of Government are aimed at turning the economy around and improving the well being of the people. My Ministry-has reacted swiftly to the government's directive by packaging a well articulated action programme which will, no doubt, stimulate socio-economic development of the country within the next four years.

Top on the agenda is the road rehabilitation, construction and maintenance programme. The priority accorded the road sub-sector is based on the established fact that over 80% of the nation's commercial activities, especially the movement of goods and services, depend largely on road transportation. Although, considerable resources were devoted to road development especially in the period of the oil boom, the conditions of these roads do not justify the huge investment made on them when compared with roads constructed around the same time in other countries, even in Africa, to come nearer home. The poor condition of these roads can be attributed to bad maintenance policies, lack of effective supervision at the construction stages, inflated contracts, inadequate funding, etc. Inspite of the huge amount spent on the rehabilitation of roads under the PTF programme in the past four years, a great percentage of the estimated 200,000 kilometers of roads nationwide were in terrible state of disrepair when this administration took over the management of the nation's affairs.

However, the action programme of the Ministry has been directed towards the improvement of road network so that motorists and commuters can be relieved of the agonising experiences which they have been enduring over the years. Under the programme, 2,500km of road will be rehabilitated annually in the next four years, 1.300km will be constructed, 1,230km will be dualised while 24 bridges and modern services like telephone, rest stations, medical facilities and 24 hours rescue services will be provided.

The cost of implementing this laudable programme is quite enormous and cannot be accommodated by budgetary provision especially giving other competing demands which the Government must meet from the other sectors. In our determined efforts to find a lasting and sustainable solution to the problem of road development and maintenance in the country, we have accepted the fact that alternative sources of funding road development and maintenance in the country are now imperative because

the present cost of what we hitherto regarded as social services has grown beyond what government resources can adequately fund. We have also found out that private sector participation in road development and maintenance is not only a realistic necessity but also a matter of urgency.

Private-sector participation in the management of our highways should be encouraged since the economic cost of poor road maintenance is borne primarily by motorists and commuters in view of the fact that every one Naira 'saved' by cutting down on road maintenance increases the vehicle operating cost by about two Naira (that is 100 per cent) and raises the net cost to the economy as a whole. Apart from the fact that it is now obvious that the Federal Government alone cannot continue to develop and maintain our roads, private-sector participation in road management is the current vogue and trend in countries all over the world. Nigeria cannot be an exception to this new and realistic trend worldwide.

In line with this thinking and in order to ease the problem of funding as well as ensure the sustainability of the programme, my Ministry has articulated and proposed an effective economic and efficient road maintenance policy. The policy tagged "Road Vision 2000" is aimed at reducing the financial burden on the three tiers of government in the area of road maintenance. In this regard, the creation of a National Road Fund to be managed by a National Road Board is included in a memorandum awaiting the consideration of the Federal Executive Council. Both the World Bank and the International Monetary Fund are quite supportive of this new initiative.

In the meantime, the Federal Government has demonstrated its determination to bring about a substantial improvement in the condition of major federal highways in different parts of the country by allocating over ₹7b for road projects. The judicious utilisation of the funds has already commenced. While work is continuing on the on-going road projects, the process of awarding contracts for 74 new road projects began by opening the tenders for those projects on 5th October, 1999. The necessary procedures will be expedited so that work can commence on the projects during this dry season.

The new approach to the award, execution and management of contracts under the present dispensation is an assuring step towards successful implementation of government programmes and projects. The transparency which characterised the tenders publicly opened at the Sheraton Hotels and Towers, Abuja for the new road projects will go a long way in convincing the contractors, the general public and the international communities that genuine efforts are already being made to eliminate the "Nigerian factor" which has become the bane of government businesses in Nigeria. In order to complement these efforts, competent consultants will also be involved in the management of the contracts.

As part of the efforts to rebuild the nation's economy and improve productivity, this administration has indicated its intention to accord housing, provision of infrastructural facilities and environmental matters the priority they deserve. In this regard, the Ministry has also been mandated to give effect to the provision of adequate shelter and the improvement of the environment because it is only a conducive environment that can nurture healthy citizens who can participate actively in the efforts to move the nation forward.

In the specific area of housing, the Ministry has included in its action programme, the delivery of 5,000 housing units on annual basis over the next four years at affordable prices. The houses will be built in different parts of the country but with particular emphasis on areas where there is effective demand. Mortgage institutions will be supported and guided towards assisting the low income group who are the primary target of this initiative. The Site and Services Programme which will facilitate easy access to serviced plots of land will also be given high priority in the housing programme so that individuals can build their own houses at their own pace and according to their tastes and available resources.

The concern of this administration over the present state of infrastructural facilities in the country is informed by the conviction that these facilities can serve as an elixir of rapid socio-economic development if they are in place and in satisfactory state. The directive of the government to my Ministry on how to bring about a substantial improvement to the state of these facilities within the shortest possible time is also a measure of the policy thrust and commitment of the present administration to rebuilding the nation's economy and enhancing productivity in order to positively touch on the well being of the people and their living conditions. With this level of commitment and the improvement we are already witnessing in the nation's economy and its management, the realisation of the government's objective and the aspirations of the people is just a matter of time.

Appendix D:

Presentations by State Governors

Abia State of Nigeria

The 6th Nigerian Economic Summit, 20th - 22th October, 1999 - Abia State Position Paper on Rebuilding the Nigerian Economy and Enhancing Productivity

Background Information to Pre-May 29th Situation

In its nine years of existence, Governors and Administrators have come and gone and there is practically nothing on the ground to show for these nine years of statehood. The quality of life of the people has gone down; the environment is devastated by bush fires and, especially, gulley erosion. Many World Bank Project Programmes exist only in name, not affecting the lives of the farmers in the state. Palm oil and palm-kernel which used to be the mainstay of our export have been allowed to crumble, palm trees are now old and there is no systematic replanting for future growth. In the same vein, initiatives like the farm settlements of the pre-civil war days have been allowed to die. Today, Abia State is a net importer of food and vegetable oil.

In the industrial sector, the story is similar. Despite the existence of an enterprising and creative populace, successive governments have not seen the need to create the enabling environment incentives, leadership, direction, etc that would harness the energies of the people in productive enterprise. There are no serviced industrial estates. Even though the Abia landscape is littered with all sorts of small scale industrial ventures like metal fabrication, no effort has been made to organise them into value chains for purposes of enhancing their technology.

Furthermore, if we refer to basic infrastructure as the permanent installations that aid activities in other sectors, it is safe to conclude that all infrastructure are in a sorry condition; i.e., infrastructure for delivering quality health services, infrastructure for industrial development, for agricultural development and food production, including the standard infrastructure like roads, electricity, water, energy and telecommunications. None of the available infrastructure comes near national average, not to talk of international standards.

The general office environment is completely run down, depressing and highly uninspiring. Office equipment and machinery are obsolete and broken down, at this time of the millennium. The computer age has by-passed Abia State administration. These and other woes were what we met on May 29, 1999, and our first assignment was to provide a new focus and direction for governing and planning, and creating the enabling environment for the state. In this direction we are making efforts to redefine the purpose of public institutions, focus the energies of the people and public institutions towards achieving tangible results, create new ways of thinking about the role of government in society, and the relationship of the Chief Executive to the governed, and erasing citizen distrust of those in power. This distrust is why they will evade tax, shun government regulations, pay rent to public officials rather than pay tax. We are playing a catalytic role in bringing about change, trying to become better managers of resources, reinvigorating state institutions, developing a strategic plan and benchmarks for development. All these are geared towards the betterment of the life of the state citizeury and also to create the right environment for investors.

Investment Potentials of Abia State

We see the basic government role in the economy as the regulation and provision of necessary legal and infrastructural framework under which the private sector can operate uninhibited. We believe that government has no business in business. Under this arrangement, Abia State is presently rigorously pursuing a programme of commercialisation/privatisation of its existing businesses so as to give room for competition and private-sector management. Investment opportunities in Abia State, therefore, do not only include the outright sale of existing industrial outfits - glass industries, printing, hotels, tourism, etc. - but also to attract investors into the areas of energy generation, distribution, ports and telecommunications, gas, petroleum and petrochemicals, mining and quarrying, and other grey areas that enhance befitting existence but can be better managed by the private sector operators.

Most major local protective tariffs are speedily being removed. Government's policy is to provide, and is providing, infrastructure and industrial incentives to aid investors, thereby reducing their fixed costs and financing difficulties. In this regard, the state government has earmarked the development of some industrial estates/layouts in various parts of the state, complete with infrastructure at various stages of implementation. The state also provides a statutory Right of Occupancy to industrialists for industrial land acquired outside the industrial estates as to avoid undue trespass on such land. This is to ensure that land does not hinder any serious investor in the state from taking off.

Other incentive packages include:

Taxation

Tax reliefs, tax free dividends, company tax reduction, granting of pioneer status;

Effective Protection of Existing Industries

Removal of most customs and excise tariffs, including:

- (a) export license waiver
- (b) export Credit Guarantee and Insurance Scheme, which covers risks of non-payment by foreign buyers
- (c) pioneer status, which is granted on all investments where at least 50% of the products are for export.
- (d) Export Processing Zones (EPZ) have been established to provide industrialists producing for export the necessary facility and protection. Apart from the EPZ in Calabar which is also designed to serve Abia, the state itself has completed arrangements to establish an EPZ at Owertinta
- (e) Export Promotion: through export incentives
- (f) Foreign Exchange Facilities: The foreign exchange market has replaced the import licence practice.

This arrangement promotes ease of procuring the required amount of foreign exchange (Forex) at open market rates through the CBN.

This facility also makes easier:

- 1. The repatriation of import capital
- Payment of technology fees/royalties
- Operation of foreign currency domiciliary account (for exporters of non-oil
 products to enable them retain proceeds of exports in bank accounts
 denominated foreign currency).

One should add that apart from abundant natural resource endowment, Abia State boasts of one of the best concentration of skilled human capital in the African subregion, and this is available at affordable costs.

In summary, this administration inherited a bankrupt and indigent state whose development energy seemed to have expired. We were not deterred but have consistently converted these into a challenge to ensure that the boat into the next millenium does not leave Abia behind.

ii) Overview Of Investment Opportunities in Adamawa State - Adamawa State Government, Being a Paper Presented at the Sixth Nigerian Economic Summit, Held at the Nicon Hilton Hotel Abuja, From 20th – 22nd October, 1999

Introduction

I wish to, on behalf of the Adamawa State Government, thank the organisers of this Economic Summit for considering us worthy to talk on the investment potentials of our great state with a view to showcasing our investment potentials. This paper, therefore, is intended to synoptically look at the existing potentials of the state, especially those in the agro-based and solid minerals sectors. The paper will also look at the investment incentives which the state government has put in place to attract would-be investors to the state.

Adamawa State with its capital in Yola has a total land area of 42,159 square kilometres. The state is essentially a picturesque mountainous land transversed by big river valleys of Benne, Gongola and Yadzaram. The entire state has tropical climate marked by dry and rainy seasons. The rainy season commences in April and ends in October. Also, there are two notable vegetational zones within the state, namely:- the sub-Sudan zone and the Northern Guinea Savannah. The state has a population of 2.4 million people (1991 population census). With this figure, the state provides one of the leading markets in the North East sub-region. The state is also endowed with adequate skilled and trained manpower for the efficient management of investment projects in the state. It is also well connected with good network of roads and air transportation services. There is a good supply of electricity, water and telecommunication services. Land is also readily available for farming, trade and industrial project development purposes.

Since the creation of Adamawa State in 1991 from the defunct Gongola State, the government, along with a few private individuals, have been playing a key role in investment promotion in the state. These investments range from large to small scale industries. Despite these effort, more needs to be done to adequately tap the abundant resources which abound in the state.

Available statistics indicate that majority of the people of Adamawa State are involved in farming activities which include production of food crops, cash crops and vegetables. The Fulanis are renowned cattle rearers, while communities living on the banks of the rivers Gongola and Benue in the state engage in fishing. Government agencies like

the Adamawa Agricultural Development Project (ADADP), and Adamawa Tractor Hiring Unit under the State Ministry of Agriculture, have made significant impact on the farmers in increasing agro-based raw materials. In addition to farming activities, other income generating activities include trading tailoring, carpentry, craft-making, pottery, weaving etc.

Agro-based raw materials in Adamawa State

S/No.	Raw Materials	Location	Quantity (tonnes) '000	Products
1	Guinea corn (sorghum)	All LGAs	129,163.60	i. Guinea corn ii. Animal feeds
2	Maize	All LGAs	151,325.19	i. Semovita flourii. Animal feedsiii. Vegetable oil
3	Millet	All LGAs	96,250.40	i. Milled rice ii. Rice flour
4	Rice	All LGAs	54,630.25	i. Yogurt ji. Cheese
5	Milk	AllLGAs	289,205.00	i. Pasteurized milk ii. Ice-cream
6	Groundnut	All LFGAs but Vegetable oil mostly from Hang. feeds Ganye, Mubi, Maiha	31,144.66	i. Vegetable oil ii. Animal feeds
7	Cow pea	All LGAs	22,789.28	
8	Cotton	Guyuk/M/ Belwa, Shelling, Yola South	4,600.00	i. Textiles ii. Sanitary wares

S/No.	Raw Materials	Location	Quantity (tonnes) '000	Products
9	Sugar	Numan, Guyuk, Michika, Madagali Ganye	28,000.00	i. Sugar
10	Yams	Ganye, Jada, Toungo	NA	i. Yam flour
11	Cassava	Ganye, Jada, Toungo	NA	i. Starch ii. Glucose
12	Sheanuts	All LGAs	NA	i. Vegetable oil ii. Perfumes
13	Livestock i. Cattle	All LGAs All LGAs	2.8 million 1.8 million	i. Meat ii. Hides & Skin iii. Milk
	ii. Sheep	All LGAs	1.7 million	i. Meat
	iii. Goats	All LGAs	NA	ii. Hide and skin
	iv. Horses	All LGAs	NA	i. Meat ii. Hides and skin
	v. Donkeys	All LGAs	270,000.00	ii. Milk i. Meat ii. Hide and skin
	vi. Pigs	All LGAs	2 million	iii. Milk i. Meat ii. Eggs

Mineral-Based Raw Materials in Adamawa State

Available statistics also show that large deposits of raw materials are found in different locations of the state, majority of which are yet to be fully exploited. Even though detailed geological investigation of mineral deposits in the state is yet to be conducted as their estimated reserves are not fully known, geological survey conducted by TADCO Nigeria Ltd, Kano, revealed in Guyuk LGA alone, the following reserves of these solid minerals exist.

a.	Limestone	-	137,000,000 Metric tonnes
b.	Gypsum	-	14,000,000 Metric tonnes
c.	Chalk/clay	-	105,000,000 Metric tonnes
d.	Sandstone	-	5,000,000 Metric tonnes

The list of other mineral deposits found in the state in different locations are shown as follows:-

S/N	Raw Materials	Location	Quantity in Metric Tonnes
1	Barytes	Mayo-Belwa, Jada (Jantiles Koma)	Not quantified
2	Cassiterite	Yola South (Verie hills)	Not quantified
		Toungo Jada (Pola, Koma)	
3	Columbite	Mayo Belwa, Ganye	Not quantified
		(Gurim and Kalea)	
4	Clay/Ceramic	Guyuk (Bobini, Yukkul, Guyuk	Not quantified
		Banjiram) Mubi South (Madarya),	
		Mubi North (Vimtim) Gombi	
		(Garkida, Tsakasinta) Mayo	
		Belwa Kanyrde (Gyalen) Fufore	
		(Karlahi) Hong (All over LGA)	
		Demsa Gwamba, Borrong Dong,	
		Bille) Toungo (Dakka) Jada all	
		over the LGA shelleng	
5	Clay (Bentonite clay)	Mayo-Belwa, Guyuk (Bobini,	Not quantified
		Dikkul, Banjiram) Mobi South	
		(Madaniya) Gombi Garkida)	
		Demsa (Gwamba Borrong)	
6	Feldspar	Mayo-Belwa, Maiha, (Sarau)	Not quantified
7	Galena	Fufore (Karlahi)	Not quantified
8	Glass sand	Mayo-Belwa	Not quantified
9	Kaolin	Gombi (Tsakasinta)	Not quantified
10	Limestone	Guyuk, Demsa, Mubi South,	Not quantified
		Hong (All our the LGA) Gombi	
11	Mica	Jada (Jada) Mayo-Belwa	Not quantified
		Bajara, Mubi North (Mubi)	
12	Salt (Evaporate)	Guyuk, (Benjiram, Chikila,	Not quantified
		Kolah) Mayo-Belwa,	
		Demsa, Shelleng, Song	
13	Sphaterite	Mayo-Belwa	Not quantified
14	Marble	Mayo-Belwa, Song and Jada	Not quantified
15	Magnesium	Gombi	Not quantified
16	Trona	Gombi, Mayho-Belwa,	Not quantified
		Song, Ganye and Jada	
17	Zircon	Mayo-Belwa	Not quantified
18	Sandstone	All LGAs	Not quantified

S/N	Raw Materials	Location	Quantity in Metric Tonnes
19	Laterites and sands	Song, Fufore, Mubi North, Numan, Mubi South, Guyuk,	Not quantified
		Michika, Hong, Ganye and Shelleng	
20	Granite	AllLGAs	Not quantified
21	Quartz	All LGAs except Jada	Not quantified
22	Coal	Mayo-Belwa, Numan, Guyuk and Shelling	Not quantified
23	Gypsum	Guyuk, Mubi South Hong, Gombi, M/Belwa, Song,	Not quantified
		Shelleng, Numan, Yola South	
24	Uranium.	Mayo-Belwa, Michika	Not quantified
25	Yemenite/sphere	Fufore	Not quantified
26	Gold	Fufore	Not quantified

Investment Opportunities in Adamawa State

From the endless list of these agro-based and solid minerals resources in the state, the establishment of industries is made less difficult. The list includes both agro- and mineral-based raw materials as shown below.

S/No.	Products	Available Raw Materials
i.	Flour	Maize Sorghum millet wheat and paddy rice
2.	Rice milling	Paddy rice from all LGAs
3.	Vegetable oil milling	Groundnuts, cotton seeds and soya beans
4.	Animal feeds manufacture	Grains, bone meal, groundnuts cake,
		fish offal
5.	Dairy industry	Cattle, goats and sheep
6.	Leather	Hides and skins
7.	Fruits juice industry	Mango, guava, oranges, etc.
8.	Fish smoking	Fish from Benue river and Kiri Lake
9.	Tea/coffee growing and	Tea/coffee plantations in Ganye LGA
	processing	-
10.	Cotton growing and	Cotton from all over the state
	processing	
11.	Ceramic industries	Ceramic clay
12.	Ceiling board manufacturers	Bagasse from Savannah Sugar Company,
	_	Numan
13.	Industrial Ethno alcohol	Molasses from Savannah Sugar Company
		Numan

S/No.	Products	Available Raw Materials
14.	Cement Industry	Limestone and Gypsum in abundance in
		LGAs
15.	Salt industries	Trona in abundance in Song LGA
16.	Roofing and plaster boards	Gypsum available in 4 LGAs

Incentives to Investors in Adamawa State

A number of incentives are deliberately put in place in the state. These include:-

- 1. unimpeded access to available information
- 2. equity participation in project, if required by an investor
- provision of basic infrastructure in designated industrial layouts
- 4. tax concessions
- generous land allocation policy for industrial uses
- 6. the Adamawa State Government does several other things to encourage genuine investors. The state is willing to grant meaningful concessions to any individual or organization that is prepared to help improve the state's worthy industrial base.

Conclusion

The Adamawa State Government is therefore aware of the great need to have sound and conducive environment for investments in the various sectors of the state economy. In this regard, the state is calling on interested investors to come forward and invest in the state because of the ample opportunity created for every interested investor. Certainly, there are profitable investment opportunities in Adamawa State. Genuine entrepreneurs are highly welcomed to the state to avail themselves of these rare and rewarding business ventures. Once again, the state government is willing to give all the necessary support to would-be investors in the Adamawa State.

Thank you and God bless.

iii) Overview of Investment Opportunities and Incentives in Akwa Ibom State

Location

The state is located in the South-Eastern corner of Nigeria, within the enormously endowed Niger Delta basin. It lies between Latitude 4.33° and 5.55° North and Longitude 7.25° and 8.25° East. It is bordered to the South by the Atlantic Ocean, to the North by Cross River and Abia States, and to the South-West by Rivers and Imo States.

Geography

Akwa Ibom State occupies a territory covering 7.246 sq.km. It has three easily distinguishable ecological zones: the marshy lands of Eket, Ibeno, Ikot Abasi, Oron and Itu; the flat, low-lying areas of Etinan, Abak, Uyo and Ikot Epene; and the elevated grounds and undulating hills of Itu, Ikono and Ini. The state is drained by the Qua Iboe, Ikpa and Imo Rivers.

Climate

The state, like the rest of Southern Nigeria, being in the tropical zone, is influenced by two principal climatic conditions – the rainy and dry seasons. The rains usually begin in April and last through October, with the dry season beginning in November and ending in March. Annual rainfall averages at between 1,200mm and 1,500mm. The heavy rains are influenced by the South Westerlies from the Atlantic Ocean. The short, dry (harmattan) period in December/January is influenced by the North-East winds blowing inwards from the Sahara Desert over the drier Northern part of Nigeria.

Water and Fishery Resources

Akwa Ibom State has a coastline of 129km. It is also endowed with mangrove swamps, rivers, creeks and flood plains. All these offer great opportunities for trawling for fish and shrimps, fish processing and canning industries, fish meal production, fish oil and glue industries. There is the Federal Government-owned Fishing Terminal at Ebughu, Mbo LGA, which possesses dry docking and bunkering facilities, as well as other facilities for berthing and discharge of fishing trawlers; sorting, processing and packaging of fish for export, ice making, cold storage and fish canning. The relatively untapped fishery potentials of Itu, Uruan,

Ibeno and Ikot Abasi could also offer investment opportunities in the sector. The main fish species are the catfish (marine and freshwater), sharks, sardines, croaker, shrimps, crayfish, snappers, bivalves, periwinkles, etc.

Population

The State has a population of about five million (5m) people with a little less than a million living in the State capital, Uyo. Other cities with high population density are Eket, Ikot Ekpene, Abak, Ikot Abasi and Oron. The growing population provides a ready market for various products.

Main Cities

- Uyo

Uyo is the capital city of the State. It has grown from being a provincial capital to a city that houses a federal university, a Skills Development Centre, a number of hospitals, industries, good road network, and a number of banks.

Eket

Eket hosts a large percentage of the staff of Mobil Producing Nigeria Unlimited, which has its operational base at Mkpanek (Ibeno), about 15km away. It has a good road network, banks, hotels and a population mix of people from many parts of the world.

Ikot Abasi

Ikot Abasi, the aluminium town, sits by the Atlantic Ocean. It houses the largest aluminium smelting factory in Africa and the only one in Nigeria.

Ikot Ekpene

This is a 30-minute drive from the capital city and a centre for arts and crafts.

Oron

Oron is an hour's drive south of the state capital and sits on the bank of the Atlantic. It is a major fishing port and it is renowned for its fish and fishery products.

System of Government

The state, like the rest of Nigeria, is run by a civilian government headed by an Executive Governor. The legislative arm of government is the State House of Assembly, with 26 members. There is an independent and thriving judiciary.

Education

The state has some of the oldest centres of education in Nigeria. It has over a thousand public primary schools, 252 public post-primary schools, about 30 private primary and nursery schools and 70 secretarial schools. There is a technical college, a federal multi-disciplinary university, a polytechnic, three schools of nursing, a federal maritime academy and a teachers' college. Despite all the above, there is an urgent need for the introduction of computer literacy programmes in the state. Investment opportunities, therefore, abound in the state for setting up facilities for computer education and information technology (IT), to enable the state hook up with the current technology worldwide. Philanthropists and industrialists are also encouraged to identify with the noble aspirations of the state by donating information technology equipment to the government and schools, to enable us catch up with the rapidly progressing IT world. Scholarship schemes would also be welcome in this and various other fields of endeavour for the indigenes of the State.

Health

The state has been in the forefront of implementing the Federal Government's policy of "Health for all by the Year 2000". It has 22 hospitals, 74 health centres, 3 nursing schools, 4 schools of midwifery, a school of psychiatric nursing, a school of health technology and about 33 private clinics. To man these centres are 91 medical doctors, a dental surgeon and 1484 staff nurses/midwives. With a rapidly growing population, the government intends to encourage the setting up of more private clinics in the state to complement its efforts and also the training of more personnel. Investment opportunities, therefore, abound in the state for setting up of modern private clinics, pharmacies and other health-related facilities.

The Government is encouraging the establishment of alternative medical practices and the state does not intend to be left out of the endeavour, being a veritable source of a large diversity of medicinal herbs and plants. Investment opportunities, therefore, abound in the area of alternative medical practice in the state.

Industry and Raw Materials

Oil and Gas

Akwa Ibom State is endowed with large deposits of oil and gas and is the second largest producer of crude oil in Nigeria. It hosts the Mobil Producing Nigeria Unlimited, which drills off the Akwa Ibom coastline and contributes 28% of the total crude oil output in Nigeria. Other companies, such as the

Shell Petroleum Development Company, Elf and Chevron, are also operating in the state. Mobil Producing and other oil companies are currently pursuing oil blocks/concessions and marginal oil field projects still to be located in the state. The sub-sector is therefore open to foreign investors both in the upstream and downstream sectors of the economy.

The presence of large gas reserves in the state makes the establishment of gas utilisation projects attractive. Presently, there is an Aluminium Smelter Company at Ikot Abasi that uses associated gas supplied by Mobil Producing at Ibeno. There are further investment opportunities in gas reinjection projects, gathering of associated gas for sale to other industries, compressing and supplying domestic gas to Akwa Ibom and neighbouring states, etc.

- Metallic and Non-Metallic Industry

The state is blessed with other mineral resources, such as limestone, clay (black and white), gold, salt, coal, silver nitrate and glass sand, which are present in commercial quantities. With the abundance of these minerals, several processing facilities need to be established to convert the crude minerals to intermediate products, which can be used directly by the consuming industries, or to final products, which could be sold locally, or exported. Thus, there are investment opportunities for rubber/tyre manufacturing; the processing of limestone for the cement industry as well as lime dust for agriculture. Clay could be processed into ceramics products, burnt bricks and mechanised pottery for tableware, etc. Glass sand could be processed into sheet glass and car windscreens. Salt could be processed into edible salt and caustic soda for industrial use. Coal could be mined for local use and for export, while gold is a sure foreign exchange earner.

Existing Industries

Industrial establishments in the state include the Quality Ceramics Limited, Itu; International Biscuits Limited, Ikot Ekpene; Peacock Paints Limited, Etinan; Ebughu Fishing Terminal, Mbo; Palmil Industries Limited, Abak; Akwa Rubber Estates Limited, Itu; Akwa Palm Limited and Akwa Feeds Limited, Uyo. Others are the Sunshine Batteries Limited, Essien Udim; Pasto Crown Limited, Uyo; Champion Breweries Plc, Uyo; Qua Steel Products Limited, Eket. There are also the Federal Government-owned Nigerian Newsprint Manufacturing Co. (NNMC) at Oku Iboku in Itu and the Aluminium Smelting Plant at Ikot Abasi.

The oil sector in the state also hosts a number of oil exploration production

and servicing companies. These include Mobil Producing Nigeria Unlimited, Shell Petroleum Development Company, Elf Aquitane, Chevron, Daewoo, Costain, etc. The state government is in the process of privatising and commercialising the industries listed above, and investors are invited to participate in the exercise.

Agriculture

The rich land mass and the all-year round element weather, which extends through the whole state, offer a favourable environment for the production of food and tree crops, as well as livestock. The state thus produces palm oil and kernel, which could be processed into edible fats and oils, margarine, candles, soap and detergent. There are also cocoa, which could be processed into beverages, chocolate and wine, yarn and cassava into edible powder, chips and industrial starch; maize into edible powder, meal and animal feed; citrus fruits and pineapple into juice for canning, confectionery and cosmetics; banana and plantain into chips and pharmaceuticals. Livestock, such as poultry, pigs and goats, produce meat and raw material for feed mills. A hatchery for the production of day-old chicks and a vaccine-producing factory could also be supported in the state. Investment opportunities in agro-based industries in the state are, therefore, abundant.

Power Supply

In line with the current liberalisation policy of the Federal Government, Akwa Ibom State has concluded plans to generate its own electricity through the gas turbines to be built at Ikot Abasi for the supply of electricity to the Aluminium Smelter Company. Thus, investors are ensured of uninterrupted electricity supply for their industries and factories. Investors who are interested in the power distribution processes will be welcome.

Telecommunications

In order to compete with the Nigerian Telecommunications (NITEL) Limited, several private companies have been granted licences to operate in the country. With the rudimentary status of the telecommunications system in the state, investors are required urgently in this sector, to help put Akwa Ibom on the global telecoms map.

Investment Policy

The state government is in the process of divesting from direct investments in the industrial sector in the state with a view to expending its energies and resources towards providing an enabling environment for the sector to thrive. In view of the above, various incentives have been given to investors as follows:

- The Export Processing Zone at Ikot Abasi and its environs offers all the
 perks applicable to all such zones in the world, e.g. processing for export, tax
 holiday, repatriation of earnings in foreign exchange, etc.
- Offer of land for the siting of any new industry.
- Peaceful environment for investment. There is a very low crime rate and no civil strife in the State.
- There exists an appropriate legal framework protecting investments.
- Independent power plant.

• Culture, Tourism and Recreation

Akwa Ibomites are a peace-loving and very hospitable people. Their culture and social life are represented by their dances, songs, folklore, mythology, oracles, cults and festivals. The famous Ekpe and Ekpo masquerades, the traditional dances of Ebre, Asian Uboikpa, Mbopo, Nkuho, Ntok Odio Odio and Itembe manifest the culture and beliefs of the people.

The long coastline presents an enormous investment potential in tourism and recreation. The beaches at Ibeno and Nwaniba both have well developed golf courses beside them, but no lodging facilities. There are thus investment opportunities in the hotel and hospitality industry on the tourist sites.

The long stretches of the beaches need also to be further developed. The main cities in the state lack international standard hotels. Investors are thus invited to invest in the sector also to enable the State become one of the tourist attractions in Nigeria.

iv) Investment Opportunities and Incentives in Bauchi State - Alhaji Adamu Mu'azu, The Executive Governor of Bauchi State

Bauchi State Investment Opportunities

Natural Blessings

- Good weather
- Beautiful game reserves
- Abundant natural resources

· Good weather allows the growth and breeding of

- Cereals (maize, com, millet, rice etc.).
- Legumes (cowpea, groundnut, soya bean, etc.).
- Vegetables and fruits (oranges, lemon, mangos, pawpaw, coconuts, onion, pepper, pumpkin, tomatoes, etc.).
- Tree crops (cashew, gum arabic, locust bean, etc.).
- Industrial crops (cotton, sugarcane, sunflower, ginger, etc.).
- Livestock and fisheries.

Abundant Natural Resources

- Metallic ores:- cassiterite (tin ore), iron ore, lrutile, sphalerite (zinc/lead) columbite ilmenite, etc.
- Non-metallic ores kaolin, granite, galena, silica, clay, feldspar, barytes, quartz, tale, etc.
- Gemstones:- aquamarine, amethyst, topaz, tournaline, sapphires, etc.

Investment Opportunities abound in the Agriculture and Agro-allied Sectors in Bauchi State

- Flour mills
- Rice mills
- Starch manufacture
- Animal feeds
- Canned/sliced fruits
- Jams, marmalade, etc.
- Soft drinks
- Textiles

- Meat processing/canning
- Wood and wood products
- Tannery, etc.
- Approximate investment cost (¥2,830,000.00 or US\$ 30m).

Tourism

- Development of Yankari National Park
- Development of Lame-Burra Game Reserve
- Development of Hotels
- Approximate Investment cost (₹1,320,000,000.00 or US\$ 14m).

Mineral-Based Projects

- Oil service firms
- Pharmaceutical firms
- Paint manufacturing
- Kaolin processing
- Ceramics industry
- Plaster of Paris (POP)
- Approximate Investment cost (₹2,000,000,000.00 or US\$ 20m).

Available Incentives

- In each sector free land is allocated
- Easily available, cheap, willing and peaceful labour
- Abundant arable land and conducive climate
- If factory location is not in an industrial estate, Government will assist through provision of infrastructure
- Good road network
- Railway
- Airstrips in Bauchi and Azare
- Developed industrial estates
- Educational institutions
- Efficient telecommunications network.

For access to these opportunities and incentives, please contact us through this address:

The Honourable Commissioner.

Ministry of Commerce and Industry,

P.M.B. 069.

Abubakar Umar Secretariat,

Bauchi, Bauchi State, Nigeria.

Telefax: 234-77-542753

 v) Investment Opportunities and Incentives in Benue State - The Benue State Government at the Sixth Nigerian Economic Summit Held at Nicon Hilton Hotel, Abuja, October 20 – 22, 1999

Introduction

Benue State is located in the area of Nigeria traditionally known as the Middle Beit. It has a total land mass of about 33,955 square kilometres with a population of over three million (2,780,398 by 1991 census).

The topography of the state is mainly undulating plains with occasional elevations of between 150-300 metres above sea level. The state's four main geological formations of sandy loam, sheaves, basement complex and alluvial plains coupled with its location in the transitional zone between the north and south ecologies as well as favourable rainfall pattern account for its capacity to support a wide variety of crops. The state's immense agricultural potential has won for it the reputation of the "food basket of the nation".

Benue State is also blessed with rich mineral deposits such as limestone, coal, kaolin, barytes, gypsum, feldspar. The state's rich culture, its natural scenic attractions and the hospitable nature of the people make the state a potential haven for tourism.

The State is a gateway state between the South East and the North and shares boundaries with six states, namely, Nasarawa, Kogi, Taraba, Enugu, Ebonyi and Cross River State as well as the Republic of Cameroon. It is linked to other states of the Federation through several trunk roads, the south-east to north railway line and River Benue during the rainy season.

Investment Opportunities in Agriculture

Benue State is blessed with abundant agricultural resources. About eighty (80) per cent of the total population derive their livelihood from agriculture. Major crops produced in the state include yam, cassava, rice, maize, sorghum, soya bean, beniseed, groundnut. Others are sugarcane, sweet potato, ginger, millet and beans. The state also produces large quantities of tree crops such as oil palm, cashew, coconut, banana, plantain, coffee and kolanuts. Vegetables which include tomatoes, pepper, pumpkin, okro, spinach and pineapples are also produced in abundance.

Benue State also possesses a great deal of livestock resources which include goats, sheep, pigs, poultry and cattle. The state also has potential for fisheries development owing to its vast fresh water resources made up of inland lakes, River Benue and River Katsina-Ala and their tributaries.

The abundant agricultural potential of the state has created opportunities for investment in areas which include the following:

i. Large scale mechanised farming

Post-harvest processing and packaging of agriculture produce for

local and external markets

Vegetable oil processing

iv. Sugar processing industry

v. Livestock farming, meat processing and marketing

vi. Fruit juice production

vii. Starch and glue production

viii. Livestock/animal feeds production

ix. Production of organic and inorganic fertilisers

Investment Opportunities in Industries

The state's rich mineral deposits remain largely unexploited. Given current effort to diversify the national economy by, among other measures, exploiting the nation's solid minerals, Benue State provides immense investment opportunities for industrialists in this sector.

