REPORT ON THE

SEVENTH NIGERIAN ECONOMIC SUMMIT 2000

Report on the Seventh Nigerian Economic Summit

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Introduction

The Seventh Nigerian Economic Summit, which was held in Abuja from Sunday, 15th to Tuesday, 17th October, 2000, was the second of such exercise since Nigeria's transition to democratic governance in May, 1999. It was doubly auspicious since it was also the first summit in the new millennium. However, while the new democracy had been greeted with euphoria, not only by Nigerians but also by the international community, the executive was still battling with the legacy left by a succession of military regimes after almost one and a half years in office. It was also still trying to develop an effective working relationship with the legislature whose members were themselves taking time to settle into their new democratic role.

Nigeria had been favoured by the high price of oil in the world markets – a far cry from the $10 per barrel which prevailed shortly before the present government took office. There can be little doubt that the resulting revenue inflows has done much to ease the burden of government in its first year in office as it endeavoured to restructure the economy and improve the quality of life of all Nigerians.

Since the 1999 Economic Summit, the government had articulated and commenced the implementation of a privatisation programme. It had also done much to restore the confidence of the international community and of investors in general. However, the progress of the reform programme failed to meet the original expectations, due largely to a sequence of events which diverted the attention of government from its economic development blueprint. Chief among these factors was the lengthy delay in agreeing on the 1999 budget, a problem which was compounded by a somewhat fragile relationship between the executive and the legislature. Other diversions were caused by ethnic disturbances and by the activities of militant groups – particularly in the Niger Delta region.

Given the uncertainties in the international oil markets, it is clearly essential that Nigeria uses its revenue as economically and as efficiently as possible with a view to concentrating on developing those other sectors of the economy which have remained largely ignored for the past three decades. With the changing nature of the global economy and the need for participants to compete, it is essential that Nigeria makes the most of those resources with which it is so abundantly blessed. It can no longer rely on a mono-cultural economy which is vulnerable to actions over which it has no control. Instead, it is essential to expedite action on the development of solid minerals, agriculture and industrial sectors. Effective developments in these sectors will enable Nigeria to weather the storms which blow from time to time through the global economy.

Nigeria has undoubtedly been blessed with an abundance of natural and mineral resources and it also has a vast reserve of largely untapped versatile and entrepreneurial manpower. All that is needed, to ensure the most effective use of this resource base, is the creation of an environment which will allow the efficient utilisation of these resources to expedite the development of the Nigerian economy. Unfortunately, the rate of change in the global economy is such that no nation can afford to allow itself to lag too far behind if it is not to be marginalised.

There is no time for political or other diversions since all the nation's efforts should be concentrated on tackling the multitude of problems left behind by the succession of military regimes since independence. The difficulty, of course, is deciding where to start, given the need for resources in so many of those social sectors which have been progressively allowed to deteriorate over the past 30 years or so. Education is vital to the country's future. Yet, the sector is merely a shadow of what it was even in the 1970s. The same can be said of the health sector, while economic infrastructure has deteriorated to the point where the impact on business activity is one of the key factors in the inability of Nigeria's industries to compete in the international arena. Low levels of access to potable water, coupled with the high incidence of poverty in the country, reflect unfavourably on a country with such vast resource base as Nigeria.

The situation has not been helped by Nigeria's international reputation as one of the most corrupt nations in the world, let alone the so-called '419' problem. These are factors which deter the potential investments which Nigeria so desperately needs if it is to carry out its economic restructuring programme. In addition to these negative aspects are security problems, which have been pervasive across the country for some time, hence the nervousness of investors can be readily understood.

It has to be remembered that investors are in business to make profits and they will only invest in those areas which can give them a good return on their investment. Where one or two investment areas are offering similar incentives, the investor will go to the one with the least bureaucratic interference and where the security of life and property can best be assured.

It is clearly essential that the dialogue process between government and the private sector, which has been developed through the Economic Summit process, should continue to act as a focal point for economic planning. The thrust of this relationship requires that government creates the environment which will enable the private sector to be the engine of economic growth. Nigeria's socio-economic problems will only be resolved when the concept of "partners in progress" has been fully accepted by everyone who has a role to play in the creation of Nigeria's future prosperity.

Nigeria has made a significant start in its efforts to right the wrongs of the past. A lot has already been done, and the specific actions necessary to turn around the economy have been clearly articulated in previous summits and in the Vision 2010 Report. The government has outlined its policy for the years 1999-2003; what is now essential is the development of a clear and unequivocal action plan which will allow Nigeria to implement this policy. It was this aim which dictated the theme of the year 2000 Nigerian Economic Summit as "Breakthrough Economic Growth: An Action Plan".

Section 1

Seventh Nigerian Economic Summit

Sunday, 15th October, 2000 – Pre-Summit Dinner

Welcome to Participants

The NESG President, Mr. Bunmi Oni opened the dinner by welcoming the Special Guest of Honour, Vice President Atiku Abubakar, who was represented by Chief Philip Asiodu, the Chief Economic Adviser to the President. He then welcomed the Guest Speaker, Chief Justice Mohammed Uwais and thanked all the summit participants for giving up their time and energies in the interest of the Nigerian economy.

Mr. Oni referred to past efforts by the NESG and the progressive steps which had been taken, and expressed the hope that there would be a significant flow of benefits from this, and future summits. He made it clear that the major change so desperately needed was yet to happen, and this has led to some impatience among those hoping for the much needed impact of past efforts.

He acknowledged the underperformance of the economy and argued that there was no disagreement on the general policy direction needed. He also believed that there was a general understanding of the reforms needed, although there were still groups, who did not wish to lose the benefits they had gained from the chaos of the past. He then called for further collaboration between the public and private sectors to ensure the realisation of Nigeria's potential.

Mr. Oni was confident that many of Nigeria's non-economic problems would be easier to resolve if economic breakthrough could be achieved. He was also certain that the development of Nigeria's economy would have a significant impact on the renaissance of the African continent.

He concluded by re-emphasising the NESG's determination to join all stakeholders in the development of the Nigerian economy and reminded all the participants of the importance of the work they would be carrying out during the following two days.

Pre-Summit Dinner Address
'The Challenge of Modernity and the Centrality of Legal System in the Context of Economic Growth'– *Chief Justice Mohammed Uwais*

In his pre-conference speech titled: "The Challenge of Modernity and the Centrality of Legal System in the Context of Economic Growth," the Chief Justice of the Federation, Hon. Justice M.L. Uwais, observed that the transition of a developing nation to the status of a developed one must be marked by a series of interrelated and interdependent breakthroughs in various sectors. The breakthroughs, he said, must happen in economic growth, education, health delivery, good governance, political stability, just society and healthy and robust legal system, among others.

He believed that any effort at redirecting the orientation of the citizens without enthroning fairness and justice, both in the private and public sectors, would be futile. As such, he said respect for fairness and justice must be a national culture in the country. He therefore suggested a new and vigorous national campaign for a new national orientation founded on justice and fairness, and a new attitude that would make Nigerians put the nation and her interests first at all times. He said the legal system must also face the challenges of modernity to enable it to be an efficient agency for a breakthrough economic growth for the country.

Chief Justice Uwais then made three propositions. First, he said the legal system of a country must be sufficiently strong, responsive, and efficient to command the confidence of citizens and investors. Second, he saw an inefficient legal system as a danger to the sustenance of the supremacy of law and the rule of law. Third, he believed that under a virile legal system, the rule of law and the supremacy of law were essential for breakthrough economic growth.

On human capital, he canvassed for adequate and well-trained manpower and modern facilities for the country's legal system. "The system must have within it adequate mechanisms for assessing, from time to time, the quality of law and of justice administered," he said, noting that any neglect of these requirements would lead to a weakened judiciary.

Hon. Justice Uwais stressed the importance of law and order to the economic and social well being of the country and to its overall development. He emphasised the importance of a law-making process that is responsive to the immediate needs of the economic community, noting that investors shun environments where crime is rampant; where rights do not matter, due to the tardiness of the legal process; and where there are numerous lacunae in the law.

The Chief Justice said he believes in a Nigerian legal system in which "law enforcement agencies are well-funded and well-trained so as to make crime unprofitable, one in which the quality of law which the courts are enjoined to apply is constantly monitored and reforms of law, where necessary, are undertaken with dispatch by a well-funded machinery of law reform; and where the factors which hamper the quick dispensation of justice are reduced, if not completely removed."

He believes that the challenge of economic growth, to the judiciary, is more acute in an era of modernisation where the world is becoming a global village with an increasing volume of international commerce. Hence, he said, Nigeria's judicial system must also become attuned to that of the rest of the world and especially to her partners in commerce.

He said breakthrough economic growth would impose on Nigeria an obligation to embark on a deliberate policy of improving the quality of performance of its institutions, especially the legal system, to enable the country to become a credible part of a new world economic order.

The Chief Justice also called for fresh empowerment of the country's legal system, especially the judiciary, through the provision of adequate facilities and funding for their operations and the training of their personnel to position them as effective tools for achieving economic breakthrough.

He cited, as worthy of emulation, the ongoing collaboration between some organisations such as the Shell Petroleum Development Company and the Nigerian Shippers Council, on the one part, and the National Judicial Institute on the other, in its training programmes for judges in fields related to their operations. He, therefore, called on the Organised Private Sector to fund researches and studies into specific areas of the legal system or to sponsor workshops and seminars in collaboration with the National Judicial Institute.

Vote of Thanks – ***Chief Olusegun Oshunkeye***

Chief O. Oshunkeye, Chairman, Nestle Nigeria Plc. gave the vote of thanks at the pre-summit dinner. Chief Oshunkeye noted that the 7th Summit was historic for two reasons. First, because it was the first summit in the new millennium and second, because number 7 is the figure for perfection. He also thanked the Guest Speaker, Chief Justice M. Uwais, for his illuminating speech and, in particular, for his call on Nigerians for national orientation to work and to social justice. He then thanked the Special Guest of Honour, Vice President Atiku Abubakar, who was ably represented by the Chief Economic Adviser to the President, Izoma Philip Asiodu. He said Chief Asiodu's presence at the dinner added to the conviviality of the evening. He also thanked Mobil Producing Nigeria for sponsoring the dinner, and the participants for making the evening a success.

Monday 16th October 2000

Welcome Address – *Mr Bunmi Oni*

The Chairman of the Nigerian Economic Summit Group, Mr. Bunmi Oni, opened the proceedings of the 7th Nigerian Economic Summit by welcoming the special guest, His Excellency, President Olusegun Obasanjo, GCFR. In doing so, he pointed out that the summit would not waste its time in analysing Nigeria's economic problems, since these were already well known. He pointed out that it is generally accepted that there is a structural defect if an economy is based on the exploration of natural resources with little value added. There was, therefore, the need to pursue a strategy of overall effective economic management while also restoring standards in the system by removing ineptitude and corruption.

Mr Oni highlighted the impact of liberalisation and technology on the forces of globalisation and the acceptance of the concept of TINA (There Is No Alternative). He acknowledged the dramatic nature of global changes and the additional pressures they have applied on emerging economies. He defined the phrase "Emerging Economy" as an economy from which you "do not emerge in a hurry".

The NESG Chairman identified three categories of nations, namely those who make things happen; those who watch things happen and those who wonder what happened. He placed Nigeria in the third category but stressed the nation's determination to move up through the other hierarchies. He then pointed out that some 60 per cent of Nigerian citizens were too young to have experienced democratic governance and were anxious to see what would be bequeathed to them.

Having again emphasised the need for reform, he acknowledged that all arms of government had taken the recommendation of the 6th Nigerian Economic Summit seriously and had reflected much of its thrust in the Nigerian Economic Policy 1999 – 2003 document which was published earlier this year. He stressed that government should not be expected to face the task ahead alone without the support of the private sector. He believed that there was a real need for a collaborative partnership between the public and the private sectors and suggested that the spirit of the 7th Summit should be "Just Do It".

There was also a need to identify the five pivots which would give the maximum benefit and it was this belief which had led to the choice of the theme of this year's Summit – 'Breakthrough Economic Growth: An Action Agenda.'

Presentation by the Private Sector – ***Dr Pat Utomi and Umar Abba-Gana***

Pat Utomi and Umar Abba-Gana set the tone for the Summit with a presentation titled, 'Just Do It.' The two speakers reviewed the journey so far in the efforts to achieve breakthrough economic growth and went on to prescribe what remained to be done to achieve the breakthrough which formed the focus of the 7th summit.

Pat. Utomi recalled the Summit held in 1993 when the public and private sectors gathered in Abuja to seek, for the first time, ways to achieve an enabling environment for private sector-led growth. He likened the attempts at economic take-off since then to the revving of an engine as each fresh Summit took over from the last, like one candle lighting another thus providing hope of a journey from darkness to light.

He recalled that 1999, the first year of the country's return to democratic governance, was characterised by:

- enormous foreign goodwill due to the democratisation of the country;
- legitimacy at home underscored by people's choice of democracy and the high popularity rating of the democratic government;
- high level of confidence of the private sector in the government even though economic realities were still sluggish at the time;
- great expectations from the war against corruption;
- the poor state of physical infrastructure, namely electricity, fuel, roads, water supply, etc. and;
- economic indicators, such as interest rates, exchange rates, inflation and transaction costs, that showed lack of competitiveness.

He then referred to the good news in fiscal year 2000, which included improved cash call payments and open bidding for upstream assets, commencement of the restructuring of NEPA and the award of contracts for the rehabilitation of its facilities. It also saw the commencement of privatisation, the visit of President Bill Clinton of the U.S which brought Nigeria into global focus, high oil prices which led to increased revenue for the country, the renewed interest in Nigeria by international development agencies such as UNIDO and USAID and increased foreign trade delegations to Nigeria.

Against these positive developments, he highlighted what he termed as the bad news in the fiscal year 2000. He mentioned the running feud between the National Assembly and the Executive; high oil prices and the utilisation of revenue accruing therefrom, petroleum supply problems; erratic electricity supply, continuing de-industrialisation, an over politicised society, slow inflow of foreign investment due to the wait and see attitude of potential investors and the poor rating of Nigeria on corruption by Transparency International.

He then prescribed the following rebuilding tasks for the government:

- concentrate on national competitiveness.
- reduce the cost of doing business through deregulation and privatisation.
- provide infrastructural imperatives and tariffs
- ensure stable exchange rates;
- create enabling environment and incentives for local and foreign investments;
- develop an export-led development strategy; and
- provide massive incentives for exports of manufactured goods and high - value agricultural products like pineapple, cut flowers, etc.