The Benue State Government had in the past promoted several industries which are not being privatised in keeping with current trends. Already, the Benue Brewery Limited has been fully privatised with the International Beer and Beverages Industry Limited (IBBI) acquiring eighty-five per cent shares. Opportunities still exist for investors to take up shares of other companies whose profiles are given below:

Taraku Mills Limited

Taraku Mills Limited is one of the nation's most modern integrated vegetable oil processing plants. It was established at a cost of over fifty-six million pounds sterling (£56m). It is capable of processing 72,000 tonnes of soyabeans per annum into vegetable oil and soya meal; 120,000 tonnes per annum of maize into vegetable oil, flour, brewers' grits and feed grits as well as 72,300 tonnes of animal feeds and feed concentrates in the company's products have won national and international acclaim for high quality.

Taraku Mills Limited is a limited liability company with private status and has a nominal share capital of fifty million naira (N50m) divided into ordinary shares of N1.00 each and allotted as follows:

- (a) Benue State Government, ₩22.5m shares (45%)
- (b) Industrie Bau Nord (IBN) of Austria, 6.0m shares (12%)
- (c) Unissued shares reserved for private investors, 21.5m shares (43%).

There is high demand for the company's products. Most of the raw materials are produced locally in Benue State and are also readily available elsewhere within the country. Owing to lack of working capital, only the maize line is being operated at 5% of installed capacity. The company's total assets base is in excess of one billion naira (N1bn). Taraku Mills Limited remains a very viable venture which promises profitable returns on investment within a short time.

Benro Packaging Company Limited, TSE Kucha

Benro Packaging is one of the companies that were promoted by the Benue State Government. It has a share capital of N250m and its ownership structure is as follows:

(a)	Benue Cement Company Plc	_	37.5%
(b)	Bavis Investment Limited	-	33.5%
(c)	Benue State Government	-	15%
(d)	NNDC Limited	-	11%
(e)	RPP	_	2.5%
(f)	Mr. Patrick Ityohegh	-	0.5%

The company produces cement paper bags which are in high demand by cement companies. There are plans to diversify into the production of plastics, envelopes and other packaging products like sacks, etc. Benro Packaging Company Limited is highly viable and will yield profit once working capital is infused for acquisition of raw materials. The share holders are willing to attract new investors who can assist to mobilise funds towards profitable operation of the company.

Benue Burnt Bricks Limited, Oturkpo

Benue Burnt Bricks Limited was established to produce twenty-one million standard bricks per annum from local clay. The brick line started production in 1991 while an additional production line for floor/wall tiles is at 70% completion stage. The company is wholly owned by the Benue State Government.

Government intends to divest from the company by allotting 85% shares to private investors. To this end, plans have been made to raise the share capital to N60m. With working capital and a competent management, the company will make profit as its products will be readily marketable within the state in the construction industry.

Benco Rooftiles Limited, Abinsi

Benco Rooftiles Limited was incorporated in 1992 as a limited liability company with authorised share capital of ¥100,000 divided into ordinary shares of ¥1 each. The share capital holding is as follows:

(a)	Benue State Government	-	15%
(b)	Chief Ason Bur	-	7.5%
(c)	Engr. BRO Edwards	-	7.5%
(d)	Unallotted shares	-	70%

Benco Rooftiles Limited was established to supply high quality roofing sheets. Its products have already won a high reputation for durability and beauty in the construction industry. The raw materials are readily available locally. It is therefore viable and has a high potential for possible expansion to increase output. The Benue State Government and the private shareholders are ready to privatise the company and interested investors are welcome to team-up with the present shareholders to move the company on the path of greater profitability.

Fruitcon Nigeria Limited, Katsina-Ala

Fruitcon Nigeria Limited was incorporated in 1991 as a private limited liability company. It has an authorised share capital of \\$100m\$ divided into ordinary shares of \\$1.00 each. It was conceived to produce 19,200 litres of high quality fruit juice and syrups per annum for both the domestic and export markets.

Some plants and machinery acquired from EMO Engineering Company Limited at a cost of three and a half million US dollars (\$3.5m) are already on site. Owing to the present thinking of government to encourage greater private-sector initiative in the establishment of industries in the state, the company is available for sale to interested investors.

The ready availability of abundant raw materials for the factory in the state and the large internal market as well as prospects for export make the project a viable one.

Benue Agricultural Development Company Limited

Benue Agricultural Development Company Limited was incorporated as a limited liability company in 1993 to take over and manage the assets of the Benue Agricultural Development Corporation which had been in operation since 1977. It has an authorised share capital of \$\frac{\text{N}}{10m}\$ divided into ordinary shares of \$\frac{\text{N}}{1}\$ each and is wholly owned by the Benue State Government. The company has vast land and other fixed assets in excess of \$\frac{\text{N}}{100m}\$. Its giant poultry production complex, broiler processing unit, hatchery, feedmill, etc., provide facilities which can be utilised to turn out quality products which have been widely accepted in markets within and outside the state. The Benue State Government has offered the company for private ownership.

Benue Cattle Ranch, Ikyogen

Benue Cattle Ranch Limited was incorporated in 1981 as Benue Caney Ranch in partnership with Caney Creek Farms of USA. It look off on a parcel of land measuring 130,000 hectares located in an area which has a relatively cool climate because of its proximity to the Cameroon – Obudu mountain range.

It was established to breed and offer for sale disease-resistant and fast-growing breeds of cattle and other livestock towards upgrading local stock. It was also to sell beef to improve public intake of protein as well as establish a Holiday resort to exploit the attractive scenery and conducive climate of the locality to promote tourism.

The project actually took off with cattle imported from North America which however failed, leading to the withdrawal of the partners. The current ownership structure is as follows:

(a)	Benue State Government	-	70%
(b)	Kwande Local Government	- .	5%
(c)	Ushongo Local Government	-	5%
(d)	Private investors	-	20%

The Ranch has great potential to promote tourism and boost livestock production in the state. Benue State Government wishes to invite interested investors to take-up shares in the company for its proper development and actualisation of its true potential.

Makurdi International Hotel

The Makurdi International Hotel is a 300-room 5-star hotel project which was incorporated in 1981. Construction commenced in November, 1982 by SEFRI Construction of France and work progressed up to completion of basic block structure before it was abandoned in 1984. The value of work done is currently estimated at several hundred millions of pairs.

The hotel project remains viable owing to the proximity of Makurdi to the Federal Capital, Abuja, its location as a transit town linking the eastern states and the north as well as the tourism potential of the state now receiving greater attention. The Benue State Government has offered the company for one hundred per cent private ownership. Interested investors can obtain greater details on request.

lkwe Holiday Resort

The Ikwe Holiday Resort is located in an area of 20 square kilometres that is characterised by hills, running streams and forests. It was intended for full development

to includes game viewing by visitors and guests. Current level of development includes a conference hall, guest chalets, power house and lawn tennis court.

The Benue State Government is interested in promoting tourism in the state and wishes to invite private-sector participation in the development of the resort.

Yuteco Foods Nigeria Limited, Gboko

The company was incorporated in June 1991 as an entirely private initiative. It was established to produce a wide range of fruit products using orange, pineapples, grape-fruit, lemon, mangoes etc. The plant capacity is 2.5 tonnes of fruit intake per hour.

The plant has been fully installed and production commenced in October, 1995. Lack of adequate working capital, however, led to its closure in September, 1998. The plant remains in excellent working condition and what is required to resume production is capital. The raw materials are readily available locally and its products are in high demand. The industry is capable of a monthly turnover of over forty million naira when in full production.

The company requires new investors to inject funds to make it operate profitably.

Investment Opportunities in the Solid Mineral Resources of the State

Geophysical surveys and other investigations have confirmed that Benue State is blessed with many mineral resources which can support many industries.

These include:

i. Limestone

Currently being exploited by Benue Cement Company Plc near Gboko. Deposits exist in Ado, Apa, Gboko, Guma, Katsina-Ala, Oju, Koshisha and Makurdi Local Government Areas. They are vast and of good quality and can be exploited for an additional cement plant, production of time and limestone for iron smelting.

ii. Grass Sand

Found in Buruku, Gboko, Katsina-Ala, Makurdi and Vandeikya Local Government Areas and good for the production of glass and bottles useful also for oil drilling, foundry etc.

iii. Barytes

Found in Gboko, Guma, Gwer, Makurdi and Ushongo Local Government Areas. Useful in oil well drilling, production of glass and chemicals.

iv. Kaolin

Deposits found in Apa, Ogbadibo, Okpokwu and Vandeiyka Local Government Areas. Industrial uses include production of paper plastics, filter in plants, paints, etc.

v. Brick Clay

Found in Buruku, Gwer, Makurdi and Otukpo Local Government Areas and useful for pottery products, production of building bricks, tiles, etc.

vi. Lead/Zinc

Found in Ado, Gboko, Guma, Katsina-Ala and Vandeiyka Local Government Areas. Industrial applications include auto battery production, paint alloys etc.

vii. Coal

Deposit are found in Ogbadibo and Okpokwu Local Government Areas and can be exploited for energy/fuel, chemicals, etc.

viii. Gypsum

Exists in Apa, Gboko, Gwer, Konshisha, Otukpo and Ushongo Local Government Areas and is used in the production of cement, fertiliser, etc.

Incentives for Investment in Benue State

Being desirous to attract private-sector investment in the economy of the state, the state government is always ready to discuss and assist investors depending on their peculiar needs. At a general level however, the following incentives are available to prospective investors in the state:

- All applications for registration of businesses and acquisition of land are processed expressly.
- Cost of land acquisition and support services are among the lowest in the Federation.
- iii. The state government grants tax exemption during the first five years of establishment of any industry.
- Governments has already funded a number of feasibility studies and is willing to fund new ones.
- v. The state government is prepared to enter into joint partnerships with willing investors. In this regard the preferred shareholding of government is limited to a maximum of 15%.
- vi. Government has established an industrial layout in Makurdi and plans are being make to establish similar layouts in Gboko, Otukpo and other major towns of the state.
- vii. For agricultural production, government has already cleared large parcels of land in different parts of the state which are suitable for large scale and mechanised farming.
- viii. Besides the above incentives, the large population of the state, its immense raw materials, the peaceful atmosphere and hospitable nature of the people, the

strategic location of the state between north and south, its easy accessibility to other parts of Nigeria, etc give the state a favourable investment climate.

Conclusion

Benue State already plays host to several petty businessmen and women from different parts of Nigeria. This is a clear testimony of its favourable investment climate. The successes of these small investors are pointers to what awaits investors in small, medium scale and big enterprises.

The Benue State Government is currently engaged in building the management and investment capacities of small scale investors to strengthen the private sector base of the state through the UNDP-Afribank join project with government. Government also plans to strengthen the Benue Chamber of Commerce, Industries, Mines and Agriculture (BCCIMA) towards encouraging its affiliate members to play more dynamic roles in the economy of the state.

Investors who wish to do business in the state and require further information may direct their enquires to:

- (i) The Honourable Commissioner
 Ministry of Commerce and Industries
 State Secretariat
 Makurdi
- (ii) The President
 Benue Chamber of Commerce, Industries,
 Mines and Agriculture, NUJ House
 Ankpa Road
 Makurdi
- (iii) The Benue State Liaison Office No 1221 Bishop Oluwole Street Victoria Island Lagos
- (iv) The Benue State Liaison Office Plot No 1314 Cadastral Layout Asokoro District Zone A4
 Off Yakubu Gowon Crescent Abuja

(v) The Managing Director Benue Investment and Property Development Company Limited Km 4 Aliade Road PMB 102372 Makurdi

The government of Benue State wishes to assure all genuine investors of warm welcome and cooperation at all times.

vi) Investment Opportunities and Incentives in Delta State - Chief James Ibori, Executive Governor of Delta State

Introduction

With the emergence of democracy in Nigeria, an atmosphere of peace, security and mutual respect among the ethnic nationalities now prevails in Delta State.

State Overview

Delta State was created from the defunct Bendel State on the 27th of August, 1991. It currently has a population of about 3 million people. There are five major ethnic nationalities in the state, namely: Urhobo, Ibo, Ijaw, Isoko and Itsekiri. The people are mostly agrarian by occupation, but also produce agricultural products for the agroallied industries. Delta State is the leading producer of both crude oil and natural gas in Nigeria.

Macro-economic policies and measures that will ensure speedy emergence of a free market economy, peace and security are now being adopted in the state. The ultimate goal is to regain lost ground, occasioned by many years of neglect and environmental degradation by the oil prospecting companies and more recently by the Niger-Delta crisis.

Physical Background

Delta State is one of the thirty-six (36) states that make up the Federal Republic of Nigeria. It is generally low-lying and has a coastline of about 160 kilometres on the River Niger, interlaced with rivulets and streams; criss-crossed with creeks, through which the River Niger empties into the Atlantic Ocean, thus forming a substantial part of the famed Niger-Delta Area. It has three seaports, namely: Warri, Sapele and Koko

Natural Resources

Delta State is the leading producer of crude oil and natural gas in Nigeria. Most of the natural gas is currently flared. The state is also endowed with the following:

- Rubber
- Oil Palm Silica
- Industrial Clay Kaolin
- Assorted Fruits Timber

Existing/Major Agro-Based Industries

- Oil Palm Company Ltd., Ajagbodudu
- Cowan Rubber Estate Ltd., Ogharefe
- Oil Palm Estate Ltd., Nsukwa
- Oil Palm Estate Ltd., Ubulu-Uku
- Utagba-Uno Rubber Estate Ltd., Utagba-Unoi
- Tifany Fish Farm Ltd., Aviara
- Rice Farm Holdings, Ugbolu

Other Major Existing Industries

- Delta Steel Company Limited, Ovwian-Aladja
- Warri Refinery and Petro-Chemical Company, Ekpan; Shell Petroleum Development Company, Western Operations, Warri
- ELF Nigeria Limited, Western Operations, Warri
- Texaco Overseas (Nigeria) Ltd., Western Operations
- Chevron, Escravos Terminal
- Several Oil Servicing Companies (about 160) in Warri and its environs
- NEPA Thermal Stations, Ugheli & Sapele
- Superbru Ltd., Agbara-Dtor
- Asaba Textile Mill Ltd., Asaba
- SIO Industries Ltd., Asaba
- Bendel Steel Structures Ltd., Enerhen
- Life Floor Mills, Sapele
- African Timber & Plywood (W.A.) Ltd., Sapele
- General Steel Mill, Asaba
- Delta Glass Company Ltd., Ugheli

Other Investment Opportunities

The current policy of the Delta State Government is to create the enabling environment for private entrepreneurship to thrive. This policy is occasioned by the recent political

liberalisation in the country. Our success in the transition to civil rule offers great hope for private investments, as the state has the capacity to support major manufacturing and service industries, such as:

(a) Manufacturing Industries

- * Agric and Agro-Allied Industries
- * Glass Industries
 - Sheet Glass
 - Table Glassware
- * Petrol-Chemical Industries
 - Fertiliser Plant
 - Bitumen Processing Plant
- * Paints & Pharmaceutical Company
 - Manufacturing of Drugs
 - Research Plants for Local Herbs
- * Rubber Industries
 - Motor Tyre Plant
 - Crumb Rubber Production

(b) Service Industries

- * Waste to Wealth Company
- * Collection of refuse
- * Establishment of dumping sites
- * Establishment of incinerators
- * Conversion of waste to gasohol
- * Electricity Supply Company
 - Power Generation
 - Transmission
 - Distribution
- * Public Transportation Company
- * Hotels and Tourism Development Company
- * Public Housing Projects/Company
- * Health Care Facilities and Equipment Company
 - Manufacturing of syringes
 - Manufacturing of basic medical equipment
- * Educational/Health Institutions
- * Communication Company

Market Potential

With a population of about 3 million people and a major player in crude oil exploration, petrochemical, steel, glass, textile, agro-allied and shipping industries, Delta State is not only a centre of the nation's economic activities, but also a gateway to the commercial city of Onitsha. With the existing good network of roads, it is easy to move goods and services within and to other parts of the country.

Table of Major Investment Opportunities

Delta State is seeking active partnership with private investors in order to harness her abundant human and material resources in the following:

Industry Raw Material 1. Palm Oil Processing Oil palm: Available throughout the state but underutilised. Processed products in high demand both for domestic consumption and industrial use. Timber: (Hard Tropical Wood) Available in most 2. Wood Products parts the State. Latex. High demand for this product. Rubber Rubber Products trees thrive in all parts of the state. Domestic use of rubber is low. There is much scope for expansion in this industry and diversification towards finished products. 4. Fruit Juice Assorted Fruits: Grown throughout the State. Production enough to sustain a major fruit juice industry. 5. Glass. Silica: Extensive deposits of silica exist. Investors to reactivate existing glass industry. Government also prepared to go into partnership with private investors in establishing new ones. Crude Oil: Abundant supply of crude oil, natural Petrochemical Industries gas and by-products from existing refinery in the State, Fertiliser, Bitumen, etc. are examples of viable industries in Delta State. 7. Paints and Pharmaceuticals Kaolin: Huge deposits of Kaolin in the state. Suitable for the manufacturing of drugs and paints. Clay: Abundant deposits of industrial clay found Ceramics in nearly all parts of the state. Burnt brick factory very viable. Hotels and Tourism

very viable.

Seaside and inland waterways sites prevalent in the State. Such sites are suitable for the development of river resorts and water-related

tourism industries.

Raffia Palm: Plentiful in the riverine areas of the State. Related industries still underdeveloped in

Nigeria

Water: Atlantic Ocean and inland waterways highly suitable for deep-sea fishing and aquaculture respectively. High demand for the products of this industry both for human consumption and animal husbandry.

Industrial Alcohol.

11. Fishing

Industry	Raw Material
12. Industrial Starch	Cassava and Maize: Product is of great demand in the paper, food and textile industries. Delta State is the leading cassava producer in the country today.
13. Cassava Chips and Flour	Cassava: Product is of great demand in the confectionery Industry. Product is suitable for export as well.
14. Raffia Palm Products:	Raffia Palm: There is much scope for the deve- lopment of raffia-based industries in the distillation of gin and industrial spirits, as well as the production of vinegar, twines, ropes, mats, etc. Several thousand hectares of raffia palm bound particularly in the riverine areas of the State.
15. Poultry/Piggery Production	Maize and Soybean: Maize and soybean can be grown in the State. This is a vast area for private investors. Establishment of a soybean meal plant and automated feed-mill processing plants are areas of potential investments.
16. Fishing Industry	Sea and Water: lost under-developed area, considering the number of people who fish for a living in the riverine communities. Nearly all aspects of the industry harbour opportunities for investments. For example, production of shackles and fishing gears, production of fingerlings/establishment of

17. Fruit and Vegetable Industry

Assorted Fruits: Another vast area of investment opportunities, particularly in the area of further processing. The State has in abundance a variety of fruits and vegetables suitable for canning and bottling for local consumption and export.

modern fish farms, shrimp fishing and culture for export and the establishment of an ice-making

Privatisation

Delta State is desirous to create a private sector-driven economy in the next millennium. We hope to achieve this goal by creating investment opportunities and incentives for the private sector and through the privatisation and commercialisation of state-owned enterprises, namely:

paint

- (a) Bendel Glass Industry Ltd., Ughelli
- (b) Bendel Steel Structures Ltd., Enerhen

- (c) Delta Hotels Ltd., Warri
- (d) Delta Hotels Ltd., Sapele
- (e) Delta Hotel Ltd., Agbor

Private Power Generation

It is pertinent to highlight this area of private investment opportunity. In the Warri metropolis (oil city) alone, we have the Delta Steel Company Ltd., the Warri Refinery and Petrochemical Company Ltd., four major oil companies (Shell, Chevron, ELF and Texaco) and several oil servicing companies that require huge electric power supply. Delta State is eager to satisfy this demand by going into active partnership with committed private investors. Natural gas, now flared throughout the state would serve as ready source of energy to power the turbines in the proposed venture.

Incentives/Benefits to Investors

Now that peace has returned to the state, Delta State is the right choice for both foreign and local investors, considering the numerous investment opportunities, incentives and benefits currently offered by the State Government:

- Prompt allocation of plots in government-owned industrial estates to would-be investors
- Favourable land use policies that would facilitate easy access to land
- Generous discount on rates and levies collectable by the state government
- Other tax incentives
- Provision of feasibility studies and other requisite background information
- Sponsoring technological and management training programme
- · Potential high return on investments
- Several foreign industries already present in the state, and
- Government protection guaranteed.

Objectives

The objective of government is to draw the attention of foreign and local investors to the numerous investment opportunities and incentives that abound in Delta State and to highlight the benefits therein. Delta State Government is currently seeking active private investments and/or partnership in the areas of industry, commerce, mining, agriculture and agro-based industries, so as to harness the abundant human and material resources of the State.

Appreciation

The Delta State Government expresses her appreciation for your interest and kind attention. We look forward to your contacting us for further information on the investment opportunities in our state through the Ministry of Commerce, Industry, Cooperatives and Tourism.

Thank you.

vii) Investment Opportunities/Incentives in Ebonyi State of Nigeria - Dr. Sam O. Egwu The Executive Governor of Ebonyi State, at the 6th Nigerian Economic Summit On October 22, 1999

Introduction

May I first thank the Chief Economic Adviser to the President of the Federal Republic of Nigeria, Chief Philip Asiodu, and members of the organising committee of the 6th Nigerian Economic Summit, for inviting Ebonyi State to participate in this important Summit.

Before now, participation at the Nigerian Economic Summit was essentially exclusive for the Federal Economic agencies and the Organised Private Sector (OPS). Today, the significance of state governments' contributions to the annual event has been duly recognised. I see this recognition as one of the tasty fruits of democracy, and wish to, on behalf of the Government of Ebonyi State and all other states of the Federal Republic of Nigeria, thank the organisers of this year's Summit for this initiative.

Ebonyi State Investment Policy

The government of Ebonyi State is genuinely committed to the economic development of the state and Nigeria in general. This commitment is manifested in our recognition of the private sector as the hub of economic activity. As a matter of state policy, government involvement in economic activities in Ebonyi State is primarily regulatory, not control. We regulate by providing infrastructural facilities such as roads, water, electricity, telephone, etc.

We regulate through generous land allocation. For investment in selected priority areas, the government of Ebonyi State allocates land free of all charges. We regulate by ensuring harmonious industrial relations in the state. Above all, we regulate by ensuring the safety of lives and property within the state. Indeed, Ebonyi State is one of the safest states, not only in Nigeria but in Africa.

Investment Opportunities

It is my pleasure to invite genuine investors, both domestic and foreign, to Ebonyi State, "Salt of the Nation", to take advantage of numerous investment opportunities that abound in the state, particularly in the following areas:-

Mineral Based Raw Materials

Ebonyi State is richly endowed with mineral resources. Huge investment opportunities exist in the areas of solid mineral extraction. Most of these mineral resources have been found in large deposits of commercial quantities and include, lead, zinc, brine (salt), limestone, gypsum, marble stone, bentonite, barytes, sulphur, etc.

The brine (salt) deposits in Okposi, Enyigba and Uburu have been processed into pure table salt and found to be one of the best that can be found in the world.

Investment in cement manufacturing is obviously attractive in Nigeria. Large deposits of limestone are found across Ebonyi State. That explains the establishment of the oldest cement manufacturing company in Nigeria at Nkalagu, a town in the Northern part of Ebonyi State.

Commercial Crops and Livestock Production

Agriculture is a major industry in Ebonyi State. An estimated 85% of the state's population earn their livelihood from it. Very little of the agricultural production is mechanised and so the industry depends almost entirely on family labour. Where it exists, hired labour is relatively cheap.

Agricultural resources in Ebonyi State have benefited only marginally from the recent infusion of official and private capital into agriculture. As a result, the level of capitalisation of agricultural resources in the state is low. Where they exist, plantations of oil palm trees, rubber, cocoa, cashew and gmelina are neglected.

The major food crops include rice, yam, cocoyam, cassava, maize, vegetables (fruit and leafy vegetable), groundnut beans, pepper, tomatoes, sugarcane, pineapple, banana and plantain. The tree crops include oil palm, coconuts, date palm, achi, akparata, pear, ogbono, ugiri, cocoa, ekpiri, kola, mmimi and alligator pepper, as well as onions, cabbages, lettuce and ginger. Annexure II shows the major crops and livestock production in Ebonyi State on Local Government Area basis.

Hotel and Tourism Development

Hotel management is one area of investment that is of high priority to the government and people of Ebonyi State. Being a new state, the influx of people into the capital city, Abakaliki has made existing hotel facilities grossly inadequate. I am, by this presentation, inviting investors in hotel business to come to Ebonyi State and set up 3-5 Star hotels within and around the state capital.

Tourism

Tourism is another important sector where investment opportunities exist in abundance in the state. It is one sector that is often neglected but promises rich dividends in both local and foreign currencies. It is also a potential source of employment. The tourist attractions yearning for development in the State include:

- (i) The Abakaliki Green Lake
- (ii) Ezillo Lake at Ishielu L.G.A.
- (iii) Ehoma and Iyieke fishing lakes at Afikpo North L.G.A.
- (iv) The Golden Sand Beaches at Ndivbe, Ozizza, Unwana and Enohia in Afikpo L.G.A.
- (v) The Natural Salt Lakes at Okposi and Uburu in Ohaozara L.G.A.
- (vi) The Beautiful Rolling Hills at Afikpo North
- (vii) Spectacular natural rock formations like the perching rocks of Akpoha in Afikpo North
- (viii) Nkpurukem Rocks in Afikpo North, Nkpuma Ekwaoku Rocks in Ndieze-Izzsi, and Otagbara Rocks in Ikow L.G.A.
- (ix) Natural caves at Ibii and Akpoha in Afikpo North
- (x) Natural cave of Amanchor Edda in Afikpo North
- (xi) Natural cave at Nkaliki Agbaja in Izzi L.G.A.
- (xii) The Oferekpe water falls in and Ikwo ad Isinweze Waterfalls at Afikpo North

Detailed information on these and other investment opportunities in the State are contained in the Ebonyi State investment brochure already made available at this Summit.

Ladies and Gentlemen, I wish to thank all of you immensely for the audience.

Anexure I

Minerals Found in Ebonyi State and their Utilisation

S/No.	Mineral Type	Location	Utilisation
i.	Coal	Enohia, Ozizza, Ndibe I Afikpo LGA	Energy, power generation
ii.	Lignite	Ivo, Abakaliki, Izzi, Afikpo LGAs	Pencil, make-up kits, batterieş, solders, bearings alloys ammunition etc.
iii.	Lead, Zinc, Copper	Ishiagu (Ivo LGA) to parts of Onicha LGA through Enyigba (Izzi LGA) i) Ishiagu (being exploited) ii) Oshiri (unexploited) iii) Afikpo North and South (unexploited) iv) Uburu (partially exploited)	Lead: Zinc base alloys, bronze, brass, lithographic plates, roof, galvanising (zinc); electrical conduc- tors and cables, etc.
iv.	Gурsum	Asaga – Amangwu in Owntu – Afikpo south LGA and around Lopkaukwu – Ishiagu axis, Okpoto Ishielu LGA	Plastics, Cement, Pharmaceuticals, chalk
V.	Granite	Ishiagu in Ivo LGA	Chipping for road works and building construction
vi.	Salt	Uburu and Okposi in Ohaozara LGA and Enyigba in Izzi LGA	When refined, it gives native salt and sylrite; on processing native salt the following could be derived: caustic soda, chlorine, Hydrogen, sodium hypochlorite, Soda ash and calcium chloride. These are utilised by chemical crayon, pulp

S/No.	Mineral Type	Location	Utilisation
			and paper industries. Metal and detergent industries; Water treatment; Ammonia synthesis, glass, soap and metallurgical industries; textile. Brewery, food processing oil drilling, petrochemical road treatment and dust separation industries. Sylrite will yield potassium, hydroxide, chlorine and hydrogen useful in chemical, fertiliser and detergent industries.
vii	Limestone	Nkalagu, Amofia-Ngbo, Amasiri, Akpoha in Afikpo LGA, Ishiagu	Cement, glass water treatment, sugar refining.

Table of Mineral Resources in Ebonyi State

S/No.	Mineral	Location	Status Exploration/ Exploitation	Possible Industrial Uses
1	Silver	Abakaliki	Preliminary	Ornamental, brazing alloys and solders, sterling ware
2	Lead	Abakaliki	Mined around Enyingba; other deposits known	Cosmetics, manufacture of sheathing cables; pigments; storage batteries; solder sheet, lead-pipes; load-shot, alloys, bearing metals.
3	Zinc	Same as lead	Same as lead	Galvanising, manufacture of brass, rolled zinc, dic casting alloys.
4	Barytes	Abakaliki area	Occurences noted, confir- mation nece- ssary	Drilling, chemicals; glass manufacture; paint manufacture, rubber.
5	Bentonite	Abakaliki shales	Same as Barytes	Drilling mud.

S/N	No. Mineral	Location	Status Exploration/ Exploitation	Possible Industrial Uses
6	Phosphates	Abakaliki/ Odomoke Odomoke areas tertiary formations	Preliminary	Dentistry, safety matches, fertilizers, chemicals.
7	Clay	Creteceous/ tertiary forma- tions Abaka- liki, Nkalagu	Preliminary	Porcelain; bricks; sanitary ware; sewer pipes.
8	Sulphur	Abakaliki (Lead Zinc)	Preliminary	Sulphuric acid, fertiliser, paints, insecticides, explosives, rubber, textiles, sugar, metal mining, other chemical industries.
9	Brine	Abakaliki	Preliminary	Production of common salt, caustic soda, liquid chlorine, hydrochloric acid.
10	Limestone	Abakaliki	Fairly detailed investigations	Cement production Calcium carbide, chemi- cals construction, stone.
11	Dolomite	Odomoke	Occurrences noted	Refractory mineral.
12	Calcite	Odomoke	Occurrences noted	Chemical industries.

noted Annexure II

Agricultural Resources of Ebonyi State

Common Name	Ecological/Traditional Areas	Uses
Yam	Statewide but larger yield years from Izzi, Ezza and Ikwo	Staple, yam flour, livestock feeds (peels)
Cassava	Statewide	starch, yam flakes. Staple, cassava flour, animal feeds, chalk starch, bread, biscuits,
Maize	Statewide	vegetable (leaves). Staple, commercial uses —corn flakes, biscuits, brukutu, industrial
Rice	Statewide, in particular Ishielu, Izzi, Ezza and Ikwo	breweries, livestock feeds. Staple, rice flakes and puffed rice.
Groundnut	Statewide	Staple, groundnut oil, groundnut cake, groundnut butter, livestock feeds.
Soya Bean	Statewide in, particular, Afikpo, Ohaozara, Onieha, Afikpo South	Staple, soyabean milk, soyabean. cake, soyabean oil, livestock feeds.
Oil Palm	Statewide (rehabilitation of old ones is very necessary)	Local, commercial and industrial uses, soap, margarine, wild animal feeds, trunks for building, fronds for fencing and broom. Shells for road work, kernels for earrings, fibre for fuel, ceiling boards and foot mat.
Coconut	Statewide	Oil, used in confectionery, shell for fuel.
Cashew	Afikpo South, sparse and scattered statewide	Wine, edible nuts, CNSL binder resins, glue.
Rubber	Afikpo, Afikpo South, sparse and scattered statewide	Various industrial uses - sheets and crumbs.
Raffia Palm	Statewide in particular, Afikpo, Afikpo South	Palm wine and local gin, mats, ropes, lopes, chairs and beds. Economic Summit 231

Common Name	Ecological/Traditional Areas	Uses
Cocoa	Parts of Afikpo and	Food and alcohol beve-
	Afikpo South	rages, chocolates and cocoa butter.
Kolanut	Parts of Afikpo and	Nuts are important in social
	Afikpo South	and religious customs, stimulant, wine, dye.
Plaintain/	Parts of Afikpo and Afikpo	Staple.
Banana	South	_
Ginger	Parts of Ebonyi	Medicinal, spice, breweries and distilleries.
Mango/Guava	Statewide	Local use – juice.
Citrus	Statewide	Local use - juice; pulp for
(Oranges,		livestock.
Grapes &		
Lemon)		
Pineapples	Parts of Ebonyi State	Local use – juice
Melon	Statewide	Local use - industrial oil for
		paints.
Sugarcane	Statewide, in particular Ohaozara, Afikpo, Onicha, Ivo and Afikpo South	Sugar, animal feed.
Ogbono	Statewide	Soup, wax oil.

viii) Investment Opportunities and Incentives in Ekiti State - Otunba Adeniyi Adebayo, The Executive Governor of Ekiti State, at The Sixth Nigerian Economic Summit, Held on Friday 22nd October, 1999, at Nicon Hilton Hotel, Abuja

Introduction

It affords me the greatest opportunity, honour and privilege to address this august assembly of the leaders of the public and private sectors of the economy on this occasion of the sixth Nigerian Economic Summit. I am particularly delighted to be here to give you an exposition of the opportunities available in my state, Ekiti State, for all of you to appreciate the tremendous potentials and the natural endowments with which we are blessed. As a product of the private sector myself, I can appreciate the tremendous hope which this kind of Summit holds for the Nigerian economy and the benefits which Ekiti State stands to reap from our participation.

Ekiti State of Nigeria was created along with five other states of the Federation on the 1st October, 1996. It was carved out of the former Ondo State which, on the other

hand, was until 3rd February, 1976, an integral part of the defunct Western State of Nigeria.

Investment Opportunities in Ekiti State

Ekiti State is undoubtedly endowed with abundant and diverse natural resources which could be harnessed to provide multifarious types of investment opportunities for interested entrepreneurs and investors wishing to participate in the industrialisation of the state. The already identified and located natural resources of Ekiti State can be classified into the following three broad groups:

- (i) Agricultural Resources
- (ii) Mineral Resources, and
- (iii) Tourism and others.

Available scope of investment opportunities in any of the three classes mentioned above ranges from small through medium to large scale depending on the capability and desires of the investor. (See Annexure).

Agricultural Resources

By virtue of its location, climatic condition and vegetation, Ekiti State is predominantly an agrarian community. About 80% of its people are involved in direct crop production, forest and forest related enterprises. Agriculture also contributes well over 80% of the state's current Gross Domestic Products (GDP).

The following groups of agricultural resources which are good raw materials for industrial ventures are being cultivated and developed on economic to large scale in the state:

- (a) Tree crops e.g.: cocoa, oil palm, kolanut, coffee, cashew, citrus etc.
- (b) Roots and tubers e.g.: yam, cassava, cocoyam etc.
- (b) Cereals e.g.: maize, rice, sorghum, etc.
- (c) Legumes e.g.: beans, soyabeans,
- (d) Fruits and Citrus e.g. orange, grapefruit, tangerine, pawpaw, banana, plantain, pineapple, mango etc.
- (e) Forests and shrubs e.g.: timbers, hardwoods, teak, gmelina, bamboo, cotton etc.
- (f) Livestock and fisheries.

We will be prepared to provide further information about the availability of the aforementioned agricultural resources in the state to any interested persons.

Mineral Resources

The Mineral Resources of the state have received a lot of mention in academic and investment promotion literature. In consideration of the important role that information about available opportunities in an area could play in the facilitation of its industrial development, our government has decided and in fact is already carrying out a Geotechnical survey for all the economic minerals and rocks with which Ekiti State is blessed.

The report of the investigation, when completed, will be compiled in an information handbook or brochure and circulated among the investing public within and outside the country.

Notwithstanding all that I have said so far about the mineral sector of the available investment opportunities in the state, the occurrence of the following solid mineral resources have been confirmed in the state:

- (a) Cassiterite (Tin Ore) columbite-tantalite
- (b) Kaolin
- (c) Bulk and ceramic clay
- (d) Granulated or weathered feldspar
- (e) Quartzite of foundry quality
- (f) Gemstones
- (g) Dimension stones e.g.: charmockite, gneisses, granite, etc.

Tourism Potentials

Tourism is an area which the private sector of the economy is yet to exploit to the fullest. When properly harnessed, tourism is a viable revenue earner which is expected to boost economic activities in Ekiti State. There are several natural phenomena together with traditional and cultural activities all over the state being harnessed to boost Tourism as an Investment platform in Ekiti State. Prominent among these is the popular Ikogosi Warm Spring, which is mixed down stream with another cold spring water oozing out from another hill on the same expanse of land. The resort has been developed into a tourist centre with the following facilities in place:

- Chalets for accommodation
- ii. A medium-sized swimming pool supplied with water from the warm spring
- iii. Multipurpose Conference Hall
- iv. Restaurant
- v. Standby electricity generating plant
- vi. Children play ground
- vii. A small zoo under reactivation

- viii. Indoor games facilities.
 - ix. Outdoor games facilities like tennis court and table tennis.

In spite of the available facilities mentioned above which have been provided mostly by the state government, the tourist centre is yet to meet international standards as envisaged by the government. Interested and genuine investors with proven knowledge and expertise in the development and management of tourism would be welcomed in Ekiti State. Suffice it to mention here too that other tourist centres abound in the state which are yet to be developed.

Priority Areas For Immediate Development

Ekiti State being a young state which has suffered a long period of marginalisation, desires rapid industrial transformation. It is our fervent belief that industrialisation holds the key to rapid economic development of the state. In pursuit of this, the state government has evolved an Industrial Policy for the state. The document, which is still being printed, will also be used to woo potential investors and entrepreneurs to the state.

The industrial policy consists of several other topical industrial development facilitators, a list of investment opportunities in the state, which are considered to constitute priority industrial projects for the state. These projects together with their minimum costs and proposed phases of development are listed and attached as Annexure II. Some of them have reached certain stages of completion while some only require rehabilitation to return them to business. Feasibility studies and reports are also available for most, if not all, of the newly conceived projects like rice milling, stone cutting and polishing, sawn wood factory, integrated palm oil mills, etc.

Government's Role and Legislative and Institutional Framework

The desire of Ekiti State Government is to limit its role in the industrial development and growth of the state to promotional activities and provision of the enabling environment including material infrastructure. As such, the state has decided not to own more than 20% equity of any industrial venture in the state. All these and other roles of the state government, fashioned and developed upon the principle of commercialisation and privatisation are contained in the industrial policy of the state.

The industrial policy which is to provide the framework for the development of the various investment opportunities that abound in the state has been approved by the Executive Council of the state.

Investment Incentives

Ekiti State Government is aware of the stiff but healthy competition among the various states governments in the federation to attract and persuade investors within and outside the country into their states. Therefore, we have packaged a list of incentives aimed at encouraging and protecting the investments of entrepreneurs in the state. The following are some of the incentives available for potential investors:

- (a) provision and regular maintenance of necessary infrastructure all over the state to facilitate an easy development of the available investment opportunities in the state
- (b) streamlining the regulatory environment within the state thereby reducing bureaucracy
- (c) provision of functional industrial estates to be allocated to entrepreneurs at reduced land premiums
- (d) facilitation of land acquisition by private investors and ensuring accelerated processing of title and other related documents e.g.:
 Certificate of Occupancy, Letter of Consent etc
- (e) exemption of new industries from rates and levies in the first three years of operation
- (f) establishment of an Industrial Development Fund to complement the Small Scale Industries Credit Scheme
- (g) provision of adequate security measures to protect investors' interests
- (h) assisting local investors to source technical partners, plant, machinery and equipment
- establishment of a sustainable Data Bank on industrial development activities in the state to provide information assistance to investor
- (j) conduct regular geo-technical surveys of the state to discover its mineral wealth for the information and utilisation of the organised private sector. This is aimed at removing the initial risks to investment in the sector through exploration
- (k) equity participation by the state government in viable industrial projects being promoted by any investors in the state. This is to facilitate the establishment of such ventures as well as encourage other potential entrepreneurs.

In a nutshell, Ekiti State Government will readily assist any interested entrepreneur willing to invest in the state.

Conclusion

Ladies and gentlemen, much as you are aware that time will not allow me to exhaustively present and discuss the various investment opportunities that are available in Ekiti

State, I wish to sincerely thank you for listening to the text of my call to investors to come and participate in the industrial and investment efforts of the new government in Ekiti State.

The State, by virtue of its age, may be considered as an infant, but it has over the long period of its existence as an integral part of the Federal Republic of Nigeria, grown and developed to become a ripe virgin ready for exploration and positive exploitation. Therefore, I wish to request you all to take advantage of the little information which I have been opportune to avail you through this paper about the numerous investment opportunities and incentives in Ekiti State to visit us and ascertain the facts yourselves.

The overall investment climate in the state has greatly improved since its inception in 1996 and has further been boosted by the unqualified political stability and new image arising from the present democratic system of government in the state and the country generally.

For additional detailed information about the state, you can contact me as the Chief Investment Promotion Officer of Ekiti State or any of the following officials of the state government:

- Ministry of Commerce, Industries, Cooperatives and Tourism,
 New Secretariat, Phase I,
 Ado-Ekiti. Tel. 030-250950
- (ii) The Permanent Secretary,
 Ministry of Agriculture and Rural Development,
 New Secretariat, Phase II,
 Ado-Ekiti. Tel. 030-250950
- (iii) The Permanent Secretary,
 Department of Political and Economic Affairs,
 Office of the Executive Governor,
 Ado-Ekiti. Tel.030-250235
- (iv) The Ekiti State Government Liaison Officer, 11A, Suez Crescent, Ibrahim Sani Abacha Housing Estate, Wuse Zone 4, P.M.B. 388, Garki, Abuja Tel. 09-5235720

(v) Ekiti State Government Liaison Office,
 Oduduwa House, Ahmadu Bello Way,
 Victoria Island,
 Lagos, Tel. 01-2617065

Once again, I want to thank you for listening patiently and to reiterate my earlier position that the environment is now conducive for investment purposes in Ekiti State. I therefore invite you to visit Ekiti State and invest.

Thank you all and God bless.

Investment Opportunities in Ekiti State

S/No.	Project	Available Raw Materials	Possible scope of Project	
1	(A) Agro-Based		_	
	Cocoa processing and cocoa-based product industries	Good quality cocoa beans	Large scale	
2	Dairy Farm Company	Fully installed factory with Dairy Products Processing and Production Plant and Machinery. (ii) Conducive ecological environment. (iii) Already acquired large expanse of land for paddock grazing.	Large Scale	
3	Rice Milling	Large quantity of paddy rice.	Small, Medium to large scale	
4	Animal/poultry feed mills	Maize, soyabeans, sorghum	Large scale	
5	Fruit Juice Production	Sweet oranges, grape, pawpaw, mango, pineapple	Small to medium scale	

6	Industrial and phar- maceutical starch	cassava and cocoyam	Medium scale
7	Livestocks and Fishery Development	Large expanse of grass- land and abundant sources of fresh - water bodies	Medium scale
8	Wood and Wood Processing Industry	Several hectarage of forest reserves for both natural and exotic trees	Small, Medium to Large Scale
(B) N	fineral Based		
9	Mining and processing of tin ore, columbite and tantalite	Good deposit of cassi- terite and associated mineral resources	Small to Medium scale
10	Stone cutting and polishing	Assorted types of Dimension stones	Small to Medium to Large scale.
11	Quarry Projects	Large volume of good quality metamorphic rocks e.g. granite and granite-gneiss	Medium to Large scale
12	Ceramic Products Factory	Good bulk clay and glazing materials	Medium to Large scale
13	Feldspar Milling and Packaging Industry	Abundant weathered feldspar deposits	Small to Medium scale
14	Kaolin Processing and Packaging Industry	Good quality Kaolin deposit	Medium scale
15	Mining and Processing of Gemstones	Good quality gem- stone deposits e.g. Tourmaline Benyl and Aquamarine	Small to Medium scale
	Others	•	
17	Development and Management of Tourist Centres	Ikogosi Warm Spring, Fajuyi Memorial Park, Ado-Ekiti, Ipole-Iloro water Falls	Medium to Large scale
18	Establishment, Deve- lopment and Manage- ment of Hospitality Institutions.	Inadequate number of such establishment with good facilities in the state.	Medium to Large scale.

Priority Investment Opportunities in Ekiti State

S/N	Project Title	Project Description	Total Invest- ment Layou	_		
1	Reactiva- tion of Ikun Dairy Project	Establishment of a dairy company to produce milk, ice cream and meat processing.	(₩ Mil) ₩ 500m	2000 № 350m	2001 N 100m	2002 №.50m
2a	Bottling of Ikogosi Spring Water	To bottle the free- flowing natural spring water for commercial purpose.	№ 250m	¥ 200m	¥ 30m	¥ 20m
2b	Development of Ikogosi Resort	Rehabilitation of Mcgeet Camp, rehabilitation of Western Chalets, rehabilitation of staff quarters, rehabilitation of Internal road in the Resort, rehabilitation of Zoological Garden, Tel/Radio link provision of recreational facilities e.g squash hall, basketball court etc. maintenance equipment (mower, slasher etc.)		¥ 50m	№ 30m	₱ 4 20m
2c	Develop- ment of Thermal/ Health Clinic	Building of infra- structure including purchase of Equip ment, construction of Gymnasium/ thermal clinic facilities	N 20m -	₩10m	₩5m	¥5m

S/N	Project Title	Project Description	Total Invest- ment Layou		nasing	
3	Establish- ment of a Cocoa Pro- cessing factory	To process raw cocoa into cocoa butter and cake for local and export markets	№600m	₩200m	№ 200m	₩200m.
4	Establish- ment of a rice-milling factory	To process raw paddy rice for local and export markets	₩600m	№ 200m	₩200m	№200m
5	Establish- ment of a ceramic products factory	To produce sanitary wares, dinner-wares and tiles		₩100m	₩75m	₩25m
6	Establishment of a medical procuets factory	To produce syringes, bandages and other medical utilities	₩250m	₩150m	№ 50m	₩50m
7	Develop- ment of a 5-star hotel in Ado-Ekiti	Reconstruction of the existing Owena Motel, Ado-Ekiti to the level of a 5-Star hotel	№500m	₩200m	₩150m	¥150m
	Rehabilita- tion of the Burnt Bricks, Factory, Ire-Ekiti	Rehabilitation of the plants, machi- nery including production lines and supply of regular electricity and spare parts.	₩100m	№ 50m	₩25m	₩25m
	Rehabilita- tion of Romaco	Rehabilitation of plants equipment and machinery	}4 80m	₩50m	№ 20m	№10m

ix) The Story of Untapped Potentials, A Profile of the Investment Potentials of Enugu State – Chief Chimaroke Nnamani, The Executive Governor of Enugu State

Introduction

Enugu State is one of the 36 states of Nigeria. With an estimated population of over 100million people, Nigeria is the most populous country in Africa, and the most populous black nation in the world. A member of the Organisation of Petroleum Exporting Countries (OPEC), Nigeria is a major producer and exporter of crude oil.

Although over 250 distinct languages are spoken among Nigeria's multi-ethnic population, three major Nigerian languages are mainly spoken, namely Igbo, Hausa and Yoruba, excluding English, which is used as the official language of business and education. English is also the most popular language of social interaction. Enugu, the capital city of Enugu State, is the oldest city in the Igbo-speaking part of Nigeria, and as such home to all the Igbo-speaking people of the world. Nigeria is now run by a democratically elected government under the presidential system of government.

This brochure aims to highlight the geographical and historical features of Enugu State, while advertising its investment and tourist potentials. The brochure also serves as an invitation by the government of Enugu State to entrepreneurs (both local and foreign) to invest in, and develop the enormous potentials of the State.

Part I: Enugu State - The Place and the People

1. The Place

a) Geography

Enugu State is one of the states in the South Eastern part of Nigeria. The state shares borders with Abia State to the South, Ebonyi State to the East, Benue State to the North-East, Kogi State to the North-West and Anambra State to the West.

Though a land-locked state, Enugu, the capital city, is located approximately 2½ driving hours away from Port Harcourt, Calabar and Warri, all coastal cities with major shipping ports. Enugu is also located within an hour's drive from Onitsha and 2 hours' drive from Aba, both of which are major trading centres in Nigeria. The city is also located within 5 driving hours from Abuja and 7 driving hours from Lagos, the administrative and commercial headquarters of Nigeria respectively.

Lying partly within the semi-tropical rain forest belt of the south, the state spreads (through a land area of approximately 8727.1 square kilometres) towards the north with its physical features changing gradually from tropical rain forest to open woodland and then to the savannah. Apart from a chain of low hills, running through Abakaliki (Ebonyi State) in the east to Nsukka in the north-west, and then southwards through Enugu and Awgu, the rest of the State is made up of low land separated by numerous streams and rivulets the major ones of which are the Adada and Oji Rivers.

The mean temperature in Enugu State in the hottest month of February is about 36.2°C (97.16°F), while the minimum temperature of about 20.3°C (68.54°F) is recorded in November. The lowest rainfal of about 0.16cm³ is normal in February, while the highest is about 35.7 cm³ in July. Enugu has a good soil and climate, sitting at about 223 metres above sea level, and the soil is well drained.

b) Historical Perspective

The name of the state derives from its capital city, Enugu. The word "Enugu" means "the top of the hill". The first European settlers arrived in the area in 1909, led by a British mining engineer called Mr. Kikson, who (in the quest for silver) discovered coal in the Udi ridge. Lord Lugard, the colonial Governor, took keen interest in the discovery, and by 1914 the first shipment of coal was made. As mining activities increased in the area, a permanent cosmopolitan settlement emerged, supported by a railway system.

Enugu acquired township status in 1917, and became strategic to British interests. Foreign businesses began to move into Enugu, the most notable of which were (are) John Holt, Kingsway Stores, British Bank of West Africa and United Africa Company.

From Enugu, the British administrators were able to spread their influence over the Southern Province of Nigeria. The colonial past of Enugu is today evidenced by the Georgian building types and delightful meandering narrow roads within the residential area originally exclusively reserved for the whites, an area which is today called the Government Reserved Area (GRA).

From being the capital of Southern Provinces, Enugu became the capital of the Eastern Region, now broken up into nine states, then the capital of East Central State, Anambra State, (old) Enugu State, and now the capital of the present Enugu State through a process of state creation and diffusion of administrative authority.

c) Infrastructure

Transport

Enugu has a good network of roads, which is currently being expanded and/or rehabilitated by the new civilian government. The road network comprises federal roads, which connect Enugu to other states of the country and state roads, which connect the various local government headquarters in the state. Apart from a good network of roads, Enugu is also host to one of the oldest railway stations and airports in Nigeria.

ii. Postal Services and Telecommunications

There is an efficient network of mail delivery service, dominated by such global players as UPS and DHL in addition to the government-owned Nigerian Postal Services (NIPOST) and other local private mail delivery companies.

Telephone services are provided by the Nigerian Telecommunications (NITEL) Plc, and given the deregulation of the telecommunications sector in Nigeria, other telecommunications operators are exploring to set up facilities in Enugu State. Internet services and access are also available.

iii. Energy

Electricity supply is relatively stable in Enugu. The Oji River Power Station (which used to supply electricity to all of Eastern Nigeria) is also located in Enugu State. With the deregulation of electricity generation in Nigeria, and the proposed privatisation of the National Electric Power Authority (NEPA), the state government would assist private investors to negotiate the takeover and reactivation of the Oji Power Station. This is more so with the proximity of the Enugu coalmines to the power station – a driving distance of about 20 minutes.

iv. Banks and other Financial Institutions

There is a regional office of the Central Bank of Nigeria in Enugu. Besides, all the big four banks in Nigeria (First Bank Plc, Union Bank Plc, United Bank of Africa Plc and International Bank of West Africa Plc) have regional offices in Enugu, in addition to the regional and branch offices of new generation banks.

There is also a good representation of insurance companies and other financial institutions in Enugu.

v. Educational Facilities

Every community in Enugu State has at least one primary school and one secondary school, which is funded and run by government. There are also a good number of private nursery, primary and secondary schools in Enugu State.

The first indigenous university in Nigeria, the University of Nigeria, is located in Enugu State. Enugu State also hosts the Enugu State University of Science and Technology, Institute of Management and Technology, Our Saviour's Institute of Science and Technology and the Eha-Amufu College of Education.

There are also a host of private computer schools and training centres concentrated in Enugu and Nsukka. The result of this massive investment in education is a good and affordable labour force. The new government in Enugu State is also planning to consciously encourage vocational and technical education at the intermediate level between the secondary and tertiary levels of education. There is also a deliberate policy for the promotion of computer education at the early stages of formal education.

vi. Medical Facilities

The University of Nigeria Teaching Hospital, which is one of the foremost teaching hospitals in Nigeria is located in Enugu. In addition to numerous private hospitals and clinics in the state, there is at least one health centre or general hospital in every one of the seventeen (17) local government areas in the state.

vii. Radio and Television

Radio and television (TV) services are deregulated in Nigeria. Thus, in addition to local stations, broadcasts from international satellite and cable TV/radio stations are received in Enugu, and indeed, all over Nigeria.

2. The People

With a population of about 2.5 million people, Enugu State has a population density two and half times the national average. Enugu, the capital city, is home to the Igbospeaking people of South Eastern Nigeria, widely noted for their hospitality, industry, entrepreneurship and resourcefulness.

Economically, the state is predominantly rural and agrarian, with a substantial proportion of its working population engaged in farming, although trading (18.8%) and services (12.9%) are also important. In the urban areas trading is the dominant occupation, followed by services, mostly the public service (although the private sector is presently

receiving tremendous impetus). A small proportion of the population is also engaged in manufacturing activities, with the most pronounced among them located in Enugu, Oji, Ohebedim and Nsukka.

3. The Political System

Governance in Enugu State is at two levels – the state government and the local governments. But overall, political authority is exercised by an Executive Governor, elected by popular mandate. Political authority is exercised under a presidential system of government. There is also a popularly elected legislature, i.e. the State House of Assembly.

Political affairs in Enugu State are conducted in an atmosphere of political freedom and respect for human rights. A nationwide multi-party system, with state chapters, governs party politics in the state as well as in the other 35 states of the Federal Republic of Nigeria.

Part II: Investment Opportunities and Incentives

Background

Enugu State is endowed with abundant mineral resources, arable land and a good climate. With education as a long cherished value for the Igbo man, skilled manpower exists in practically every field of human endeavour. Thus, the investment opportunities which are either currently being exploited (by existing businesses) or which are being promoted by the government, are aimed at maximising the advantages offered by this resource endowment.

We have classified the natural resources into minerals and agricultural produce:

a) Minerals

Types		Estimated Annual Reserves
0	Iron ore	100 million MT
ii)	Natural Gas/Petroleum	Large
iii)	Coal	300 million MT
iv)	Limestone	Large
v)	Clays/Kaolin	75 million MT
	Silica (Quartz) sand	Large
•	Pyrite	NA
	Bauxite	NA

ix) (Gypsum	NA
x) (Copper	Occurrence reported.

b) Agricultural Produce

The soil and climate in Enugu State can sustain the following crops:

Products	Estimated Current Annual Production
Yam	700,000 MT
Cassava	330,000 MT
Cashew	668,335 trees in production
	1,040 tons of cashew nuts
	3,120 tons of cashew apples
Maize	60,000 MT
Rice	14,000 MT
Cow Pea	1,000 MT
Melon	13,000 MT
Poultry	850,000 layers
	500,000 broilers
Piggery	100,000
Oil Palm	Wild and Agriculture species
Pigeon Pea	-do-
Sweet Potato	-do-
Kola	-do-
Castor Oil Seeds	-do-
Plantains and Bananas	-do-
Citrus (Oranges, Lemons, Grapes, etc	c.) -do-
Mango	-do-
Pine	Approximately 700 hectares under
	cultivation, including a seed orchard.

2. Existing Enterprises

The table below shows the major manufacturing concerns located in Enugu State:

S/No.	Name	Nature of Business	Ownership
1 2	Nigergas Limited Nigersteel Limited	Industrial Gas Manufacturing Flat Sheets and Billets Manufacturing	Government Government

S/No.	Name	Nature of Business	Ownership
3	Sunrise Flour Mills Ltd.	Flour Milling	Government
4	Enugu Aluminium Products Limited	Aluminium Products Manufacturing	Government
5	Nike Lake Resort Hotels Limited	_	Government
6	Hotel Presiden- tial Limited	Hotel Business	Government
7	Anambra Motor Manufacturing Co. Ltd.	Mercedes Benz Truck and Bus Manufacturing	Government/Private
8	Nigerian Bottling Company Plc.	Mineral Water Bottling	Private
9	Nigerian Breweries Plc.	Beer Brewing and Mineral Water Bottling	Private
10	Eastern Plastics Limited	Plastic Crate and Container Manufacturing	Government/Private
11	Science Equip- ment Manufac- turing Centre	Science Equipment Manufacturing	Government
12	Emenite (Nig.) Limited	Roofing Sheets Manufacturing	Private/Government
13	Nigeria Coal Corporation	Coal Mining and Processing	Government
14	AVOP Plc.	Vegetable Oil Refining, etc. Business	Private/Government

3. Proposed Business

Based on the available natural and human resources in the state, government aims to promote the establishment of the following businesses:

- i. Cement manufacturing plant
- ii. Production of agricultural equipment and implements
- iii. Glass manufacturing plant
- iv. Hydrated lime plant
- v. Calcium carbide plant
- vi. Fruit juice processing plant
- vii. Alumino silicate refractory bricks
- viii. Metallurgical and machine tools manufacturing plant
- ix. Pharmaceutical plant.

Government is also working to set up an exclusive export-oriented industrial estate for the location of manufacturing concerns in the following businesses:

- vi. Textile/Dressmaking
- vii. Footwears
- viii. Toys.

Government will also encourage the establishment of Information Technology businesses in a special way.

In the agricultural sector, government would encourage investment in medium and large-scale:

- rice production
- ii. maize production
- iii. cassava production
- palm plantation development
- v. cashew plantation development
- vi. pine plantation development
- vii. citrus, mango and pineapple plantation development
- viii. livestock production (especially poultry and piggery).

4. Revitalisation and Privatisation of Government-owned Enterprises

All enterprises owned by the state government have been slated for privatisation in the short to medium term. The companies are summarised below:

a) Enugu Aluminium Products Limited

The company is designed to produce aluminium products like roofing sheets, suspended ceilings, bars, billets and coils. The company was established in 1991 but has been dormant since 1994.

b) Nigersteel Company Limited

The company is established to produce iron rods, bars, steel billets, ingots, wire gauze, and convert scrap steel materials into usable products. It also has capacity to fabricate machine tools and industrial spare parts. The company was established in 1961 but is currently being refurbished.

c) Nigergas Limited

The company is established to produce industrial gas such as acetylene, using carbide as the major raw material, and oxygen gas for medical use, tapping oxygen from the atmosphere. The company, which was established in 1961 has continued to produce, although below installed capacity. The production plant also requires refurbishment/upgrading.

d) Sunrise Flour Mills Limited

The company produces baking flour and has capacity to mill 200 metric tonnes of wheat daily. The company, which began operations in 1984 has, however, not operated at full capacity for more than 3 years cumulatively.

e) AVOP Plc

This company produces edible vegetable oil, detergents, and other by-products, which are used for production of animal feeds and other items. The company which began operations in 1987 has not operated at full capacity for more than 2 years cumulatively. The plant has the capacity to refine 100 metric tonnes of oil daily.

f) Presidential Hotel Limited

This is a 116-room hotel, which is designed and built to 5-star standards. The hotel began operations in 1963 but currently requires extensive rehabilitation. Even in its present condition, it remains one of the best-designed hotels in Nigeria.

g) Ikenga Hotels Limited

This company operates two hotels, one in Enugu and the other in Nsukka. While the hotel in Enugu comprises detached chalets (arranged in bungalows on a well terraced accommodation), the hotel in Nsukka has a 50-room capacity, with relatively new facilities.

h) Nike Lake Resort Hotel Limited

This is a 250-room hotel which is built to 5-star standards. The hotel is located in one of the most scenic sites in Nigeria and has extensive room for expansion into a mini-Disney. The state government is currently arranging to relocate a zoo close to the hotel.

i) Premier Cashew Industries Limited

This company which was established in 1957, runs over 600 hectares of cashew plantation. The plantation is, therefore, ripe for replanting. There is also ample room for expansion.

i) United Palm Products Limited

This company runs over 6,000 hectares of oil palm plantation. The oil palm trees are mature and ready for fruiting if properly managed. There is also provision for installation of a processing plant in the plantation.

The privatisation exercise will offer investors the opportunity to invest in existing businesses in the State. In arriving at this decision, government reviewed various options, which have been highlighted below:

A) Option A – Asset Lease/Refurbishment and Management

Most of the potential investors proposed to take the companies on lease, refurbish the assets and manage same upon the payment of annual rentals to Government. The arrangement suggested would entitle the investors to operate not just the assets of the companies as lessees, they would also be entitled to manage the companies on behalf of the government, thus nominating, management staff and sharing Board of Director seats with Government. This is the arrangement under which previous administrations sought to revive Sunrise, Nigergas and Nigersteel, with little or no success recorded.

The main advantage of this arrangement is that Government is guaranteed a return from the companies, no matter how small. However, there are problems associated with the arrangement, which include:

Defective Legal Structure

The structure of the arrangement is legally defective in that a lessee's rights are usually limited to the use of the assets of the lessor and do not extend to the management of the lessor's business/company. Thus, in a lease arrangement the business of the lessee and the business of the lessor are kept separate one from the other. The lessee manages his own business (albeit using the assets and perhaps trade name or trade mark of the lessor), while the lessor manages his own business/company. This distinction is both fundamental in law and critical for accounting purposes. This is because, while the lessee's books

would report revenue from his sales and expenditure by way of operating expenses including rentals paid to the lessor, the lessor's books would report revenue from rentals and expenditure by way of depreciation of assets and the cost of administering the lease. These two books must be kept separately and by different parties. Thus, the lessee cannot ordinarily be said to be managing the business of the lessor in the use of the leased assets because during the life of the lease, the lessor has no interest in the business generated from the use of the assets.

The substance of the arrangement is, therefore, that government would transfer the right to manage its business to an investor for a fixed amount. Thus, under the lease/management arrangement, the lessee/investor has an unlimited right to bind the company/government and incur debts on its behalf, while the company's/government's interest is limited to fixed annual payments. Government views this option as patently unfair.

Another problem with this structure is that since the profits of a limited liability company can only be distributed by way of dividends payable only to shareholders, the lessee would have a problem appropriating any profits of the company to itself/himself, unless there is a collateral agreement compelling the government (as shareholder of the company) to transfer all of its dividends to the lessee/manager less the agreed rental. This sort of arrangement would open the books of the lessee/manager to inspection by government and compel the lessee/manager to render trading accounts to the government, a duty which cannot be imposed on a lessee under a typical lease arrangement.

The confusion and failure which have characterised past and existing efforts at the lease/management arrangement stem in part from the defective structure of the arrangement. What is permissible in law and operational in practice is either a normal lease arrangement or a management service arrangement (subject to various shades).

Difficulty in Determining Fair Rentals

It is also difficult to determine fair rentals for assets leased, unless there exists a credible valuation of the assets, so that the annual rentals are fixed to cover annual depreciation and cost of monitoring the leased assets (machinery and trade mark/ trade name). This is the reason we have experienced arbitrary allocation of rentals (nearly similar rentals for assets of clearly different values). We also note the possible impact of corruption in this regard.

The investor will not withdraw his investment until the end of the joint venture, while profits after tax in each year of operation will be shared between government and the investor in agreed proportions. The investor, not being a shareholder in the company, would get his share of profits either by way of enhanced management fees (calculated as a proportion of profits) or through a joint venture company arrangement with the government.

This structure is a modification of the typical management service arrangement (which is what government has with respect to Nike Lake Resort Hotel), in that in this case, the manager/managing company has the obligation to fund the business from his own resources, and recoup himself over time.

The advantages of this structure over the lease simpliciter or lease/management arrangement include:

- the structure is valid from a legal standpoint (limited to the lease/management arrangement)
- ii. there is no arbitrariness in determining government's take from the business because it (government's take) is tied to the companies' profits
- iii. following from (ii) is that it is easier for Government to defend the level of its take before the public because it has a clearly discoverable basis (unlike the lease where the rental may be arbitrarily fixed, thus exposing government to a charge of collusion with the investor)
- iv. the cost of monitoring the use of the company's assets is less on government since it is done by government's representative in the management team, whose salaries are paid by the company
- v. the fact that investor may eventually take equity in future reduces the tendency to "flog" the company's assets, and
- vi. Government in the short term is able to revive these ailing companies under an arrangement, which contemplates ownership privatisation, while arrangements for privatisation are in progress.

It is to be noted that the success of this option is more predictable where the investor has proven experience and good record in the relevant business. The main drawback is that some investors may fight shy as a result of the uncertainty, which the contemplated privatisation may introduce to the arrangement. However, investors have already indicated approval for this structure in respect of Hotel Presidential, Enugu, Aluminium Products Company Limited, Ohebedim, Nigergas and Premier Cashew Industries Limited.

The Cost of Monitoring the Lessee

If the use of the assets by the lessee is not monitored by the lessor, the usual tendency is for the lessee to "flog" the assets to maximise their output during the term of the lease, with the result that the assets are in substance extensively depreciated by the end of the lease. The lessor (government in this case) would require to employ competent technical staff to monitor the use of the assets (e.g. to ensure that the machines are serviced and replaced, as the case may be, when necessary). This is an expensive exercise, and experience globally has shown that even with the best of monitoring efforts, lessees still "flog" leased assets unduly.

No Obligation to Render Accounts

The lessee is under no obligation to render accounts of the business to the lessor. It is, therefore, difficult for the lessor to know how much the lessee has made in any preceding year, including the sum spent on equipment maintenance and repairs. Thus, no audited accounts of the company on a true and fair basis can be produced.

History

Our experience with the lease/management arrangement has been very unsuccessful, especially with Sunrise and Nigergas. Although a standard lease arrangement (without the management component comprised in the Nigergas Limited and Nigersteel Limited arrangement) will be without the problem in 2(a), it would still have the problems raised in 2(b)-(d).

B. Option B - Management Service/Investment and Refurbishment Arrangement (MSIA)

Under this arrangement, investors do not take over the assets of these companies and manage the business as well (as in Option A). Here the investors are required to use funds (by way of debt owed to them by the companies), which they have sourced in their own names, to refurbish and rehabilitate the companies, with an option to take equity in the event of privatisation. They would then manage the companies as joint venture partners with government. Under the joint venture arrangement, the key management positions in the company are filled by nominees of government and the investors; but the main responsibility for the management of the company will rest with the investors with sufficient guarantee of non-interference by government in the ordinary running (day-to-day running) of the business of the companies. Such guarantee of non-interference is necessary to safeguard the investors' funds by ensuring efficient running of the business.

C. Option C – Management Service Agreement

Under this structure, government would fund the initial capital requirements (for rehabilitation and working capital) of these companies, while the management of the company is handed over to the manager/management company, which possesses the necessary management and technical know-how (see the current arrangement in respect of Nike Lake Resort Hotel).

While this structure holds most of the advantages of Option B, its main drawback with regard to government's present condition is that government does not have either the funds to invest in the recapitalisation of these companies or the credibility and "freedom" to borrow to fund the exercise. Government has already borrowed massively to fund infrastructural development and salary payments, and would still need to borrow more funds to finance more infrastructural development projects. Since government's continued ability to borrow would depend on the size of its debt stock, it would not be advisable for government to borrow to fund commercial ventures, especially with the commercial risks attendant thereto.

It is the problem of inadequate funding that has continued to stunt growth and profitability in Nike Lake Resort Hotel Limited, since the current management can only expand the business by way of ploughing back revenue on a periodic basis.

D. Option D - Immediate Privatisation

The investment and financial experts we spoke with recommend this option. It involves the sale of part of government's equity in the companies to bring down government's equity in the companies to a bare (say 30%). The advantages of this option are as follows:

- immediate cash for Government
- ii. government is relieved of the burden of these companies
- iii. private sector is immediately involved in the business, and
- employment is generated by the revived companies, which is sustainable based on increased efficiency.

The drawbacks are the anticipated public outcry. This drawback is, however, manageable if the process is transparent and if some of the shares are spread to the public (without compromising the control of the company by one strategic investor). Besides, the employment to be generated by these companies, if they are run efficiently, as well as increased capacity to fund more infrastructural development through increased personal income tax, etc. remittances from these companies, would serve as valid defences for government.

The experts whom we spoke with are also in agreement on the appropriate procedure to pursue, namely:

- the conduct of studies on the current status and net worth of each company, with a projection of its profitability (feasibility studies)
- the production of a restructuring plan for each company, and
- a committed and transparent prosecution of the process of equity/asset sale.

Government would first source funds to finance the cost of pre-privatisation activities (feasibility studies, restructuring plan, legal documentation, etc.). We estimate this procedure to take, at least, one year to complete.

Since government's ultimate plan is to privatise, it sees no reason why the commencement of this exercise should be postponed. Government also believes that if it is done now, and the proceeds are wisely invested, government would have a response to any charge of misplaced sale of public assets by pointing to infrastructural development, which is funded with privatisation proceeds. It is also believed that persons (and their families) who might be in the employment of the revitalised enterprises by virtue of privatisation would be easy recruits in the army of defenders of the privatisation exercise.

Government is, however, under pressure to start reactivating these companies. In response to this condition, Government would wish, in the interim, to pursue the MSIA option (per section 3 above) as a prelude to privatisation, especially where Government can find investors who accept the arrangement. This way, activities would began to happen in these companies.

For companies where government cannot find investors who are interested in the MSIA arrangement, government intends to appoint interim General Managers who would begin to collect the companies' assets and prepare their accounts preparatory to the commencement of the privatisation process. Such General Manager may also be allowed to carry on trading activities if he would not seek subvention from government or encumber the affected company with any debts.