Alhaji Abba-Gana then took over from Dr. Utomi and recalled that budget 2000 had promised new approaches to agriculture, tax reforms, Ports Authority, NEPA, mineral resources (especially, the petroleum sector), solid minerals and telecommunications.

He said that the key measures in the agricultural sector included intensification of extension services, provision of incentives for investment in harvest storage and the development of a focused strategy for agricultural development. He pointed out that Budget imperatives in the agricultural sector included the streamlining of policies to attract bilateral and multilateral support for agriculture, the reawakening of extension services and the electronic delivery of information to farmers e.g. through radio, etc.

With regard to manufacturing, he listed the key measures in the sector as the development of infrastructure through privatisation and encouragement of long-term financing through bilateral and multilateral arrangements, identification of areas of relative advantage, especially in exports and provision of maximum incentives as well as improved funding for Small and Medium Scale Enterprises (SMEs) and tax incentives.

He then listed the budget imperatives in the sector as the reduction of duty on raw materials, the scrapping of excise duties on locally manufactured goods and the enablement of effective demand through government patronage.

On mineral resources, the speaker said the key measures in both the upstream and downstream petroleum sector were the creation of gas incentives such as free pricing and the privatisation of transmission and distribution, increase in the level of funding to optimise crude reserves and production, privatisation of downstream operations, especially the depots and refineries and the deregulation of product pricing, while allowing unhindered imports and exports.

Budget imperatives in the upstream and downstream petroleum sector include phasing the payment of cash call arrears and evolving new funding of major projects, immediate deregulation to reduce pressure on government's funds, firming up of privatisation so as to reap gains and re-channel line revenue, as well as reformation of the Land Use Act.

Alhaji Abba-Gana identified the key measures in finance as the provision of incentives using tax methods to encourage long-term funds and income from long term investments, prevention of policy somersault created by direct money supply management and encouraging a stable monetary policy regime, elimination of government monopolies and all anti-competition legislation, privatisation and deregulation of public enterprises (e.g. NEPA, NRC, NITEL, NPA, etc.) through open and international tender. The budget imperatives on finance included allowing the Treasury Bills rate to reflect the market, while not exceeding 5% of inflation rate, developing insurance products to support consumer credit, reforming insurance and pension funds, allowing a strong autonomous CBN, to be responsible for inflation monitoring and completion of the sale of all securities of the listed firms.

In pointing the way forward for the country, Alhaji Abba-Gana quoted Nicolo Machiavelli who said that: "...there is nothing more difficult to handle nor more doubtful of success and more dangerous to carry through than initiating change. The innovator makes enemies of those who prospered under the old order, and only lukewarm support is forthcoming from those who would prosper under the new. Men are generally incredulous, never really trusting new things unless they have tested them by experience."

He said the government had been unable to make changes due to the new order of things as posited by Machiavelli. While the obligation of good governance required government to be persistent on the path of the prescriptions given by the summit, he said this year's theme of "Breakthrough Economic Growth: An Action Plan," is appropriate since it should help the government to persist in the direction of change. But, for the country to achieve breakthrough in economic growth, he said, it must consider the size of government, the consumption of government and the role of government in stimulating demand and growth and also reform of the public service.

Lastly, both speakers believed that the way forward now is for the government to "Just Do It."

Presentation on "Globalisation: Its Challenges and Opportunities for Nigeria" – ***Jim Burkard***

Mr. Jim Burkard from Cambridge Research Associates in the United States provided the much-needed international perspective to the 7th Summit. He spoke on "Globalisation: Its Challenges and Opportunities for Nigeria."

As a forward observer of Nigeria's economy, politics and energy situation, he said that there is a keen international appreciation of the complex issues being tackled by the nascent democratic government in the country. Nigeria owes an external debt portfolio of about $30 billion. Mr. Burkard believed that the issue of debt relief were important for Nigeria to enable it move forward. He said President Obasanjo had made a compelling case for it in many international fora, especially in the U.S. However, he said, Nigeria is not alone in the world in undergoing potentially far reaching changes.

The world, he said, is a much different place today than it was 20 years ago and even five years ago. He then named three routes to global change, namely:

- The retreat of government from economic control
- Government in the private sector
- Advancement in information technology

Mr. Burkard said that, since the end of the cold war, the government had been on the retreat while the private sector had increased its foothold in nearly every nation in the world, even in China and the Soviet Union. For example, in the past 20 years, he said China's economy has expanded five times and its economy is now about 62% larger than it was 20 years ago.

He said that, in the industrialised west, governments had shed many of its responsibilities and obligations to the private sector. He believed that the retreat of government from economic control over the last 10 years had been driven by the inherent difficulties that normally arise when states become too expansive, too ambitious and seek to be a main player, rather than being a referee in the national economy.

On advancement in technology, particularly information technology, he said that with the arrival of wireless communication and the Internet, the ease of communication and the cost at which people communicate around the world had come down dramatically. It had also brought with it gains in terms of increases in productivity in the economies of many countries.

Mr. Burkard also saw market based competition as the most effective means of protecting the public against the inefficiencies and excesses of state economic controls. The diminished government control, he said, had allowed the growth of the market place to occur throughout the world, resulting in the expansion of the capital market.

He also spoke, particularly, on the importance of information technology to nations as a source of economic expansion and job creation, especially in India and Philippines and advised that Nigeria must match its education to the needs of the market place. In doing so, Nigeria must improve its infrastructure, especially electricity because it is the blood of the modern network economy. It must also improve personal and property security.

He believed that the oil industry would remain a very significant part of Nigeria's economy. He, therefore, urged Nigeria to remain globally competitive, especially in the terms offered in the upstream oil sector. This is because the upstream has become more competitive since the fall of the Berlin Wall and investors now have opportunities for investment in many more countries in upstream oil than ever before.

Mr. Burkard also spoke of the benefits of natural gas, especially the need for its increased utilisation in Nigeria. He saw the opening of the Nigerian Liquefied Natural Gas [LNG] last year as a key milestone for the country. He said natural gas utilisation in Nigeria could lead to a greater and more dependable source of electricity in the country and also spawn economic growth not only in Nigeria but also in the West African sub-region. Besides, he said natural gas is more efficient and more environmentally friendly than other sources of fuel for power supply. This, he said, is why nearly every new power plant in the U.S is being powered by natural gas.

Invitation to the President, Federal Republic of Nigeria, to give his keynote address – *Chief Philip Asiodu, Chief Economic Adviser to the President*

Before inviting President Olusegun Obasanjo to give his opening address, the Chief Economic Adviser to the President, Chief P.C. Asiodu, listed what he termed as the critical factors by which the Obasanjo's administration would want to be judged. They are: good governance, transparency and anti corruption;

poverty reduction and the restoration of discipline; purposefulness and dignity in national life. He described these critical factors as the dividends of democracy about which Mr. President has often spoken, adding that economic growth is essential for democracy dividends to be sustained. He went on to describe the President's personal presence at the occasion to open the Summit, accompanied by the Vice-President, as his commitment to the economic growth of the country. He then invited the President to give his opening address.

Keynote Address – *His Excellency, President Olusegun Obasanjo, GCFR*

In his keynote address, President Olusegun Obasanjo observed that the theme of the summit, "Breakthrough Economic Growth: An Action Agenda," vividly captured the mood and requirement of Nigerians. He also observed that both the public and private sectors were in agreement on the imperative for accelerated economic growth and administrative economic policy. This has been well articulated in the publication titled, "Nigerian Economic Policy 1999 – 2003."

The President said the design and implementation of the appropriate action agenda seemed to be the gap between today's reality and the much desired breakthrough economic growth that would deliver the democracy dividends and improve the living standards of Nigerians.

He listed the progress made by the government since the 6th Summit to include the compilation and approval by the Federal Executive Council of Nigeria's Economic Policy 1999 – 2003, which also incorporates recommendations of the summit, the implementation of poverty alleviation programmes, commencement of privatisation process, approval of the Niger – Delta Development Commission Act and containing inflation at a favourable level. The government, he said, had made substantial progress in consolidating the democratic structures and rescuing the nation from the pariah status of the past.

However, the President admitted that the dividends of democracy were yet to crystallise for the average Nigerian. He, therefore, enjoined operators both in the public and private sectors to rededicate themselves to efforts to accelerate economic growth and improve the living standard of Nigerians.

The President cautioned Nigerians not to allow recent improvement in the world oil prices to lure them into a false sense of well-being and security. World oil prices remain volatile and Nigeria remains a poor country. He gave an assurance that the government would use the additional receipts, generated by the price increase to ensure accelerated rehabilitation of infrastructure, especially in the areas of transportation, education, health, power, telecommunications and in developing the agricultural sector.

He said efforts at obtaining debt forgiveness and restructuring would continue, noting that the international community must understand that major concessions to heavily indebted countries are a sine qua-non for global peace and development.

The President reiterated that his administration's economic policy is anchored on private sector-led growth, and pledged the government's commitment to providing the required enabling environment and the necessary support.

He expressed delight that the scope of the Summit has been widened to include the participation of states and local governments and stressed that the future of the country depended on broad - based grass roots participation in socio-economic and political development.

The President admitted that government did not have monopoly of knowledge and resources to articulate blueprints and implement economic policies. It would, therefore, welcome constructive inputs and support in the implementation of its policies rather than the conventional criticisms of the past.

He wished the Summit successful deliberations and expressed a keen interest in its outcome.

Ministerial Presentations

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

- Agriculture
- Commerce
- Finance

Agriculture, Biotechnology and Food Security – *Ambassador (Dr.) Hassan Adamu, Minister of Agriculture and Rural Development*

The Minister, in his presentation, gave a general overview of the agricultural sector which still employs some 70% of the labour force and is the largest contributor to the Nation's GDP. He observed that, despite the growth in food output between 1990 and 1997, there had been an increase in food imports, from 8.2% to 20.5% of the total food requirement over the period.

The Minister pointed out that the government's policy goal was self- sufficiency in food production and food security as well as exporting agricultural commodities. He highlighted the strategies that would be adopted to attain a growth rate of 6% pointing out that this would require a revitalisation of extension services and research institutions.

He drew attention to the need to review the country's agricultural policy and develop new strategies. There would have to be increased participation by state and local governments, and for enhanced private sector investment in this effort. There was also a need to develop research and the provision of inputs as well as to increase mechanisation of farm operations. Improvements would be needed in the areas of storage and processing of agricultural products and there was a need to reduce post-harvest losses.

There was a need to improve access to credits by farmers, provide adequate extension services and improve environmental management for sustainable agriculture. Also to be addressed are appropriate tariffs, measures to check dumping and the training of research personnel, for which there should be a sharper focus on rural development.

The Minister acknowledged that research and extension services delivery were essential to the growth of the agricultural sector as much as capacity building and human resource development. He was keen to see Nigeria take advantage of the recent advances in biotechnology - particularly with respect to the production of genetically engineered products.

The Minister then detailed a range of inputs essential to high agricultural productivity but acknowledged the high cost of these inputs as being of concern. He was also concerned at the state of rural infrastructure and the need to address this issue as well as to improve access to credit. With post harvest losses running at between 20% and 50%, there was a clear need to develop storage facilities.

The political and economic implications of food security, with respect to existing poverty levels, was also discussed and the Minister then listed the short, medium and long term action plans, which had been drawn up to tackle the existing problems in the sectors. Some of the issues covered in the short-term plan are: the improvement of inputs and the stabilisation of price; private sector led commodity development and marketing; credit delivery; improving research and extension services; improvement in aquaculture and the provision of micro-credit.

The medium and long-term plans cover infrastructural development and environmental management as well as storage, processing and marketing. They also include improved mechanisation and greater emphasis on aquaculture. There are also plans to carry out a livestock census and develop an inventory of milk production, and establish the total meat output from all species of domestic animals. These will provide a much needed information base.

The Minister closed his presentation by stating that he believed that all the goals articulated in the policy were achievable in view of the present political support.

The Federal Ministry of Commerce and the Nigerian Economy – ***Engr. Mustapha Bello, Minister of Commerce***

The Minister started his presentation by referring to the distortions imposed on the development of many countries, as a result of international trade. He went on to point out that this had caused Nigeria to develop alternative strategies including import substitution industrialisation. A high protective trade regime was also maintained but this resulted in trade policies influenced by periodic payment difficulties and foreign exchange problems. This, in turn, led to a lack of consistency in trade policy and macro-economic instability.

The structural problems were epitomised by low capacity utilisation, high manufacturing costs and high unemployment in association with inflationary pressures, fiscal deficits and high interest rates, while infrastructural facilities were decaying. However, the reform process, embarked upon by the government, was aimed at developing a market-oriented economy with government facilitating business activities. The aim was to encourage new investments and new technology while also expanding exports. It was also recognised that there was a clear need to improve the infrastructural facilities.

He noted that the import substitution industrialisation strategy initiated by the government at independence had caused more economic problems for the country than it had solved. He argued that the declining and fragile performance of the Nigerian economy was attributable to the lack of a consistent, visionary and outward-oriented trade policy framework. Consequently, the government had initiated a reform programme based on an open, rule-based and market-oriented economy that would provide protection for private property rights. Under the new dispensation, the government would focus primarily on creating an enabling environment for economic activities to thrive. Government would provide a favourable framework for the free inter-play of market forces to guarantee private enterprise and economic freedom in areas such as new investments, human resources development, new technologies, higher value-added manufacturing and export manufacturing. In addition, the government would improve physical infrastructure, promote closer exporter-supplier relations, maintain continuous dialogue with the private sector and formulate effective export development policies.

The Action Plan includes the development of the export processing zones in Calabar and Kano and the development of border free trade zones. The overseas embassies would also be strengthened to include commercial desks while an appropriate legal framework would be put in place. The Minister then went on to acknowledge that Nigeria's economy had to be linked to global economic imperatives while special attention must also be given to regional integration and co-operation. He then referred to a number of bilateral trade agreements which had been recently signed and pointed out that Nigeria had also been designated as an eligible beneficiary country for the US Generalised System of Preferences (GSP) and the Africa Growth and Opportunity Act (AGOA).