Available Incentives

a) General

Incentives, which are available to investors in Nigeria are divided into two (2) categories:

- · Incentives available from the Federal Government, and
- Incentives available from the State Governments.

b) Federal Government Incentives

i. Pioneer Status Tax Relief

Tax relief for a period of not less than five (5) years is available to any company or business that is adjudged as "pioneer" by the Federal Government. Pioneer status is granted to a company which carries on any business that is not sufficiently being carried on in Nigeria. It is also available to agricultural businesses or any agro-allied business where the raw materials are produced locally.

ii. Abolition of Excise Duty

Excise duty on some locally manufactured goods has been abolished.

iii. Export Promotion Relief

- Waiver or refund of import duty paid on raw materials and intermediate products imported for use in the production of export products
- Special tax waivers for enterprises located in Export Processing Zones
- Additional annual capital allowance of 51% on plant and machinery to manufacturers who export at least 50% of their annual turnover with at least 40% local content or 33% local value added
- Dividends received from investments in wholly export-oriented business are tax exempt.

iv. Agro-based Incentives

- Losses incurred in the year of commencement can be carried forward indefinitely
- Investment allowance (in addition to capital allowance) of 10% of expenditure on plant and equipment used in agricultural production
- There is no limitation on the amount of capital allowances that can be offset against profit in any given year
- Tax waivers as pioneer business.

v. Incentives for Research and Development Activities

Expenses on long-term Research and Development activities may be considered capital expenditure to be written off against profits by way of capital allowance.

vi. Special Incentives

Investors may also negotiate special waivers with appropriate government authorities, especially through the Nigerian Investment Promotion Commission.

4. Incentives Granted by Enugu State Government

- a) Provision of serviced industrial layouts
- b) Grant of free land to designated priority enterprises
- Provision of land for large scale farmers
- d) Funding of start-up costs and related expenses for designated priority enterprises
- Provision of project profiles and advisory services concerning source of raw materials, machinery and equipment, etc
- f) Mediation and liaison with Federal Government on matters which border on Federal law and/or jurisdiction as well as obtaining relevant approvals from Federal Government agencies
- g) Special concessions/assistance based on specific request by investor(s).

Part III: Tourism

Enugu State is enormously endowed with tourist resources, facilities and potentials. These abound in natural features like lakes, caves, waterfalls, springs and hills as well as man-made features like hotels, telecommunications and transportation outfits, galleries, and monumental or archeological collections. The state's cultural performances and recent technological developments/innovations also hold attractions for tourists.

Existing Tourist Events

These include:

a) Manwu Festival

Masquerade (manwu) festivals are exhibited mostly in the form of Odo and Omaba festivals throughout the state. Masquerades represent a ceremonial reincarnation of the dead ancestors of the people. Each community observes either of these and in accordance with native calendars. The ceremonies present colourful array of panoplied masquerades which entertain through dances and exhibition of extra-human feats.

The state government organises an annual masquerade festival in November, which involves masquerade groups from the various local government areas of the state (and sometimes from sister states). The festival usually attracts tourists and vacationers in large number to Enugu.

b) The Iri Ji (New Yam) Festival

This is another festival with high social significance, which is carried out by various communities. It is organised to mark the beginning of the harvest season in each farming year. The festival usually takes place between August and November, depending on the local calendars of the various communities.

Like the Manwu festival, the Iri Ji festival is sometimes organised at the state level at the instance of the state government. The festival is usually marked with colourful display of cultural dances amidst "ritualistic" rites, including roasting and eating of new yams. This ceremony also attracts various dignitaries and tourists from within and outside the state.

c) Others

Chieftaincy Coronation Ceremonies

These involve a stipulated period of initiates, culminating in the installation rite carried out by titled men, the elders and initiates on behalf of the community.

ii. The Ozo Title Taking Ceremonies

These also involve "ritualistic" initiation rites. The ceremony lifts the initiates to a greater position of social significance within the socio-political structure of a community.

iii. The Traditional Marriage Ceremonies

During these ceremonies, the bride is betrothed to the groom in a befitting and colourful traditional ceremony amidst witnesses.

iv. Funeral Ceremonies

During which relations and friends of the deceased pay their last respect to the dead and commiserate with the bereaved in very colourful ceremonies marked with the singing of dirges and traditional dances.

v. Cultural Troupes

These are esteemed traditional dances such as the Ikorodo Dancing Troupe, the Atilogwu Dancers and the State's Cultural Troupe to mention but a few. They are graceful cultural performance groups to behold.

These social events attract tourists to the State.

2. Potential Tourist Events

These are activities and life patterns of the people of Enugu State that have tourist potentials, but which apparently are not yet developed as tourist events. Some of these are traditional religious and cultural practices such as story-telling (folklore) and moonlight plays. Bizarre and awe-inspiring tales of the powers of the various gods and goddesses in the state, which are experienced at various traditional ceremonies and rites are explorable for tourist purposes. For instance, the Ugwuezema Owa Shrine at Ezeagu Local Government Area is credited with powers of avenging ill treatment against its subjects and punishing dishonesty. The Amalla Ogazi in Udenu Local Government Area is also said to be a ghost sanctuary where one could, through incantations and timing, meet with his dead relatives and in fact discuss with them.

A waterfall said to have forceful explosion has been discovered at Aniniri Local Government Area.

3. Existing Tourist Places (Developed)

These include:

- The Institute of Management and Technology (IMT), Sculptural Garden and Art Gallery in Enugu
- The Nike Lake Resort Hotel, Enugu
- The Polo Amusement Park, Enugu
- Coal Mines (Onyeama & Okpara) in Enugu
- The New Science Equipment Manufacturing Centre at Akwuke
- Historical Monuments such as the Eastern Region Parliamentary Building and the old Governor's Lodge all in Enugu
- The University of Nigeria, Nsukka
- Onuiyi Haven, which was the usual dwelling place of the late Rt. Hon. Dr.
 Nnamdi Azikiwe, the 1st President of the Federal Republic of Nigeria.

4. Potential Tourist Places (Undeveloped)

These are the various tourism resources yearning for development. They include:

a) The Ezeagu Tourist Complex

This comprises lakes, caves, waterfalls, warm and cool springs, and panoramic landscapes.

b) The Opi Lake Complex

This consists of eight (8) lakes within a district.

c) Amagunze/Akpawful Lake Complex

The complex consists of nine (9) formidable lakes within the same district.

d) Awhum Waterfall

This is more than 30 meters high. The fall is closely located to a monastery. The water is said to be curative and capable of dispelling evil or satanic forces if and wherever sprinkled.

e) The Ngwo Waterfall

The waterfall is several meters high, throwing down very good drinking water.

f) Millken Hill

Named after one of the earliest colonial administrators in Enugu, the first road into Enugu City winds through the foot of the hill, bounded by a deep gully.

Part IV: Guidelines and Procedures for Foreign Direct Investment

- Foreign direct investment in Nigeria is regulated by four principal statutes, namely:
 - The Nigeria Investment Promotion Commission (NIPC) Act
 - The Foreign Exchange Monitoring and Miscellaneous Provisions (FEMMP)
 Act
 - The Companies and Allied Matters Act (CAMA)
 - The Immigration Act

a) The NIPC Act

The NIPC Act permits foreign investors to hold 100% equity in Nigerian companies or to set up new companies in Nigeria with 100% foreign equity participation. Restrictions, however, exist only in defence related enterprises. This Act also repealed the Nigerian Enterprises Promotion Act, which restricted the level of foreign participation in Nigerian companies/businesses.

The Act also set up the Nigerian Investment Promotion Commission, which is charged with responsibility for promoting investment in Nigeria as well as registering all businesses with foreign investment in Nigeria. The Commission also plays a part in facilitating the procurement of all basic regulatory approval for new foreign investors in Nigeria.

b) The FEMMP Act

The FEMMP Act abolished the regime of exchange controls, especially for capital importation and repatriation. Under the new Act, foreign investors can now bring in investment capital by wire transfer through their bankers, which will issue the necessary certificate of capital importation, without seeking any approval from the Government. Foreign investors may also repatriate dividends/profits arising from their investment in Nigeria. The Act also permits the repatriation of capital in the event of equity transfer or business liquidation. What is necessary in the event of profit or capital repatriation is proof of capital importation upon the evidence of a duly issued certificate of capital importation.

The FEMMP Act does not, however, authorise unrestrained trading in foreign exchange by unauthorised persons. Thus only authorised dealers (banks and registered bureaux de change) can trade in foreign exchange.

Foreign investors may also contribute equity in Nigerian companies through the provision of physical assets such as machines and equipment. Such investor is also entitled to a certificate of capital importation reflecting the value of the physical assets.

c) The Companies and Allied Matters Act

The CAMA regulates the establishment and internal corporate governance of companies in Nigeria. The CAMA prohibits the establishment of foreign companies in Nigeria through the branch system. Thus any foreign company which wishes to do business in Nigeria must register a local subsidiary in Nigeria, either as a limited

liability company or an unincorporated enterprise. The process of registration is simple and can be accomplished within a very short period.

d) The Immigration Act

The Immigration Act, which generally regulates the entry and stay of foreigners in Nigeria, also regulates the right of foreigners to set up business in Nigeria. The regulation is at two levels, namely at the level of the enterprise/company and at the level of the employees.

At the enterprise level, the foreign company is required to obtain a business permit (BP) from the Federal Ministry of Internal Affairs. However, the Nigerian Investment Promotion Commission facilitates this process. It is, however, possible to register a company with foreign participation at the Corporate Affairs Commission without first obtaining the BP. The process of obtaining the BP is simple and straightforward.

The Federal Ministry of Internal Affairs also grants expatriate quota approvals to companies in Nigeria, which wish to employ expatriate staff. The quota approval usually specifies the number of expatriate staff, which the company may employ and the designation of such staff. The process of obtaining expatriate quota approval is simple and straightforward, and can be concluded in very good time.

At the employee level, an expatriate employee requires:

- a visa to enter into Nigeria
- a work permit to take up employment in Nigeria, which is renewable upon expiration (a temporary work permit can be issued to the expatriate staff for the first three (3) months of his employment), except the permanent until reviewed (PUR) permit usually given to expatriate managing directors; and a resident permit to reside in Nigeria.

2. Specific Approvals

Apart from the above laws, there are also other industry-specific laws and regulations, which impose special licence and operational requirements on both foreign and local investors. These include laws that regulate entry and operations in the oil and gas sector, mining sector, telecommunications sector, banking sector, insurance sector, etc.

3. Start-up Procedure

The following procedure is applicable where a foreign investor wishes to set up a new business in Nigeria after preliminary visits to Nigeria:

- Reserve proposed name of company at the Corporate Affairs Commission, Abuja through local solicitor/agent
- ii. Work with solicitor/agent to produce company's constituent documents (memorandum and articles of association)
- Get shareholders to subscribe to shares in the Memorandum of Association of the company
- iv. Work with solicitor/agent to complete statutory registration forms
- v. Get solicitor to commence and complete incorporation process
 - payment of stamp duty
 - payment of filing fees/filing of documents at Corporate Affairs Commission, Abuja
 - issuance of certificate of incorporation
- vi. Application to the Federal Ministry of Internal Affairs for:
 - Business Permit, and
 - Expatriate Quota.
- Application (on behalf of expatriate staff) for visas, work permits and residence permits.
- viii. Registration with the Nigeria Investment Promotion Commission
- ix. Application for any relevant/industry-specific licence or approval.

On the other hand, where a foreign investor wishes to buy into an existing business, which is not quoted on the stock exchange, the procedure involves:

- acquisition of shares in the existing company
- notification to the Security and Exchange Commission (SEC) of the acquisition of shares, and
- iii. issue of share certificates to the new shareholders.

x) Investment Potentials of Gombe State - Alhaji Abubakar Habu Hashidu, Governor, Gombe State

Protocols:

It is with great delight that I address this august gathering on the investment potentials of Gombe State. The state was created on 1st October, 1996. The creation of the state was a fulfilment of the aspiration of the people, who for long had been yearning for a state of their own. The state occupies a land area of 17,973 square kilometres and it is strategically located in an auspicious area that makes it the confluence of economic activities of the North East sub-region. It shares common borders with Borno and Yobe States to the East, Taraba and Adamawa States to the South, and Bauchi State to the West and North West. This vantage position of the State has made it accessible by five(5) trunk 'A' roads leading to the state capital and environs. These are the roads from Kano, Bauchi, Yola, Potiskum and Maiduguri. Similarly, the state is served by the Lagos-Maiduguri Railway line and an airstrip at Ashaka village, which is an hour's drive from the state capital.

Because of its central location, Gombe has been used by the Federal Government as site for strategic projects like the NNPC Depot, NEPA National Substation, strategic grains reserve depot to cover the North-East sub-region. It is also noteworthy that Gombe has the Federal Medical Centre (Referral Hospital); Central Medical Stores, Fertiliser Distribution Centre, as well as home to distribution centres of multinational firms like MDS, CFAO, UAC, PZ, etc.

The state, which is blessed with abundant human, mineral and agricultural resources, has a current population of over 2 million. Gombe State, which is well positioned in the Guinea Savannah belt, enjoys favourable climatic conditions under which several agricultural produce thrives. It has an average annual rainfall of 900mm. It is also endowed with rich agricultural soil. This makes it possible for the people to engage in productive agriculture for both commercial and food crops. In fact, Gombe State is the pioneer enclave of the World Bank Agricultural Development Programme, which was established in 1975. The success recorded in the 5-year pilot scheme in Gombe and Gusau is what informed the introduction of the then Bauchi state-wide Agricultural Programme in 1981. Equally important is the animal husbandry activities of the populace. Gombe State, which is aptly referred to as "The Jewel in the Savannah", is blessed with abundant natural resources which include livestock, kaolin, gypsum, bentonite, uranium, coal, iron-ore, granite, etc.

Being basically an agrarian state, Gombe has high potentials for agro-based industries. Some of the major crops produced in the state include maize, millet, rice, sorghum,

cowpea, groundnut, cotton, pepper, onion, tomatoes, okro and cassava. These crops provide inputs for agro-based industries such as flour making, starch, tomato paste, juice, soap, animal feeds, ginning, textile, confectioneries, margarine, oil processing, poultry and livestock. The abundant livestock also provides raw materials for industries that produce beef, leather goods, yogurt, butter, ice-cream, chickens and eggs.

The agricultural potentials of the state are further enhanced by the following dams:

- (a) Dadin-kowa Dam, which is a multi-purpose dam, has a reservoir capacity of 1.77 billion cubic litres of water to irrigate 44,000 hectares of land. It is also capable of generating 34MW of electricity. It also has potentials for fisheries development with an estimated catch of 20,000 tons per annum. There are also potentials for fruits and forestry as well as livestock development.
- (b) Balanga Dam is an earth filled dam with a reservoir capacity of 63 million cubic litres storage, capable of irrigating 40,000 hectares of land. It equally has capacity for fisheries as well as livestock development.
- (c) Cham Dam is another dam of smaller capacity with irrigational facilities. Other proposed irrigation facilities include the Kaltungo and Lasale dams, and Malala lake irrigation scheme.

Distinguished guests, ladies and gentlemen, besides the agricultural potentials mentioned above, Gombe State is equally endowed with mineral resources capable of sustaining various industries. Among these are gypsum and limestone for cement production; coal and uranium for energy; kaolin for cosmetics and pharmaceuticals, barytes and bentonite for oil drilling; silica sand for foundry/glass manufacturing and iron ore for steel production. There are also precious and semi precious stones, which include sapphire, tourmaline, topaz, calcite, galena, amethyst, garnet, aquamarine, dolomite, quartz, corundum, etc.

I also wish to add here that we are endowed with great tourism potentials in Gombe State. These include strategic tourist sites with beautiful scenery among which are mountain ranges, water spots, tombs and other historical monuments. It is also known for its bountiful game. There are also suitable sites for developing recreational facilities and Hotels around the Dadin Kowa, Balanga and Cham dams. Equally important is the Kanawa plantation which is suitable for developing zoological garden. In addition to these, the state would also welcome any efforts in developing the hospitality industry.

It is equally important to mention the efforts made in human resources development. This is shown in the enrolment in our schools. Accordingly, there are 786 primary schools with a total enrolment of 380,205. Similarly, the state has 43 post-primary institutions with 47,327 students. Government is also making efforts to establish tertiary institutions to cater for the graduates of our higher schools.

With this background, there is no doubt that the state government is committed to the rapid development of the state. It is more committed to the sustenance and improvement of the enviable economic position of the state as a leading commercial centre in the North-East sub-region. This is with a view to making it a leading industrial centre in the near future. To this end, the state government will provide land free to any investor willing to establish an industry in the state within one week of application and documentation. Furthermore, tax exemption for five years will be granted. An investment guide has been published, giving details of the locations of the vast mineral, agricultural and tourism resources of the state. These measures are beginning to yield dividends where a total number of 304 business premises have so far been registered within the period under review. The Gombe State Investment Company has also been incorporated and registered with a share capital of \$\frac{1}{2}\$0 million.

In terms of infrastructure, there is presently a good network of roads linking the various parts of the state. However, our administration plans to embark on a massive construction of roads to link up the rural areas that will, among others, help in evacuating farm produce to their commercial destination. Electricity is supplied to the state through the NEPA national sub-station power line. The state capital and three other local governments are presently linked with telephone lines. Work is also presently in progress to link two more local governments. The Gombe Water supply scheme, which is on the drawing board, will soon be actualised.

We are not unmindful of the fact that the primary responsibility of any good government is to create a conducive, enabling investment climate where law and order, social stability and the spirit of interaction and co-operation will prevail. Security of lives and property is, therefore, the most veritable incentive to investors. The maintenance of law and order has continued to engage the attention of the state government as the most important instrument needed to create the environment that allows easy and rapid economic development. I am pleased to inform you that we have confronted the problem of armed banditry, not only at the state level but also at the sub-regional level by initiating the North-East Zonal Forum, including Plateau and Nasarawa states. This firm measure is meant to rid the entire region of this menace. Let me assure you all, that Gombe State is safe for investment.

Distinguished participants, ladies and gentlemen, I will not conclude this address without extending my invitation to all genuine investors to take advantage of the abundant resources and the generous incentives provided by the government to establish enterprises in the state. Our doors are open, and information regarding investment opportunities will be provided through the following contact addresses.

(i)	Office of the Secretary to the State Govt	-	072-223915
(ii)	Min. of Commerce, Ind. and Tourism	-	072-220974
(iii)	Gombe State Investment Company Ltd.	-	072-223113
(iv)	Gombe State Liaison Office, Abuja	-	09-5236295
(v)	Gombe State Liaison office, Kaduna	-	062-216283
(vi)	Gombe State Liaison Office, Lagos	-	01-617306
(vii)	Gombe State Chamber of Com. and Ind.	_	072-223923
(viii)	Gombe State Cooperative Financing Agence	y -	072-220562

Finally, I wish to thank you all for listening and I look forward to receiving you in Gombe in the nearest future.

xi) Investment Opportunities and Incentives in Jigawa State - Alhaji Ibrahim Saminu Turaki, Governor of Jigawa State

Protocols:

Introduction

I wish to begin by congratulating the organisers of this event for what already appears to be another successful Summit and hope that this one, like those before it, will prove to be reference points for the organised private and public sectors as they map out their plans in the coming year. This particular Summit is especially important, being the first to be organised under a democratic dispensation and I hope that the government of the day will incorporate the suggestions and recommendations that will eventually be presented at its conclusion.

Jigawa State is one of the new states carved out of old Kano State in 1991. The state has an agrarian economy with over 80% of the populace engaged in subsistence farming and animal husbandry The state is endowed with abundant, material and natural resources, which the present Government is determined to harness and expand as part of its long-term economic strategy.

Through this brief, I intend to introduce to this distinguished gathering, the state, its people and resources and the efforts of its government in preciding an enabling and

conducive environment to willing local and foreign investors.

Accessibility

The state is accessible from all parts of Nigeria by road, through Kano, Bauchi, Yobe and Katsina States, by air through Kano and Kaduna and a rail line that traverses the state from Kano to Nguru. The existing road network is fairly extensive and there is an ongoing road rehabilitation programme meant to improve the condition of feeder roads to enhance accessibility. The target is to rehabilitate about 350 kms of road and build 400 kms of new roads in the next 2 years. The state capital, Dutse and eight local government area headquarters have telephone facilities.

Geography

The state has a population of about 3.7 million people and covers a land area of about 22,140 square kilometres. It lies between Latitude 12° – 13° North and Longitude 10° – 11° East. It is bordered by Kano, Yobe, Bauchi and Katsina States. It also has an international border with Niger Republic to the North. There are two seasons: the rainy and dry seasons with the rainy season beginning in June and ending in September and the dry season lasting from October to May. The average annual rainfall is between 600mm to 1000 mm and the mean daily maximum and minimum temperatures are 33.1°c and 15°c respectively. There are three principal rivers: - Hadejia, Kafin Hausa and Iggi with a number of smaller tributaries feeding an extensive marsh land that covers a large part of the State.

Resources

Agriculture

The abundant available arable land makes Jigawa State one of the most agriculturally endowed states in the country. The Hadejia Jamare River Basin project presently covers 3,000.00 hectares and provides irrigation facilities to farmers for year-round farming. The original project scope was to cover 12,500.00 hectares, which the defunct PTF was billed to complete. The state government however has firmly resolved to find alternative means of completing the project and to this end discussion are currently going on with the federal government and various other agencies.

Crops

The major crops, produced in hundreds of thousand metric tonnes are millet, sorghum, soybeans, groundnut, sesame, rice and cotton. The state has the largest tract of cultivable marshland in the country and recent pilot sugarcane schemes have produced the highest yield per hectare ever recorded in the country, with local farmers averaging a net profit of N250, 000.00 per hectare cultivated. The government has therefore launched a N540 million Naira scheme in conjunction with a local commercial bank

to provide improved seedlings and inputs to farmers with repayment after harvesting. This followed a successful trial scheme that achieved a 98% repayment record.

The state is also the largest producer of date palm in the country, and boasts of its own date palm research institute that has come out with an improved variety that bears fruit in only two years. To harness the potential of this very important cash crop with enormous export potential to the Middle East, the state has started a date palm estate programme that is export oriented and billed to cover about 6,000 hectares. Pilot schemes for sunflower, sesame seed and olive production are also in the works in conjunction with various international agencies

Economic Trees: - Mango, date palm, guava, gum Arabic, tamarind and lemon.

Livestock

Livestock constitutes a significant component of the local economy providing meat, hides and skin in commercial quantities. The state has a population of about 11 million livestock comprising cattle, goats, sheep and camels.

Minerals

The state is blessed with a variety of solid minerals, some of which include kaolin, tourmaline, tin, columbite, tantalite, quartz potash, silica sand, iron ore and mudstone. Recent tests on extensive silica deposits in 5 different areas of the state by a visiting Chinese trade delegation revealed a purity rate of 98.5%, one of the highest in the world. I am pleased to inform this gathering that following this development, the Chinese Government has indicated its urgent desire to set up a \$33 million glass factory in the state, amongst other related projects.

Tourism

The state is blessed with the largest tract of undisturbed wetland in the country, which includes the Baturiya Forest Reserve and Bird Sanctuary playing host to over 3,000 species of migratory birds. The sanctuary is of international acclaim and has received the attention of various conservation bodies including the Nigerian Conservation Foundation and the WWFN. It has continued to attract tourists and nature lovers from all over the world, and plans are at an advanced stage to set up world class facilities near site to encourage Eco tourism.

Other tourist attractions include Birnin Kudu Rock Paintings and Wawan Rafi Lakes.

Opportunities

Investment opportunities in the state are centred around agriculture, food processing, solid minerals and tourism. The government has developed an economic development blueprint based on the creation of 13 development zones around the state, each focusing

on the peculiar nature of the resources available within the host area. These include agro and food processing, vegetable oil, sugar production, animal feed, fertiliser, poultry and livestock, tannery and leather works, kaolin processing, sesame seeds/groundnut processing, furniture, glass and mirror production, agricultural machinery assembly, etc.

The state aims to provide decentralised energy and other infrastructural support facilities, which will be tailor-made to the specific requirements of each zone. We are also setting up an export-processing zone to take advantage of the booming trade that exists in the various markets along our border with Niger Republic.

In the last five months since the advent of this administration, there have been several comprehensive feasibility studies undertaken by the state government covering fertiliser blending, sugar processing, meat processing, tin and columbite mining, kaolin processing and sheet glass production.

Investors interested in these and any other areas should feel free to seek more information or clarification. The government is willing to embark on joint ventures in any of the aforementioned areas and has been vigorously pursuing the creation of a conducive investment climate in the state with very encouraging results.

Incentives

The state has also taken a cue from the Federal Government's initiative of encouraging investment by striving to create a favourable climate for potential investors. These include:

- a) provision of free industrial plots in rural and semi-urban areas
- b) provision of free land for the construction of housing estate for workers
- c) provision of stable electricity and pipe-bome water
- d) exemption of all land development charges for a period of five (5) years
- e) preparation of industrial profiles and feasibility study, and
- f) government assistance in marketing and distribution, and guaranteed patronage.

In conclusion, I would like to thank the organisers of this event for enlarging the participation to include state governments, and hope that under the current dispensation we will all be witnesses of a more serious application of the Summit's recommendations.

I thank you for your attention and wish everybody a safe trip back to his base.

Contacts

 The Permanent Secretary Government House, Dutse

Tel: 064-721007 Fax: 064-721190

The Permanent Secretary,
 Jigawa State Ministry of Commerce, Industry and Co-operatives, Dutse.

Tel: 064-721090

iii. The Managing Director, Jigawa State Investment and Properties Development Company, Dutse

Tel; 064-721171 Fax: 064-721170

iv. Jigawa State Government Liaison Offices at:

 a) Abuja – Federal Housing Estate, Asokoro Tel: 09-234572

Kaduna – Rabbah Road,Tel: 062 – 238140

Lagos - Bishop Oluwole Street, Victoria Island.
 Tel: 01 - 617388, 610806

xii) Investment Opportunities and Incentives in Kebbi State Text Presented by the Kebbi State Government

Introduction

Kebbi State is blessed with vast arable and pastoral land covering approximately 35,000 square kilometres. This is one of the reason why out of its estimated population of 2.066 million persons (1991 census), about 80% are engaged in agricultural activities. As such, large quantities of various food and cash crops are produced during both the rainy and dry seasons. Therefore, there exists enormous investment opportunities in the agro-allied industrial sector of the state economy. Moreover, the relatively consumer-based population in the state, is an indication of the existence of high demand for consumer and user goods - thereby creating other investment opportunities in that sector.

The geology of Kebbi State indicated a basement complex overlain with deposits of high grade clay and grits, sand/mud stones, granites and quartzites. In view of this, occurrences of both metallic and non-metallic minerals have been identified in different

parts of the state. As a result, significant investment opportunity abounds in the industrial mineral resources sub-sector of the state economy.

The objective of my presentation to this august gathering is to make a brief and concise highlight on the numerous investment opportunities that abound in Kebbi State, with the aim of attracting prospective investors interested in establishing industrial projects alone or in joint partnership. However, before treating the main subject matter of my presentation, I wish to brief you about Kebbi State and its people.

Kebbi State and its People

Kebbi State was created on the 27th August 1991 with its headquarters in Birnin Kebbi. It is located approximately between latitude 10° and 13°15' North and longitude 3°30' and 6°.00' West. The state is bordered by French-speaking neighbouring countries of Niger and Benin Republic in the North and West while in the East and South, it is bordered by Sokoto and Niger States respectively.

The climate of Kebbi State is generally savannah type. In the far north, the vegetation is mostly Sahel Savannah with low vegetation. In the middle, the vegetation is Sudan Savannah characterised by long grass and few trees. The southern part of the state is dominated by Guinea Savannah. The vegetation generally follows the rainfall pattern which gets heavier and lasts longer on moving from north to south. Rainfall usually begins in April or June and lasts till October. The rainy period is followed by harmattan which brings a lot of cold weather and dust from the Sahara desert.

Kebbi State has an estimated population of 2,066,000 (1991 census) and is divided into 21 local government areas. The population is made up of diverse ethnic groups prominent among which are the Hausa, Fulani, Kabawa, Dakarkari, Kambari, Dandawa, Gungawa and Zabarmawa. These groups enjoy a peaceful co-existence as a result of common history, culture and political background.

Investment Opportunities in the Agro-Allied Sector

Large scale agricultural production is undertaken in Kebbi State annually. According to the survey conducted by the State Investment Company, some of the agricultural products grown in quantities considered sufficient for establishment of processing industries include:

S/No.	Crop/ Livestock	Actual Production Tons (1994)	Local Construction Tons (1994)	Disposal Quantity Tons (1994)
1	Cattle	3,290,243	2,320,821	969,522
2	Sheep	4,907,762	3,440,378	1,467,384
3	Goat	6,064,724	4,249,448	1,815,276
4	Chicken	11,883,000	7,188,687	4,694,313
5	G/Fowl	3,672,884	1,778,071	1,894,813
6	Pigeon	1,743,453	1,116,887	626,566
7	Ducks	1,774,906	491,408	1,283,498
8	Fisheries	55,387,817	14,406,813	40,981,004
9	Fish Pond	8,078,203	7,092,087	986,116

Source - Survey by Kebbi State Investment Company Ltd (1994)

From these figures, it is clear that the following agro-allied industries can be set up in Kebbi State.

S/No.	Industry	Estimated Investment ≱¥	Feasibility Study	Remarks
1	Onion Pro- cessing Plant	250.0 million	In Process	Prepare feasibility reports and provide incentives to investors
2	Fruit & Juice canning	185.0 million	In process	Prepare feasibility reports and provide incentives to investors
3	FlourMill	Not Available	Not Available	To mobilise poten- tial investors and provide incentives
4	Manufacture of Tomato Purce and Paste	220.0 million	Available	Update the feasibi- lity study
5	Tannery/Leather Industry	Not Available	Not Available	Mobilise investors and provide incentives
6	Fish Processing	75.0 million	Available	Update the feasibi- lity and provide incentives to investors

S/No.	Industry	Estimated Investment	Feasibility Study	Remarks
7	Sugar Pro- cessing Plant	30.0 - 120.0 million	Available	Provide incentives and mobilise investors.
8	Meat Processing Industry	Not Available	Not Available	Mobilise investors and provide incentives
9	Starch Produc- tion Plant	Not Available	Not Available	Mobilise investors and provide incentives.
10	Vegetable Oil Processing Plant	5-78 million	Not Available	Mobilise investors and provide incentives
11	Particle Board Plant	96.0 million	Available	Update feasibility reports and mobi- lise investors and provide incentives

The state government promise to extend all necessary incentives to investors who wish to establish any of the above listed agro-allied industries in Kebbi State. Investors are free to invest alone or in joint partnership subject to the provisions of laws and regulations on industrialisation in the country.

Investment Opportunities in Mineral Resource Sector

Solid minerals available in Kebbi State can be grouped into two.

- Solid minerals with partial exploration and proven reserves on which no mining is going on.
- Solid minerals with reported occurrences only.

Below is a breakdown of the mineral resources found in Kebbi State:

Group A

S/No	Mineral	Type of Mineralisation	Current Status	s Location
1	Gold	Aliuvial and primary	Partial exploration	Laka and Waiya in Ngaski LGA
2	Kaolin	Primary deposit	Ful(exploration	Giro in Shanga LGA
3	Salt	Alluvial deposit	Partial exploration	Bunza in Bunza LGA

Group B				
1	Limestone	Primary	No exploration	Jega LGA
		deposit	-	
2	Clay	,,	No exploration	Koko LGA
3	Glass Sand	**	No exploration	Maiyama and Jega LGA
4	Granites	**	No exploration	Yauri and Zuru
5	Phosphate	**	No exploration	Ngaski, D/Wasagu
б	Gypsum	11	No exploration	Koko, Bagudo
7	Manganese	**	No exploration	Maiyama, Koko

In line with the available mineral resources mentioned above, the possible mineral resource industries that can be established in Kebbi State include:

S/No.	Industry	Estimated Investment	Feasibility Study	Remarks
1	Gold Project	2.5 billion	Partial feasibility available	To arrange joint partnership with capable technical partners
2	Kaolin Pro- cessing Plant	-	Technical feasibility available	To arrange joint partnership with capable technical partners
3	Refractory Bricks Plant	-	Technical feasibility available	To arrange joint partnership with capable technical partners
4	Construction Aggregates Plants (Quarry and Crushing Plant)	125 million	Not Available	To provide necessary incentives to interested investors
5	Phosphate Beneficiation Plant	•	Not Available	77
6	Mini Cement Factory	-	Not Available	,,
7	Mini Glass Factory	-	Not Available	"
8	Salt Pro- cessing Plant	-	Technical feasibility available	**

I wish to notify all prospective investors that the state government is ready to contribute and work in collaboration with any one for the purpose of preparing bankable feasibility study in respect of any of the above mentioned projects.

Investment Opportunities in some Identified Small and Medium Scale Enterprises (SMEs)

The recorded increase in population and socio-economic activities in the state over the years has created increased demands for various consumer and user goods such as building materials, household items, utensils, textiles, etc. The current high demand for these items and absence of manufacturing industries has resulted in another set of investment opportunities in the following areas:

S/No.	. Industry	Estimated Investment	Feasibility Study	Remarks
1	Door Hinges MFG Plant	6.0 million	Available (subject to review)	Update the feasibility reports and provide incentives to investors
2	PVC Elbows, Tees and Fitting Plant	7.5 million	,,	,,
3	Perfumes Manufacturing Plant	12.0 million	39	**
4	Jerry Cans Manufacturing Plant	9.0 million	**	77
5	Wood Screw Plant	18.0 million	27	**
6	Burnt Bricks Plant	24.0 million	3)	"
7	Frying Pan and Pots Plant	12.0 million	**	77
8	Quick Lime and White Wash Plant	50.0 million	11	"
9	Cotton Ginnery/ Spinning Plant	120.0 million	Available but subject to review	Provision of incentives and joint venture arrangement

10 Poly Propylene 150.0 million Available ...
Woven Sack
and Liner bags
manufacturing
Plant
11 Integrated Dairy - Not Available ,,
Farm

Available Incentives to Investors

In line with the provision of the National Policy on Industrialisation, the state government has been making frantic efforts towards provision of enabling grounds for industries to thrive all over the state. In this regard, the following incentives are available to all investors interested in establishing in Kebbi State:

- One square kilometre industrial layout has been developed and equipped with infrastructural facilities such as water and power supply and access road network in Birnin Kebbi.
- Provision of land to qualified investors free of charge in any part of the state.
- Grant of Certificate of Occupancy (C of O) to investors/business organisations set up in any part of the state.
- Provision of statistical data and general information to prospective investors.
- Preparation of technical, financial and market feasibility studies on identified viable industrial ventures for presentation to prospective investors.
- Provision of adequate security to safeguard the lives and properties of investors in the state.
- Provision of soft loan in form of working capital to qualified small- and medium-scale enterprises in the state.
- Mobilisation of indigenous prospective investors to participate in joint venture partnership with others.
- Organising enlightenment workshops and seminars for the promotion of the industrial sector.

These incentives are readily available to all qualified investors, interested in establishing in Kebbi State.

Conclusion

I believe, at this juncture, that it has been made abundantly clear to all that Kebbi State is a virgin land as far as industrialisation is concerned. Therefore, any group of investors who pioneers setting up industries in the state would not only reap the advantages of monopoly, but will also enjoy the enormous benefits accruable from the range of available incentives. Interested investors are advised to approach Kebbi State Ministry of Commerce, Industry, Cooperatives and Tourism and State Investment Company for guidance and necessary assistance.

Authentic information on industrialisation in Kebbi State can be sourced from the State Economic Adviser, the State Director of Industry and Managing Director, State Investment Company Limited.

Kebbi State is a land of equity and tranquility. That is why all socio-economic activities in the state are devoid of rancour and hostilities. Ours is a society of law abiding citizens, generally noted for their high level of hospitality. You are all invited to come and join our industrialisation drives for our mutual benefits.

Thank you.

xiii) Investment Opportunities and Incentives in Kogi State

Preface

Kogi State is a land of limitless opportunities for a wide variety of investors. The industrial potential of the state is founded essentially on a triad of factors. These are a richly varied solid mineral endowment, a vibrant agricultural base and abundance of skilled manpower with experience in management. Indeed, as already testified to by the Federal Ministry of Solid Minerals Development, Kogi State has the highest concentration of varieties of strategic solid minerals.

Of equal significance is the attractive investment atmosphere being created by the state government. The state also enjoys relative social peace that has stood the test of time. Furthermore, Kogi State is richly endowed with a diversity of historical

monuments and natural and social attractions that makes it a tourist haven with great potentials in the industry.

The gigantic multi-billion Naira Ajaokuta Steel complex, which is at the threshold of its final take-off, offers unparalleled opportunities for investors in terms of downstream subsidiary industries. All these combine to make Kogi State the Nigeria's hope of joining the league of industrialised nations.

The aim of this booklet is to expose these industrial, socio-economic and natural endowments of the state to prospective investors who might wish to take advantage of the all-encompassing opportunities that the state has to offer.

Introduction

History

The area which is today known as Kogi State was formerly a geo-political unit called Kabba Province in the Northern Region under the colonial administration. It was made up of Igala, Ebira, Kogi and Kabba Divisions with its administrative headquarters in the present state capital, Lokoja.

The state creation exercise of 1968 and the abolition of provincialism and regionalism led to the merging of the then Horin and Kabba Provinces to form Kwara State with its headquarters in Ilorin. This status-quo remained until 1976, when in a state creation exercise, the former Igala Division was excised and merged with Benue Province to form Benue State with headquarters in Makurdi.

Kogi State came into being on 27th August, 1991, during the state creation exercise that gave birth to nine new states under the Babangida administration. In effect, the part that remained in Kwara and the one that was made part of Benue State were excised and brought back together to form Kogi State with its headquarters in Lokoja, the old provincial administrative seat. The creation of the state was, indeed, a significant development for its citizens. This is because it brought about the re-union of a people who had shared historical roots and co-existed peacefully within a common polity for more than 70 years before they were separated in 1976 following the creation of more states by the Murtala Mohammed administration.

Demography

With a population of 2,089,091 (1991 census), Kogi State consists of 21 Local Government Areas. These are Adavi, Ajaokuta, Ankpa, Bassa, Dekina, Ibaji, Idah,

Igalamela-Odolu, Ijumu, Kabba-Bunu, Kogi, Lokoja, Mopamuro, Ofu, Ogori-Magongo, Okehi, Okene, Olamaboro, Omala, Yagba-East and Yagba-West. In terms of location, Kogi State is one of the most centrally located states in the federation, sharing boundaries with Kwara, Ondo, Ekiti, Niger, Benue, Enugu and Edo states, as well as the Federal Capital Territory.

The climate is a mixture of two seasons, wet and dry, with the wet season spanning mid-March to October. The annual rainfall stands between 1016mm and 1524mm, while the mean daily temperature ranges between 24°C and 27°C.

The two Nigerian greatest rivers, Niger and Benue, form a confluence in Lokoja, the state capital. The vegetation consists of wooded savannah land, wide spans of fadama in the basins of Niger and Benue rivers, as well as stretches of forest by the western and southern belts of the state. With a total land area of 28,313.53sq.km, Kogi State is the 15th largest state in the country in terms of landmass.

Ethnically, the state is heterogeneous with Ebira, Igala and Okun-Yoruba constituting the major groups, while other groups such as Nupe, Bassa, Ogori-Magongo, Egbura-Koto and Hausa make up the minor tribes. Culturally, the people of Kogi State are very rich. A good number of festivals are held annually to commemorate events that are of historical, religious and social significance. These include Ekuechi festival that marks the end of the lunar year in Ebiraland, the Ovia Osese, staged to initiate maidens into adulthood in Ogori-Magongo, Italo, the annual assembly of Igala sons and daughters and the Ogani war dance in Idah and Ankpa, among others.

Among the states that were created along with it, Kogi State stands out as one of the most abundantly blessed in terms of human and material resources. But due to the long period of neglect under succeeding administrations, the region did not witness any remarkable form of economic development. What existed, therefore, was a paradoxical setting of poverty in a land of plentiful resources. However, the birth of the state suddenly ignited new hope, vision, perspectives and challenges for development in a land of promise.

Solid Mineral Resources

One of the greatest economic assets of Kogi State is its limitless deposits of high quality exportable solid minerals. As already testified to by the Federal Ministry of Solid Minerals Development, the state has the highest concentration of a wide variety of strategic solid mineral deposits in the country. The minerals are iron ore, coal, marble, feldspar, limestone, quartz, gold, delineate, gemstone, kaolin, tale, mica, phosphate, columbite, granite, and others. The rich mineral endowments has placed

the state at a vantage position as a potential home to robust mineral-based industries which can serve domestic and international markets.

As at today, most of these solid minerals are yet to be exploited in commercial quantities. In fact, of all these minerals, only coal, iron ore, marble and feldspar are being exploited on a very low scale. Additional exploratory works are still continuing in the state to ascertain the full extent of the deposits of these minerals. With the vast quantities spread across the state, it is obvious that Kogi can indeed provide the industrial foundation needed for the diversification of the nation's economy.

A developed industrial minerals sector is a viable route and alternative to petroleum for earning foreign exchange, encouraging rural industrialisation and achieving import substitution and development in the country. At this threshold of the new millennium, a time that developed countries are disturbed by the depletion of their solid minerals resources and replacing them with synthetic minerals, our nation has an ample opportunity to enter the millennium as an industrial giant via solid mineral exploitation. Kogi State is in a position to provide the springboard on which the nation can leap into the class of world's industrialised economies. The untapped resources of Kogi are waiting to provide profitable rewards for investors who seek to develop the mineral sector.

Iron Ore

Iron ore is found in Itakpe, Ajagbonoko hills, Ebiya, Ekinrin-Adde, Mount Patti and several other locations in Kogi, Okehi, Okene, Bassa, Idah, Yagba, East, Ijumu and Kabba-Bunu Local Government Areas. The quality of the ores in the various deposits vary from 30% to 60% iron.

Uses

Iron Ore is useful in industries where it is the basic raw material. Specifically, it is used for the following:

- production of steel for general industry and machinery
- production of special steels, such as hard steels, tungsten steel and machine tools
- manufacturing of paints, pigments, linoleum and fillers
- production of blast furnace slabs for various industrial purposes
- production of flat sheets for various uses including automobile manufacture.

Coal

Coal is found in Koton-Karfe, near Lokoja and in sedimentary formations of Okaba and Dekina.

Uses

Coal is used in power and steam generation, chemicals, steel and other metallurgical industries. It is also used for producing tar oils.

Marble/Limestone

Extensive deposits of marble can be found at Jakura, Obajana Agbaja, Ajaokuta and Ekinrin-Adde. The Jakura marble deposits, situated about 40km north-west of Lokoja have a reserve exceeding 75 million tonnes.

Uses

Marble has been adapted to many industrial uses and applications including the following areas:-

- building construction
- steel industry, where the lime derived from marble is used as flux in steel production.
- Limestone is the main raw material in cement making.

The low magnesia content of Jakura marble and Obajana limestone deposit recommends them as particularly good for cement manufacturing.

- Lime is effective in neutralising acidic soils, which are believed to be common
 in the state. Lime is thus very important in maintaining soil fertility.
- Glass manufacturing
- Production of animal feeds. The calcium in limestone is required for proper growth and development of livestock.
- Tiles and ceramic manufacturing. Marble can also be polished for ornamental purposes.
- Marble is also used as ingredient in scouring powder and also finds various other employments in the food, tyre and plastic industries as well as water treatment.

Feldspar/Quartz

Quartz and feldspar come in the form of white rock with hardness of seven on Moh's scale. They are mainly composed of silica and occur as quartz vein in parent rock. They are widespread in the state, especially in Osara forest, Odo-Eri, Ejiba, Egbe and Lokoja.

Uses

They are used in glass, ceramic, soaps and abrasive industries. Their specific uses include:

- Glass manufacturing
- As flux in the production of porcelain
- As input in making plumbing fixtures, pottery and tiles
- As fillers in paints and latex
- As polish and cleaners

As at present, there are about six glass factories in the country. They import the high quality sand that they need for their operation. The development of the reserves in Kogi State would seize this domestic market and eliminate the basis of importing "sand" that are in abundant quantities in our soil.

Clay

Large deposits of high quality clay suitable for the manufacturing industry are found all over the state. Clay is used mainly in the construction, ceramic and refractory industries. Factories capable of making burnt bricks, roofing and floor tiles, porcelain and sanitary wares and other ceramics can be sited close to the clay sources to serve markets within the state and beyond. Clay-based roofing tiles are particularly appreciated in the market as insulators that can reduce the irritations of an hostile weather.

Dolomite

Dolomite has similar chemical composition and physical properties with limestone. However, the distinction between the two is revealed upon chemical analysis. Dolomite contains magnesium while limestone does not. Dolomite deposits are located in Osara.

Uses

It is used as building stone, cement, solid conditioner and bleaching powder. The

pharmaceutical, ceramic, steel and construction industries are the main users of dolomite. It is a good substitute for limestone in many industrial applications and it has been found to be more effective than limestone in agricultural applications.

Talc

With a hardness of one on Moh's scale, tale is the softest known rock on earth. Tale deposits are located in Isanlu-Makutu and Egbe.

Uses

The soft nature of talc increases its usefulness in the cement manufacturing, paints, paper, chemicals and cosmetics industries. Talc is variously used in making dusting agents, insecticides, lubricants and insulators.

Cassiterite and Tantalite

These are metallic minerals whose major chemical component is tin. They have been mined in Plateau State for almost a century. Cassiterite and tantalite are relatively costly metals that are highly valued in several industries.

These precious minerals which have not been exploited in the state, has their greatest concentration around Egbe. They are also found in Apata, Dogon-Daji, Osara, Ejiba, Takete. Isanlu-Makutu and several other localities across the state.

Uses

Cassiterite and tantalite are generally used in the electronics, metal works, tin coating and alloy industries. Since cassiterite is mainly tin ore, it is used in the manufacture of tin plate, cans and other containers, special metals and as coating of iron sheets. Both metals are highly priced commodities and could easily earn foreign exchange for investors.

Mica

Mica is a group of minerals with a characteristic translucent lustre and easily separated into thin sheets. Mica is found in Isanlu, Idah, Ogborn, Mopa and Egbe.

Uses

The major industrial uses of mica are in electronics, insulation and fillers. Mica also

has a high export potential in the international market.

Gold

Gold, which is widely known, is a high value metallic mineral with a characteristic shining lustre. Alluvial deposits of gold are found along riverbeds at Egbe and Isanlu and along the beds of river Niger.

Uses

Gold is widely used as jewellery, in dentistry and electroplating. It remains the most valued in international markets and is capable of providing relatively stable foreign exchange returns.

Kaolin

Kaolin deposits exist in Agbaja plateau and Mount Patti.

Uses

Kaolin is variously used in producing chalk, paints, rubber, pulp and paper, textiles and fertilizer. It is also used in producing cosmetics, ceramics wares, filters and pharmaceuticals.

Columbite

Columbite is found mainly around Egbe. It is used in producing special steels, surgical and dental tools, electrodes and steel alloys.

Gems and Ornamental Stones

Precious gems and ornamental stones are found in Oka Hills in Olowa, Lokoja and Okene. Gemstones are very useful as ornaments.

Crude Oil

The Federal Government has started low level exploration of crude oil reserves found at Idah, Adoru and Alade. Further development of activities around this crucial resources will open up broader opportunities in downstream and ancillary industries and services. The uses of crude oil as fuel, lubricants and other petroleum products are well known and is the main foreign exchange earner for the country.

Agricultural Resources

Agriculture provides another enormous potential for the socio-economic development of Kogi State. The abundant agricultural resources of the state are virtually waiting to be harnessed by investors. These resources include a vast arable wooded savannah land, wide spans of fadama in the basins of Niger and Benue, as well as great stretches of forest resources. The savannah vegetation also provides good and abundant grazing ground for livestock. There are also large bodies of water for fishery.

Agriculture is indeed the main economic stay of the people of Kogi State. An estimated 85% of the population are actively engaged in agriculture. This consists mainly of a vibrant farming population that will be an attractive source of labour for investors. However, most of the farmers operate at subsistent level due to lack of capital for investment in agriculture. This leaves a wide room for prospective investors.

Food and crops that thrive well on the fertile soils of the state include yam, cassava, rice, maize, guinea corn, millet, soya-bean, cocoyam and groundnut. Cash crops, such as cocoa, coffee and cashew are also grown in commercial quantities. Palm oil is also extensively produced in the state, particularly in the eastern flank where palm trees predominate.

The potential for fishery is very high with over 2,000 fishing ponds and 200 major fishing villages sustained by the Rivers Niger and Benue. These agricultural potentials are very good sources of raw material for agro-allied industries such as flour mills, fruit juice processing, starch, animal feeds, vegetable oil, soap production etc.

The forest resources of the state are equally of very high economic value. About 381,542 hectares of the total land area of Kogi State is at present under forest cover. These resources are very valuable to furniture and the construction industry. It also gives the state high potentials for cocoa and coffee production. Indeed, it has been ascertained that if the coffee potential of the state is well harnessed, it will be second only to Mambilla plateau in coffee production in the country.

The environment in Kogi State is very favourable for livestock production. Investment opportunities therefore exist for raising of improved breeds of various livestock species. There are great opportunities for the development of ranches and grazing reserves by interested investors with potentials for all-year-round activities.

In order to encourage would-be investors in agriculture, the state government has a liberal policy which has paved the way for an enabling environment for investors in the agricultural sector. This is in the form of assistance and encouragement to private

farmers and operators with a view to contributing maximally to the development of the state agricultural and rural development programmes.

Under this policy, state and local governments are inherently divested from directly getting involved in agricultural production and distribution activities. Rather, specialised parastatals like the Agricultural Development Programme, (ADP) and the Directorate of Rural Development, DRD are left to lay the basic infrastructure for agricultural development. By these policy objectives, the small scale farmer forms the main hub and centrepiece of the state's agricultural thrust, while the government on its part is ready at all times to give the much needed active support and encouragement to medium and large scale farmers. In addition, there are other favourable government policies which encourage the diversification of the economy, the procurement of tractors and fertiliser for farmers and the overall encouragement given to the formation of farmers' cooperative societies which facilitate group farming. All these endowments and favourable policy thrusts combine to make the state an ideal place for investors in the agricultural sector.

Tourism Industry

Kogi State has very unique potentials in tourism. The state is richly endowed with cultural attractions, historical relics as well as natural tourist features. Indeed Lokoja, the state capital, occupies a special place in the annals of this country. Aside from being the confluence point of Rivers Niger and Benue, Lokoja is the town where Lord Lugard first established his colonial administrative machinery.

It is the town where the programme for the amalgamation of the southern and northern protectorates was hatched and executed in 1914. Lokoja was the first trading post for the Royal Niger Company (now UAC of Nigeria) and the town also played significant roles in early missionary activities and the abolition of slave trade.

Lokoja, therefore, houses such historical monuments as iron of liberty (point where slaves regained their freedom in the late 19th century), the first primary school in northern Nigeria (built in 1860), the country's biggest European cemetery, Lord Lugard's residence and senior staff quarters, world war cenotaph, graveyards of deposed northern emirs, spot where the Royal Niger Company flag was lowered in 1890, etc. The expansive Mount Patti is a towering flat topped mountain overlooking the ancient town of Lokoja, from where the confluence point can be clearly viewed. The confluence point itself is a source of great delight to curious visitors. The present administration in the state has embarked on the construction of a five-star hotel along the coastline of the confluence which will have boat cruising facilities.

Inventory of Tourist Attractions in Kogi State

- Lord Lugard's Residence and Office: This is Lord Lugard's first residence and office in Nigeria.
- ii. Royal Niger Company Flat Spot: This is the spot where the Royal Niger Company flag was lowered in 1890.
- iii. Mount Patti: This is a massive hill towering over Lokoja with about 15 square kilometre plateau.
- iv. The Iron of Liberty: This is the spot where slaves were freed in 1860 and marked with two iron poles referred to as the "Iron of Liberty".
- v. Deposed Emirs Graveyards: These are graveyards of the deposed exiled emirs of Kano, Zaria and Bida during the colonial rule.
- vi. The First Primary School: This is the first Primary School in Northern Nigeria built at about 1860.
- vii. The Biggest European Cemetery in Nigeria: This Cemetery contains the remains of the European soldiers of the West African Frontier Force stationed in Lokoja until 1926 and those of European Missionaries. Some of the tombstones in the cemeteries dated back to 1867.
- viii. Niger-Benue Confluence: The confluence of these two great rivers forms a beautiful scenery visible either from a boat travelling southward on the river or from the top of Mount Patti.
- ix. Agbaja Plateau: Located about 14 kilometres from Lokoja is Agbaja, a town situated on top of a Plateau which ranges from 335.2 metres of 356.8 metres above sea level.
- X. World War Cenotaph: This is a war armorial erected in memory of the soldiers who died during the two World Wars. There is a list of names of some soldiers who distinguished themselves in the wars on a tablet.
- xi. Koton-Karfe Cave: This cave has three openings on the elevated side of the hill directly overlooking Koton-Karfe. It is believed that the cave could contain about 500 people during war.
- xii. Egeneja Warm Spring: This is a natural warm spring in Bassa Local Government.
- xiii. Earth Bridge: This is located at Egane, Ofu-Olamaboro boundary. It is a massive piece of rock under which flows the Mabolo river. This massive rock serves as a natural bridge over the river and it carries vehicles and human traffic.
- xiv. Uloja Native Authority Guest House: This guest house is located in Dekina where the legendary Late Attah Igala, Ameh Oboni, hanged himself.
- XV. Ofejiji Fall: The Ofejiji fall is a very scenery water fall located in Okura-Olafia.

- xvi. Inikpi Statue: This is the statue of the legendary beloved daughter of Attah Igala, Inipki, who allowed herself to be buried alive in order to save her father's kingdom during a war with the Jukuns.
- xvii. Ojowo-Atogwu: This is an ancient earthwork declared a national monument in 1963 by the Federal Government.
- xviii. Late Attah Ebira Palace: This is the palace of the first Attah of Ebira. The palace which is imposing was built in 1927. It is a combination of ancient and modern architecture.
- xix. Okoro-Agbo Mountain: A spectacular hill formation located at Ogidi in Ijumu Local Government.
- xx. Kpata Rocks: These are beautiful rocks in Bassa Local Government.
- xxi. Awo tunnel: This tunnel, about one kilometre long, was dug during the reign of Onoja Oboni to serve as a hiding place for members of the royal family during wars in Idah.
- xxii. Aafin-Kabba: This is the old Obaro's palace built of mud and believed to be about two centuries old.

Briefs on Community Festivals Celebrated in the State

- Italo: Italo is an annual assembly of all Igala sons and daughters involving traditional music and dances at Anyigba. During this festival, the Attah addresses his subjects.
- ii. Oganyiganyi: This is an annual masquerade festival celebrated at Idah by Attah Igala.
- iii. Eghe: This is celebrated as an annual rites of re-burial for past Onus of Egume in Dekina Local Government.
- Ogani: Ogani is an annual festival of war dance celebrated at Idah and Ankpa.
- v. Ekuechi: This is an annual festival of the Ebiras held to mark the end of lunar year. It is a unique occasion characterised by philosophical songs and attractive dances. It is celebrated all over Ebira land.
- vi. Ovia-Osese: This is a traditional festival among Ogori-Magongo people to celebrate the chastity of women and initiate adolescent girls into womanhood.
- vii. Epa: Epa is a normal annual masquerade festival celebrated at Iya-Gbede in Ijumu Local Government Area.
- viii. Lokoja fishing festival: This is an annual fishing festival held in Lokoja and conducted on the Niger river.

All these endowments combine with the relative peace that exists in the state to make it an ideal place of holiday for all Nigerians as well as foreigners. Standard hotels and good catering outfits are springing up to service the nascent tourism industry in Kogi State. With the attention being paid to this sector by the present civilian government, Kogi State, the confluence state, gateway between north and south and one of the closest neighbours to Abuja, the Federal capital and museum of colonial history of Nigeria may soon assume its rightful position as the nation's leading tourist centre. When these tourist attractions are fully developed for local and international markets, the satisfaction of the tourists will certainly translate into healthy returns on investments in tourism.

Infrastructure and Incentives for Investors

From all the foregoing information, it can be clearly seen that Kogi State has the needed environment for investment. In fact, other socio-political factors also indicate that the state's industrialisation drive is anchored not only on the abundant natural resources, but also on the creation of a conducive atmosphere for private enterprises and initiative.

Socially, there is relative peace in the state. The government ensures the maintenance of absolute peace and order. Indeed, the state has never witnessed any breakdown of public peace or a state of emergency.

In terms of social infrastructure, Kogi State has a good network of rural and urban roads that are motorable throughout the year. Most of the major towns and villages have the necessary infrastructure such as electricity and potable water supply. The proposed dredging of River Niger up to Lokoja will further enhance easy transportation of raw materials or finished goods, across the state and beyond.

Government also offers a variety of industrial incentives that are rare to come by anywhere else. These include express approval of applications for industrial plots at a very low cost. Tax holidays are also granted to new industries to enable them have a smooth take-off and stabilise early enough.

The multi-billion Naira Ajaokuta Steel Company located on the west bank of River Niger, offers one of the greatest incentives for investors in the state. The steel industry, which is the largest in Africa, will hopefully take-off very soon as the Federal Government's renewed interest in the project indicates. The industry is strategically located. Its major raw material, i.e. iron concentrates, is already being produced from the massive iron deposits in the state by the National Iron Ore Mining project, NIOMP, Itakpe.

In recognition of the role that Ajaokuta Steel Complex is expected to play as a catalyst for industrial development, Kogi State Government is exploring options on the establishment of a secondary industrial zone around the steel complex. The secondary industrial zone will provide room and incentives for "downstream" activities in the metals sub-sector including foundries, fabricating concerns and the manufacturing of motor parts.

Following are the list of identified potential downstream subsidiary industries that may be established around the iron and steel company:

P	r	n	i	e	c	t

Foundries for the production of cast iron products Bolts, screws nuts and nails Safety pins and clips Agricultural tools and implements Corrugated roofing sheets Wire nail and washer Steel cabinets and refrigerators Cutlery frames Louvre frames Metal fabrication and automobile parts Engineering complex for the manufacture of machine tools and spare parts. Tolls, grinding wheels, bearings and valves Light forging industries for the production of hand tools, picks, hammers, chains etc. Wire gauze and net Household appliances, steel doors. furniture and tin cans

Carbon black plant to produce carbon black tyres, typewriter ribbons, printing inks, etc.

Raw Materials

Pig iron and scrap from the steel plant

Iron and steel

Iron and steel

Iron and steel

Iron and steel Iron and steel

Iron and steel
Surplus Nitrogen from the captive
oxygen plant; Hydrogen from coke
oven gas or natural gas.
Anthrance from steel plant

Electrical appliances

Nitrogenous fertiliser plant

xiv) Investment Opportunities and Incentives Available in Kwara State - Dr. Joseph Ayodele Olawepo (Special Adviser on Economic Affairs, Kwara State)

Introduction

Kwara State is one of the thirty-six (36) states constituting the Federal Republic of Nigeria. It is located in the Middle Belt of the country. With a land area of approximately 34,661.05 square kilometres, the state has a provisional 1991 census figure of 1,548,412 comprising mainly Yoruba, Nupe, Baruba, Bokobaru and Fulani language groups. The state is, therefore, a 'melting pot' combining elements of southern and northern cultures of the country. The state is structured into sixteen (16) Local Government Areas (LGAs) for administrative purposes. These are Asa, Baruten, Edu, Ekiti, Ifelodun, Ilorin East, Ilorin West, Ilorin South, Irepodun, Isin, Kaiama, Moro, Offa, Oke-Ero, Oyun and Patigi Local Government Areas. The state capital, Ilorin, is about 300 and 500 kilometres from Lagos and Abuja respectively.

Kwara State is richly endowed and well placed for the development of agriculture, commerce and industry. The wide expanse of fertile and arable land, abundant mineral resources and a large pool of trained manpower are testimonies to the great potentials of the state. These human and natural resources remain veritable axis on which development programmes/projects could be formulated and implemented to accelerate the socio-economic development of the state.

2. Investment Opportunities

a. Types and Scope of Investment Opportunities

The state is endowed with a vast tract of rich and fertile agricultural land of both the upland and fadama types which are suitable for the cultivation and production of a wide range of items such as sheanuts, groundnuts, fish, cattle, melon, cotton, kenaf, palm products, sugarcane, rice, wood trees, sorghum, cassava, soyabeans, orange, cashew, maize and many others. Opportunities therefore abound for investors in the agro-based and agro-allied processing industries.

The state is also blessed with solid mineral deposits many of which have been lying fallow and waiting for exploration and exploitation. These minerals include gold, talc, marble, granite and kaolin, to mention a few.

There are a number of industries in the state whose products and by-products are

raw materials for other forward or backward linkage industries such as plastic and plasticising industries.

The state is similarly blessed with a wide array of tourist attractions with potentials for massive investment by investors such as the Owu Falls, Kampe Games Reserve/Park, Ero Omola Falls in Idofin, Patigi Regatta and Esie Museum.

The following investment opportunities are hereby presented for the information of local and foreign investors who may want to come in by way of funding and technical partnerships with the state government. There is no limit to the scope of operation envisaged as investment, based on government policy, is subject to technical, economic or commercial feasibility considerations among others.

b. Industrial Uses of Selected Agro-Allied Products

- i. Sheanuts
 - The sheanut tree is one of the major tree crops that grows widely across the state. If elodun and Irepodun Local Government Areas are the major areas of sheanut production. The sheanut oil is obtained from the seed. After removing the shell, the kernel is extracted for the production of food, pharmaceuticals and chemical raw materials.
- ii. Kenaf Production Kenaf thrives excellently well in most parts of the state. The kenaf plant has emerged recently as a new source of high quality, long fibre pulp for paper industries. Research studies have shown that kenaf paper products such as newsprint, printing and writing papers are superior to those obtained from hard and soft wood trees. Opportunities abound in Kwara State for the establishment of kenaf industries on a small or large scale.
- iii. Sorghum Kaiama and Baruten Local Government Areas provide the required optimum climate and other conditions for the production of sorghum on a large scale. Malt extract from sorghum has been used as part replacement of barley extract in the manufacture of Bournvita beverage. It can also serve as an alternative source of malt for the brewing industry. Sorghum may also be incorporated in flour mixture for composite bread and cake manufacture.
- iv. Cashew Processing

 The cashew trees which are found in every part of the state have a lot of industrial uses. The kernel which is within the nut is the main product utilised in the cashew industry. A large percentage of the nut is useful in baking and confectionery industries. The cashew juice may also be extracted and bottled for commercial purposes.

v. Sugarcane

The juice from sugarcane is the main raw material for the manufacture of sugar. The juice consists mainly of sucrose and other structural carbohydrates. The saccharide of sugarcane yield intermediate or final products by fermentation or chemical processes. The products are useful in food production, cattle feeds, chemical, pharmaceutical and other industries. Sugarcane thrives excellently well in the riverine areas of the state.

vi. Maize

Maize is a popular crop grown in almost all parts of the state. Maize products are used in the production of baby weaning food, alcoholic beverages, adhesives, livestock feed, and raw material for many industrial productions like modified starch.

vii. Cassava

Cassava is the main farm produce commonly planted in most parts of the state especially in Ilorin West, Moro, Asa, Offa, Oyun, Ifelodun and Ekiti Local Government Areas of the state. Cassava may be processed into starch and cassava chips which serve as industrial inputs for other products. Cassava is also useful in the manufacture of biscuits and other bakery products.

viii. Groundnuts

Groundnut is common in most parts of the state where it is cultivated mostly by peasant farmers for domestic consumption while large farms dispose of the products soon after production due to poor storage facilities. Vegetable oil can be extracted from the crop which is useful in the production of margarine, cooking, ice-cream, baking fats, peanut butter, livestock feeds and groundnut meal for fish. The shells may also be utilised in the production of particle board.

ix. Soyabeans

Soyabeans is widely cultivated in Asa Local Government Area. The soyabean crop is very rich in plant protein and oil. It is also an important source of raw material for the production of soya milk, baby food, soya oil, animal feeds, soya iru and soya cake. The refined oil is used in the manufacture of cooking oils, frying oils, salad dressings and ice cream. Other products from soyabean are dairy analogs such as soya yoghurt, ice cream, cheese and custard.

c. Industrial Uses of Selected Minerals

The state is blessed with an array of mineral resources that could enhance its rapid industrial development. A few of the mineral resources found in the state and their locations as well as the possible industrial uses are highlighted below.

i. Kaolin

Kaolin is found in large quantities in Share and Panada (Ifelodun LGA) and Odentan (Moro LGA). It is used as a raw material in paper making, rubber plastics, paints, pharmaceuticals, soap, refractories, cement, fertilizer, textile, insecticides, fibre glass, welding electrodes and animal feeds industries. It is also used as absorbent and anti-diarrhoea formulations.

ii. Marble

Marble which is a recrystallised form of limestone occurs in white and grey forms in Isale Osin, Oreke and Owa Kajola in Ifelodun Local Government Area of the state. It has a lot of industrial uses which include production of cement for construction, steel, chemical, refectories as well as furniture and ornamental items.

iii. Feldspar/Quartz

Large deposits of feldspars/quartz occur in Abelu (near Idofian) and all over Ifelodun Local Government Area in the state. It forms a vital input in glass, paper, paint, ceramics, chemical, agricultural, plastics, pharmaceutical, rubber, abrasive and filter production.

iv. Clay

Clay constitutes the important group of refractory products which may occur as flint clays, plastic clays or shales. It is found in large deposits within Ilorin area, especially Ilorin East. Large deposits are also found in Asa and Moro Local Government Areas. Clay is used in refractories, ceramics and pottery industries.

d. Examples of Specific Industrial Projects of Interest to the Kwara State Government

In its quest for investment in industry, commerce and tourism, the Kwara State Government welcomes proposals from investors from within and outside the country. There is currently no limitation, as a matter of deliberate government policy, to set limits or ceilings of a financial nature for investments. Investors are therefore welcomed to freely propose and negotiate levels of equity or financing arrangement as they may wish.

It is however pertinent to highlight specific areas of interest to the Kwara State Government in the pursuit of its economic development programmes.

i Sugar Project

Kwara State is the home to the Nigerian Sugar Company Limited in Bacita, which produces granulated sugar. The Lafiagi Sugar Company is being proposed. Investors are therefore required for the establishment of this

integrated sugar project in the state.

ii. Agro-Industrial Input

There is a large scale demand for agro-industrial input such as cashew nuts, citrus, palm fruits, rice, sorghum and sugarcane. Consequently, collaboration in the production of these inputs as part of the state's industrial backward linkage or backward integration programme is desired.

iii. Downstream Petrochemical Projects

There is a poly vinyl chloride (PVC) plant in Kwara State which produces granules for plastic and plasticising downstream industries for which new investments are required.

iv. Engineering Foundry and Spare Parts

The production of light capital goods, spare parts and the fabrication of automobile spare parts, industrial machines for small and cottage industrial activities is another priority area where investors are also required.

v. Organic Fertiliser Plant

The establishment of a plant for the production of organic fertiliser as a substitute for the inorganic fertiliser is being given high consideration in the state because of the vast advantage that its production and utilisation entail. Investors are therefore welcome to join hands with the state government or with one another in this venture.

vi. Sheanut Processing

The state is a major producer of sheanuts and in its efforts to modernise its production, it intends to set up a modern plant for a 23,310 metric tonne sheanut oil plant for which it requires local and foreign collaboration for its implementation. The preliminary cost estimate is \mathbb{N}72 million.

vii. Kenaf Processing

The state has a large capacity for the production of kenaf for which it requires collaboration for its processing as input for the paper mill and packaging bags.

viii. Rice Mill

There is a rice mill in the state which needs to be resuscitated. Interested investors are welcome to inspect it with a view to working out modalities for joint operation and management. The operation would also involve the growing of rice to feed the mill, which is located at Patigi.

ix. Kwara Paper Converter

The state has a large paper converter with facilities for the production of exercise books, envelopes, duplicating papers and other such products. Investment in the rehabilitation of the paper converter is hereby offered to experienced investors.

x. Industrial Estates

The development of industrial estates by private investors is now being encouraged by the government. Investors are, therefore, required to develop such estates for leasing to prospective investors. Adequate assistance in the establishment of such estates, particularly in the acquisition of land, is assured together with option of equity investment by the government.

xi. Solid Mineral Development

The state has a large reserve of minerals which are yet to be fully utilised and it requires investors in the development of these minerals. The state is however presently particular about the marble deposit at Oreke and gold at Egboro/Koro/Gbajibo areas of the state.

e. Specific Tourism Projects

In the area of tourism, investors are required to develop holiday resorts especially at the site of the spectacular Owu Falls and Ero Omola Falls. Also of interest is the preservation of wildlife and the natural habitat of wild games at the Kampe Games Reserve. Investors are also invited to develop the Patigi Regatta Village in collaboration with the state government.

3. State Government's Role

a. Feasibility Reports

It would be observed that feasibility study reports have generally not been packaged yet for most of these projects. This is largely due to the experience we have had whereby core investors prefer that they be involved or their input be incorporated into feasibility study reports to be implemented by them. Consequently, upon formal discussion between investors and the officials of the state government, arrangement would be made for the production of the feasibility study reports once a memorandum of understanding is produced between the parties concerned. However, some studies on some of these projects have been carried out and the reports are available. These include studies on kenaf processing; sheanut processing; Owu Falls project; Patigi Regatta Festival and solid minerals.

b. Incentives

The state government has provided existing and potential investors with a number of incentives in addition to those put in place by the Federal Government. The incentives are highlighted below.

It is however necessary at this stage to state that the role of the state government in any project or venture would be dependent on the nature of the project and the interest of the prospective investors. Consequently, the doors are open for negotiations. However, the government would:

- i. play the role of a facilitator
- ii. provide or facilitate the acquisition or availability of industrial, commercial or agricultural plots
- iii. take up equity shares, and
- iv. liaise between the venture and relevant approving authorities for financing arrangement or statutory approvals.

In addition to providing the required enabling policy framework for the promotion of investment efforts, the state government has put in place incentives for prospective investors. These incentives are designed to enlist the interest of industrialists desirous of investing in the state.