He confirmed that his Ministry had formulated a 2000-2003 Action Plan to achieve its sectoral objectives dictated by the broad policy goals of the government. The Action Plan includes:

- major activities aimed at enhancing export development and promotion, namely: export processing zones in Calabar and Kano, organisation of trade delegations, border free trade zones, re-opening of overseas commercial desks, export commodities development and rehabilitation, establishment of bankruptcy and intellectual property commission, anti-dumping and competition policy and legal/regulatory framework;
- development of manufactured exports;
- strengthening the domestic institutional and regulatory framework;
- providing access to information and communication technologies; and
- staff welfare and human resources development.

In all these, the government recognises the importance of the integration of the Nigerian economy to the global economy through regional co-operation and integration and participation in the Multilateral Trading System. The government had negotiated major Bilateral Trade Agreements with the United States of America, South Africa, and Cuba to name a few.

To achieve its specific mandate of increasing Nigeria's export of goods to the US to, at least, US $500 million by the end of 2001, the Ministry of Commerce had established an implementation committee to create awareness of the opportunities under AGOA. The committee would also be responsible for developing the modalities for enabling the country to benefit fully from the trade concessions under the new agreement between the European Union and the Africa, Caribbean and Pacific Countries (EU-ACP). In this regard, the Minister confirmed that President Olusegun Obasanjo had:

- approved that certain categories of machinery, raw materials and spare parts for the textile and apparel sub-sector of the Nigerian economy be granted substantial import duty concessions; and

- directed the Minister of Power and Steel to abolish the discriminatory differential tariff structure between domestic and industrial consumers introduced by the National Electric Power Authority in the 1990s.

The Minister listed a number of import duty concessions which had recently been given and advised that industries would no longer have to comply with the discriminatory differential tariff structure imposed by NEPA. He also confirmed a commitment to the implementation of all ECOWAS protocols. He concluded his presentation by confirming government's commitment to safeguarding the interests of domestic producers against imports and unfair trade practices. He also confirmed government's intention to bring the informal sector into the mainstream economy.

Finally, the Minister noted that his ministry was in the process of developing a new trade policy framework aimed at making Nigeria globally competitive and protecting domestic producers against the influx of imports and unfair trade practices. He invited all stakeholders to submit inputs to this initiative and the evolution of guidelines and measures for integrating the informal sector into the mainstream economy.

Management of Nigeria's Domestic and Foreign Debts – *Senator Jubril-Martins Kuye, Minister of State for Finance*

The Minister of State for Finance, Senator Jubril Martins-Kuye, acknowledged that the size of Nigeria's domestic and foreign debts, and their efficient management, posed serious problems. He enumerated the actions being taken to address these problems and also underlined the importance of the recently concluded standby arrangement with the International Monetary Fund (IMF). He stated that the country's external debt was $28 billion, conceding that there was a difference here with the figures the Chief Economic Adviser was using.

On the issue of domestic debts, the Minister of State said that some improvements had been recorded in their management, but he underlined that there was room for improvement. He stressed that in a free and competitive market, the relatively low rate of interest in the securitised debt instruments could not be regarded as uncompetitive.

With regards to foreign debts, the government's establishment of a new Debt Management Office, with qualified staff drawn from the Federal Ministry of Finance, the Central Bank of Nigeria and the financial sector, would help to reduce the problems of inadequate information, ineffective monitoring, cumbersome procedures, insufficient budget provision for meeting debt service obligations and inefficient foreign exchange resource management. The Minister of State outlined the new borrowing guidelines which were being prepared and said that it was time to review the government's strategy to reduce the debt stock with the Paris Club.

The Minister of State pointed out that the government's principal objective of entering into the standby arrangement with the IMF was "to garner international confidence and support". With commitment to the goals of the arrangement, a GDP growth rate of 3.5 percent is envisaged for the year. A low inflation rate had been achieved and the external current account deficit had been reduced to less than 1 percent. Reserves had also risen to $7.8 billion. The goal is to put in place a medium Term Economic Programme once the standby has been successfully executed.

Tuesday, 17th October, 2000

Presentations by State Governors

All the 36 States of the federation and the Federal Capital Territory (FCT), Abuja were invited to the State plenaries to exhibit their investment opportunities.

A total of 11 States made presentations. Ogun State was represented by the Executive Governor Chief Segun Osoba, while the Deputy Governor of Plateau State Chief Michael Botmang, represented the state. Most other states were represented by their investment promotion teams. A summary of the presentations is as follows:

Group A States

The states in this group were:
Abia
Adamawa

Akwa-Ibom *
Anambra
Bauchi
Bayelsa
Benue
Borno
Cross Rivers

Akwa Ibom State

Overview

Akwa Ibom State was created on September 23, 1987, with a landmass of 8,412 square kilometres and a population of about three million people. It has Uyo as its capital city with other urban areas such as Eket, Ikot Ekpene, Oron, Aba and Ikot Abasi. Akwa Ibom belongs to the eastern wing of the South-South zone.

Resources Endowment

Akwa Ibom claimed to be the second largest oil producing state. In his presentation, titled, "Limitless Opportunities" Prof. Akpan H. Ekpo who represented the Governor, Arc. (Obong) Victor Attah, said that the state was richly endowed with agricultural products such as palm produce, and rubber; solid minerals such as clay, silver nitrate, gold and glass sand; fishery resources and tourism.

Investment Opportunities

The following areas for investment were identified:

- Power Generation
  A joint venture partner is being sought for the subsidiary of Akwa Ibom Petroleum and Energy Limited (APEL), for the emergency power and independent power generation project.

- Telecommunications
  The state is seeking telecom partnership with a fixed wireless telephone operator to provide telephone services throughout the state.

**State making presentations*

- Oil and Gas

There are investment opportunities in exploration and production, seismic data acquisition and processing, refinery and chemical plants, oil field services gas utilisation and marginal fields.

- Agriculture

  Agro-allied industries and fisheries including trawling and deep-sea fishing are some of the opportunities open to investors.

- Privatised firms

  The privatisation of the following firms also provide opportunities for investment: Sunshine Batteries, Champion Breweries, Quality Ceramics, Qua Steel Products, International Biscuits and Pamil Industries.

Incentives

Akwa Ibom is a peaceful, low crime environment where land acquisition for investment is liberal.

Group B States

The states in this group were:

Delta *
Ebonyi *
Edo
Ekiti
Enugu
Gombe *
Imo *
Jigawa *
Kaduna

The report on the states that made presentation is as below:

Delta State

Overview

Delta State is a low-lying area with 160km of coastline along the River Niger. It has four seaports at Warri, Sapele, Burutu and Koko with two petroleum export terminals. It is the leading oil producing state.

**States making presentations*

Resource Endowment

The state's natural resources include palm oil, rubber, oil and gas, silica sand, latex, kaolin, clay, fruits, timber, cassava and maize, etc.

Privatisation

The following companies are to be privatised/commercialised.
1) Bendel Glass Industry
2) Bendel Steel Structures
3) Delta Hotels in Warri, Sapele & Agbor.

Investment Opportunities

1) Power Generation: There is a huge market for independent Power Generation, especially with such companies as Warri Refinery and Petrochemicals company, Shell, Chevron, Elf, Texaco and several oil service companies in operation in the area. The abundant natural gas which has been flared constantly can be harnessed into an energy source.

2) Telecom: The state has rudimentary telecom services. The multinationals in the state could do with more cost effective and efficient telecom services.

Incentives

- Prompt allocation of land in industrial estates to investors
- Industrial estates with full range of services would be provided
- Financial guarantees to be provided to all industries
- Provision of financial grants to industries that use gas
- General discount on rates and levies for oil and gas downstream processing and agro-allied industries.

Peace and Security

The government has taken it upon itself to ensure peace in the state. Much has been achieved in this area. N1.7billion Agricultural Renewal Programme will create jobs for the youths and thus increase social security and harmonious coexistence.

Ebonyi State

Overview

Ebonyi State is one of the new states carved from Abia State. It is the food basket of the SouthEast and indeed a major contributor to Nigeria's food. The state is also rich in solid minerals but despite its resources, the state is relatively poor due to inadequate exploitation of its potential. The state, therefore, offers good opportunities for potential investors.

Resource Endowment

Ebony State is endowed with such solid minerals as lead-zinc ores, copper ores, ilmenite, clay, limestone, silica sand, salt, kaolin, gypsum and coal.

The State has a network of rivers with fish. It has agricultural resources such as yam, rice, cocoyam, maize, groundnuts, sugar cane, lettuce, pear, plantain, cocoa, ginger, cashew and cowpea.

Incentives

The state government will provide the following incentives to investors:
- Land allocation for industries - within 7 days. Industrial layouts especially for SMEs

Tourism

Tourism attractions in Ebonyi State include the following:
- Ultra modern Golf Course at Abakaliki
- Abakaliki green lake
- Golden sand beaches
- Natural salt lakes
- Spectacular rock formations
- Rolling hills
- Forest reserves

Gombe State

Overview

Gombe State was created in 1996 with headquarters at Gombe. The state has an area of 20,265 square kilometers and an estimated population of 1,901,227 people.

Gombe State is in the NorthEast region of Nigeria and the vegetation is mainly the Guinea Savannah grassland. There is, however, considerable woodland in the southern part of the state. It is traversed by the Gongola River, which joins the River Benue at Numan.

Resource Endowment

The State is endowed with abundant agricultural land, abundant grazing fields and various solid minerals.

The solid mineral endowment of over 35 different varieties includes:
- Lignite Coal
- Uranium
- Salt
- Limestone
- Gypsum

The state is a leader in limestone and gypsum supply in Nigeria. Gombe is home to Ashaka Cement company which uses only local gypsum from the state.

Agriculture

About 65% of the total landmass is cultivable and about 50% of this is currently cultivated. The main crops are cotton, maize, beans, soya beans, millet, rice, cowpeas and assorted vegetables.

Other Resources

The water resources of Gombe State have been harnessed into three dams which facilitate agricultural activities including the multipurpose Dadinkowa Dam – the second largest in the country – to irrigate about 6,200 ha of land. The three dams have a combined capacity of 1,849 metres of water and about 300km of the 530.9km of the Gongola River run through the state. The water resources are actually still unexploited.

Gombe produces 32.5% of Nigeria's total cotton production and has a capacity for 20,000 tons of fish annually as well as 305,500 tons of grains.

Power Generation

The potential for power generation is high in the state given its abundant water resources.

Areas of Possible Investment

1) Housing - There is a serious housing shortage in the State

2) Solid Minerals - Lignite coal, uranium and limestone are areas of profitable investment in solid minerals which can be complemented with exploitation of the agricultural resources.

Incentives

1) Free land for industrial activity
2) 5-year local tax exemption
3) Gombe is 2½ hours drive from any of the general airports around it.

Privatisation

Government is committed to privatisation. For example, all houses owned by government have been transferred to the Gombe State Investment Company for proper management. Government no longer wants to get involved in housing. The only houses in government hands today are those of the Governor, Deputy Governor, and Speaker of the State Assembly.

Imo State

Overview

The state was created in 1976 and has a total landmass of 5,289.4 square kilometers. It is a tropical state with a relative humidity of 60-80% throughout the year and mean rainfall ranging between 2000 and 2500mm. Imo is located east of the River Niger. With a population projected at 3,037,718. Imo state is culturally homogeneous: mainly the Igbo inhabit the land.

Resource Endowment

1) Agriculture – The land is fertile and cultivable. Major food and cash crops include: cassava, yam, breadfruit, oil bean, palm produce, pawpaw, pineapple, maize, rice and livestock.
2) Natural Gas & Crude Petroleum – There are four major oil producing companies in the state; namely, Shell, Agip Oil, Chevron and Addax Petroleum. Imo State is said to be about the 4th largest oil producing state and this offers huge opportunities for investment.
3) Non metals: these include limestone, lead and clay (laterite), both in Okigwe zone, glass sand in Owerri zone, kaolin in Ngor-Okpala Local Government Area, Lignite in Orlu and several others. Gypsum, bentonite, rock aggregate, marcaite and river sand also exist in the state.

Tourism

There are numerous tourist attractions in the 27 Local Government Areas including Oguta Lake - already being developed into a tourist centre, Abadaba

Lake, Mbari Sculptural Centres in Owerri and Mbaise and the Rolling Hills in Okigwe.

Investment Opportunities

The state is going full scale with privatisation. It has established its own Privatisation and Investment Bureau to actualise the sale of all public enterprises. These include:

1) Standard Shoe Co., Owerri
2) Clay Products Ltd., Okigwe
3) Imo Modern Poultry, Avutu
4) Adapalm Nigeria Ltd., Ohaji
5) Imo Concorde Hotel, Owerri
6) Integrated Aluminum Products Ltd., Owerri
7) Sachs-Hercules Ltd., Owerri
8) Oguta Motels, Oguta
9) Imo Hotels, Owerri, among others.

Some of these companies are being offered for privatisation as joint ventures while others are for outright sale.

Incentives

The state offers:

- Generous discount rates and levies
- Prompt allocation of land in any industrial layout in Owerri, Okigwe and Orlu.
- Funds for Small Scale Industries - a credit scheme for SMEs.

Jigawa State

Overview

Jigawa State is situated in the northern part of Nigeria and shares the same border with the Republic of Niger to the North. It also has common borders with Kano, Katsina, Bauchi and Yobe states. It occupies an area of about 22,410 square kilometers with an estimated population of 3.8 million. The topography is characterised by an undulating landform with sand dunes and sedimentary rocks of the Chad Basin formation in the Northeast, while the basement complex rocks underlie the southern part.

Resource Endowment

Agriculture is the mainstay of the state's economy, engaging over 80% of the population. Consequently, feasibility studies have been undertaken in the following areas in which the state has comparative advantage:

- Industrial sugar cane production and sugar factories
- Sesame seed (beniseed)
- Cotton production and textiles industries
- Gum Arabic plantations
- Date palm plantations
- Mango plantations

Jigawa State is blessed with many solid mineral deposits such as granite, columbite, kaolin, silica, casiterite (tinstones), marl (Limestone), tantalite, iron-ore and gemstones. Granite deposits in the state are among the best and largest in the country.

Commerce, the second largest employer of labour in the state, has long historical roots. The Maigatari market, located on the border between Jigawa State and the Republic of Niger, has been a trans-shipment point since the old Trans-Saharan trade route, which linked the West-African sub-region with North Africa, Europe and the Middle East. Currently, the estimated volume of trade in the market is forty billion naira per annum. The range of commodities traded in the market include mainly livestock, hides and skin, foods and cash crops, as well as manufactured goods.