- i. Provision of Infrastructural Facilities
 - The government has provided industrial and commercial layouts. The ones in Ilorin have been serviced with infrastructure such as access roads, water supply, electricity and adequate drainage. Arrangements are at an advanced stage to connect the layouts located where telephone services are already available with their own telephone lines.
- ii. Plot Allocations
 Government has put in place the policy of prompt allocation of plots for commercial and industrial purposes on approval of project.
- iii. Certificate of Occupancy (C of O)
 The issuance of Certificate of Occupancy (C of O) has been liberalised.
 Hence, Certificate of Occupancy (C of O) will be issued within 30 days of agreement by all the parties involved in the processing.
- iv. Joint Financing of Project
 Joint participation in the funding of projects is guaranteed subject to adequate spade work on the projects.
- v. Rebate on Ground Rent
 In order to reduce financial burden on investors, a rebate on ground rent and other fees is granted.

All genuine investors, regardless of the scope or sizes of their investment proposals, are entitled to the investment incentives put in place by the state government. The overriding consideration for incentives are sincerity, commitment and the financial capability of the would-be investors.

4. Investment Climate

The investment climate in Kwara State is suitable for a wide variety of economic activities. The state is strategically located as the gateway between the northern and

the southern parts of the country. It is well served by road, rail and air traffic networks. The Ilorin International Airport and the Nigerian Railway Corporation provide excellent transportation links with the rest of the country. Telephone service network is also well-developed in the state linking the major towns and cities within and outside the country. Besides, electricity supply is relatively stable, while the State can be described as relatively crime free. The favourable disposition of the people of the state to investors of diverse cultures and background provide the enabling climate for the conduct of business and other economic investment activities without any fear of molestation.

In addition to the foregoing, the state is blessed with people who are experts in all sectors of the Nigerian economy who can serve as partners in investment endeavours in the state. Most of them already occupy respectable positions both within and outside the country. The state can also boast of an array of highly enterprising and talented Kwarans who have made their marks in commerce and industry in different parts of the country.

The proximity of the state to the major markets and commercial centres of Nigeria also facilitate the distribution of goods, manufacturing activities, sourcing and exploitation of raw materials and marketing of finished products. All these will serve as assets to any would-be investor in the state to reap the fruits of his/her investment efforts without let or hindrance.

Some of the major considerations that usually agitate the mind of investors are how to source industrial plots, sourcing for information and investment data and the existence of communication and infrastructural facilities.

In Kwara State, the process of land acquisition has been greatly simplified as already highlighted. Investors are, therefore, urged to take advantage of this offer. Also, in order to minimise the difficulties encountered by investors in the establishment of industries or the identification or location of venture partners in the state, pamphlets have been produced for the benefit of prospective investors namely "Investors Guide to Kwara State" and "Industrial Raw Materials in Kwara State". Apart from the above publications, information could be obtained from the following sources:

- i. The Honourable Commissioner, Ministry of Commerce. Industry and Cooperatives, Ilorin, Kwara State.
- ii. The Managing Director, Kwara State Investment and Property Development Corporation, Ilorin.

- iii. The Liaison Officer, Raw Materials Research and Development Council, Kwara State Liaison Office/Raw Materials Display Centre, Ilorin.
- iv. The Special Adviser on Economic Affairs, Governor's Office, Ilorin.

5. Final Appeal

Though relatively backward in industrial development, Kwara State assures prospective investors wishing to establish in Kwara State of a very conducive business atmosphere. There already exists a budding industrial community comprising a few large scale industries and some small and medium scale enterprises. Because of the huge opportunities offered by the existing industries and coupled with its rich raw material base, the state government will continue to encourage the establishment of downstream industries that will take full advantage of the existing resources. Prospective investors are enjoined to join the state government in its bid to massively invest in the agricultural, industrial and commercial development of Kwara State.

xv) Investment Opportunities in Lagos State - Senator Bola Tinubu, Executive Governor of Lagos State at the Sixth Nigerian Economic Summit at the Nicon Hilton Hotel, Abuja on Wednesday 20th October, 1999

Protocols

It is indeed a privilege and an honour to have been invited here this morning to address this august gathering on the investment opportunities and incentives available in Lagos State. I wish to express my appreciation to the organisers for giving Lagos State the opportunity to participate in the Sixth Nigeria Economic Summit.

In my inaugural speech as the Executive Governor of Lagos State on Saturday, 29th May, 1999, 1 said, inter-alia,

Our goal includes ... facilitating and creating functional infrastructure such as electricity, telephones, water, and good roads; creating efficient mass transportation, industrial development and providing life more abundant for our people.

That briefly sums up the thrust of my government's policy with respect to commerce and industry. In other words, my government shall, as a matter of deliberate policy,

limit its role to that of a catalyst and a facilitator and allow the private sector to propel the economy accordingly. This paper will be in two parts. First, an overview of Lagos State; and secondly, the investment and incentives in Lagos.

An Overview of Lagos

Lagos State with a land area of only 3,577 sq. km is the smallest state in Nigeria but has the largest population and the highest population density. The provisional population figure of the state by the 1991 census is 5,685,781. From all indications however, the population could be larger judging from the influx of people from other states of the federation. The situation makes it imperative for this administration to embark on an accelerated programme of rapid economic development and growth through active participation of the private sector.

There is no gain-saying the fact that Lagos State is the major industrial, commercial and financial nerve centre of Nigeria. That dominant position was brought about by historical and geographical factors coupled with the basic infrastructural facilities provided by the government. As the nation's capital until 1991, the city of Lagos enjoyed the benefits of being the seat of the Federal Government. The first banking and financial institutions started here and today, over 200 financial institutions, including the nation's premier Stock Exchange, are domiciled in the state. Also, the first higher institution of learning started in Lagos (Yaba Higher College) and also today, the state can boast of two universities, two polytechnics and numerous tertiary institutions to provide basic and technical education for the much needed manpower skills.

The presence of the first sea port at Apapa and the addition of the Tin Can Island port in later years facilitated the export and import trade passing through the state. The rail links with the hinterland and excellent network of both federal and state roads also provide easy access to the hinterland thus facilitating the evacuation of goods between the north and the south. The state also has the largest and the busiest international airport at Ikeja. The high population concentration ensures that there is always an abundant, cheap and skilled labour for the business concerns in the state as well as a ready and large market for the products of the industries. The external economies enjoyed by metropolitan Lagos are potent factors accentuating the increasing preeminent position of Lagos as the melting point of commercial, financial and industrial activities in Nigeria.

Lagos State has a coastline of 180 kms along its southern border with the Atlantic. The continental shelf together with the extensive lagoon and creeks system covering, 787 square kilometres with 22% of the area provides excellent fishing grounds with a variety of fish specie such as tuna, barracuda, herring, catfish, sawfish, etc. Most of the land areas constitute fertile land for growing both cash crops and staple food. The

grassland area in the western part of the state is ideal for cattle grazing. Thus, under modern farming methods, the state is capable of producing not only enough food for its fast growing population but also a surplus.

Investment Opportunities and Incentives Available in Lagos

Lagos State means different things to different people but generally it is a known fact that the State is not only the industrial, economic and commercial nerve centre of the nation, but also the gateway to the nation. This owes mainly to its abundant natural resources, skilled and semi-skilled labour and the potential market forces as dictated by its population density. The State also enjoys abundant supply of raw materials, favourable climate, relatively cheap labour and the existence of related support industries for would-be investors to optimally harness and utilise.

The natural resources in the state range from various species of hardwood among which are teak, opepe, abora etc. to agro-based resources such as cereals, legumes, tubers, cash crops, and livestock. Mineral-based resources also abound, i.e. clay 51 silica, crude oil/bitumen, spring water etc.

The state government is committed to the formulation and implementation of sustainable policy towards private sector participation in Lagos State. My administration has therefore earmarked substantial amount to sustain existing investments and attract additional desired investments and also to create an enabling environment for business in the state.

The state government shall therefore encourage investments in the following sectors of the economy:

- (i) Industrial Developments
- (ii) Non-oil export
- (iii) Tourism and allied sub-sectors
- (iv) Agriculture (including fisheries and food processing)
- (v) Metal / waste conversion (vi) Petrochemicals.

Summary of investment opportunities available in the state are shown in Annex 11. Apart from enhancing the physical environment, other incentives for prospective investors include provision of land, prompt and efficient processing of Certificate of Occupancy and other state level approvals for investment projects.

Power

In recognition of the importance of uninterrupted power supply on investment, the state government signed a Memorandum of Understanding (MOU) with Enron Energy Company Ltd. to generate additional power supply especially for the state's industrial users.

Business Information Bureau

I should also mention here that as part of our latest effort in attracting investment to the state we would include the establishment of Business Information Desk at the International Airport and the inauguration of an Investment Promotion Board, made up of operators from both the organised private and public sectors as an advisory body. The board will promote understanding and co-operation between the two sectors as well as attract the needed investment into the state. These efforts will complement the rich set of investor information already available on the state's website at http://www.lagosstate.gov.ng/.

Privatisation

Government has committed itself to a programme of privatisation of state-owned enterprises with a view to eliminating inefficiencies, increase private-sector participation and enhancing their effectiveness. Also, the state has embarked on the review of all existing legal and administrative practices and procedures in the state which hitherto discouraged the establishment of industrial and commercial ventures with a view to eliminating or reducing bureaucratic bottlenecks. Thus, IFC, the private sector arm of the World Bank has been mandated to advise the government on the privatisation of water supply and sanitation in the state. Incidentally, this water privatisation is the first of its kind in Africa. Similarly, Merchant Banking Corporation - one of the leading merchant banks in the country - has been retained as the Global Adviser for the privatisation of other government-owned companies and entities as appropriate.

Agriculture and Rural Development

As a means of ensuring rapid and even development in all parts of the state, government has evolved an integrated programme aimed at opening up investment opportunities in the rural areas, especially in agriculture and mineral resources. This programme will encourage investors to exploit the natural resources which hitherto remain unexploited.

The importance of the agricultural sector in the economy as a whole cannot be overemphasised. Apart from boosting food supply and thus reducing the cost of living for the masses, the sector also provides the needed industrial input. Government has therefore put in place an appropriate agricultural policy to encourage crop and fish production.

Tourism

Let me invite your attention to the variety of tourism resource materials which abound in the state. There is no gainsaying the fact that Lagos State presents some of the best tourism potential in the federation. This includes the beautiful coastline of the Atlantic Ocean of its southern border, the numerous creeks and lagoons, the riverine areas and the low-lying landmass. All these coupled with the cultural resources, historical monuments and its melting-pot nature, make Lagos State a haven for the tourism industry. We are aware of the socio-economic and cultural values of tourism not only as a tool of nation building but also as a means of foreign exchange earning. It is for these reasons that government has deemed it proper to put in place, a well articulated tourism development programme which includes encouraging hotel and resort development, and packaged tours and cultural displays to mention a few. Under the policy, government is acting as the initiator, stimulator and catalyst for tourism development in the state. Sufficient incentives such as prompt allocation of land at concessionary rates, provision of infrastructural facilities and technical support base for tourism development will be provided for the private sector to facilitate their direct involvement. I therefore urge the private sector to move into this potentially lucrative business

Security

Let me assure would-be investors that government is committed to the security of lives and property in the firm conviction that it is only a safe and secure environment that can guarantee and promote investments. In this wise, government has put in place a well equipped and invigorated security outfit (the Rapid Response Squad, RRS) that is capable of controlling the crime wave.

At this juncture, I wish to appeal to the Federal Government to site an Export Processing Zone in Lagos State. With most of the infrastructural facilities already in place, the whole country will benefit immensely and will afford investors the opportunity to take full advantage of the vast markets of the West African sub-region.

Distinguished guests, ladies and gentlemen, I wish to hereby appeal to prospective investors to avail themselves of the conducive climate for businesses that we are creating to exploit the abundant and profitable investment opportunities available in this state of aquatic splendour.

Thank you for your kind attention. I wish you a stimulating and fruitful summit.

xvi) Nasarawa State: The Development Challenge and Investment Opportunities – Alhaji Abdullahi Adamu, Executive Governor of Nasarawa State, at the Sixth Nigerian Economic Summit, Nicon Hilton Hotel, Abuja, 22nd October 1999

Introduction

Nasarawa state is at the very heart of Nigeria. It is located within the geographic zone called the Middle Belt or Central Nigeria. It is the closest state to, and has the largest border area with, Nigeria's new Federal Capital, Abuja. Its closest towns to Abuja, Maraba, Karu and Masaka, are within ten minutes drive to Garki, the hub of Abuja where the seat of government and all major institutions, public and private, are located. The state has a population of about 2 million people and was created in October 1996. It has a generous land area, and most of its inhabitants are farmers. It has 13 self-governing local councils which are all run by democratically elected officials. It is a multi-ethnic state with one of the most peaceful communal relations in the country. It is also multi-religious with almost an equal population of Muslims, Christians and worshippers of traditional African religion. The wonderful thing about this young state is the peace and harmony that prevails among its heterogenous people, a condition precedent for stability and development. The state, like the rest of Nigeria, is currently run by a democratic government under the platform of the Peoples Democratic Party (PDP), which is also the ruling party at the national level.

Our democracy is young, but we have so far fared very well, with the three arms of government, the executive, the legislature and the judiciary operating fully and freely to ensure the blossoming of democratic practices and the full realization of its benefits.

The Development Challenge and Investment Opportunities

Nasarawa is a rural state with much of its population living in the rural areas. It is one of the leading food producing states of the federation. It produces yams, cassava, rice, maize, sorghum, beniseed, beans, soyabeans, groundnuts, melon in commercial quantities. It also produces a lot of fruit, including oranges, mangoes, cashew nuts, etc. Unfortunately, agriculture is still at hoe and cutlass production level which limits the full realisation of the state's agricultural potential. Also, production is still largely seasonal as irrigation schemes started in parts of the state have not been put to optimal use due to previous policy instability. The challenge for the state is to develop its agricultural resources through mechanisation of production, establishment of functional rural infrastructure such as rural roads network, establishment of storage facilities, and the establishment of small scale food processing industries to cater for

the domestic market as well as for export.

The greatest advantage for any investor wishing to invest in the state is its proximity to Abuja, the new federal capital, which promises to be the fastest growing city in Africa in the next few decades of the next millennium. The availability of such a huge market and of cheap labour and land nearby offer wonderful opportunities for small-scale industrialists wishing to go into food processing for the domestic market. Also, factory produce in Nasarawa could easily access other large markets such as Jos, Kaduna, Kano, Makurdi, Bauchi, Yola, Lokoja and Gombe which are all within a few hours drive from the state.

Estate Development

One of the surest and potentially most profitable opportunities for investment in Nasarawa state is estate development for residential and office accommodation at Maraba, Karu, Masaka and Keffi for sale or rent to the large population of Abuja. The availability of cheap land and proximity to Abuja makes this area the best alternative for companies and corporations which are already choked up in the traumatic housing crisis in the federal capital. The state government is currently developing the area and welcomes private developers who are willing to invest. The government is developing an international market in Maraba, to service Abuja. Also, the state government is open to discussion with potential investors who may want to invest in water supply to the growing population of towns adjacent to the federal capital. The recent decision by the Federal Government to establish an express road through Nyanya, Maraba, Karu, Masaka to Keffi and possibly Akwanga, is an added boost to the investment potential of this area as the investor's best opportunity in central Nigeria.

Minerals Development

Nasarawa state is popularly known as the home of solid minerals. The state has potentially the largest solid mineral deposits in Nigeria. These include tin, tantalite, marble, coal, lead/zinc, brine(salt). columbite, wolframite, beryl, baryte, etc. Currently the government is in the process of investigating the extent of deposit, quality and commercial viability of the deposits for exploitation. Although minerals development falls under the exclusive list of the Federal Government, the state government is doing all within its limited resources to create a favourable environment for private investors to develop the state's mineral resources. This is one area where foreign investment and technical know-how is most needed in the state.

Tourism Development

Nasarawa state has enormous tourism potential. Its wonderful waterfalls, romantic rocks and hills, large waterways, historical sites, and rich and diverse cultural heritage, and proximity to Abuja, present wonderful opportunities for potential investors. The development of holiday resorts, standard theatres, hotels, and cultural festivals promise profitable investment potentials. The state government is willing and ready to go into joint ventures with private investors in the tourism sector. Currently, we are in the process of planning a modern theatre, an Olympic-size stadium, and hotels in Karu to service the growing population of Abuja. But government believes the private sector must lead the way either in partnership with the government, or independently.

Investment Policy

The state government believes in private enterprise and private sector leadership in boosting the development of the state. The government is currently putting finishing touches to its investment policy which highlights include the provision of cheap land for industrialists; development of industrial estates near Abuja and in other parts of the state; generous tax policy for investors; and the improvement of physical and social infrastructure and services, to create an attractive environment for investors. The policy which is to be further fine-tuned at the state's economic summit coming up next week, will be completed and released and publicised before the end the year.

Areas for Assistance

Nassarawa, being a young and rural state is faced with a number of difficulties, some of which are beyond our meagre resources.

- Our educational sector is relatively underdeveloped, and in need of private-sector
 participation and support from multilateral agencies and other humanitarian
 development institutions. Our school drop-out rate is high, and facilities and
 standards are in urgent need of improvement.
- Our health sector is also in need of support, especially in the area of training, hospital equipment and preventive health. The Acquired Immune Deficiency Syndrome (AIDS), as in most parts of Nigeria, is a reality in the state, and threatens to be one of the serious public health challenges of the next millennium. Malaria is still our number one killer. The state government is in need of equipment, drugs, manpower development, and support in public awareness programmes to combat the challenges posed by these diseases.
- We are also in need of assistance in the information sector, especially to facilitate
 access to the internet to sell our potentials to the rest of the world and to learn
 how other societies are tackling similar and other challenges of development.

- Our young democratic institutions are in need of support. The state legislature
 has no library, no computers, and no access to the internet. The legislators at the
 state level also need training opportunities, and exchange visits to other parts of
 the world where democracy has stabilised to learn from other people's experiences.
- The judiciary is faced with similar problems with the legislature. Even the
 executive is in need of training opportunities and exposure to better equip itself to
 carry out its tasks.
- Also, the electorate is in need of awareness campaigns to improve their understanding of democracy and its processes. The state government is currently planning the establishment of rural television viewing centres which could be used to carry out awareness campaigns for the populace. The state government needs solar panes to power these centres and also needs donor assistance to support the public awareness campaigns through these viewing centres.

Conclusion

In conclusion, it is the belief of the government of Nasarawa State that democracy and development are two sides of the same coin. The best way to sustain our infant democracy is to ensure the expeditious development of the state's economy to ensure prosperity for all. The best way the outside world, especially Nigeria's traditional trading partners, can help our new democracy is to take the bold step to invest in our economy. This decision is political as well as economic. Political in the sense that a democratic Nigeria offers the brightest prospects of a truly democratic Africa because of our sheer population and size. And economic because, despite our recent problems, Nigeria still offers potentially the largest market in Africa; an attraction which foresighted investors cannot resist.

xvii) Investment Opportunities in Niger State - Engr. A.A. Kure, FNSE, Governor of Niger State

Introduction

Those familiar with the history of Nigeria dating back to the various expeditions of great explorers such as Mungo Park, Major Clapperton and the Lander Brothers would be familiar with the word Niger. Niger State was carved out of the former North Western State in 1976 and it is located in Nigeria's central belt. The state accounts for about 10% of Nigeria's landmass. The state is easily accessible from all parts of the country. In the North-West, there is a federal road well asphalted that links the state with Sokoto, Kebbi and Zamfara states. On the western side, the Lagos – Abuja road traversed through the state while on the North-Eastern side, the state is linked through the Abuja Kaduna – Kano express way. From Abuja, the

distance to Minna, the capital of Niger State, is only about 150 kilometres. The state is also accessible by air as there is a functional airport at Minna that can take a Boeing 747 aircraft. The airport's 3,200 metres runway provides ample opportunity to bring in goods and people by air. By sea the state is accessible through the Baro Inland Port where the first shipments began arriving from Europe during the colonial days. The Lagos – Kano – Maiduguri – Jos – Port-Harcourt rail line passes through the state and Minna is a hub for the North, East and Southern lines. There is also a rail terminus at Minna. It is apparent thus, that whether by land, sea or air the state is easily accessible. The state potentials are basically four (4), namely:-

- Agricultural
- Hydro electric
- Tourism
- Minerals and oil.

Agriculture

The land of Niger State is green and lush. The state has no shortage of fertile farmland because of its landmass. Among the state's produce are yams, cassava, rice, millet, peanuts, maize and sugarcane. Due to our landmass, Niger State is particularly suitable for raising commodities such as sugar. It is a fact of life that today, Nigeria imports most of its sugar from Brazil. With a domestic market of over 120 million people, this leaves an irresistible opportunity for sugar plantation investors. Indeed, the largest sugar plantation in Nigeria is located at Sunti Sugar Company in Niger State. The estimates made for a small sugar processing plant is in the region of \$10m.

River Power

With many rivers such as the great Niger, Kaduna, Gurara etc, meandering their way through the state, Niger State's energy potential is still waiting to be harnessed. The Federal Government saw its potentials, opening three hydro-electric power stations that for decades have been supplying electricity to the country and to neighbouring Niger Republic.

There is the potential for smaller hydro-electric stations along River Gurara and River Kaduna. Because of the proximity of the federal capital territory to Guarara River and Gurara Falls, the state could potentially become the major energy supplier to the nation's capital, Abuja.

The state is having extensive discussions with ESB International of Ireland to check out the possibility of European Union funding for the study of Gurara power project.

Tourism

Niger State is known for its rich and beautiful tourism attractions. Among the most popular are the Gurara Falls – located just outside Abuja – the Shiroro, Kainji and Jebba dams and the Zuma Rocks on the Abuja – Kaduna Express ways.

The state is also home to Nigeria's largest wildlife park. The Borgu wildlife parks cover an area of about 5,830 square kilometres. Roaming freely in the park are hippos, lions, elephants, antelopes, etc. They inhabit the area, thanks largely to the water provided by the Kainji Dam, which is the largest man-made lake in Nigeria. Bounded in the west by Benin Republic, the animals are protected, but not fenced in, leaving them free to roam their natural habitat. The park is close to main transportation routes, but far enough from the bustle of the city and it is untapped for eco-tourism. Its proximity to Abuja and the international airport position it well to the benefit of tourists. The state government is also involved in the development of the Suleja International Hotel, which is located about 15 minutes drive from Abuja. The hotel that has about 275 rooms is about 70% completed and it requires an investment of between \$15m to \$29m to ensure completion. Facilities for the hotel include a 19-hole PGA gulf course at the base of Zuma Rock.

Minerals and Oil

The southern part of Niger State has been proven to possess considerable deposit of silver and other minerals. In its mid-section, the state is endowed with large reserves of limestone while surveys around the state capital has shown deposits of gold and marble in commercial quantities. The presence of crude oil was recently detected in the lower reaches of the Niger valley near Muregi. Samples have been taken and analysis made which suggests very strongly that the deposits are of commercial quantities. Feasibility studies conducted by Nigeria's Raw Materials Research Council in respect of virtually all these minerals are available free of charge at the offices of the Council, the State Chamber of Commerce, Ministry of Commerce and Cooperative and the State Liaison Offices at Abuja, Lagos and Kaduna. Niger State's wealth extends beyond natural resources to encompass its people. The labour force is both skilled and unskilled, and labour is cheap in the state, with the people both peaceful and friendly.

Geography

The state is located in the central zone of Nigeria. It enjoys an annual rainfall of between 700mm to 900mm, falling between May to September with the highest rainfall in August. Temperatures are moderate between. The dry season begins in late October. The period during which night temperatures can be as low as 15°C begins from November through February. The hottest period is March and April, when daytime temperatures average is 35°C and 43°C.

Incentives

The state government is investor-friendly. Any serious investor in the state is assured of free land within one week of application for it. The state is also prepared to extend water and power to any industrial location. Already, the state has opened up an industrial area where basic facilities like water, electricity and roads are provided.

The state government has a liberal tax programme for investors and is today the only state in the country that offers 10 years tax holiday to investors.

Role of the State Government

Apart from its traditional role of a facilitator, the state government is prepared to, in addition to providing the incentives enumerated, enter into joint venture agreement with any investor.

Conclusion

The investment climate in Niger State is very suitable to any investor. The state has a very good environment for industrial growth. I therefore urge all genuine investors to take advantage of our liberal terms and invest in our state. I look forward to receiving your inquiries as soon as possible.

xviii) Investment Opportunities and Incentives Available in Ogun State, Paper Presented by Ogun State Government of Nigeria

Ogun State, otherwise known as the Gateway State, was carved out of the defunct Western State on 3rd February, 1976 by the then Federal Military Government of late General Murtala Muhammed.

Location

It lies within the tropics. It is bound in the West by the Benin Republic, in the South by Lagos State and the Atlantic Ocean; in the East by Ondo State; and in the North by Oyo and Osun States.

Area

Ogun State occupies a total area of 16,409.26 square kilometres.

State Capital

Abeokuta, the capital and largest urban centres is situated about 100 kilometres from Lagos.

Local Government

There are 20 Local Governments. The headquarters are – Ake – Abeokuta (Abeokuta South); Akomoje – Abeokuta (Abeokuta North); Ota (Ado-Odo/Ota); Aiyetoro (Yewa North); Ilaro (Yewa South); Ifo (Ifo); Ogbere (Ijebu East); Ijebu-Igbo (Ijebu North); Ijebu-Ode (Ijebu-Ode); Ikenne (Ikenne); Owode (Obafemi/Owode); Odeda (Odeda); Odogbolu (Odogbolu); Abigi (Ogun Waterside); and Sagamu (Sagamu); Imeko (Imeko/Afon); Ipokia (Ipokia); Atan (Ijebu North East); Ewekoro (Itori); Isara (Remo North).

Population

2,338,570 (1991 census).

Ethnic Group and Tradition

A homogenous state peopled predominantly by the Egbas, Yewas, Aworis, Eguns, Ijebus and Remos, they belong in the main to the Yoruba ethnic group. Nigerians from other parts of the country as well as expatriates also live in the state. Some of the leading traditional festivals that can be found in the state are Olumo, Ogun, Igunnuko, Osun, Orisa-Oko, Obalufon, Egungun, Obirin Ojowu, Gelede, Oro, Agemo, New Yam and Sango.

Language

The languages spoken mainly are Yoruba (language of the predominant majority) and English (official language). There are several dialects including Ijebu, Remo, Egba, Yewa, Awori, Egun, Ikale and Ilaje.

Climate

This follows tropical pattern with the rainy season starting about March and ending in November, followed by the dry season.

Natural Resources

Extensive fertile soil suitable for agriculture, savannah land in the north western part suitable for cattle-raising, vast forest reserves, rivers, a lagoon, rocks, mineral deposits and an ocean front.

Mineral Resources

Extensive limestone deposits, chalk, phosphate, high quality stones, gravels, gypsum and tar abound in the state.

Tourism

There are many tourist centres in the state with numerous tourist potentials. The centres include Olumo Rock at Abeokuta, the state capital, Birikisu Sungbo Shrine at Oke-Eri via Ijebu-Ode, Yemoji Natural Swimming Pool at Ijebu-Ode and Ebute-Oni in Ogun Waterside. All the centres, except Ebute-Oni (due to water hyacinth), have interesting tourist attractions and are well maintained. Other tourist potentials that have been identified by the state government include Madam Tinubu Shrine, Abeokuta; Oronna Shrine, Ilaro; Area J4 Forest Reserve; Tongeji Island, Ipokia; Old Manse at Ogbe, Abeokuta; St. James Anglican School, Ota; and Ijamido River shrine, Ota.

2. Investment Opportunities

Mineral Resources in Ogun State

Ogun State is blessed with abundant mineral resources such as non-metallic minerals, tar-sands, usable as fuels, and industrial rocks. The minerals that have so far been identified within the state and their locations are shown below and composed predominantly of calcium carbonate.

Limestone

Limestone is the major component in cement manufacture. It is used in ceramics, chemicals, lime, water treatment, paint, paper, and fertiliser industries, and acts as a source of industrial salt. Limestone is fairly widespread in most parts of Ogun State. Limestone of Lower Tertiary Age (Pakocene) in association with clay/shale, layers

occur at Ewekoro and Sagamu. Chemical analysis of the limestone indicates that it contains about 50 per cent of lime (CaO) with estimated available reserve of 135 million tonnes.

Feldspars

These are important minerals used as fluxes in industries for the manufacture of enamels for household utensils, glass, polished stones, tiles, slabs, and porcelain, sanitary articles. They are also used in pottery, both in the body of the ware and the glaze. There is abundant feldspar occurrence in the granite rocks of Ogun State.

Quartz

A non-metallic mineral, quartz is essential in electronic application and minor amounts are used for producing fused quartz specimens and jewellery. It is also a vital raw material for glass and optical fibres. Quartz finds its use in electric bulbs while optical fibres are being developed globally for communication. Quartz occurs abundantly within the state.

Phosphate

This is the dominant raw material in the manufacture of fertilisers. The deposits were first discovered in 1921 at Ifo, where extensive exploration revealed 3 metres thick phosphatic rich clay beds. Apart from Ifo, phosphate deposits have also been established at Igbokoto and Oja-Odan respectively. The phosphate deposits in Ogun State is modular and therefore similar to the deposit in Sokoto State. However, the overburden in Ogun is less than that in Sokoto State.

Mica

Mica is essential in the manufacture of many kinds of electrical equipment and optical lenses. It is used for condensers and insulators in heating elements. Large quantities of mica have been found to occur in natural form in many parts of Ogun State.

Gypsum

This is a minor but essential ingredient of cernent. Its function is to control the settling time and consequently enhance its final strength. Gypsum is used as a fertiliser and also for the manufacture of chalk, pharmaceuticals, plaster and plaster board. It has been found as scattered crystals in tertiary and cretaceous clays and shales in the state.

Glass Sand

Glass sand deposits have been found to occur in sufficiently large quantities and good quality to support bottle making industries, pharmaceuticals, laboratory glass wares, delicate exotic glass wares for the home, optical glasses, and, special glass for electrical

and electronic industries, production of glass sheets, for the manufacture of glass doors and windows, mirrors and display cabinets.

Tar sand

Tar sands or bituminous sands are sands and sandstones that are heavily impregnated with oil. The Ogun State tar sands can be a viable source for asphaltic heavy oil suitable for upgrading as feed for heavy oil refinery.

Clay

Clay plays an extremely important part in brick building, monument making, and pottery. Clay is used extensively in earthenware, chinawares, vasses, pottery, plumbing fixtures, tiles, porcelain wares and ornaments. In buildings, it is used for building bricks, vitrified and enamelled bricks, tiles for floors, roofs, walls and drains sewer pipes, and as an ingredient of cement. In the electrical industry it is used for conducts, sockets, insulators and switches. Clay is also used on a larger scale in making refractory wares, such as fire bricks, furnace linings, chemical stoneware crucibles, retorts and saggars. Excellent clays of sufficient quantity and suitable quality for modern industrial purposes are found in Ogun State.

Decorative Stones

The major raw materials employed in building and construction projects are aggregates comprising crushed rocks, gravels, sands and other fragments. Most of these hardrocks are at present quarried, crushed and even powered for building aggregates and the manufacture. Some of these ornamental rocks found in Ogun State are granites, basement rocks, and syenites.

Pharmaceutical Factory

Manufacture of a wide range of pharmaceutical products e.g. disinfectant solution, syrup, capsules tablets, intravenous solution and ampoules.

Crude Oil

Mini or medium-scale refinery near waterside, Ogun State, is endorsed with lagoon in the waterside area. From the crude oil could be produced items as petrol, gasoline, kerosene, diesel oil etc.

Solid Waste Recycling

- (a) Synthesis gas used to produce electricity
- (b) Sand-like mineral product a useful bituminous paving or concrete addisive material
- (c) Water contained in the waste recycled and rinsed in the process.

- (d) Metal material useful to an industrial metals processor and manufacturer
- (e) Salt pure sodium hydroxide solid to industry
- (f) Hydroxide contains approximately 50% zinc and lead and will be used by a metal processor to reclaim these elements
- (g) Sulfur pure grade sulfur sold to the pharmaceutical industry.

For mineral based resources, their uses and processed industries as well as their locations in Ogun State, see Annexures I and II.

3. Agricultural Raw Materials for Industries (Investment Opportunities in Agriculture)

Introduction

The Ministry of Agriculture has a land allocation committee which is charged with the responsibility of allocating agricultural land to prospective investors in the agricultural sector. To date a total of 40,000 hectares of land free from encumbrances had been allocated to various investors for planting crops such as oil palm, cashew, rubber, cassava etc. Intending large scale farmers can benefit immensely from this programme.

Forestry

An area of 25,000 hectares has been planted up with gmelina in Ijebu East in Ogun Waterside. Due to the inability of the pulp and paper mill to take off as scheduled, the gmelina plantations have become over-aged and virtually underutilised. Investors who can convert the gmelina in the form it is will find a ready source of raw materials on sustainable basis for their industries. Expected yield from the 25,000 hectares is about 5 million cubic feet.

Cashew

Cashew processing plant could be set up in the state to process the berry into cashew drink and the nuts into exportable form to earn foreign exchange. The oil extractable from the shell is very useful in pharmaceutical industries. The NALDA programme has established over 500 hectares of cashew at Joga-Orile while the Agricultural Development Corporation also has another 400 hectares of cashew at Ibara Orile, very close to Joga-Orile. The plantations are being expanded on continuous basis. This is a good source of raw materials for a cashew-based industry. In addition, many small farmers in the area mentioned have their cashew plots from where more raw materials for such industry could be sourced.

Rubber

Ogun State has extensive rubber plantations at Ilushin, Ikenne and Ibiade Farms. The rubber latex and coagulum are being processed into Technically Specified Rubber (TSR). Incidentally, there is no industry in Ogun State that uses the TSR for manufacture of rubberised products such as tyres, condoms, motor vehicle spare parts. Concentrated latex could also be obtained from the latex for the carpet industry. A factory that could make use of this raw materials if sited in Ogun Waterside would make profitable use of this raw material.

Kolanut

Kolanut plantations abound in Remo Zone of the state. In fact, Ogun State is one of the largest producers of this crop. Investors can invest in the use of this crop for industrial purposes.

Cassava

Cassava production has been improved in Ogun State through introduction of improved varieties which are high-yielding and disease-resistant. Presently there is cassava glut which will last for many years in the state. Any investor that is interested in going into cassava starch, cassava chips, cassava flour etc. production in the state will find a ready source of raw materials such that capacity under-utilisation will not be a problem.

Tomatoes

Tomato production is very prominent in Igbesa and its environs located in the Ado Odo Ota Local Government Area. For more than six months in the year, ripe and fresh tomatoes are available in abundance. It is saddening to see the way the tomatoes rot away due to unavailability of efficient processing facilities for the product. A tomato puree industry could be established in the location to take advantage of the abundant raw materials.

Poultry-based industry

Ogun State produces several millions of poultry eggs every year. There is usually a glut at certain periods of the year such that a number of producers have to resort to either selling at below the cost of production or burying the eggs. Investors can take advantage of this situation to establish egg powder industry. This product is very useful in baby food production. In addition, poultry meat processing machine could be set up in the state.

Bee-farming

Bee farming is at a very low ebb in the state. Although there are a few small scale bee farmers in the state, advantage should be taken of the abundant forest and crop

plantations, to boost honey production for domestic consumption and export. Investors will have value for their money by investing in this area.