Tourism is accorded a lot of importance in Jigawa State. A study has been carried out by a firm of international consultants, which indicates tremendous potential for tourism development in the state. In this regard, the state is determined to develop the potential of the famous Buturiya and Dabar Magini Bird Sanctuaries in Hadejia- Nguru wetlands, as well as Wawan Rafi Lake holiday resort.

Investment Opportunities

Agriculture and Agro-Allied Industries - Jigawa State has 1.6 million hectares of cultivable land, out of which 355,000 hectares are Fadama land which could support production of irrigated crops.

- **Sugar Production** - Presently, a total of 2001 hectares of industrial sugar cane have been produced in the state. This is to be expanded to about 1,500 hectares in the next cropping season. Efforts are being made to identify core estates totalling 50,000 hectares to support five sugar factories. The opportunities offered by this potential could best be understood from the perspective that Nigeria currently imports 95% of her sugar requirement.

- **Sesame Seeds** - Sesame seeds (Beniseeds) have tremendous export value. The crop has imminent industrial potential as this can complement groundnut in the vegetable industry. The production of this crop is estimated at 30,000 metric tons in 1999 cropping season.

- **Gum Arabic** - In addition to the production of fruit-bearing trees, the state is also a commercial producer of gum arabic (*Acacia senegalensis*). To date, a total of 350 hectares of gum arabic plantation have been established all over the state. The state intends to expand gum arabic production in partnership with the FAO to the tune of US$1million.

- **Cotton Production and Textiles** - Jigawa State is one of the major cotton producing states in the country where about 50,000 hectares were cultivated in 1970s. The main producing areas are Kirikasamma, Guri, Hadejia, Birnim Kudu and Gwaram Local Government Areas. Already, the state government is working with the FAO to improve the cotton yield and introduce the long fibre variety.

- **Mangoes** - The state government is committed to replacing old native varieties with improved high yielding varieties with greater export potentials. To that effect, a total of 1,000,000 mango seedlings are being imported for distribution to farmers.

- **Date Palm** - The demand for date palm in Europe, America and the Middle East is increasing by the years. This tree is grown in commercial quantities in the state, large enough to attract the establishment of a branch of the Nigeria Institute for Oil Palm Research (NIFOR) in Dutse, the Jigawa State capital. There are currently vitro varieties to enhance early maturity. Investors are needed in the processing and packaging of the product.

- **Silica Sand** - This product is in commercial quantities in the Northern part of the state. It is available for those who are interested in the establishment of glass industries.

- **Granite** - Jigawa State is endowed with large deposits of granite. Studies have shown that this sector requires only a little push from investors to support any investment in the production of wall tiles.

Incentives

The state government has also taken a cue from the Federal Government initiatives of encouraging Investment by striving to create a favourable climate for potential investors. These include:

- Allocation of free industrial plots in rural and semi urban areas.
- Allocation of free land for the construction of housing estates for workers. The state is ready to support any investor in the construction of housing units with modern interlocking blocks making machines free of charge for a minimum of 20 housing units.

- Provision of stable electricity and potable water. Government has concluded arrangements for the supply and installation of power platforms that will provide I00MW of uninterrupted and reliable power supply.

- Realising the crucial importance of research and development in all facets of development, the state in conjunction with ENBRAPA of Brazil has established a research institute.

- Provision of reliable telecommunication network. The state has already signed comprehensive agreement with a US-based company for the installation of a broadband communication system. The project is being financed by the EXIM Bank of the USA, and will be commissioned by March, 2001.

- Exemption of all land development charges for a period of five years.

- Preparation of industrial profiles and feasibility studies.

- Guaranteed government patronage and assistance in marketing and distribution.

Group C States

The following were Group C states:

Kano
Katsina *
Kebbi
Kogi

* *States making presentations*

Kwara
Lagos
Nassarawa
Niger
Ogun *

Katsina State

Overview

In his presentation, Alhaji Tanimu Yakubu of Katsina State Ministry of Finance, Budget and Economic Planning informed the audience that Katsina State is located between latitudes 11 and 13 degrees and longitudes 60 and 99 degrees meridian. It has a population of 4.7 million, with much of its land area of 24,000 square kilometers, cultivable. A greater portion of the state, according to him, is in the Sudan and Sahel ecological zones with mainly dry savannah vegetation which has an annual rainfall of between 300mm and 800mm concentrated in four to five months from May to September.

Resource Endowment

Katsina State is largely rural and agrarian, being the nation's major producer of cotton and millet, in addition to accounting, substantially, for the national output in other major crops such as maize, groundnut, rice, millet, sorghum, soya beans, rosehips (*soborodo*), onion, okra, tobacco, sesame seed, sugarcane, water melon, cow peas, sweet potatoes, tomatoes, wheat and so on. The state has a substantial livestock population and an extensive surface water potential in places like Sabke, Zobe, Jibiya, Daberam, Tsabu and Mairuwa dams, which could be used for irrigation farming.

The State is endowed with mineral resources such as high quality kaolin, clay, silica, asbestos and precious stones. Infrastructure available in the State, includes a digital telephone system, a good road network which connects the state with the rest of the country and with neighbouring Niger Republic. There is also a largely idle airport with capacity to accommodate wide-bodied aircraft that could be used to airlift fresh farm produce and allied output to global markets. Katsina State is also only one and half hours drive from and to the Mallam Aminu Kano International Airport.

* *States making presentations*

Investment Opportunities

The Government, through its numerous agencies, has assembled useful business data and produced feasibility studies for interested investors. Such data and studies were being updated on a continuous basis. The state has fully privatised its business enterprises in the spirit of complementing and deepening the privatisation programme of the Federal Government. The enterprises already privatised included the Katsina Flour Mills Limited and the Nigeria Universal Bank Limited. All viable industrial uncompleted projects inherited from previous governments are also being completed and privatised.

The state government was working on a number of legislative and institutional capacity-building innovations to create a more favourable investment climate in the state. These include the Skills Entrepreneurship Training Scheme (a deliberate programme for the training of highly trainable able-bodied citizens to acquire vocational, technical and business skills to increase the availability of skilled manpower and entrepreneurs); and the proposed Katsina State Industrial Fund (endowed with an initial capitalisation of 100 million naira for on-lending to businesses in the state at a fair cost).

The state government promised easy access to land for investors in industrial and commercial layouts with speedy issue of statutory Certificates of Occupancy, the provision of water, extension of electricity and access roads to reduce the cost of doing business in Katsina State. It has also called on prospective investors to avail themselves of the opportunities and facilities available in Katsina State. Further information can be obtained through the Katsina State Investment and Property Development Company (KIPDECO), Ministries of Commerce and Industry and the Office of the Special Adviser on Economic Affairs.

Ogun State

Overview

Governor Segun Osoba in his brief claimed that Ogun State is the best destination for tourists and for serious investors in minerals and agriculture. The State is bounded 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. Ogun State occupies a total area of 16,409.26 square kilometers with a population of 2,338,570. Ogun State comprises Egbas, Yewas, Aworis, Eguns, Ijebus and Remos who belong, in the main, to the Yoruba ethnic group.

Resource Endowment

The State has extensive fertile soil suitable for agriculture, savannah land in the northwestern part suitable for cattle raising and in the south it has vast forest reserves, rivers, a lagoon, rocks mineral deposits and an ocean front.

Among the mineral resources available in the state are high quality stones, gravel, gypsum, extensive limestone deposits, tar-sands and non-metallic minerals. Others are feldspars, quartz, phosphate, mica, glass sand, decorative stones and clay.

Investment Opportunities

The state government had allocated a total of 40,000 hectares of land free from encumbrances to various investors for planting crops such as oil palm, cashew, rubber, cassava and other crops. The state government, through its appropriate agencies would ensure that land is provided for commercial, agricultural and industrial purposes. Meanwhile, the vast area of land along the Lagos-Ibadan Expressway is gradually being taken over by churches, as businesses and investors do not seem to be forthcoming.

The Ministry of Agriculture could be contacted for land for agro-based industries. In respect of industrial land and housing projects, four agencies could be contacted. These are the Bureau of Lands, Survey and Town Planning, Ogun State Housing Corporation, Ogun State Property and Investment Corporation and the Ministry of Industries and Social Development.

Incentives

The government has introduced a set of incentives and policy measures designed to ease the burden of industrial and business concerns. The package of incentives includes: an open-door policy in the form of liberal regulations for the establishment of industries, provision of free land in designated rural areas, general allocation of industrial land in the urban areas and well-maintained and increasing network of urban and rural roads.

The state had also continuously expanded its energy facilities with the provision of electricity in urban and rural areas through its rural electrification programme. It is providing potable water in both urban centres and rural areas through the Ogun State Water Corporation. It is also expanding telecommunication facilities in collaboration with appropriate federal authorities.

He asserted that "Ogun State has a friendly and conducive environment for industrialisation. The needed infrastructural facilities are being improved regularly and the people are hospitable. It has built industrial estates and agro-industries in all parts of the state through government and private efforts.

Already, there are modern industries in the state, producing cement, high quality beer, bicycle tyres, carpets and clothing materials, confectioneries, pharmaceutical products, plastics and so on.

In conclusion, Chief Osoba, said that, with the available abundant human, natural and mineral resources, the state would welcome investors who would take advantage of the tremendous opportunities for investment".

Group D States

The following were Group D states:

Ondo
Osun *
Oyo
Plateau *
Rivers
Sokoto *
Taraba
Yobe
Zamfara

Osun State

Overview

Osun State which lies in the South West zone has Oshogbo as its capital city. It shares common borders with Ondo, Oyo, Ekiti, and Kwara States.

Resource Endowments

Osun State is endowed with several minerals such as bitumen, limestone, coal, kaolin, silicate sand, iron ore and gravite, gold, feldspar, marble, talc, among others.

It is also blessed with agricultural and allied resources. It has a good environment for the growing of cocoa, coffee, kolanuts, cashew, plantain, pawpaw, guava and other fruits.

* *State making presentations*

Osun's tourism attractions include Ikogosi warm spring, the famous Osun shrine, among many others.

Investment Opportunities

There are great opportunities for a wine industry from the assorted suppliers of fruits. Solid mineral extraction beckons investors as these have scarcely been exploited. Agriculture is another lucrative sector as 80 per cent of the population are engaged in it.

Incentives

The government is focused on the development of rural roads. There is also an aggressive rural electrification programme that will reach all villages by the end of the year 2001. Water will no longer be a problem as IBRD is being contracted in water development programme.

Sokoto State

Overview

Sokoto State is the seat of the North-West zone. It has 23 local government areas with Sokoto town as its capital city.

Resource Endowment

Sokoto State is agriculturally endowed. With Fadama, the Rima and Sokoto rivers provide the suitable environment for agriculture. The State also has many dams.

Sokoto State is easily the highest grain producing state in Nigeria with rice, maize and beans and onions topping the list. It accounts for 65 per cent of the grain requirement in the country. It produces livestock, including poultry, hides and skin, and a lot of fish from its dams.

The solid mineral endowment of the State includes iron ore, gypsum, phosphate limestone, kaolin, and solute sand.

Investment opportunities

Areas for investment include agro-allied industries, especially those based on grains, leather, onions, livestock, and fisheries. Solid Minerals exploitation is also a good attraction.

Incentives

It is relatively easy to acquire land in industrial layouts. The Sokoto Investment Company, which is building up internal capacities for indigenous investors, also offers assistance to investors in obtaining permits and licences from the Federal Government. There are tax holidays for up to seven years.

Plateau State

Overview

The Plateau State presentation was made by the Deputy-Governor, Chief Michael Botmang. Plateau State has a population of 3.5 million people and belongs to the North-Eastern zone.

Resource Endowment

Plateau State's weather, which is close to that of Europe, provides a natural environment for temperate crops such as apples and potatoes. Solid minerals endowment includes tin and columbite, among others. It is a haven for investment in tourism. It has the famous Panyam wild life park.

Investment Opportunities

Temperate crop production can be a successful venture. Plateau's tourist industry is promising. Its solid minerals sector is also attractive.

Public Sector Presentation

Presentation by the National Assembly on "Partnership for Economic Growth" – *Anyim Pius Anyim, President of the Senate*

The President of the Senate, Anyim Pius Anyim, was represented by Senator Wali, Chairman Senate Committee on Economic Affairs, who made the presentation titled "Partnership for Economic Growth" on behalf of the National Assembly. He contended that globalisation, as a major force, was bringing nations closer and deepening the sense of shared understanding, mutuality and complementarity, while fostering partnerships in a comprehensive development framework. He lauded the pioneering efforts of the Nigerian Economic Summit Group in bringing together various stakeholders to work towards improving the quality of policy making on an on-going basis.

Democracy, he noted, is a demanding system of government. It includes the protection of liberties and freedom, legal entitlement and guaranteeing free discussions and uncensored distribution of news and fair comments. He believed that participation strengthens the process of development and goes a long way in promoting sustainable growth. This is brought about as individuals and groups are empowered and have a voice in the making of decisions that affect them.

Although public sector participation in the Summit process was still evolving, he stressed the imperative of seeking wider and active public sector participation in the shortest possible time. As legislators and representatives of the people, it was the duty of the legislature to make laws that provide the foundation for a strong legal system that will ensure that an enabling environment exists that could promote the free flow of investment.

He emphasised that the legislature was committed to co-operating with the executive in pursuance of good governance, observing that the poor relationship that had existed between the legislature and the executive had not affected the quality and passage of bills into law. It had also neither interfered with the clearance of nominees for political appointments nor the passing of Appropriation bills. He referred to the passage of the anti-corruption bill, the NDDC bill, and the various Appropriation bills as demonstrations of the legislature's commitment to good governance, regardless of the not too cordial relationship that had existed between the two arms of government in the past.

The senate, he said, would welcome good ideas on how to move the nation forward and achieve sustainable economic breakthrough. Democracy and the operation of a market economy should go hand in hand. He stressed that while market led reforms are being pursued, the government must remain the central player in the development process, providing the desired guidance and responsive regulatory framework, pointing out that "democracy and a market economy are like two wheels of a cart, and both must move together and depend on each other for forward motion".

He concluded by lauding the priority given to agriculture among the workgroups of the summit and stressed that the country must revive that sector as a growth strategy. He believed that removal of subsidies on fertiliser should be phased over a period. Nigeria must increase agricultural productivity so that the proportion of the workforce (70%) currently engaged in the sector can be reduced, for employment in an expanding industrial sector.

He thanked the organisers for the honour done him.

Towards Sustainable Growth and Poverty Reduction – ***Mr. Reinold H. Van Til, Senior IMF Resident Representative in Nigeria***

Mr van Til commenced his presentation by stating that he was still new in Nigeria but would endeavour to provide an international perspective on the Nigerian economy. He looked at the problems of the last two decades and observed with regret, the nation's failure to reap any benefits from its natural resources. He also looked at the implications of the population growth rate and the low per capita income and lamented on Nigeria's lowly position, compared to the rest of Africa, in terms of per capita income and living standards.

He looked at the opportunities offered by the return to a democratic structure of governance and elaborated on the ingredients for sustained economic growth as well as the role of government and the key economic policy priorities. Mr van Til then declared that, taking as a base Nigeria's published economic growth targets, it would take Nigeria 18 years to reach the per capita income levels achieved in Sub-Saharan Africa as a whole in 1999.

The IMF's resident representative then looked at the factors required to improve economic growth starting with the importance of social stability, law and order, accountability and transparency. He pointed out that research had shown that fast economic growth was not necessarily related to natural resource endowment but more strongly to sound economic policies and effective institutions. He pointed to a number of factors, which explains the divergent growth experience of many countries. These were investment in physical and human capital, macro-economic stability, and external openness. Others were transparency; the rule of law; enforcement of property rights and contracts and, the level of corruption.

He observed that, in Nigeria, education and health had deteriorated sharply over the last decade. He pointed out that Nigeria was close to the bottom, with respect to expenditures on health and education, when compared to other countries. He commented on the unfavourable investment/GDP ratios of Sub-Saharan Africa compared with those of Latin America and Asia and highlighted the low productivity of investments generally found in slow growing economies.

Mr van Til drew attention to the share of investment in GDP in Nigeria, pointing out that the private sector's share was only half of what was already a low average figure of 20%. With such low levels of private investments and the inefficiency of public investment, it would be difficult for Nigeria to achieve meaningful growth with the current levels of investment. He suggested that to attract investments, the rates of return need to be higher, although he believed that reducing the risk premium would be a much better solution.

He emphasised the need to achieve and maintain a low rate of inflation and macro-economic stability, as these were essential for the maintenance of the welfare of the poor and for investment decision making. He believed that the government's budget was a prime source of macro-economic instability, particularly in Nigeria with its mono-cultural economy where 90 kobo of every Naira spent is raised from oil export revenue. It was thus considered important that government spending should be carefully controlled to avoid inflation. He looked at the impact of "oil booms and bursts" on Nigeria's spending profile and argued that Nigeria should try to avoid these pitfalls in the future. He suggested that expenditure policy should be geared to medium term expenditure norms linked to a fiscal stance, which avoids fiscal deficits. This would allow the build up of reserves which, in turn, would help to cushion the impact of oil price variations.

Mr van Til stressed the need for openness and the avoidance of protectionist policies. He believed that trade liberalisation, reduced tariffs and the removal of non-tariff barriers were important to the increased efficiency and competitiveness of domestic production. He pointed out that the past protection of Nigerian industries had failed to build a strong industrial sector but felt that trade liberalisation would do much to provide the necessary incentives for a competitive manufacturing sector. He advocated an open door policy whereby exports from developing countries could access the market of developed countries.

He then looked at the importance of good governance to economic development as well as the effects on investment of corruption, political instability and the rule of law. The range of such uncertainties in Africa had led to investors looking to the short term and quick pay back periods. The image of Nigeria, with respect to economic risks, was considered to be extremely poor. The recent Transparency International survey which placed Nigeria at the bottom of the ninety countries surveyed did little to enhance the country's reputation. However, the establishment of an Anti-Corruption Commission had been a major first step in changing international perceptions.

In looking at an action plan for breakthrough economic growth, Mr van Til pointed to the need to interlink social and economic policies. He recalled the number of international pledges, for sustainable development, made at UN conferences in many countries, but pointed out that the set targets were far from being achieved. Nevertheless, he was aware that the necessary changes could not be made overnight; this made the sequencing of the necessary actions extremely important if any success was to be achieved.

He then listed five main pillars on which, he believed, private sector led growth could be achieved in Nigeria. These included stable and consistent macroeconomic policies higher public spending on health, education and essential infrastructure; getting the public sector out of commerce through deregulation and privatisation; trade and exchange liberalisation and the strengthening of government institutions accompanied by significant reduction in the level of corruption, increasing transparency and building capacity to design and implement sound policies.

Nigeria's Economic Conditions: The Challenges of Socio-economic Development – ***Professor Jeffrey Sachs***

Prof. Jeffrey Sachs, in a recorded message, presented a review of the Nigerian economic condition and the critical steps that ought to be undertaken to address some of the most challenging problems of social and economic development.

He started with the declaration that Nigeria had been in serious economic difficulty for so many years, that the condition had now become critical.

He saw the return of democracy, the anti-corruption campaign and the enormous goodwill of President Obasanjo as necessary but not sufficient for Nigeria to rise from its historic predicament.

He lamented that although Nigeria boasts of world class talents, most of them had migrated abroad as a result of years of economic and political hardship. Nigeria, he said, even with her enormous natural endowments, remained extremely impoverished and now ranks near the bottom of the world in terms of per capita income.

According to Prof. Sachs, one of Nigeria's problems was the confused perception of her situation, both internationally and at home. Most people, he said, look upon Nigeria as a fundamentally rich country but impoverished by entrenched corruption and therefore, believe that merely tackling corruption would be sufficient to create economic prosperity. Others, he said, equally think that with higher oil prices and the resultant new funds from the development of new oil fields Nigeria would attain national prosperity if such resources were applied to development.

Sachs argued, however, that an appropriate development strategy for Nigeria should necessarily include anti-corruption measures and the development of new oil fields, but both measures, he said, were important but were a relatively small part of what Nigeria needed for economic and social reconstruction.

He used estimates of Nigeria's crude oil sales to illustrate his argument that the country's oil receipts, even with the best management skills, do not support the picture of great wealth as being painted by the international community.

At a price of $25 per barrel, he argued that Nigeria's two million barrels of crude oil per day would yield $50million dollars per day. Subtracting production costs, and oil companies margins, he estimated that, what finally accrues to Federal Government's coffers is $30 million per day. Dividing this amount among 120 million Nigerians yields 25 cents per head; and multiplying this by 365 days he obtained $91.25 share of oil revenue per Nigerian per year. He concluded that, while this was not a negligible amount, it was obviously not a source of real economic development for Nigeria. He corrected the widely held view that Nigeria was a rich country that had squandered all its resources, arguing that Nigeria was a poor country that had squandered some of its resources.

He urged the participants and all stakeholders in the Nigerian economy to understand that real economic development would not just come from pumping oil from the ground, but through a process involving sustained investments in the health and education of the Nigerian people and in building up the human capacity for production. This, he said, encapsulated the critical economic and social problem: "how to foster a healthy and educated population that can be internationally productive and competitive in a much wider range of economic activities".

Professor Sachs was concerned about how Nigeria could be expected to face such a momentous challenge from the background of a tortuous past and under the crushing weight of an estimated $30 billion external debt burden. He insisted that Nigeria could not cope with both the development challenges and the repayment of a debt that was more than 100 per cent of its GNP.

Sachs proposed a three-legged strategy that must be adopted if Nigeria was to escape from it present predicament.

The social pillar of such a strategy, he said, would involve the creation of the necessary conditions for the development of the Nigerian child. The Nigerian child, he said, must be given the opportunity to grow healthy without the debilitating scourges of malaria, childhood diseases and HIV/AIDS. Public policy towards education, he said, must aim at ensuring opportunity for universal secondary education for every Nigerian child.

On the question of health, Sachs lamented the poor level of spending, which, he said, was shockingly only one percent of Gross Domestic Product (GDP). With an estimated $300 per capita he arrived at an annual per capita health spending of $3, which he described as poor and incapable of raising life expectancy, reducing infant mortality, rolling back the malaria scourge, and checking the rampage of HIV/AIDS in Nigeria.

He concluded that the challenge of the social pillar would consist in tremendous investments in education and the promotion of the primary health system and raising per capita spending on health to the neighbourhood of $50 to $70.

The business growth and development pillar, Sachs insisted, would involve three components. The first would be the establishment of viable industries and services in key urban cities. Lagos, he recommended, should be re-established as an important producer for the international market, and a dynamic export centre. This, he said, could be achieved by ensuring that the sea ports and airports were made functional, and the physical security of people and property was guaranteed. Also that a liberalised environment was provided in which investors could repatriate their profits while taxes are low.

The second component was the provision of infrastructure. According to Sachs, power and telecommunications were the key items in this sector. He insisted that government must end its monopoly in the power and telecom sectors and introduce incentives and other concessions to encourage the injection of private sector financing into the two key sectors. He remarked that government did not have to spend its money running these utilities but had only to get out of the way for the private sector to come in with appropriate financial and managerial resources.

The third component, he identified, was the development of agriculture. Observing that Nigeria's agriculture urgently needed the necessary technological push in the form of Research and Development for better disease resistant seeds, high intensity farming, etc. He remarked that although productivity in Africa was low, returns on R&D in sub Saharan Africa were as high as 40 percent per dollar investment. He, therefore, urged that the required increase in agricultural spending must include an emphasis on biotechnology for improved productivity.

The fourth pillar of Sachs' development strategy for Nigeria was the international community. He criticised the perceived assumption of the international community that Nigeria's oil resources would be enough to pay her debts and address the present economic crisis if only they were well managed.

He argued that Nigeria was incapable of addressing its present social challenges without assistance from abroad. He insisted that a fresh financial start in the form of debt forgiveness was essential for the nascent democracy to thrive and for the macro-economic stability of Nigeria. He said that although it would seem attractive and justifiable for Nigeria to unilaterally repudiate the debts, he would prefer a formal concerted action by the international community to clear Nigeria's $30 billion debts from the books.

He urged that the Nigerian government and all stakeholders and major institutions such as the National Assembly, state governments, as well as the private sector should develop well articulated and shared visions of goals and strategies for Nigeria's reconstruction, which he lamented, was presently absent.

Sachs believed that Nigeria had the potential to become a prosperous, dynamic and competitive country with its abundant human resources scattered all over the world.

He expressed happiness that there were efforts, such as the annual Summit, to synthesise ideas for Nigeria's development and expressed pleasure at having been invited to address the summit.

African Growth and Opportunity Act – *Dr. Lorenzo Bellamy*

Dr. Lorenzo Bellamy spoke on the recent African Growth and Opportunity Act [AGOA], which was signed on October 2, 2000, by President Bill Clinton of the United States of America. The AGOA aims to strengthen relations between the United States and African countries while providing incentives for the beneficiary countries to achieve political and economic growth. The agreement also provides security for those investing and trading with the nominated countries through the application of duty and quota free access to the US market under the Generalised System of Preferences Programme (GSP). The Act also establishes a forum for regular trade and investment policy discussions and promotes technical assistance to stimulate economic reforms.

The Act designates 34 sub-Saharan African countries as beneficiaries of AGOA [Title I of the Trade and Development Act of 200]. The 34 sub- Saharan African countries would enjoy trade preferences granted by the U.S. under the Act. The speaker said that the proclamation modified the Harmonised Tariff Schedule of the U.S. to reflect the apparel and textile trade preferences made available under Section 112 of the Act. It also delegates to the Office of the United States Trade Representative [USTR] the authority to publish (through a Federal Register notice) determinations regarding whether a country had established an effective visa system and met the other customs-related requirements under section 112 of the Act.

The textiles and apparel sectors receive particular benefit from the Act provided that the US Government is satisfied that the affected countries have adopted effective visa systems and also meet other customs related requirements. The Act provides a 17.5% duty advantage on apparel imports into the US market from African countries with an annual GNP of less than $1,500.

The speaker said AGOA uniquely provides incentives for African countries to achieve political and economic reform and growth. The Act, he said, also offered beneficiary sub-Saharan African countries duty-free and quota-free U.S. market access, essentially for all products, through the Generalised System of Preferences (GSP) programmes. It also provided additional security for investors and traders in African countries by ensuring GSP benefits for eight years and eliminating the GSP competitive needs limitation for African countries. In addition, the Act established a U.S.-sub-Saharan Africa Trade and Economic Cooperation Forum to facilitate regular trade and investment policy discussions and promote the use of technical assistance to strengthen economic reforms and development, including assistance to strengthen relationships between U.S. firms and firms in sub-Saharan Africa.

Explaining the apparel and textile preferences granted by AGOA, the speaker said the Act had lifted all existing quotas on textiles and apparel products from sub-Saharan Africa and extended duty/quota free U.S. market access for sub-Saharan African apparel made from yarns and fabrics not available in the United States. The Act, he said, also extended duty/quota free treatment for apparel made in Africa from U.S. yarn and fabric; and for knit-to-shape sweaters made in Africa from Cashmere and some Merino wool; as well as apparel produced in Africa from silk, velvet, linen, and other fabrics not produced in commercial quantities in the United States.

Other benefits of the Act include extension of duty free and quota free U.S. market access for apparel made in Africa with African/regional fabric and yarn. Such imports, however, are subject to a limit ranging from 1.5 to 3.5% of the multi billion-dollar U.S. apparel import market over an 8-year period. African apparel imports made with African fabric/yarns currently total about $250 million.

Dr Bellamy then explained the eligibility factors which had to be met for a country to qualify for beneficiary status. Essentially, they must show that they are making continual progress towards the establishment of a market based economy; have established the rule of law; eliminated barriers to US trade and investment; have in place policies to reduce poverty and protect workers' rights and have a plan to fight corruption. They must also have in place intellectual property protection; respect for human rights and plans for the elimination of child labour.

Vote of Thanks by *Henry C. Okolo*

Mr Henry Okolo thanked the President of the Senate, Senator Anyim Pius Anyim, represented by Senator A. Wali chairman, Senate Committee on Economic Affairs, Mr. van Til, Senior representative of the IMF in Nigeria and Mr Lorenzo Bellamy for their thought provoking presentations. He specially thanked Mr Bellamy for the insight he had given on the ALGOA agreement, which had just been signed by President Clinton of the United States.

Feedback from WorkGroups

The Chairman of the13 workgroups presented their reports to the plenary session during the morning and afternoon sessions after which a presentation of the recommendations of the Summit was made to President Olusegun Obasanjo, GCFR. The report of the workgroups is in section I of this Report.