Cocoa

More than 3,000 tonnes of cocoa is being graded in Ogun State annually. With the reviewed interest by Ogun State in rehabilitation of old groves of cocoa and new planting of hybrid cocoa seedlings, more than enough raw materials to feed cocoabased industry in the state is guaranteed.

Rice

Over the years, investors have not taken advantage of the abundance of Ofada rice in Obafemi-Owode Local Government of the state. As nutritious as the rice is, it does not command good price because attention has not been given to the area of processing including packaging. This is a good area of investment.

Oil palm

Palm oil, palm kernel, etc. which are products from oil palm fresh fruit bunches is seasonal in production. During the peak season from December to June, there is a glut of palm oil. Location of palm oil processing industries in Ogun Waterside and Ipokia/Ado-Odo Local Governments will be viable.

Maize

Maize is produced in commercial quantities throughout the state particularly in Yewa North Local Government where the effect of high isolation results in high yield. Industries that make use of maize as raw materials will thrive in the state.

Pineapple

Pineapple juice drink obtainable from pineapple is in very high demand in Ogun State and other states of the federation. Many large and medium scale pineapple farms are scattered all over the state producing large quantities of pineapple which can adequately serve any related industry set up.

Sugar Cane

In view of the availability of large sugarcane plantations, particularly in Papalanto, situated in Ewekoro Local Government, industries using sugarcane as raw materials will thrive and operate profitably in the state.

Citrus

Citrus is produced in commercial quantities in some areas in the state. In the 1970s a lot of the citrus used by Lafia Canning Factory was obtained from Ogun State. The plantations are still existing and will supply the needed citrus such as sweet orange,

grape juice, shad dock, tangelo, etc. to relevant industries that may be established.

Coffee

There is presently no coffee processing industry in Ogun State despite the large quantities of coffee that is handled in the state. There is no better time than now to invest in this industry.

The Agricultural Potential

As outlined above, Ogun State has the potential for production of some of the key raw materials required by industries such as starch, sugar, soft drink, concentrates, long fibre and rice processing etc. These enormous agricultural potential raw materials can sustain relevant industries as well as sustain commercial activities through exportation. These major farm produce like cocoa, kolanut, rubber, cashew, citrus and pineapple and a number of manufactured goods produced in the state as potential foreign exchange earners are listed in Annexure III.

4. Tourism Potentials

Tourism is a relatively young but growing industry in Ogun State. Its slow pace of development is a general characteristic, influenced by the huge and intensive capital needed for its take-off and growth. In realisation of this fact and recognition of the immense contribution which the private sector can make towards the development of the tourism industry, the state government encourages and welcomes private participation in the development of diverse tourist potentials in this state. These diverse areas include various recreational centres, amusement parks, historical monuments, cultural heritages as well as international hotels. These tourist attractions which abound in the state are yearning for development.

Identified Possible Areas of Investment

	Tourism Potentials	Identified possible locations
1.	Establishment of resort centre and game village	J4 Forest Reserve in the heart of Omo Forest Reserve.
2.	Recreational facilities	Olumo Rock in Abeokuta. To be incorporated in the 2 nd phase of the development of the centre.
3.	Amusement park	Trade Fair Complex in Abeokuta. Ample opportunity for its establishment also exists in other geographical zones in the state.

- 4. Preservation and develop- Brikisu Sungbo Shrine in Ijebu-Ode area (Oke-Eri). ment of cultural heritage
- 5. Hotel development Renovation of the former Rockland Hotel near the Olumo Rock Tourist Centre.
- 6. Preservation of historical Yemoji Natural Swimming Pool at Yemoji, near monument Ijebu-Ode and Ahoro-Ile Spring at Imeko.

For further information on the above stated investment opportunities, prospective investors could contact the Permanent Secretary, Ministry of Commerce, Cooperatives and Tourism, Abeokuta.

5. Package of Incentives

The state government, in its bid to accelerate the pace of industrialisation in Ogun State, has introduced a set of incentives and policy measures designed to ease the burden of industrial and business concerns. The package of incentives include the following:

- (i) open-door policy in the form of liberal regulations for the establishment of industries
- (ii) provision of free land in designated rural areas
- (iii) generous allocation of industrial land in urban areas
- (iv) well maintained and increasing network of urban and rural roads
- (v) continuously expanding energy facilities with the provision of electricity in urban and rural areas through the rural electrification programme of the state government
- (vi) provision of potable water in both urban centres and rural areas through the State Water Corporation
- (vii) utilisation of the administrative structure of the new Local Government system whereby the Local Government Headquarters serve as effective contact centres for potential industrialists and entrepreneurs
- (viii) expanding telecommunication facilities in collaboration with appropriate federal authorities
- (ix) continuously reviewing the performances of state-owned utility agencies to ensure effective and efficient management in order to enhance the industrialisation process
- a revitalised and more disciplined public service with the mechanism and resilience to respond positively to the new challenges of development

(xi) close and healthy relationship between the government and the organised private sector, e.g. the Nigerian Association of Small-Scale Industrialists, the Manufacturers Association of Nigeria and the Chambers of Commerce, Industry, Mines and Agriculture.

Land Policy

- (i) The Ogun State Government, through its appropriate agencies, will ensure that land approved for commercial, agricultural and industrial purposes are preserved and used solely for the purpose for which they are meant. Government would also simplify the procedure for land acquisition for commercial and industrial uses.
- (ii) Government will ensure that land is provided for industrial, agricultural, and commercial uses under very favourable terms and conditions
- (iii) Government will also ensure that applications for Certificates of Occupancy in respect of industrial, commercial or agricultural land are approved within three months of submission in order to facilitate early take-off of projects.

Industrial Estates

One of the most essential inputs for industrial growth is land. In the past, this vital factor of production had not been easily available to industrialists and other commercial investors. In order to eliminate this major constraint, there now exists three government agencies responsible for the establishment, development and management of industrial/residential estates in the state. These are the Ogun State Property and Investment Corporation, Ogun State Housing Corporation and the Bureau of Lands, Survey and Town Planning. These three agencies provide all essential utilities such as water, electricity, a good network of access roads, and good communication systems in those estates which have been fully developed. Other industrial estates which are being developed will also enjoy similar facilities on completion.

As parts of the efforts of the federal and state governments to ensure a buoyant and sustained industrial development in Ogun State, Federal Industrial Development Centre as well as State Industrial Services Centre were established at Idi-Ori along Abeokuta-Lagos Road. These centres carry out extension services for small-scale industrialists, artisans and craftsmen in the state. They are equipped with machines and tools for the different trades such as carpentry, electrical works, welding, foundry works and other allied

trades. The experts at the Federal Industrial Centre are also capable to fabricate needed tools and equipment for small scale industries.

6. Ogun State Industrial Development Policy and Role of the State Government

Introduction

Industrialisation constitutes a key factor in the promotion of the social and economic welfare of the people. It is, therefore, the responsibility of the state government to foster industrial growth with a view to promoting rapid economic development of the state. To achieve this basic objective, the state government has to encourage prospective entrepreneurs by creating a favourable atmosphere for the establishment and easy take-off of new industries in addition to offering expert advisory services to existing ones. The benefits derivable from these are tremendous; variety of industrial goods will be produced, employment opportunities will be created, the economy of the state will grow, thus leading to general contentment and public peace within the state.

The Role of the State Government

- (i) In the past, the government had been involved directly in industries by holding majority equity shares in industrial and commercial ventures. Ogun State Government will henceforth play the role of a catalyst or motivator of private investment. Government will continue to intensify efforts aimed at privatising industries, giving active support and due recognition to foreign and indigenous investment, and working assiduously for the growth of such investment.
- (ii) Government, as a matter of deliberate policy, will refrain from active participation in industrial and commercial ventures in such a manner as to put the government in a position of a major or controlling equity holder. However, government will continue to participate directly in the highly essential and strategic ventures, like defence-related and pharmaceutical industries which may affect state security. It must also be noted that government credit and investment agencies will continue to be involved in industrial and commercial enterprises in accordance with the objectives of their establishments. Taking the preceding issues into consideration, government will divest itself of its control and management of industrial and commercial ventures
- (iii) Government will continue to restructure its existing business. It will ensure their full commissioning and reactivation to make them

- attractive to private investors to whom they would be offered for sale
- (iv) Government will continue to review all the present legal and administrative practices and procedures which hitherto hinder the creating and effective sustenance of private industrial ventures
- (v) Greater emphasis will be placed on the special training of the industrial extension officers to enable them cope with modern development of small-scale industries. Continuous training through refresher courses will be maintained for extension officers who would be given opportunities to travel within and outside the country to learn from innovations in other places
- (vi) Government will continue to encourage large-scale industries and government agencies to patronise the products and service of smallscale industries to be export-oriented.
- (vii) Encouragement of trade and business associations and assisting in their formation.
- (viii) Assisting exporters and potential exporters in their quest to look beyond the nation's frontiers for foreign market for their goods and services.
- (ix) Rendering assistance to the business community to develop, promote and expand their external trade through public enlightenment programmes like seminars, conferences and business publications. Establishment of trade links between the local and foreign investors (importers).
- (x) Government will offer assistance to producers of export products through the Ogun State Committee on Export Promotion which is based in the Ministry of Commerce, Cooperatives and Tourism.
- (xi) Also a land allocation committee exists in the Ministry of Agriculture which is charged with the responsibility of allocating agricultural land to prospective investors for agro-based industries.

ANNEXURE I

Mineral-Based Resources, Their Uses and Proposed Industrial

S/No. 1	Sources Limestone	Industrial Uses/Application Cement, ceramic wares, chemi- cals, lime, glasses, water treat- ment, paint, paper, fertilizer, as a filler in plastics, fluxes in smelting of iron and steel and	(a) (b)	Cement factory Lime producing factory Precipitated calcium
2	Kaolin	source of industrial salt Ceramic wares, fertiliser, chemicals and pharmaceuticals, paints, paper, wall and floor tiles, filter in plastics, chalk, porcelain wares, pipes, insulator etc.	(b)	carbonate firm Chalk manufact- ur ing industry Ceramic industry Tiles and sanitary wares firm
3	Glass sand	Bottles and glass making (bulb, fuse, mirror, head-lamp, louvers etc) abrasives, te-		Bottle manufacturing filler firm. Glass manufacturing industry.
4	Phosphate	Fertiliser, match-making, phar- maceuticals, explosives and production of phosphorus and phosphoric acid.		Fertiliser industry Phosphate beneficiation plant
5	Tar sand	Petrochemicals, constructions, bitumen, sulphur, pitch, feed stocks, carbon black		Petrochemical plant Refinery
6	Clay	Bricks, pottery, sanitary wares, ceramic insulator	` `	•
	Rock Forming	Ceramic wares, glass, enamel,	(a)	Glass producing firm
	Minerals Feldspar	polished stone and slabs, tiles, refractories etc	(b)	Refractory indus- try
i.	Mica	Heat insulator, pressing iron insulator, fire proofing, lubricant, roof and paper coating etc.	(a)	Industry for manufacture or insulators.
ii.	Quartz	Crystal, electronics, bulb ornaments and optical lenses	(a)	Industry for manufacture of optical lenses

- 8 Decorative Rocks and Aggregate
- Stone cutting and polishing, aggregates for construction
- (Granite, Gabro, Syenite) and Quartzite
- (a) Decorative stone cutting and polishing
- (b) Quarry industries

ANNEXURE II

Distribution of Mineral-Based Resources of Ogun State

No	Local Government	Minerals
1	Abeokuta North	Kaolin, feldspar, mica, quartz, granite
2	Abeokuta South	Kaolin, feldspar, mica, quartz, granite
3	Ifo	Clay, shale, gypsum, limestone, phosphate, glass sand, kaolin
4	Ewekoro	Clay, shale, gypsum, limestone, phosphate, glass sand, kaolin
5	Ado-Odo/Ota	Clay, glass sand, kaolin
6	Odeda	Kaolin, feldspar, glass, sand, mica, quartz
7	Obafemi/Owode	Kaolin, feldspar, glass, sand, mica
8	Remo North	Kaolin, limestone, clay
9	Sagamu	Kaolin, limestone, clay
10	Ijebu-Ode	Kaolin, feldspar, glass sand, mica, tarsand
11	Odogbolu	Kaolin, feldspar, glass sand, mica,
12	Ijebu-North	Kaolin, glass sand
13	Ijebu-East	Clay, glass sand, tarsand
14	Ogun Waterside	Mica, glass sand, clay, tarsand
15	Egbado-North	Kaolin, feldspar, glass sand, phosphate
16	Egbado-South	Kaolin, gypsum, phosphate, glass sand, limestone
17	Imeko/Afon	Kaolin, feldspar, glass sand,
18	Ipokia	Kaolin, gypsum, phosphate, glass sand, limestone
19	Ikenne	Kaolin, limestone, clay
20	Ijebu-North-East	Kaolin, glass sand

xix) Resource Potentials and Investment Opportunities in Ondo State – Chief Adefarati, Executive Governor, Ondo State

Ondo State was carved out of the former Western State in 1976. The state economy at the inception of the state was largely agrarian with only few industrial establishments.

However Ondo State is naturally endowed with abundant human and natural resources which could be harnessed to stimulate a realistic industrialisation process of the state. The natural resources which to a greater extent remain untapped can be broadly classified into

- i) mineral resources,
- ii) agricultural and allied resources
- iii) hospitality and tourism potentials.

Mineral Resources

The mineral resources of the state can be categorised into four different sub-heads namely:-

- a) Metallic minerals,
- b) Non-metallic minerals,
- c) Industrial minerals and
- d) Fuel or oil-based mineral resources.

In summary, the mineral resources of Ondo State include the following, among others:-

- Bitumen
- 2) Filter sand, glass sand deposit
- 3) Dimension zone
- 4) Limestone
- 5) Bulk clay
- 6) Kaolin
- 7) Coal (lignite)
- 8) Marble
- 9) Salt
- 10) Granite
- 11) Iron ore

Since the mineral potentials of any state is unlimited, the Federal Government is being called upon to assist the state by undertaking continuous investment into the mineral resource potentials in order to bring into focus the mineral resources which abound in the state. Further details on the mineral potential are attached in annexure I.

Areas of Investment

The State Government is inviting investors to invest in all the above opportunity areas with particular reference to:

- i) bitumen exploitation
- ii) limestone (cement production)
- iii) dimention stone stone cutting and polishing, including marble processing
- iv) Kaolin washing.

Agricultural and Allied Resources

The geographical location of the state with the Atlantic Ocean as its southern boundary and Guinea Savannah in the North makes it a veritable agricultural zone for the cultivation of diverse crops and propagation of forest resources. The crops include cocoa, coffee, kolanut, cashew, oil and palm, rubber, citrus (orange, lime, grape-fruit, tangerine) pawpaw, pineapple, guava etc. The forest trees include teak, gmelina, mahogany, iroko, obeche, etc. The 38-km long sea-coast is a viable potential for the fishing industry as well as the rivers and reservoirs across the state. Special attention should be given to investment in the following areas:-

- a) integrated fish and shrimps production
- b) processing of cocoa-beans product, beverages, confectioneries, wines, spirits, cosmetics, etc
- c) textile manufacturing
- d) timber and wood processing into hardwood, plywood, particle board and furniture for export
- e) processing of agricultural waste into paper product
- f) concentrate extraction from fruit drinks
- g) development of sericulture for silk and silk based clothing material.

Detailed list of agricultural and allied resources, including water resources are contained in Annexure II.

Tourism Potentials

Tourism potentials abound in the state. Natural tourism which exists in the state includes: springs, lakes, hills and caves. Prominent among these are:

- i) Ebomi-Lake at Ipesi-Akoko
- ii) Idanre hills
- iii) Oke Maria at Oka-Akoko

- iv) Isharum Ash Cave
- v) Igbokoda and Ayetoro Riverways.

Areas needing attention and immediate investment include:

- development of Ebomi Lake
- ii) facelifting of Idanre hills
- iii) dredging of Igbokoda fishing terminal.

Reactivation of Ailing Industries

A number of ailing industries exist in the state. These include:-

- i) Nigerian/Italian Ceramic Products Limited at Ifon
- ii) Oluwa Glass (Nigeria) Co. Plc. (sheet glass production)
- iii) Premier Metals Industries (manufacturers of galvanised iron sheets)
- iv) Nigerian Romanian Wood Industry in Ondo
- v) Ode Irele Oil Palm Co. Plc
- vi) Okitipupa Oil Palm Plc
- vii) Ayesan/Araromi Oil Palm Plc.

Local and foreign investors are invited to participate in the reactivation of these viable, though ailing investments.

Conclusion

The State Government is hereby inviting prospective investors, both local and foreign, to establish industries in Ondo State.

The State Government has, among others, a package of incentives for prospective investors which include:-

- enabling political environment
- ii) easy access to certificate of occupancy
- iii) easy land acquisition
- iv) tax exemption during infancy stage, etc.

In addition, the assistance of international organisations is also solicited in the financing of projects such as provision of infrastructure for industrial estates, construction of roads, bridges, channelisation of riverways/market development and the development of commercial centres.

Annexure I

MINERAL RESOURCES OF ONDO STATE, LOCATION AND POSSIBLE USES

S/N 1	Minerals Kaolin	Location Omialafa, Abusoro Ewi, Ode-Aye, Omifun	Possible Uses Ceramic wares, Sanitary-wares, glating filler purposes, refrac- tory bricks, pharmaceuticals	Remarks Partial/full exploration and evaluation
2	Bulk clay	Erusu-Akoko, Ode-Aye, Ute Arimogija, Ifon	Earthenwares, sanitary ceramic tiles, brick making ceramic bodies	Preliminary/ exploration and evaluation small scale exploitation
3	Glass sands	Igbokoda, Atijere, Akata Agbala, Aboto Agerige, Igbekebo	For glass and glass products, abrasvas	Partial exploitation
4	Dimestone	Widespread	Substitute for marble and tiles aggregates, slabs for flagging pavements.	Partial exploitation
5	Coal	Ute	Sources of heat energy, iron and energy.	Partial exploitation
6	Limestone	Arimogija Okeluse	For cement and lime production, fluxes refractioneries, fillers.	Partial exploitation
7	Tar sand	Agbabu, Ijubirin, Loda, Onishere	Petroleum pro- ducts natural asphalt, pitch and petrochemical industry.	Preliminary exploration
8	Crude oil	Opukeba, Obe-nla Woye, Molulehin	Petroleum pro- ducts, natural gas.	Exploitation and evaluation of the deposit
9	Iron-ore	Ase-Augua, Ikaramu, Iboropa	Iron and steel industry.	Partial exploitation

10	Marble	Ido-Ani, Idogun	Lime production,	Partial
11	Salt	Aisasa	glazing. Domestic and industrial salt.	exploitation. Partial exploitation.

Annexure II

AGRO-BASED AND ALLIED RESOURCES INCLUDING FORESTRY AND WATER RESOURCES

S/No.	Raw Materials	Location	Products	Remarks
1	Cocoa	Widespread	Cake, powder,	
			butter and liquor	
2	Oil Palm	Widespread	Kernel cake,	
			oil boom making,	
			bag making,	
			soap making.	
3	Rubber	Odigbo, Irele, Ikale, Ondo,	Rubber latex	
4	Citrus, Mango	Widespread	Concentrates,	
	Guava, Pine-		extracts, soft	
	apple Orange,		drinks, tin foods	
	Pawpaw,		drink.	
	Tomatoes			
5	Plantain	Widespread	Flour, biscuit,	
			etc. source	
			of potash	
6	Cassava	Widespread	Starch, staple	
			food, flour etc.	
7	Kolanut			
8	Forestry	Widespread	Hardwood, ply-	
			wood particle	
			board and furni-	
			ture making,	
9	Sugarcane	Ikale, Irele	Sugar production,	
			soft drinks	
10	Rice	Ikale	Food etc.	
11	Maize	Wide spread	Flour, poultry	
			production, etc.	

Annexure III

WATER RESOURCES POTENTIALS IN ONDO STATE: DRAINAGE BASIN AND THEIR CATCHMENT AREAS

S/N	Drainage Basin	Catchment	Local Govern- ment drained by	Other River/Streams in the Catchment area
2	Osse-Ogbese River Ogbese	area (sq.km) 7,863	Akoko North East (appears at the boundary of the local government and Edo State. Akoko South (appears at the boundary of the local government and Edo State) Osse (appears at the boundary of the local govern- ment and Edo (State), dammed at Ifon for water supply Akure (appears at Ogbesse, Ita- Ogbolu Familugba) Owo (appears at Oke-odo). R. Aponmu Idanre (appears at between Idanre and Ose.)	R. Asandi-Dammed at Ikare for water supply R. Oyinmo (Ikare); R. Ishe (Ishe) R. Little Osse (Boundary between Akoko South and (Owo) R. Owu between Ikun and Oba) R. Oyinmo (Supare) Ebomi Lake (Ipesi) R.Uwesi (Idoani) R. Abiaze (Ijagba) Ebomi Lake (Imeri). R. Ofosu (Familugba) R. Ajagbusi (Familugba) R. Ajagbusi (Familugba) R. Ala (Akure) Uso Little Osse (Ago Pannu) R. Ogbaara (Owo) R. Upaso (Uso)
3	River Owena		Ifedore (appears at Igbara-Oke)	R. Owena (Owena) R. Ofosu (Ofosu) R. Akunrin (Ibuji) R. Alasagba (Ibuji)

S/N	Drainage Basin	Approx. Catchment area (sq.km)	Local Govern- ment drained by the area	Other River/Streams in the Catchment area
			Idanre (appears at Owena), dammed for water supply Odigbo (appears at Ore)	R. Etiona (Ijare) R. Ofosu (Ofosu)
			Okitipupa (appears at Ajagba,	R. Ogbesse (boundary between Idanre and Ose local government
			Ebute-Irele	R. Ofo (Irele, Omi
				R. Apere Irele,
				R. Omifun (Irele)
				R. Urowo (Irele)
4	River Ominla	Odigbo (appears at Ore)		R. Oluwa (Ore)
	at Ole)		R. Ofara Boundary between Idogbo L.G. and Ogun State.	
				R. Orore (Ore)
				R. Omifon (Omifon)
5	Oni River	Ile-Oluji/Okeigbo		R. Labata (Araromi- Obu)
		(appears at Oke-Igbo)		R. Owe (Ile-Oluji)
		Odigho (anne	ars at	R. Awo (Awo)
		Odigbo (appears at the boundary between Odigbo		R. Origbo (Ile-Origbo (Ile-Oluji
		L.G. and Ogu State	n	R. Olori (Oke-Igbo
				R. Agba (Ile-Oluji)
				R. Oluwa (Ore)
				R. Ominla (Ore)
				R. Ominla (Ore)

S/N	Drainage Basin	Approx. Catchment area (sq.km)	Local Govern- ment drained by the area	Other River/Streams in the Catchment area
				R. Ofara (Boundary between Odigbo L.G. and Ogun State
6	Ofara River Ofara	2,493	Okitipupa (appears at Akinfosile)	R. Akeun (Ikoya, Aye)
	Olulu		•	R. Ofara (Aye)
			Ilaje/Ese-Odo (appears as a creek.)	R. Oranyin (Aye)
			Cleek.)	R. Iju (Iju-Odo)
				R. Gbagba (Igbotako)
				R. Ohen (Erekiti)
				R. Ofe (Okitipupa)
				R. Oluwa (Okitipupa, Aye)
				R. Oluwa (Igbotako)
				R. Alape Agerige) Atlantic Ocean.

xx) Investment Opportunities and Incentives Available in Oyo State — Alhaji Lamidi Adesina, Executive Governor, Oyo State at the Sixth Nigeria Economic Summit (NESG) at NICON Hilton Hotel, Abuja, on 22nd October, 1999

Overview of State Potentials, Access, Geography and Resources

What is Oyo State?

Oyo State covers a total land area of about 27,249 square kilometres and it is bounded in the South by Ogun State and in the North by Kwara State. To the West, it is bounded partly by Ogun State and partly by the Republic of Benin while in the East, it is bounded by Osun State. The state consists of 33 Local Government Councils.

The state is homogenous, comprising mainly people of Yoruba ethnic group who speak pure and undiluted form of Yoruba language. Like all other Yorubas, they claim descent from Oduduwa which implies that they originated from Ile-Ife. They are rich in culture and believe in the extended family system. This notwithstanding, there is a substantial number of people from other parts of the country who settle, live and trade in the state, mostly in the urban centres. Non-Nigerians from West Africa and those of Asian, European and American stocks can also be identified.

Oyo State is one of the most urbanised states in the federation. Its capital city, Ibadan, is reputed to be the largest indigenous city in black Africa, south of the Sahara and can boast of the first television station in Africa, the first university in Nigeria, the first University Teaching Hospital in West Africa, the first sports complex (Liberty Stadium) in Nigeria and the first ever regional capital to have a House of Assembly Complex (Parliament Building) in Nigeria. There are other big towns like Ogbomoso, Oyo, Saki, Iseyin, Igboora, Eruwa and others with large populations.

However, the present Oyo State forms a nucleus of the former Western Region of Nigeria which gave birth to the Mid-Western Region in 1963, now Edo and Delta States, Ondo and Ogun States in 1976, Osun and Ekiti States in 1991 and 1996 respectively. Ibadan, Oyo State capital, remains the hub around which all the people from those new states which sprang up from the Western Region continue to revolve.

The climate is equatorial, i.e. dry and wet seasons which almost lasts a period of six months each. Consequently, the vegetational cover reveals rain forest belt in the South with savannah grassland type interlaced with woodland in the northern part of the state. It also reveals high land in the northern part of the state where some notable rivers such as Ogun, Oba, Ofiki, etc take their sources. Farming has been the major occupation of the inhabitants while sprinkles of traditional arts like weaving, blacksmithing, etc are also practised.

Oyo State is well served by road network, rail and air routes and have a reservoir of skilled and semi-skilled labour to feed any industry that may be set-up in the state. The state has two universities (University of Ibadan and Ladoke Akintola University). It has a polytechnic with satellite campuses at Eruwa and Saki. There are five technical colleges at Ogbomoso, Oyo, Saki, Ibadan and Igboora. There are two colleges of education at Oyo town, 355 government secondary schools and 1,642 government primary schools and numerous private nursery/primary and secondary schools.

The state is blessed with 51 state government-funded hospitals and 632 private/mission health centres spreading over the 33 local governments. The local governments have 450 health clinics.

Potentials

Industry

Presently the state has the following industrial programmes:

Industrial Estates

Four industrial estates have been created at Ibadan, Oyo, Ogbomoso and Saki. The Estates have been marked into plots for industrial development, while good access roads and electricity supply have also been provided therein.

Oyo State Finance and Investment Company Limited (OSFICOL)

Oyo State Government established OSFICOL with the following objectives:-

- (a) To carry on the business of extending credit facilities to consumers and to industrial, commercial or agricultural enterprises including lending on hire-purchase, the business of acquiring debts due to any person (factoring) project financing or consultancy, debt administration, LPO financing, export finance, financial consultancy, electronic fund transfer and issue vouchers, coupons, credit cards and token stamps.
- (b) To carry out the trade or business of property /development and management in all its multifarious ways.
- (c) To act as agents or managers in carrying on any business concern and undertakings and to employ experts to investigate and examine into the condition, management, prospects, circumstances of any business, concerns and undertaking and generally of any assets, property or rights of any kind.

Presently, the holding company has the following subsidiaries and associated companies:

- (a) Oyo State Paper Mill Limited.
- (b) Conpole Nigeria Limited.
- (c) Cashew Nut Processing Industries Plc.
- (d) Trans-Wonderland Plc.

It is also pertinent to mention the existence of the Nigerian Marble Mining Company Limited, Igbetti. This was previously owned by Chief Ashamu. The company is now jointly owned by the federal, state, local governments and private individuals.

In its determined efforts at boosting industrial developments, the state government has been making use of the over 13,000 existing diverse cooperative societies which have been providing soft loans to their teeming members towards establishing self-help small scale enterprises.

Commerce and Tourism

The activities of the following associations have positively affected the industrial life of the state:

- (a) Manufacturers Association of Nigeria (MAN).
- (b) Oyo State Chambers of Commerce, Industries, Mines and Agriculture.
- (c) National Association of Small-Scale Industrialists (NASSI).

Tourism

Oyo State is blessed with a lot of tourist centres capable of attracting local and international tourists. Some of the tourist attractions include the following:

- (a) Captain Bower's Tower: Captain Bower's Tower was built in honour and memory of Captain R.L Bower, one of the earliest colonial officers that once administered Ibadan metropolis. The colonial master effectively checked anti-social behaviours such as kidnapping and killing of twins within the state. His rule witnessed provision of basic amenities to the citizens. The tower was built in December, 1936 at Oke-Are. From the tower, about 80% of Ibadan can be viewed. The Federal Government has assisted in improving the environment of the tower.
- (b) Agodi Gardens, Ibadan: The gardens is a lovely park situated on about 6 hectares of land. The gardens is strategically located and shares the same geographical area with the prestigious Premier Hotel, Cultural Centre, University College Hospital, Government Secretariat and Bodija Housing Estate. The attractions at the gardens include mini Zoological Gardens, ponds for sport, fishing and collections of varieties of plants and seedlings.
- (c) Oyo State Council for Arts and Culture: Oyo State Council for Arts and Culture is situated on Mokola Hill, Ibadan. The Centre formulates policy for art and culture in the state and also engages in documentation of culture. The Centre has facilities to accommodate about two thousand people at a time. In addition it has musical rehearsal hall with sitting capacity of 500 which can be used for conferences, wedding ceremonies and seminars. It has a cinema hall with capacity for 250 people. There is a craft shop and craft village. Children's museum is available at the centre. There is also a modern hairdressing salon for full traditional and modern styles.
- (d) Ado Awaye Suspended Lake: This lies about 20 kilometres west of Iseyin. The suspended lake is on one of the crests of rocks

referred to in surveyor terminology as 'the sleeping lion'. The rock can be climbed to gain full view of range of hills lying towards the Benin Republic Border. At night, the 25-storey Cocoa House building and other high rising buildings in Ibadan can also be viewed from the top of the hill. In short, the place gives a panoramic view and wonderful scenery of hills and areas perceivable near and far from the top of the hill. The lake itself is about 8 metres in diameter. The breeze is reminiscent of a typical sea breeze at the bar-beach. The lake is always full with water throughout the year.

- e. Other tourist centres in the state include:
 - (i) the battle field of Are Kurunmi of Ijaye
 - (ii) the ruins of Old Oyo (Oyo-Ile) in Old Oyo National Park
 - (iii) the Royal Forest (Igbo-Oba) at Igboho
 - (iv) the Ikere Gorge dam and its wonderful scenery
 - (v) the Palace of Alaafin of Oyo
 - (vi) the Palace of Soun of Ogbomoso with its local armoury and ageless tortoise
 - (vii) the Asabari Hill at Saki
 - (viii) the ruins of Igbon, Jabata and Ajase, important towns that witnessed destruction by Fulani jihadists
 - (ix) the wonderful rock formations at Igbetti
 - (x) the first television station in Africa
 - (xi) the first teaching hospital in West Africa
 - (xii) the various research centres such as IITA, CRIN, FRIN, etc.
 - (xiii) Zoological Garden, U. I.

Agriculture

The state has about 80 per cent of its land area available for agricultural production. The derived savannah vegetation in the northern part of the state also supports extensive livestock ranching, large ruminant and small ruminant. The state has about 1000 hectares of dam and quite a sizeable number of perennial rivers to support dryseason farming and commercial fishing activities; Before the advent of oil boom, the state was a large producer of cocoa, both for local consumption and for export. The state has about 50 thousand hectares of land under tree crop cultivation, namely: cashew, oil palm and cocoa. In the area of livestock, the state has hatcheries for the production of day-old chicks for distribution to farmers. There are 12 farm settlements in the state, some of which are fully residential. A number of state, federal and international agencies are in the state to provide advisory services and technical support to farmers. Such agencies include:

- (a) Oyo State Agricultural Development Programme (OYSADEP)
- (b) Oyo State Agricultural Input Supply Company
- (c) Rural Community Development Centre, Awe
- (d) Cocoa Research Institute of Nigeria
- (e) National Institute for Horticultural Research and Training
- (f) International Institute for Tropical Agriculture (IITA) etc.

The main focus of government in the agricultural sub-sector is abundant food production to feed its ever-growing population and for sale to other states and to promote employment. The aim of government is that ultimate investment in agriculture will lead to production of raw materials that are mostly needed in the field of agro-allied industries.

Health

Oyo State is divided into 5 health zones, i.e. Ibadan, Ibarapa, Oyo, Saki and Ogbomoso. There are 8 Federal health facilities in Oyo State, 51 state health facilities and 450 local government health facilities. The government of Oyo State has commenced implementation of its free health policy. The free health policy involves:

- (a) free primary health care
- (b) subsidised secondary health care
- (c) establishment of efficient referral system
- (d) integration of health insurance scheme into the free health care policy.

Mineral Resources

Oyo State is blessed with a wide range of mineral resources such as marble, granite, gemstone, syenite, kaolin, red clay, aqua-marine, and tourmaline, both red and green. Investigation from the internet revealed that Oyo State ranks second in the world in the production of some of these minerals.

Investment Opportunities in Oyo State

Industry

As I mentioned earlier, the state government has almost concluded arrangements to acquire the defunct NTC Factory at Ibadan to be used as Small Scale Industrial Estate, which will be managed largely by industrialists and foreign investors with government providing the leverage. The state government is already discussing with foreign investors on conversion of the premises to a Small Scale Industrial Estate.

There are similar facilities scattered all over the state which can also be inspected by interested local and international investors for the development of small, medium and large scale industries in the state. This will go a long way in providing employment opportunities to the teeming population of the state in particular and Nigeria in general.

Investors are also advised to seize the opportunity of the available industrial estates which are located in the state. Government will be prepared to allocate plots to any willing and genuine investors.

The Housing Corporation of Oyo State has vast areas of land at Ajoda, Owode, Ejioku and Okaka all within the state which are good areas for private and commercial property development.

Establishment of small, medium and large-scale industries in the state will be a venture in the right direction, considering the growing population in the rural and urban areas in the state.

There are opportunities for the establishment of the following specific industries based on the available raw materials:

- (a) Chemical and Allied Industries: For the production of laboratory chemicals, reagents, plastics, candle wax, laundry soaps, toilet soaps, disinfectant, safety matches, paints, etc.
- (b) Servicing Industries: For laundry services, automobile servicing and repairing workshop, printing, dyeing, engraving and block making.
- (c) The state has enough resources to provide for the following agroallied industries: gari processing, yam-flour, corn processing, canning industry, livestock feed, cocoa products, bakery, starch processing, saw-milling, etc.

Commerce and Tourism

Export Promotion

There are organised private sectors viz: Chambers of Commerce, Manufacturers Association of Nigeria and Nigerian Association of Small Scale Industrialists under whose umbrella, financial assistance can be given to small, medium and large-scale industrialists in the state. Some of the organised private sectors have exportable products that can attract foreign investments.

The Nigerian Marble Mining Company is a place where government will welcome investors to turn around the fortune of the company. The company which is located at Igbeti has enough raw materials i.e. marble, to service the company.

Tourism

Investment opportunities for promotion and development of tourism are available in notable centres in Oyo State. The centres are Agodi Gardens, Ibadan, Ikere Gorge dam and Ado Awaye Hills. Included also are Bower's Tower and other tourist

centres as highlighted earlier in this paper.