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

Introduction

The discussion and recommendations of the various work groups at the Summit were presented to the President, Chief Olusegun Obasanjo GCFR by Prof. Ajakaiye, Mrs Funke Osibodu and Mr Dotun Suleiman.

The presentation focused on the Summit's theme, which was "Breakthrough Economic Growth: An Action Agenda". Prof. Olu Ajakaiye, who started the presentation, dwelt on the economic challenges facing Nigeria. He said that the over-riding objective of the nation should be a systematic and sustained improvement of the well being of the people. The strategy to adopt should use the private sector as the engine of growth with the public sector being an enabler to support and facilitate economic development.

In assessing the performance of the economy he pointed out that:

- Per capita GDP growth rate had been static at 2.7 – 3.0 GDP
- Capacity utilisation – unchanged at 34 – 32
- Gainfully employed labour force – unchanged 50%
- Inflation rate down from double digit to single digit.
- Marginal depreciation of the exchange rate took place at 8.5 – 9.5%
- Sustained growth in external reserves was achieved $4.8bn – over $8bn
- Transparency, accountability and general fiscal discipline had improved.

Continuing, Prof. Ajakaiye pointed out the need for a massive increase in non oil sector investment so that the growth of GDP could move up to 5.6%. This would not only create new jobs, it would assist the de-industrialisation process and broaden the industrial base.

He observed that government had made encouraging progress in several areas during the year 2000 such as:

- The pursuit of prudent macro economic management
- The commencement of the privatisation programme
- Increase in public sector remuneration
- Commencement of reforms in the power, telecommunications, and refining of petroleum.
- Implementation of the 13% derivation principle
- Signing of an IMF standby agreement
- Up-holding of the autonomy of the Central Bank of Nigeria
- Freeing up of the exchange rate.
- Passage of the NDDC Act.
- Passing of the anti-corruption bill, among others.
- The private sector had been enjoined to generate private sector employment at 7.0 million jobs per annum and mobilise $10billion investment annually to grow the economy.

Despite these achievements, he stressed that more would need to be done by all stakeholders to improve the economic environment. He stated that, although much progress had indeed been made, given the magnitude of the problems and the fact that the rest of the world was racing full speed ahead, much more needed to be done. The key challenge remained how to accelerate private investment.

What More Needs To Be Done By All Stakeholders

Continuing, Prof. Ajakaiye called for the maximisation of oil revenue to develop the non-oil sector and for the continued pursuit of prudence in macro-economic management. It was stressed that the current Nigerian attitude did not welcome business (especially non-oil) and that corruption, 419, customs, police, border posts, NAFDAC, licensing, etc. problems still constituted serious problems for intending investors. There was also the high cost of doing business as evidenced by infrastructural deficiencies, inefficiency at the ports, a high rate of smuggling which discourages local production, growing insecurity and pervasive corruption. These problems were compounded by the obsolete and inappropriate technologies in use in private industry, the slow pace of privatisation and democratic institutions and structures which were ineffective, not to mention corruption and the slow pace of dispensation of justice. Also, the cumbersome process of land acquisition for agriculture and industrial development as well as infrastructural deficiencies such as in power, telecom, transportation, water supply and the non availability of petroleum products which continue to impose severe constraints on the private sector.

Funke Osibodu and Dotun Suleiman then presented a list of recommendations aimed at solving these problems. These focused on the Agenda for Action which should inform the preparation of the 2001 budget and government policies beyond the budget period. These were summarised under the broad categories of building confidence, enhancing competitiveness and facilitating investment.

What More Needs To Be Done

Build confidence

Here, the Summit recommended that the government should put all political squabbles behind it and improve security and law and order. There should also be a crack down on "419" and other scams. The nation must deal decisively with corruption and enhance disposable incomes by reducing income taxes.

The government was enjoined to rebuild institutions and administrative processes with special emphasis on the judiciary and the civil service. The implementation of the privatisation programme and deregulation of the economy should be accelerated. In this regard the issuance of GSM licenses and the disposal of quoted companies were identified as areas in which a lot could be achieved within a very short period.

Other recommendations include the following:

That the government should:

- Expedite the reform and liberalisation agenda
- Conclude the debt rescheduling/restructuring programme and meet its debt obligations promptly
- Enhance Nigeria's competitiveness – it was pointed out that investment seeks out competitive economies and Nigeria needs to out-compete those countries seeking the same, finite investment capital. In order for Nigeria to be competitive, the cost of doing business in the country must be reduced. This requires that infrastructure be improved.

Also, Nigeria should exploit its areas of comparative advantage such as cheap energy, especially gas; abundant low-cost labour and abundant arable land. In order to enhance Nigeria's competitiveness, emphasis must be placed on fostering the acquisition of modern skills and technology with special emphasis on the acquisition of IT skills.

In this regard the Summit recommended the incorporation of IT in school curricula at all levels and the placing of zero duty on computers, telecom equipment and peripherals.

It was also recommended that government should
- Emphasise the modern sciences in universities, especially genetics and biotechnology, information communication technologies and environmental science
- Out – incentivise the competition
  - err on the side of the too liberal, too generous
  - reduce taxes and levies
  - zero duty on production machinery/equipment
  - max. 5% on industrial raw materials
  - cut corporate tax to 20%
  - lower port charges and levies
  - reduce cost of raising capital
- Fund regulatory agencies.

To facilitate investment, the Summit adopted the following action agenda, namely:
- Re-focus NIPC to become more facilitative and
  - measure success by volume of foreign investment and jobs created
- Re-orientate other facilitative agencies such as the
  - CAC
  - Customs
  - Immigration
  - NAFDAC

What More Needs to Be Done

- Eliminate irritants such as:
  - Expatriate quota, (prescribe only work permits)
  - Alien registration card
- Ease land acquisition process.

In conclusion, Mr. Suleiman referred to what the private sector had done to move the nation forward. The sector had taken part in active development of management capability in the public sector.

He pointed out that various banks were committed to an executive exchange programme with the BPE and the private sector has also jointly hosted the Commonwealth Business Council Investment Fora in Lagos, London and South Africa. He gave an assurance that the private sector would do more in the future.

He stressed that "investment seeks out competitive economies and investing is done at firm level. Firms seek competitive advantage and profit". The positive response could be slow at first, but this should pick up as confidence grows. "As stakes increase, so will the commitment for improving the system; competition as the ultimate discipline will ultimately promote national competitiveness," he declared.

Closing Address by the President, Federal Republic of Nigeria

The President Chief Olusegun Obasanjo, in his closing address expressed doubts about some of the issues raised in the Summit Report presented to him; in particular the information regarding the level of capacity utilisation in industry. He believed that following the efforts made by the administration, things were getting better and capacity utilisation was in the increase and not going down as suggested.

He also divulged what the administration was doing in pursuit of the anti-corruption war. He said that the system had dealt with the Corporate Affairs Commission, and NAFDAC which the administration had cleansed. The focus was now being beamed on the ports.

He lamented the impact of poor infrastructure on the cost of doing business in Nigeria and pledged the administration's commitment to improve the situation. He drew attention to the high rates of lending interests in the economy, pointing out that agriculture could not grow under such high rates. He expressed a commitment to bring the rates down and generally increase the competitiveness of Nigerian industry.

He agreed with the need for Nigeria to attract at least $10 billion every year but he emphasised that this should go to agriculture and manufacturing industry as opposed to oil and gas, as the former were better placed to generate employment.

In conclusion, the President characteristically told a story of a Police Sergeant who was very dedicated, incorruptible and prompt in the discharge of his duties. Like that sergeant, the administration would "Just Do It" as recommended by the Summit.

Post-Summit Gala Dinner Speech – ***Chief Philip Asiodu***

The Chief Economic Adviser to the President, Chief Philip Asiodu, in his post-summit dinner speech, observed that it had become a tradition for the pre-summit dinner to be hosted by the private sector and the post-summit dinner to be hosted by the government. He thanked Vice-President Atiku Abubakar for finding time to attend the dinner in spite of his heavy schedule. He also thanked Nigeria's foreign friends who attended the summit and described them as highly valued stakeholders in Nigeria. He then reminded the participants of the Federal Government's belief in an open economy and its commitment to the development of the country. The government, he also said, believed in the private sector as the economy's engine of growth. He therefore urged the private sector to take up the challenge.

Chief Asiodu, however, observed that the work of the 7th summit and the report which was submitted to President Obasanjo earlier in the day, indicated that the private sector was really charged and ready to be the economy's true engine of growth. He then thanked every participant, especially Ambassador Carrington, for sacrificing his valued time to attend the 7th Summit.

Post-Summit Dinner Address – ***Ambassador Walter Carrington (former US Ambassador to Nigeria)***

Ambassador Walter C. Carrington, former United States Ambassador to the Federal Republic of Nigeria, delivered a keynote address at the post summit dinner. He started by reminding those present that he had not attended any of the previous summits because he did not believe that General Abacha would give any summit deliberations more than lip service. He believed that General Abacha would merely use the summit to project an image of progress to the outside world.

Ambassador Carrington went on to suggest that, had the advice of previous summits been taken, Nigeria would not be in its present dire economic state – classified, as it is, among the world's poorest countries. However, he made it clear that he believed that Nigeria now has a President who is determined to set the economy right and to ensure that the benefits would accrue to all Nigerians and not just a select few.

He reminisced over his first visit to Nigeria in 1959 as the leader of a group of American students participating in a programme called "Experiment in International Living". He was very conscious of the expectations of the people as the day of independence approached but his clearest memory was of the optimism and pride and the desire for Nigeria to claim its rightful place as one of the world's leading nations. He then recalled his early childhood when he met relatives who had just returned from Nigeria after staying 20 years. It took some years for him to learn that many of the tales he was told by his cousins had little to do with the Nigeria with which he later became familiar.

During his youth he met a number of Nigerian nationalists when they visited his uncle's home in Brooklyn and it was as a result of these contacts that he developed a desire to visit this land which they were so determined to liberate. He then recalled his meetings with the various activist groups during his first visit to Nigeria and the impression made on him when he met the Sardauna of Sokoto, Sir Ahmadu Bello. However, he regretted not having had the opportunity to meet either Dr Azikiwe or Chief Awolowo, the other two key political figures in Nigeria's progress to independence.

He went on to recall the impression made on him by his first visit to the University College, Ibadan and he compared it favourably with other international colleges such as Harvard and Oxford. He however, suggested that his views of Ibadan might have been, to some extent, coloured by the fact that his future wife, Arese, was actually a product of the University College, Ibadan. He sang the praises of its graduates whose accomplishments, he believed, were legendary around the world. It was also one of the first places he wanted to visit when he returned to Nigeria as Ambassador in 1993 but the visit proved an unhappy one as he saw the rather poor condition of the once pristine establishment.

He suggested that the story of University College, Ibadan was a metaphor for the absence of a culture of maintenance throughout Nigeria's social and economic infrastructure. He compared its condition to that of the International Institute of Tropical Agriculture, also in Ibadan but maintained to an international standard. He next pointed to Nigeria's human resource base and, particularly, to the vast number of Nigerian professionals operating successfully in many corners of the globe. He believed that, where you find a community of Nigerian professionals, you will see the most accomplished immigrant group in whatever country they have settled. This led him to argue that it was now time to entice these professionals back to Nigeria but he recognised that they would not come until the environment was more congenial.

He then pointed out that 50 years ago the United States became the first country in which the poor became a minority group. Unfortunately, he was aware that in Africa today the poor represented a greater proportion of the population than they did 50 years ago. He suggested that as rural poverty increased more people were leaving the land for the cities thus swelling the numbers of urban poor. He referred to the aim of reducing poverty by 50% by the year 2015 but remained sceptical of the chances of attaining this goal given the failure of a similar programme in the 1970s.

Ambassador Carrington believed that the eradication of poverty must be the most urgent social imperative of the 21st century. He, therefore, suggested that instead of a Poverty Alleviation Programme (PAP) a more dynamic acronym might be PEP (Poverty Eradication Programme). He reminded those present that half of Nigeria's population lives on less than one dollar per day and should thus be considered destitute. Indeed, he argued that a good three out of every four Nigerians could be considered as 'poor' and went on to quote a number of apt descriptions of the differences between the poor and the very poor.

Turning to the theme of the Economic Summit, Ambassador Carrington cautioned that growth does not necessarily equate to development since inequitable growth could leave the poor worse off than before. He reminded his audience that no growth programme could succeed if half of the population was not involved. This, he argued, meant that the abilities of the female population must also be utilised since they constitute more then half of the population.

He was aware of the sceptics who did not believe in the concept of private sector led growth but rather saw a continued need for government to ensure that the interests of the total population were best served. He thus suggested that it was vital that any plan of action should be sold to all the Nigerian population and not just a select few. They need to understand that the plan will improve their chances of enjoying the promised "democracy dividend".

In closing his address, Ambassador Carrington cast his mind back to the period just two years after his first visit to Nigeria in 1959. At that time he had given up a budding career in law to become a member of the 'Peace Corps' with which he spent the next 10 years in the African continent. It was this experience which led him to become convinced of the benefits to Africa of a fully developed Nigeria, given its vast resource base, both human and material. He reminded his audience that the world's expectations of Nigeria were high but he believed that they would be met. He then challenged the participants in the Seventh Nigerian Economic Summit, to do their part to ensure that this was indeed the case.

Post-Summit Gala Dinner Remarks – ***Vice-President Atiku Abubakar***

Vice-President Atiku Abubakar, in his post – summit dinner remarks, narrated his first encounter with Ambassador Carrington a few years back when Chief Obasanjo was arrested by the Abacha regime and he [Atiku] was sent by Chief Obasanjo to go to the American embassy in Lagos to inform Ambassador Carrington of his arrest.

He noted with satisfaction that the Obasanjo administration's economic agenda, 1999–2003, was endorsed by the summit. He also observed that the administration's economic blueprint took guidance from the Vision 2010 Report in which many members of the Economic Summit played prominent roles.

He remarked that the summit itself had matured with time in terms of the depth and scope of its economic coverage. He regretted that for upwards of two decades Nigeria had not reaped the fruits of her endeavours, oil had continued to dominate the country's economy, while other sectors were neglected.

He reiterated the commitment of the Obasanjo administration to the diversification of the country's economy, with describing the current privatisation programme as one of the pillars of the administration's economic reforms.

In assessing the summit's activities, the Vice-President described the 7th Summit as the strongest he has seen, especially in terms of its recommendations for achieving sustainable economic growth. He observed that the topic of the summit indicated that the country was on its way to economic breakthrough also evident in the presentation of the summit's outcome to President Obasanjo earlier in the day. He was confident that the implementation of the summit's recommendations by the government would bring not only the growth of the GDP but also of overall economic development. He thanked the summiteers for their participation and hoped that by next year's summit there would have been increased economic growth and prosperity in the country.

Vote of Thanks by *Dr Hamilton I. Isu, Special Adviser (Economic Affairs) to the Vice President*

Dr Hamilton Isu, the Special Adviser on Economic Affairs to the Vice-President, gave the vote of thanks at the end of the post-summit dinner. He thanked Vice-President Atiku Abubakar for finding time to attend the dinner in spite of his tight schedule. He said the Vice-President's presence at the dinner was inspiring and

re-assuring of the administration's commitment to bequeathing a legacy of sound economy and decent living for all Nigerians. He also thanked the Executive Governors and their deputies who came from various states to attend the summit. He said their presence, apart from elevating the level of stakeholder participation in the summit, also demonstrated the national sense of purpose to which they subscribe in dealing with matters of national importance such as the economy.
He also thanked ministers, special advisers, special assistants and others whose participation had been invaluable, enriching and supportive of the overall objective of the summit. He then thanked Ambassador Carrington for his highly moving speech at the dinner, the organisers of the summit for their commitment and diligent planning efforts and all participants for attending the summit and resolving to join hands with the government in its efforts to rebuild and modernise the country's economy and its democratic institutions.

Section 2

Group Reports

The break-out sessions were held in thirteen Groups. Each of the Groups submitted its report to the plenary session. Below is a summary of the reports.

Group 1: Agriculture, Biotechnology and Food Security

Introduction

The Group expressed the view that the agricultural sector should have been the mainstay of the Nigerian economy given the abundant human and material resources available but pointed out that although many recommendations had been made by past summits, most had not been implemented.

Current Realities

The Group observed that the agricultural sector of the economy was characterised by the following:

- Insufficient and dwindling budgetary allocation
- Poor rural infrastructure, especially roads
- Inadequate financial services support
- Low productivity as a result of traditional agricultural practices
- Dwindling arable land
- Food insufficiency, poor preservation and storage

Achievements in the Past Year

The developments in the sector since the last summit, were reviewed. It was observed that emphasis had shifted to policy and institutional arrangements for agricultural development. For example, the necessary institutional arrangements had been completed, a policy for integrated rural agricultural development known as the Agricultural and Rural Transformation Programme (ARTP) had been developed, and the focus in 2001 was to establish the process of rebuilding rural infrastructure.

However, it was noted that Nigerians were yet to feel the impact of government's efforts in agriculture. It was concluded that the country had just started looking in the right direction; but had yet to take meaningful action.

Key Issues in Agriculture

The following key issues were identified in the development of a viable agricultural sector:

1. **The locus of responsibility for the agricultural and rural infrastructure development**
   A reason for the poor impact of policy initiatives on agricultural development was the concentration of the responsibilities at the centre with agriculture being on the concurrent list. Sufficient attention was thus not being given to the required supervision and extension services at the points of need.

2. **The availability of the right technology for agricultural development**
   It was observed that given the current global realities and the developments in bio technology, the country's research centres should not have been allowed to deteriorate to the extent that we may not have the appropriate technology to support agricultural development.

3. **The capacity of the farmers to access and afford the necessary inputs for agricultural development**
   Despite the attempts at providing inputs and information for agricultural development, these are not reaching the desired targets since the capacity of individuals to purchase is low and the information delivery system is inefficient

4. **Clarity on the responsibility for funding**
   There is need for clarity as to who has the responsibility for funding agriculture in the context of the identified public sector role of providing the enabling environment and the private sector role of serving as the engine of economic growth. In most developed economies, a large proportion of funding for agriculture and food security issues is still provided by the Federal Government.

Action Plan for the next 15 months

In view of the above issues, the following recommendations were made:

The 1999 recommendations should be implemented in budget 2001

- Release the proposed Agricultural and Rural Transportation Programme (ARTP) to all stakeholders, for discussion at various levels and apportion appropriate responsibilities for implementation.
- Government should give priorities to selected crops within each ecological zone according to the comparative advantage of each zone to address food security, domestic and export markets

- Bio-technology should be adopted as follows:
  - Short Term: Tissue Culture, Bio-fertilisers, Food security and preservation
  - Long Term: Genetic engineering, Biosafety
- Set aside 1% of GDP for Research and Development; out of which 50% should be devoted to agricultural research
- Encourage private sector-led demonstration farms to be established with linkages to R&D centres
- Government to encourage the adaptation of imported R&D knowledge
- Establishment of farmers-led commodity development and marketing companies for arable crops, tree crops, livestock and fruits and vegetables
- Poverty alleviation schemes should be extended to the agricultural sector
- Government to encourage partnership between research centres and organised private sector to publicise and commercialise research findings
- Quality control of farm produce should be carried out to enhance market value
- Expand area under cultivation and cropping intensity by encouraging large and small scale farming through improved irrigation infrastructure, agricultural inputs and cooperatives
- Enhance extension services delivery to cover market research, development process, harvesting, packaging, transportation, marketing and risk management
- Policy consistency and continuity for stability
- Resuscitate cottage agro-allied industries for processing farm produce to capture the regional markets
- Government should encourage and support the upgrading of livestock production, provision of pasture and bio-security
- Government should ensure guaranteed markets and guaranteed prices
- Ensure food security through increased local production
- Strengthen information systems to encourage communication among stakeholders

Private sector contributions

- Commercialisation of research findings
- Increased utilisation of installed capacity
- Collaborative efforts with research and development centres to enhance production
- Large scale farmers to engage in extension services and information dissemination to small scale farmers for technology transfer and job creation
- Investments in production of farm input, e.g. fertiliser, vaccines, seeds, agrochemicals, vitamins and minerals and small implements.

Group 2: Commerce and International Trade

Introduction

The group's discussion was focused on identifying those factors and issues that affect Commerce and International Trade.

The group agreed that "Globalisation", the concept of 'One World, One Market' is real and the challenge therefore for Nigeria is to speedily improve its competitiveness if it must be an active participant in the emerging 'one global market'.

Current Realities

It was agreed that for Nigeria to competitively participate and benefit from the "one global market", it must speedily address the following current realities of its internal and external economic environment:

- Infrastructure inadequacies (power supply, telecommunication, port facilities, transportation, and water supply)
- Lack of transparency in business practices and procedures
- Burdensome commercial disputes settlement procedures
- High/multiple tariffs and taxes
- Slow liberalisation/privatisation process
- Lack of respect for intellectual property rights
- Virtual absence in the e-commerce and other emerging opportunities.
- Multilateral rules of trade some of which are unfavorable to developing economies
- Low demand and high inventories arising from low purchasing power
- Lack of long term funds to replace ageing machinery and to expand productive capacity in response to bumper export demand
- Poor research and development efforts resulting in low quality products
- Lack of coherent and consistent national export policies
- Lack of awareness/information flows on existing bilateral trade agreements, export incentives and opportunities
- Untapped trade opportunities within ECOWAS and South-South trade zones
- Vested interests impeding full implementation of West African Economic and Monetary Union
- Over-dependence on single commodity (oil)

- Poor trade promotions of 'made in Nigeria' goods abroad, until recently poor patronage of 'made in Nigeria' goods by the government and citizens, porous borders and unpatriotic government officials that aid smuggling.

Where We Want To Be

The group agreed that Nigeria should rapidly improve its competitiveness in Commerce and International Trade and become a market leader within the sub-region and Africa, through co-ordinated and sustained efforts under a clear National Export Policy. It was agreed that conscious efforts should be made at:

- Improving the patronage of 'made in Nigeria' goods through re-orientation of mindsets of Nigerian's preference for foreign goods, and
- Achieving 20% in non-oil exports as a percentage of total export earnings (in 2003)
- Contributing about 1% of global world trade (by 2003.)

How To Get There

While recognising that some progress had been made in the implementation of past summit recommendations, the group strongly recommended that past summit recommendations that have not been implemented by either the government or the private sector should be revisited and implemented immediately. However, in order to address the challenges of globalisation and our current realities, the following specific action plan was recommended.

Federal Government

The Federal Government should:

- Formulate, codify and disseminate a coherent National Export Policy
- Institute regular dialogue among all stakeholders at the ports (customs, Licensed cargo handling agents, importers/exporters associations, etc)
- Revive and enlarge National Committee on Trade Procedures to include both public and private sector representatives
- Continue to modernise and upgrade cargo handling facilities at our ports
- Implement interconnectivity of NPA, customs, pre-inspection agencies and major shipping companies through computer facilities
- Review HS codes and trade data and bring them up to date in line with international practices
- Create a Commercial Department, staffed by officials with current economic/ commercial knowledge and private sector background (not career diplomats) in missions where Nigeria has comparative trade advantage

- Complete the Export Processing Zone facilities in Calabar and Onne for take off in 2001
- Establish commercial courts across the country for speedy trade dispute resolutions and enforcement
- Address the threats of the Union Monetaire des Estats de L'Afrique Occidentale (UMEAO) to the efficient implementation of the ECOWAS Trade Liberalisation Scheme (TLS)
- Ensure timely investigation and prosecution of reported cases of 419 scams and other related commercial crimes

Private Sector

The private sector should:
- Institute a monthly exporters forum under the aegis of the Chambers of Commerce and Industries
- Identify and promote specific products (textiles, beverages, tropical fruits, fisheries, solid minerals, etc) that can compete internationally
- Promote the development of IT village to harness Nigeria's software development potentials
- Take immediate advantage of opportunities provided by existing trade agreements and e-Commerce through continuous education and interaction of members

Key Recommendations

The following three recommendations were singled out as being very critical to placing Nigeria on the path of global competitiveness and, therefore, need to be immediately implemented jointly by the Federal Government and the private sector:

1. Immediate constitution of a committee to articulate a national export policy. Membership should be drawn from relevant government agencies (NIPC, NEPC, NEXIM, NEPZA, ECCC, etc) with active participation of the private sector.

2. Revisit the issue of arbitrary increases in port charges as well as immediate streamlining of multiple and burdensome taxes and levies

3. Complete the Export Processing Zone facilities in Calabar and Onne for take off in 2001 financial year. This will enable Nigeria to emerge as the regional trans-shipment country for other West African countries.

Group 3: Competitive Industrialisation

Introduction

The workgroup put the topic in perspective by defining competitive industrialisation as the attainment of an industrial system that is competitive, both domestically and globally. It is the "degree to which, under open market conditions, a country can produce goods and services that meet the test of foreign competition". It was emphasised that the challenge calls for diversification and exploitation of areas in which Nigeria has comparative advantage as well as the active promotion of exports and technological development. It drew attention to the fact that the issue of industrial competitiveness had become imperative in the light of the challenges of globalisation.

Current Realities

The group dwelt at length on the challenges of globalisation, during which it was observed that infrastructure inadequacy increased production costs of Nigerian industries by as much as 25% and that these industries were also exposed to the impact of low productivity due to reliance on outdated technology, high cost of inputs, multiple taxation and levies, the high cost of money, and the high incidence of dumping and smuggling.

Where We Want To Be

The group believed that Nigerian industry must become competitive to enable it to survive the impact of globalisation. In this regard, it was expected that government would protect local industries from the effects of unfair competition attributable to abuse of trade marks, international property rights and dumping and smuggling. Industry, on its part, must adapt to new technology, produce better quality materials and products and appropriately respond to the challenges of new markets (i.e. segmentation of markets), benchmarking against best practices and brand building in order not only to survive but, also to be able to compete effectively in global markets. The Nigerian industry must also embrace research and development, go for new information technology and adapt to new ways of doing business, (that is, production, marketing and distribution). A comprehensive review of laws, regulations and practices which inhibit the movement of private investment capital into Nigeria, as well as those which expose industry to unfair or illegal competition must be undertaken to provide a level playing field that will enhance industrial competitiveness.

The group also stressed the development of human capital to world standards, continuous improvement in the quality of products and brand building as key elements of the needed response to competitive industrialisation. Institutions such as MAN and NECCA, etc. must be strengthened to give support to industry.

Small and Medium Scale Enterprises (SMEs)

The group called for a more realistic definition of SMEs and the provision of support through capacity building and increased access to credit through the financial system. It recommended that SMEs should be encouraged to pool resources in areas such as research and the provision of needed infrastructure. The group also recommended the upgrading of the skills and professional expertise of Nigerian labour to meet the needs of competitive industrialisation.

How To Get There

Action Plan

The group identified emphasis in three key areas in the short to medium term; namely;

i. Understanding the dynamics of globalisation
ii. Accelerating the growth of SMEs
iii. Enhancing productivity

Under each of these categories, the following broad and specific action plans were recommended:

Understanding the Dynamics of Globalisation

The group recommended that the government should educate the populace on the dynamics, implications and the challenges of globalisation. Also, it urged the government, NESG, and UNIDO to work out an Action Plan to make the Nigerian workforce IT literate by 2003.

The group also recommended that the government should accelerate the process for the creation of the anti-dumping commission and other trade malpractices agencies, benchmark against best practices and empower the Nigerian Joint Tax Board to enforce compliance with the approved list of taxes. There should be sanctions for non-compliance. The group called for effective protection of Nigerian interests in international fora at which international trade legislation is discussed and adopted and the identification of areas of competitive advantage e.g. palm produce, cocoa, rubber, solid minerals, etc. within the next six months. There should be provision of a package of incentives within the next 12 months to encourage investment in these areas.

To accelerate the growth of SMEs, the group recommended that the CBN and the banks should within the next six months, finalise modalities on the new initiative for financing SMEs and that the government should urgently finalise the reform and rehabilitation of development finance institutions to give support to SMEs. Between now and year 2003, there should be cultivated a high level of business discipline in the management of SMEs and the encouragement of in-flow of foreign private capital to SMEs. Large enterprises should also, as a matter of urgency, develop a positive linkage with SMEs.

In order to enhance productivity, the group called for massive improvement of
- Infrastructure
- Quality of human capital
- Benchmarking
- Research and development
- IT, and
- The business environment generally.

These should be fully accomplished by 2003.

Institutional Framework

Finally, the group drew attention to the need to strengthen the joint partnership between the public and private sectors in the implementation of mutual programmes. The group, therefore, recommended the setting up of a joint public/private sector commission to follow up and monitor the implementation of the recommendations of the summit.