Agriculture

The state has fertile land to support the growth of tree crops and arable crops. The soil structure supports the growth of a wide range of annual and perennial crops. The state will welcome investors who are interested in tree crop and arable farming, fish farming, livestock and dairy farming. There are facilities for post-harvest storage of farm produce.

Mineral Resources

Considering the fact that the state is rich in industrial minerals, investors are invited to set up mineral-processing industries in the state. The establishment of mineral-processing industries will afford the opportunities of processing minerals exploited before export, which will attract more revenue to the state and Federal Governments. The following minerals are available for processing - marble, granite, aquamarine, tourmaline (red and green), syenite and red clay.

Health

Investors coming to invest in the state will enjoy the following health facilities:

- (a) Free ante-natal and normal delivery services
- (b) Free immunisation services
- (c) Free micro-nutrient supplements for children between 0-5 years and pregnant women.
- (d) Free curative services minor trauma, malaria, acute infectious diarrhoea diseases.
- (e) Health education
- (f) School health programme
- (g) Free medical consultation
- (h) Free admission (excluding feeding)
- (i) Free minor to moderate surgery suturing of lacerations, incision and drainage herniorrhaphy, removal of minor masses.
- (j) Free closed treatment of simple fractures
- (k) Free emergency caesarean surgery
- (l) Free treatment of diseases in children.

Investors will also benefit from subsidised components of secondary healthcare services such as chronic diseases, x-ray services, laboratory services, ultra-sound services, major surgery (except for children), physiotherapy services (except for children), dental services, ophthalmic services, general anesthesia and other specialised surgery.

Transportation Facilities

Oyo State is well served by intra- and inter-city road network. The airport at Ibadan which was acclaimed to have been of international standard when it was constructed has not been actively utilised since it was commissioned. It is gladdening to note that a private airline now operates daily flights from Ibadan to Abuja, Ibadan to Port-Harcourt and Ibadan to Ilorin. I am hereby recommending to the Federal Government to license the Airport to be operating flights to other West African countries, especially Cotonou, Abidjan and Accra. It is on record that 60% of traders on this route are from Oyo State and its environs.

Investment Estimate

Plans are at an advanced stage for the production of investment estimates and feasibility studies in respect of viable small-, medium- and large-scale industrial projects in the state.

Government's Role

Government will continue to act as facilitators for industrial development in the state and also provide a conducive environment to ensure success of any investment in the state.

Legislative and Institutional Framework

The State House of Assembly has been working ceaselessly with the Executive in ensuring industrial development in the state. Specifically, the Legislature has passed the following motions, among others, that:

- (a) Oyo State Tourism Board be reconstituted
- (b) Government should invest in ventures that can enhance revenue generation in the State.

Incentives

- (a) Land: The state provides easy access to land through prompt issuance of Certificate of Occupancy.
- (b) Free Health: Investors will enjoy free health facilities provided by Government.
- (c) Free Education: Children of investors will enjoy free education from primary school to SS.3. Children attending technical colleges will also enjoy free education. Notebooks will be supplied free to students.
- (d) Infrastructural Facilities: The state government will ensure the provision of electricity, good roads and water to productive industrial establishments.

Information Source and Contact Persons

- (a) Honourable Commissioner, Ministry of Commerce, Industry, Cooperatives and Tourism - 8104612
- (b) Permanent Secretary, Ministry of Commerce, Industry, Cooperatives and Tourism 8100206.

Doing Business in the State - Overall Investment Climate

Oyo State is peaceful, politically stable and economically viable, hence investments in the state will bring adequate returns. I will also implore the Federal Government to consider Oyo State as one of the 'Export Free Zones' to be created as the state has boundary with the Republic of Benin.

Conclusion

From the foregoing, it can be deduced that Oyo State has the right climate for investment in the areas of agriculture, industry, commerce, tourism and mineral resources. Available incentives which range from easy access to land, free health services and free education should attract investors to Oyo State.

One last word on invitation from the Governor

On behalf of the government and the good people of Oyo State, the pacesetter state, the mother of five other states in the former Western Region and the nucleus of the old Western region, I welcome local, national and international investors to come and undertake commercial and industrial ventures in Oyo State.

Appendix E

Presentation by His Excellency, Chief Evan Enwerem, President of the Senate, Federal Republic of Nigeria at the 6th Nigerian Economic Summit on Friday 22nd October, 1999

Protocols.

I am delighted that I am given this opportunity to present a paper at this 6th Nigerian Economic Summit.

The legislative arm of government is participating in the Summit for the first time and with time we hope to effectively match the seeming intimidating participation of the executive arm of governments at the federal as well as state levels. All these have been made possible by the special reprieve that has been granted to us by the Almighty God through return to democratic governance.

There is a great deal of renewed interest in Nigeria's economic development especially from abroad. We will need massive local and foreign investments to be able to rebuild the Nigerian economy and enhance productivity. This basic fact is based on the assumption that other necessary indices exist. One of these is political stability.

It was Mr. James Harmon, Chairman, United States (U.S.) Export-Import Bank who yesterday reminded us of the inter-relationship between political and economic stability. This is where we come in as legislators. We have a duty to cooperate with the other arms of government to promote and ensure political stability in the country. We are able to do this because we represent the grassroot as well the icons, all of whom make up Nigeria.

In one of the papers presented yesterday, reference was made concerning the Niger-Delta area of the country. This area has in recent times been associated with instability and it will interest you to know that both committees of the Senate and House of Representatives have worked very hard and are still working hard through visits, make on-the spot assessment of the situation, through counselling, dialoguing and other actions that are aimed at ensuring return of normalcy in the area. This is in addition to the personal intervention of legislators who hail from there.

Good governance is, of course, a *sine qua non* to political and economic stability. As legislators, we are committed to cooperating with the executive in all its efforts and actions that will make for good governance, such action as facilitating the passage of bills on security, law and order.

There is no gain-saying the fact that the anti-corruption posture of President Olusegun Obasanjo's administration is the one major factor that has elicited a great deal of favourable interest and attention of the outside world in our country. A bill that will effectively deal with this rather negative phenomenon of our national life has been presented by the executive to the National Assembly. It is receiving serious consideration and but for the preference accorded to the Supplementary Appropriation Bill over it, the bill would have by now become Law.

A further example of the support of the National Assembly towards good governance is as follows:-

The executive had in the last supplementary and appropriation bill asked for capital expenditure of N40 billion. What did the National Assembly do? We not only approved but appropriated more. In fact, we appropriated N82,040 billion for capital expenditure so that local debts could be settled and more money given for capital projects of some ministries with a view to injecting more money into the economy as well as for the provision of more basic infrastructure such as roads, thereby taking maximum advantage of the dry season. It is sad to hear that much of this money will not be spent by the end of this year.

It is rather gratifying to hear the Honourable Minister of Finance in the course of his presentation yesterday, pay compliments to the National Assembly for the competence with which it handled the Supplementary Appropriation Bill. This complimentary remark, coming from such a high government functionary, in the wake of recent attempts at vilifying the National Assembly, is a welcome development indeed. I was, however, waiting to hear from the Minister that he was, in fact, happy with what we did. Unfortunately, this was not forthcoming! The National Assembly does not deserve ALL the criticisms that it has been getting. We are grossly misunderstood. The general public expects legislators to deal with bills with the same speed with which previous military governments churned out decrees. We are patriotic citizens who are doing our utmost to serve our country the best way we can. We have sworn to protect the interest of Nigerians that voted us into office. If only critics would investigate the comparative time it takes to pass bills in parliaments of other countries, perhaps, we all will be in a better position to appreciate the efforts and sacrifices that are being made by legislators toward promotion of political stability.

The National Assembly has initiated many bills that are at various stages of consideration. These bills, of course, are all aimed at enhancing good governance in our polity.

It is noteworthy to mention here various further efforts of the National Assembly in this regard namely:-

- (1) the timely intervention and contribution of the House of Representatives in the settlement of the dispute between the Governor of Anambra State and the State House of Assembly.
- (2) the timely intervention of the Special Committee of the Senate in the resolution of the threatened strike action of NUPENG.
- (3) the Senate passed resolutions and despatched senators to the various flood disaster areas to assess and highlight the problems for effective solutions by the appropriate organs of government.
- (4) the Senate is considering organising public hearings on cultism in our institutions of learning. We are only waiting for the outcome of the steps being taken by the executive in solving this problem.
- (5) the Niger-Delta problem has, of course, been mentioned earlier in this presentation.

There have been insinuations and sometimes open suggestions that the leadership of the Senate is subservient to the executive, thereby compromising the independence of the Legislature. Of course, nothing can be farther from the truth. Some of us have had experience of public service spanning a period of about twenty years or so and have in the process established track records. We do not believe in confrontation for the sake of it or in the guise of "dynamism". We have had occasions to disagree with the executive and when such occasions arose, we were able to resolve the differences through dialogue. One such example was the fact that whereas the executive provided for a recurrent expenditure of about \H124.5 billion in the supplementary appropriation bill, the National Assembly made a 10% across-theboard reduction of the proposal and appropriated ¥113 billion instead. I had earlier mentioned the increase made by the National Assembly to the capital provision made by the president. The warrants issued by the Honourable Minister of State for Finance releasing funds which the National Assembly considered as not being in consonance with the supplementary appropriation act was an action that could have led to open quarrel with the executive, but in our style of leadership, the matter was satisfactorily resolved to the consternation of those who would have preferred the National Assembly to act otherwise to serve their selfish interests. This is a deliberate policy borne out of experience and patriotic considerations. It will be wrong to do anything at this stage of our national life that may send wrong signals to the world that may lead to the conclusion that our fragile political stability is in danger. This will certainly undermine the enormous goodwill which Nigeria currently enjoys in the world through the untiring efforts of the new leadership of President Olusegun Obasanjo.

In conclusion, we at the National Assembly plead for a better understanding of the business of lawmaking. You can help a great deal in promoting this so that we shall be better placed to continue to play our role in helping towards the rebuilding of the Nigerian economy and enhancing productivity.

I thank you for your attention.

Appendix F

Presentation to the President, Federal Republic of Nigeria, by Dayo Lawuyi and Pat Utomi

Rebuilding the Nigerian Economy and Enhancing Productivity Area of Concentration for Development

The Summit drew attention to the following critical areas:

- Productivity Growth
- Technology
- Human Capital Development

Summit Objectives

NES #6 aimed at

- identifying and defining the macro-economic framework for
- rebuilding the nation
- determining economic priorities
- fashioning clear policies and strategies for productivity enhancement
- developing action plan and timetable for the rebuilding work
- creating and re-enforcing true partnership of stakeholders.

Presentation Outline

The presentation outline focused on

- Where We Are
- Rebuilding Tasks
- Specific Recommendations and Budget 2000 Imperatives
- Closing prayer.

Where We Are

- Democracy has re-emerged in Nigeria and this has
 - created potential external support.
 - created great expectation and trust/legitimacy internally.
 - We must realise however that the economy is still weak.

Democracy Without A Strong Economy Will Not Last

external support will disappear, local trust without visible output will dwindle.

- Noticeable achievement has been made with regard to
 - NEPA (power supply/reduction of outages)
 - petroleum product availability
 - anti-corruption awareness and attitude
 - righting past wrongs, both perceived and real (fund recovery, etc.)
 - announcement of movement to a TRUE foreign exchange market.

Unfortunately

- Not much progress on the economy as the economy
 - is still fragile and in recession
- No clear economic blueprint
- Apparent lack of cohesion on economic pronouncements
- Important and critical economic decisions need to be speeded-up
 - Privatisation is not proceeding fast
 - Total price deregulation across industries is still to be realised
- De-industrialisation still persists because of uncompetitiveness.

We are in Danger of Missing Another Window of Opportunity

Further Threats To Keeping The Window Open

- Forces of status quo
- Inefficient utilisation of resources
 - Duplication of agencies of government
 - Unproductive investment in bureaucratic machinery (buildings, cars, etc.)
- Inability to attract private investment
- Our mindset is based on progress through incremental steps rather than quantumleap, e.g. - Naira convertibility towards becoming the currency of West Africa
 - Base UBE on internet education

We Must Not Miss The Window Of Opportunity Again

Capturing The Closing Window Of Opportunity

What Re-Building Involves

- To build again (starting afresh)
- To reconstruct.

"WE STRONGLY BELIEVE THAT SUSTAINABLE ECONOMIC DEVELOPMENT CAN ONLY TAKE PLACE IF THERE IS A SOLID FOUNDATION AND AN ENABLING ENVIRONMENT" - Pascal G. Dozie

Re-Building Tasks

- Concentrate on National Competitiveness
 - Take the tough decisions now that the window is still open
 - Reduce cost of doing business; e.g. ports and deregulation/privatisation
 - Free-up the exchange rate
 - Domestic savings grow the economy, therefore focus on financial deepening
- Concentrate on National Competitiveness
 - Create massive incentives for investment (local/foreign)
 - Create and implement massive incentives for export of manufactured goods
 - Facilitate Build, Operate and Transfer (BOT) development of infrastructure.

Broader Impact Areas

Agriculture

- Facilitate access to credit (provide credit insurance)
- Revitalise agricultural extension service
- Institute commodity exchange
- Incentive for investment in storage and distribution
- Massive rural agriculture has biggest impact on poverty alleviation.

Broader Impact Areas

Infrastructure

- Apart from BOT, concentrate on rural infrastructure development to create employment and open economic opportunities
- Institute transparency and competitive bidding in infrastructural development.

Financing The Re-Building

- Rejuvenate the Petroleum Goose
- Pay cash calls or sell equity interest
- Deregulate and privatise downstream
- Provide incentives for gas development
- Address oil producing area problems
- Develop Another Goose (Solid Mineral)
 - Create effective one stop shop to facilitate investment
 - Encourage private investment
 - Deregulate and privatise (Coal Corporation, etc.)
- Free cash for institution building.

Re-Building Key Institutions

- Law and Order
 - Judiciary
 - Ensure independence
 - Appropriate remuneration
 - Provide adequate work tools
 - Clean the system.
 - Police
 - Adequate funding
 - Change mindset
 - Increase quantity and quality.

Regulations

- Review land use legislation (particularly for agriculture & solid minerals)
- Review Housing Fund to provide long-term housing finance
- Review NSITF and encourage private pension plans
- Review all laws that impede competitiveness.

Border Post Officials

- Change mindset to supportive service organisation
- Ensure accountability and transparency.

Education

- Ensure human capital adequacy vis-à-vis technology development
- Fund institutions and ensure competitive wages
- Encourage private education at all levels.

Health

- Ensure adequate funding
- Institute cost effective procedure for health care (insurance and social safety nets)
- Facilitate development of apex benchmark institutions (teaching and research hospitals)
- Allow private sector to freely choose health care providers and insurers.

- Releasing The Promise
 - Specific actions to boost productivity are mandatory
 - Developing shared values on "how to" is critical
 - Building monitoring capacity is essential.

Mind set change is IMPERATIVE

The Summit made recommendations which are summarised below as follows:

Agriculture and Poverty Alleviation

- Leapfrog Concept
 - Achieve and sustain exchange rate regime that enhances return on investment in agriculture
 - Open access to agricultural credit and micro-finance
 - Provide rural infrastructure and market access
 - Pursue market-oriented policies.

Key Measures

- Restructure ministries, trim parastatals, develop focused strategy
- Extension service intensification
- Deliver knowledge on appropriate technology in forming techniques
- Provide incentives for investment in harvest storage
- Avoid subsidies captured by middlemen.

Budget 2000 Imperatives

- Go to market pricing of fertiliser by January 2000
- Revive extension service by 3Qtr. 2000
- Align policies and capture grants and support from many willing bilateral and multilateral sources before June 30, 2000
- Finalise plans by December 2000 for electronic delivery of information to farmers.

Manufacturing, SMEs and Commerce

• Leapfrog Concept

- Aim for manufacturing and commerce to account for not less than 25% of GDP
- Export of manufactured goods should not be less than 20% of exports
- Attract major investors with adequate incentives in areas of competitive advantage e.g. food processing and storage, solid mineral conversion, etc.
- Aim at world class manufacturing with global vision.

Key Measures

- Develop infrastructure through privatisation and open up long term financing through bi-lateral/multi-lateral negotiations
- Identify and support selected industries areas of competitive advantage and export potential
- Establish export guarantee insurance
- Institute tax incentives for financial institution lending to SMEs.

Budget 2000 Imperatives

- Reduce duty on raw materials to 5% and eliminate duty on machinery and spares
- Set finished goods duty higher for fair competition
- Re-establish open account transaction/bill for collection for industrial raw material to support working capital.
- Create effect demand through:
 - increased public sector remuneration, pay arrears
 - reduced PAYE (maximum 15% rate)
 - government patronage of local manufacture as first option.

Tax Reforms

- Reduce corporate tax to 20%
- Abolish VAT on raw materials input
- Reduce WHT to 3%
- Abolish automotive council levy.

Make Nigerian Ports and Entry Points Competitive with Regional Ports

- Enhance competitiveness with regional ports
- Implement 24-hour port operation
- Cultivate supportive mindset shift for border post officials (immigration and customs)
- Provide infrastructure to support destination inspection.

NEPA Tariff Differential should be in Favour of Manufacturing, not Residential

- Export grants should be paid not more than 2 months after export while backlog of export grants cleared by 30/6/2000
- Clear backlog of export grants by 30/6/2000
- ECOWAS liberalization should be effective and export taxes removed
- Encourage, through resource pool, development of markets and funding for SME.

Mineral Resources

- Leapfrog Concept
 - Mineral wealth to fund creation of modern industry
 - Attract private investment to:
 - replace public sector funds
 - fully develop petroleum sector
 - create another "golden goose" solid minerals.
- Key Measures
 - Upstream Petroleum
 - Resolve community problems
 - Create gas incentives
 - Free gas pricing and privatize gas transmission and distribution
 - Raise funding to levels needed to optimise crude oil reserves and production
 - Shift to PSC arrangements for new concessions based on open and competitive tender.
- Key Measures
 - Downstream Petroleum
 - Privatise downstream operations
 - Free up refined products pricing
 - Permit full import and export of all refined products.
 - Solid Minerals
 - Reform Land Use Act
 - Foster private ownership

- Focus public spending on infrastructure and transport.
- Budget 2000 Imperatives
 - Upstream
 - Maximise private CAPEX/OPEX levels while working out funding from use of 1999 windfall and/or sale of government equity
 - Pass NDDC bill and accelerate revenue allocation act that includes 13% derivation
 - Phase in payment of cash call arrears and develop new funding of major new projects.
- Budget 2000 Imperatives
 - Downstream Petroleum
 - Free up pricing by year-end
 - Announce privatisation schedule and open international tender terms.
- Budget 2000 Imperatives
 - Solid Minerals
 - Reform Land Use Act by mid-year
 - Lay down favourable investment conditions for private investment

Infrastructure

- Leapfrog concept
 - Government should focus on modern, globally competitive infrastructure to
 - lower costs of doing business
 - allow industry to compete globally
 - attract private investment.
 - Encourage international lending and private sector investment through creating enabling environment
 - Give priority to -
 - rural areas (agriculture)
 - solid minerals
 - telecommunications
 - low cost power
 - efficient port/road systems.

Key Measures

- Abolish government monopolies and remove all anti-competitive legislation
- Privatise state-owned enterprises through open and competitive international tender - particularly NITEL, NEPA, NPA, NRC
- Establish competent and fair regulatory authorities.

Budget 2000 Imperatives

- Telecommunications

- Privatise M-Tel by mid-year and NITEL by December 2000
- Make NCC the sole regulatory authority for the industry.

- Power

- Restructure NEPA and prepare for privatisation by December 2001
- Encourage private sector (IPP's) to build power plants.

• Budget 2000 Imperatives

- Transportation

- Free up all transport prices particularly air fares
- Restructure and prepare state-owned enterprises for privatisation Nigerian Airways, NPA, NRC by December 2000.

Finance

- Leapfrog Concept
 - Manage economic fundamentals to achieve low, stable inflation and interest rates
 - Provide incentives for long-term funds and capital formation
 - Manage fundamentals and provide incentives for greater lending to real sector
 - Reduce average cost of capital for business
 - Drive GDP growth by raising contribution of mortgage finance and housing sector
 - Ensure financial deepening and consumer credit
 - Exchange rate policy to facilitate financial flows
 - Free up the FX market
 - Cut taxes to boost savings.

Key Measures

- Provide tax incentives for long-term funds and income from long-term investments
- Mandate funded pension funds in public and private sectors
- Improve payment system to reduce transaction costs and facilitate efficient E-commerce
- Avoid policy shocks created by direct money supply management
- Move to current account convertibility of Naira
- Remove FX subsidy of banks and close arbitrage windows (considered to be in progress)
- Improve oversight capacity of CBN and NDIC
- Stable monetary policy regime
- Make securitisation of government debts possible
- Ensure wider consultations before decisions.

Budget 2000 Imperatives

- CBN treasury bills to reflect market but not exceed 5% of inflation rate
- Remove bankers tariffs and allow the market to set rates for services
- Reform insurance and pension funds
- Strong autonomous CBN responsible for inflation monitoring
- Avoid direct controls by CBN
- Encourage bank consolidation and ratings agencies
- Free banks to be able to take equity positions
- Develop insurance products to support consumer credit.

Privatisation

- Leapfrog concept
 - Free up capital to boost growth
 - Eliminate unproductive use of resources
 - Harvest higher taxes from alternative uses of freed capital
 - Leapfrog stages of development in ICT, banking, manufacturing
 - Efficient and faster provision of infrastructure
 - Eliminate rent seeking opportunities.

Key Measures

- Deregulate telecommunications, power, ports services, air and rail transport
- Introduce stakeholder monitoring groups (e.g., OFTEL)
- Promote Nigeria's privatisation (home & abroad)

- Legislature to review state of all parastatal and extra-ministerial agencies for restructuring
- Enactment of sunset laws.

• Budget 2000 Imperatives

- Complete sale of listed firms securities by 31/3/2000
- Appoint Advisers for NITEL and NEPA by 31/3/2000
- Announce programme for sale of unlisted firms by 31/3/2000
- Get NITEL to market by December, 2000
- Give NCC full responsibility for oversight before February 2000.

Enabling Environment Hinges

- Leapfrog Concepts
 - Internalise open economy values
 - Adopt export led growth strategy
 - Emphasise factor endowments and cheap energy in industrial strategy
 - Focus on effective systems, not supermen
 - Recognize need to keep adapting to a changing globalised environment
 - Manage economic fundamentals to stay globally competitive.
- Key Measures
 - Keep inflation low
 - Avoid budget deficits
 - Ensure fiscal discipline
 - Implement privatisation.
- Budget 2000 Imperatives
 - Agree MTEP with IMF/World Bank by January 2000
 - Reach agreement with Paris Club by September 2000
 - Strengthen CBN data bank capacity to keep inflation below 10%
 - Develop capital budget release programme to boost consumption in noninflationary way
 - Improve wages to spur consumption.

Closing Prayer

The Dynamic of History Waits for no Country, Therefore We Have to Capture the Ever-Closing Window of Opportunity Now

What We Currently Have Going For Us

- Significant goodwill following democratic transition
- Government positive signals favourably recognised (local/foreign)
- Opening-up gas sector should generate significant future cash streams
- Increased attention to solid mineral potential
- Evolution of high calibre non-resident constituency (NRN).

Maintain the Momentum

- Decisions will be tough and in most cases initially unpalatable
- However, tough decisions are best made during periods of high goodwill and legitimacy
- Value of tough decisions must be properly communicated to all stakeholders in order to capture and retain commitment at all levels.

Public/Private Sector Partnership

- Much is expected of public sector initiative particularly to create enabling environment for investment and growth
- Private investment replaces public resources as more efficient substitutes and frees them up for more needed areas
- In response, the private sector must make a strong commitment to Nigeria's economic development.

Private Sector Commitment

- Join Anti-Corruption Crusade
 - Address intra and inter-private sector problems (transparency/integrity)
 - Expose "Toll Gates" and publish offenders
 - Cooperate with law enforcement agencies
 - Educate society to frown at corruption starting with self
- Boost Trade and Investments
 - Undertake trade missions
 - Support private local investment initiatives
 - Market Nigeria

- Encourage peer pressure to enforce standards quality, performance and ethics
- Co-operate to sell abroad.

Private Sector Commitment

- Job Creation
 - Improve capacity
 - Improve productivity.
- Education / Skill Improvement
 - Actively develop management capabilities/capacity
 - Support executive exchange programme Private/Public Sector
 - Assist public sector management development Private Sector Business Schools/ASCON
 - Invest in Education
 - Youth training
 - Industrial exposure
 - Private education.
- Environment
 - Support environment protection initiatives
 - Reduce private-sector pollution, e.g. gas flares
- The task of rebuilding is not that of Government alone
- We must subordinate our individual interest to the bigger national interest
- We must remember The Important Thing Is At Any Moment To Sacrifice What We Are For What We Could Become.

Realities

Human History Affirms That Our Dream Is Realisable ...

But Much Depends On What We Do Now

Conclusion

- Expectations Are High
- Mother Nature Is Behind Us
- We Have Willing People
- We Have a Willing World
- We Cannot Afford To Fail
- As God Is On Our Side, Surely We Will Not Fail.

Now Is The Time To Capture The Closing Window Of Opportunity.

Appendix G

Vote of Thanks by U. J. Itsueli

Protocols

I am pleased that the Vice-President's doctor did such a good job yesterday that the Vice-President was able to be with us most of this morning. I felt I had to repeat our appreciation.

I am particularly pleased that the Senate President has stayed throughout also. This being a public/private sector partnership, it is important that all those from the three arms of governance — Executive, Legislature and Judiciary are here. I, therefore, thank you for your participation so far. But the work is just starting. Over the next two days, we need to rewrite and update our national economic blueprint. So, let us go to work, and thank you for your participation.

Appendix H:

List of Group Participants

Group 1: Manufacturing-Industry

Issues

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ABU Zaria

Adebisi, Olasipe

Ekiti State Planning Commission

Adewumî, Emmanuel

Nigeria Wire & Cable Plc

Agbaje, Dapo

Cocoa Industries Ltd.

Agoye, Isaac WAMCO Plc

Ajala, Adekunle

Wonder Foods Nigeria Limited

Ajani, Adegboyega

UNIDO

Akinlade, Matthew

Carnaudmetalbox Nig. Plc

Alabi, Sule A.A.

Adetona, Isichei & Co.

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Calvino, Enrico

Cappa and Alberto Plc

Chaumeil, Jean-Louis

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Clarke, Robert

Lever Brothers

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Daggash, Muhammad Ashaka Cement Plc

Dangote, Aliko

Dangote Nigeria Limited

Dangote, Sani

Dangote Nigeria Limited

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Parsey, Michael First Aluminium

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Obayomi, Wole

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Savage, Tunde

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Interlinked Tech. Plc

Nwabunor, Kanayo

NTA News

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Berkhout, Joop

Spectrum Books Limited

Boyede, Olufemi

Koinonia Ventures Limited

Dogonyaro, M.B.G.

RMS Limited

Durlong, Frederick

NNIL Commercial Co. Ltd.

Egbuchunam, Sammy Stonewall Cont. Ltd.

Musa, Abdullani National Assembly

Ekpenyong, Dan

Property Times International

Ndiokho, Bassey UAC Nigeria Ltd

Engels, Jacqueen IPTC (WA) Ltd.

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Links

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Schroeder, Ute Rep. Office of Germ. Ind.

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Aina, Bayo Min. of Finance

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Aingbola, Erastus

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Akinyemi, Omosanya Law Union and Rock Insurance Alfa, Halima Kogi State Government

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Atoh, Jude

ICAN

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Ogunkanmi, Tunji

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Oshin, Wole

Custodian & Allied Ins. Ltd.

Ogunlade, Sheni Insurance Broker Osoka, Ogala Nigeria Re

Oji, Nwabueze

NDIC

Otaniyi, Abiola

International Bank Limited

Okpaise, Rotimi

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Group 5: Foreign Loans and Debt Management

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Citibank

Ahmed, Haruna Alfa Bauchi State Government

Adams, Aret G.

Multinational Expertise Ltd.

Ajayi, Ayodeji

Ministry of Finance, Ekiti State

Adegun, Isaac

National Planning Commission

Aliogo, Peter

Manny Bank Nigeria Plc

368 Economic Summit

Bakare, Remi Ilori, Boye Ministry of Finance, Gombe State Chairman, National Planning Commission Bamaiyi, Danladi Iwuagwu, Amah NASS, Abuja URA Belo-Osagie, Hakeem Obi, Daniel **UBA** New Nigerian Newspapers Bichi, Mahmoud B. Okafor, Luke E. NASS, Abuja CIBN Byer, Trevor Okpa-Obaji, Uwadi World Bank Presidency, Bureau of Public Enterprises Onwionoko, Effiong Chizea, Boniface SEC, Abuja Rapporteur, BIC Consultancy Services Oriala, Sun Sun Oriala & Co. Dada, Olusola I. Anchoria Investment & Sec. Ltd. Peterside, A.N.A. **IBTC** Daggash, Sanusi M. NASS, Abuja Salami, Adedoyin Rapporteur, Lagos Business School David-Borha, Sola Stock, Guido **IRTC** Austrian Embassy Diete-Spiff, Atonte Storrow, Anthony US House of Representatives **FSB** Garba, Haruna Teejani, Kameel Ministry of Finance, Gombe State NASS, Abuja Haruna, Zakari A. Ukpeh, Gabriel NASS, Abuja Price Waterhouse Coopers Haurpeter, Strauca Usman, Bilikisu Swiss Embassy Presidency CBN Ibrahim, Bapetel Yarima, Rabiu

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Jigawa State Government

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Bolarinwa, M.K.

National Manpower Board

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Nigerian Bottling Co. Plc

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Louisiana State University Agricultural

Centre

Agboli, Mary

Rapporteur, Lagos Business School

Daramola, J.B.

Federal Ministry of Information

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Packaging & Equipment Co. Ltd.

Daura Sani, Zangon Fed. Min, of Agric

Amechi, Mbazulike

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Edache, O.A.

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Adamawa State Planning Commission

Eko, Paul UNDI

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Citizens International Group

Gary, Ench Tony

National Assembly

Babalola, Morin

Riskwatch Insurance Brokers

Hadejia, Ibrahim Hassan

Jigawa State

Bello, Falalu

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Ighodaro, Ayo

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Okunola, Olumide

FMARD

Whitechurch, John National Hospital for Women and Children Okorun Oil

Uzoh, Chuka **FRCN**

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The Law Union

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Bolarinde, S.O.

Vitafoam Nigeria Plc

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Nzekwu, Greg World Bank

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Hewitt, Garth

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Ekpo, Eyo O.

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³⁷⁴ Economic Summit

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Zenith International Bank

Toma, Ikomi Abiodun

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Paul Usoro & Co.

Yahaya, Lai

Consultant to UBA

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Oyewole Adebero & Co.

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Odujinrin & Adefulu

Adeyemo, Emmanuel A.

Africa & Infrastructures Foundation

Akabueze, Ben

NAL Merchant Bank

Agbakoba, Olisa

Olisa Agbakoba & Associates

Ajayi, Dotun

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Kommayer, Rudi

Anammco Ltd.

Madsen, Hans O.

Madsen Nigeria Limited

Modearo, W.A.

Odukoya, Kayode

Bellview Airlines

Ogunsanya, Ade A.

BHI Holdings

Okon, Augustine Fresh Air Limited

Ojuawo, Afolabi Ekiti State Government

Rapu, Angela Rapporteur, Midas Bank

Sarumi, Adebayo Nigeria Shippers Council

Wada, Idris EAS Airlines Sogunle, Kehinde CTI Associates

Tukur, Bamanga BHI Holdings

Ufoeze, Mike PSE Consultants

Ufot, Dorothy Dorothy Ufot & Co.

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Abba, Gana Umar

AP

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Agbabiaka, Jide Mobil Producing Nigeria

Agyo, Jonah A. Sicons Nigeria Limited

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Akinlaja, Joseph NUPENG Workers

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Banjo, Sam Mobil Oil Nigeria Plc

Dozie, Uzoma Ihyembe, Raymond Scribe, Diamond Bank Afribank Nigeria Plc Edozien, John D. Ingawa, Salihu Y. Afribank University of Abuja Erlendson, Ed Itsueli, U.J. CxY Field Services Nig. Ltd. Chairman, Dubril Oil Company Limited Essien, S.E. Jamieson, A. Dept. of Pet. Resources Nigerian LNG Etomi, George Kakunta, Lawrence George Etomi & Partners (Solicitors) Larikho Ezekiel, Agayere Kirkland, G.L. Broad Bank Chevron Fashanu, M. Kurr, R.J. Shell BP Amoco Africa Fatai-Williams, Marie Kwa, Y.B. Elf Nigeria Plc Nigeria Mining Corp. Francis, Femi McCollough, D.C. Vanguard US Embassy Gorward, Nils Mckechnie, RGDL Elf Oil (Nig.) Ltd. BP Amoco Africa Gray, N. Misau, S.A. Nigerian LNG Limited Bauchi State Government Ibeji, Ikechi Moais, Sim Thisday Mobil Ibru, Cecilia Neuhaus, M.E.K. Oceanic Bank Australian High Commission Ihebuzor, R.A. Obeya, Antonia

Citizens Bank

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Conoco Energy Nig. Ltd.

Odu, Cyril A.

Mobil Producing Nigeria

Ogunsakin, Sola

Mobil Producing Nigeria

Ojo, Adedayo

Mobil Producing Nigeria

Okagbue, Sam

George Ikoli & Okagbue

Okehi, Dan

Guardian Trust Insurance Co. Ltd.

Olowu, Oluremi

National Emergency Management

Agency

Oni, David Abiola Olawale Odu'a Group of Companies

Onuminya, Peter Y.

Centre-Point Merchant Bank

Oseni, I.J.

Fed. Min. of Industry

Osibodu, V.G.

Vigeo Limited

Osuntoki, Akin

Vigeo Limited

Oyibo, Chambers

Prime Energy Resources

Patcliffe, Steve

Shell

Scott, S.A.

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Shell

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We acknowledge their support and hereby express our gratitude to all of them for their support.

Appendix J:

Summit Organisation

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Adebo-Kiencke, Funmi

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El-Khalil, Faysal

Ighodalo, Asue

Ohuabunwa, Sam

Okolo, Henry

Oni, Bunmi

Onyemenam, Chris E.

Scott, Freddie

Osibodu, Funke

Peterside, Atedo N.A.

Logistics/Support Team

Bassey, Ita

Davies, Bioye

Garba, Mike

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Maduka, Ifeanyi

Ohazurike, Kingsley

Ojugbana, Augusta Onyemenam, Chris `E.

Ossai. Nkem

Solanke, Busola

Uvoh, Ezekiel

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Chizea, Boniface

Egbochukwu, Stanley

Kramer, Dick

Onibile, Dayo

Onyemenam, Chris E.

Orogun, Weneso

Scott, Freddie

Public Sector

Adegun, I.O.

Akindele, Olukayode

Ogbeihe, Eddy

Ogeah, Chike

Omotosho, Oluvemi Jnr.

Public Sector

Adegun, I.O.

Alabi, Tunde

Lawal, Babatunde

Ogbeihe, Eddy