Group 4: Banking and Capital Market

Banking Sub-Sector

Where We Are

1. **Foreign Exchange**
   The country has multiple exchange rates regimes. These are:
   - CBN IFEM Rate
   - Interbank Rate
   - Parallel Market Rate

The Group noted that the widening premium between markets creates instability in foreign exchange management and observed that the system has been fairly well managed to avoid wide divergences.

Where We Want To Be

Foreign Exchange

Medium Term:
The objective should be to achieve full liberalisation and convertibility of the foreign exchange system.
There should be coordination of effort between forex markets to reduce wide differentials. This requires that monetary authorities and the government should

- Reduce documentation for access to CBN funds
- Strengthen borders to plug leakages
- Allow transferability of CBN funds into Interbank
- Undertake periodic interventions by CBN at market rates
- Introduce policy to increase supply of foreign exchange into the market through exports promotion, the EPZ and the LNG project among others.

Where We Are

2. **Interest Rates**

The Group observed that the general level of interest rates was too high to stimulate economic growth due to

- An unfavourable macroeconomic environment
- High cost of doing business
- High cost of Reserve Requirement (CRR)
- High level of Treasury Bills rate

Where We Want To Be

Achieve single digit interest rate environment by:

- Adopting macroeconomic policies that target single digit interest rates in the short to medium term
- Progressively reducing Treasury bills rate/MRR towards rate of inflation
- Reduce CRR and/or list eligibility for accepting commercial bills as part of CRR.
- Broaden available instruments (T/Certificates, Bonds, National Savings Certificates)
- Reduce the NDIC premium on insured deposits.

3. **Lack of Development Finance and Weak Development Finance Institutions (DFIs)**

Where We Are

- Inadequate funding of SMEs and the real sector
- Poorly supervised and managed DFIs
- Multiplicity of institutions (NBCI, NIDB, NEXIM, NACB, PBN, etc)

Where We Want To Be

- Encourage private sector involvement (for example the Banking sector should take the lead by contributing 10% of its profits toward funding SMEs
- Improve supervision of DFIs (i.e. set up autonomous boards to manage the institutions)
- DFIs should broaden their deposit base by issuing bonds that are eligible for satisfying statutory ratios (i.e. liquidity ratio)
- DFIs can access funds from Multilateral Agencies
- More proficient and professional management of DFIs

4. **Inefficient Clearing and Payment System**

Where We Are

- High transaction cost (COT, etc)
- Inefficient payment system (4 days to clear local cheques)
- Poor banking culture (low savings in economy)
- CBN accounts do not consolidate daily (delays in upcountry transfers)
- Cash economy (few non-cash alternatives)
- Slow acquisition of automation/electronic process, particularly the CBN

Where We Want To Be

- Articulate and implement a National Payment systems policy
- CBN to relinquish all involvement in the administration of third party payments
- Enforce dud cheque law
- Full implementation of the bankruptcy law
- CBN should take the lead in electronic/on-line banking services (improved internal communication – email, etc)

- The general public, especially government agencies, to accept cheques for payment of goods and services
- Government to lead by example to systematically and progressively reduce the use of cash.

Capital Market

1. **Inadequate Depth and Breadth of the Capital Market**

Where We Are

- Lack of long-term funds
- Inadequate liquidity and capacity of market
- Slow/bottlenecks in privatisation process due to political considerations
- Inactive bond market

Where We Want To Be

- Reduce transaction cost
- Reduce fees for raising capital
- Educate/Encourage SMEs on advantages in accessing capital markets
- Speed up privatisation process to ensure confidence in process
- Deregulate the pension fund administration and privatise NSITF to allow for competition.
- Review capital rules and regulations to ensure effectiveness
- Strengthen regulatory bodies:
  →Constitute SEC board
  → Gradually move toward self-regulatory environment by encouraging establishment of Self Regulatory Organisations.
  → SEC to be as autonomous as CBN, (Report to presidency)
  → Better funding of SEC by government for capital market development

2. **Appointments to Boards of Financial Institutions**

Fill government quota of board members with the appointment of proven and competent people.

Group 5: Human Capital and Technology Development

Background

The group observed that the 21st century is a knowledge century and Nigeria needs very skilled workers if she is to be relevant. The country must therefore focus on developing and enhancing its human capital, particularly in this sophisticated, information-technology driven age.

The major priorities should be to ensure the following for Nigeria:

- Ability to participate and compete in the global economy (global competitiveness)
- Better management of our natural and human resource endowment
- Entrepreneurship and job creation
- Research and development to be demand driven (i.e. not to be carried out in isolation, but to meet the needs of the market place).

The Philosophy

In order to determine the nature of recommendations, which would drive and influence the development of Nigeria's human capital – a generic philosophy is required. While it is acknowledged that a policy exists in government to this effect, it was nevertheless observed that such a policy is not well known or appreciated by the general populace. As a result, the following statement was crafted as a possible philosophy for the nation's human capital development:

> *Education must be deregulated and positioned to provide skills that are relevant to our national needs in the modern era. We need to provide qualitative mass education with special opportunities for the brightest people. The focus of all learning should be to ensure that it equips the populace with the knowledge and skills that encourage entrepreneurship with adequate rewards for teachers. Adequate funding must be provided by the public and private sectors and encouraged from individuals.*

The Issues

The high priority issues that need to be addressed in the next five years were identified, as follows:

Human Capital Issues

- Basic literacy
- Basic technical skills
- Management practices

Technology Development Issues

- Information and communications technology
- Biotechnology

Entrepreneurship and Job Creation

Human Capital Issues

Basic Literacy

There is a consensus that every Nigerian be literate i.e. able to read and write. There was agreement that Nigeria cannot afford any sort of illiteracy. It was however acknowledged that mass literacy would be a medium to long-term objective – as we may not have the necessary funding to achieve this goal within five years.

Recommended action plans include the following:

- Pay the teachers well
- Give them recognition
- Teach the teachers and involve them in various exchange programmes as part of their career path
- Provide basic infrastructure such as chairs, desks, blackboards, chalk, slates and exercise books

Basic Technical Skills

There is an existing technical skills gap within the Nigerian environment with particular relation to artisans and technicians. Not only are such technical skills e.g. plumbing, carpentry, masonry, etc scarce, but those that exist are practically obsolete. This is a major problem, as we will soon have artisans and technicians that can no longer provide good quality service or any service at all.

Recommended action plans include the following:

Skill development or trade centres should be reactivated to teach and upgrade skills. Funding of these centres should be by:

→ Public sector

→ Private sector through endowments, which would be encouraged by providing tax breaks for endowments by companies or individuals. To ensure coordination and some accountability to the nation's larger objectives, such tax breaks would be available only to donations made to schemes approved by the government

- To ensure that trade centres meet the objectives of effectively teaching required for technical competencies, certain key resources must be made available, including power, water, necessary maintenance and good teachers
- Teachers at such centres must be continuously retrained
- As a way of ensuring proper planning, the National Manpower Board shall provide statistics on job needs and opportunities based on data received or researched on the private and public sectors resource requirements

Management Practices

A critical focus in developing the nation's human capital is to build capability in the area of management skills and practices. There was an agreement that nations were in true terms never underdeveloped; rather, they were under-managed. This dearth of managerial skills was noted as characterising both the public and private sectors although more acute in the public sector.
Recommended action plans include the following:

- There is a need to identify and institute Performance Management Systems in the public sector that would promote accountability, responsibility and provide for rewards and appropriate sanctions
- Management training to be encouraged in the private sector through tax breaks where companies provide proof that they have indeed expended certain amounts as training investment. In the public sector, a precondition for promotion would be proof that certain curricula in management training has already been received at certain levels
- Private sector to drive the process of receiving quality management training by setting up consortiums that will support management skill training. Such arrangements should be similar to the banking sector's relationship with FITC and duplicating the LBS model
- The public and private sectors to provide non-financial reward and recognition for excellence in management within the public sector. This will create incentive and motivation
- Cross posting of personnel between the private and public sectors to provide an avenue for coaching and monitoring workers from the public sector in management skills. This can also be integrated into the non-financial rewards identified above
- Teaching basic organisational practices / skills in schools

Technology Development Issues

Information and Communications Technology

It was agreed that basic information technology skills must be available to the generality of Nigerians at all levels within the country. Recommended action plans include the following:

- Remove all forms of duties on computers, computer peripherals books and printing materials
- Remove taxes from telecommunications equipment to increase the tele-density that drives information technology
- Introduce computer education in secondary schools nationwide. This should be done:
  - in phases
  - with endowments encouraged through tax breaks for companies and individuals
  - through donations by companies of old computers
- Create specialised information and communications technology institutions
- Create the right conditions for international information technology organisations to set up in Nigeria

Biotechnology

Biotechnology was identified as a field of critical importance to national development and an area that should be focused on with clear and measurable deliverables within two to three years. Recommended action plans include the following:

- Focus on medical and agriculture research
- Devote at least 1% of GDP to research and development with priorities on medical and agricultural research
- Counterpart funding to be provided by government for research projects initiated by the private sector
- Collaboration between research institutes, government and private sector – American model

Entrepreneurship and Job Creation

Nigeria must produce employers of labour to catalyse economic growth and development through self-employment and job creation. The country must move away from an era in which the generality of its work force are job seekers.

Recommended action plans include the following:

- Provide training in basic technical and commercial skills
- Use existing facilities more efficiently to facilitate required training – such as the previously mentioned trade schools
- Provide micro funding for cottage industries
- Entrepreneurial exposure should be provided at the secondary and university levels with an emphasis on business experiments, projects and practical applications

Group 6: Infrastructure Development

Current Realities

The workgroup first addressed the current realities in infrastructure development in the country. These include the lack of commercial orientation in service production, inadequate supply of services relative to demand for such services, excessive regulation leading to high cost of services, obsolescence/poor maintenance of equipment, inadequate investment in modern equipment and undue interference of supervising ministries in the affairs of parastatals.

Achievements in the Past One Year

The group observed that within the last year, the government had invested about N80billion on ports infrastructure rehabilitation, NEPA has ordered one million pre-paid electric meters and Independent Power Producers were being encouraged to add more generating capacity to the national grid. Also, there had been speedier and more reliable mail delivery system and there had been more participation /interactive regulation between NCC and operators in the telecom industry.

Where We Want To Be

In setting short-term goals for the country in infrastructure development, the group would want 80% of Nigerians to have access to electric power, an increase in telephone lines by 2.5million and full internet connectivity at competitive prices, all year round potable water for all citizens and modernisation and massive expansion of transport facilities.

Other goals include mass orientation towards imbibing a good maintenance culture, expedited mail delivery system to shorten delivery time to three days for interstate and one day for intra-city delivery and include e-mails and savings bank facilities at the post offices. The year 2001 should be targeted as a year of information technology and telecom availability to all Nigerians.

Action Plan

The action plan, which would ensure that the set goals were achieved, was also articulated. This included ensuring a clear and consistent legal and regulatory framework for the various infrastructural sectors, sensitising government to the practical requirements of rapid project development and implementation and re-education in transaction costs across the board.

Others include the total deregulation of infrastructural services across the board and review of all laws inhibiting competition as well as political will and commitment on the part of the government to implement fully agreed policies.

Action Plan For The Next 15 Months

Sector	*Action Plan*	*By Whom*	*Time Frame*
Telecomm	• Complete Mobile lines auction and allow fast track roll out of services	BPE	Dec. 2000
	• Appoint advisers for restructuring and privatisation of NITEL and publish time table for implementation		March 2001
Postal Services	• Adequately equip NIPOST as part of implementation of commercialisation business plans.	NIPOST	June 2000
Water	• Implement the National Borehole Scheme as recommended in Vision 2010	Federal Ministry of Water Resources	March 2000
Transport-Road	• Accelerate road rehabilitation and Network expansion project	FMWH	Immediately
	• External private toll collection concessions to include private road maintenance and value added service provision	FMWH and Private Investors in the Road Transport Sector	1st quarter of 2001
Railway	• Speed up action on the implementation of existing railway Chinese contract	Presidency	1st quarter of 2001

	• Government should encourage Build Operate and Transfer, (BOT), regulate and privatise the railway corporation, track and stadium operations while licensing private railway operators to run network.	NRC and Private Investors	Latest 3rd quarter of 2001
Aviation	• Set-up, equip and train a National Disaster Recovery Agency. • Review Airport Tariff to ensure international competitiveness.	FAAN	Jan. 2001
Sea Transportation	• Commerce ports modernisation	NPA	Jan. 2001
	• Rationalise number of security agencies and implement one stop shop for physical clearance.	NPA	Jan. 2001
	• Develop a strategic shipping fleet, of deep sea tankers and container ships, with market role characteristics which accord with national export and import trade output.	NMA	Dec. 2001

Government should emphatically direct the windfall from the present oil revenue to finance the provision of infrastructural facilities outlined above.

Group 7: Solid Minerals Development

Current Realities

The work group began by identifying the current realities in the solid minerals sector. It observed that, although the country has enormous reserves of various solid minerals, only a few of them have been investigated with their reserves proven. It also observed that the sector has remained undeveloped. However, it noted that the Obasanjo administration was positively disposed to the development of solid minerals in the country.

It was, however, observed that the sector is facing some problems which, in part, have contributed to the slow development of solid minerals in the country. Among the problems are limited funding, inadequate and insufficient geological mapping of the country, proliferation of illegal mining, legal and regulatory framework, especially as regards lease on land for mining, adequate transferability of titles and security of tenure. Others include:

- Institutional problems which often hinder implementation of policies
- Inadequate use of available local manpower

Achievements in the Past One Year

The group acknowledged that some progress had been made by the Federal Government in the last one year in the solid minerals sector. For example, a new minerals and mining decree has been released and the Nigerian Mining and Geosciences Council inaugurated to regulate professional practice in the sector. The Nigerian Mining Corporation and the Nigerian Coal Corporation are being restructured while the Department of Geological Surveys is being established as a distinct agency.

Other achievements include the collaboration between the Solid Minerals Development Ministry and the World Bank for the reformation of the mining sector, inauguration of the Minerals Resources Committee in each of the 36 states and the privatisation of 80% of Okaba Coal Mine in Kogi State through a production sharing contract.

Where We Want To Be

The group called on the Federal Government to accelerate mining sector reform, establish and computerise mining cadastre and provide basic infrastructure to mining sites. It urged states and local governments to organise informal miners into co-operatives so as to check illegal mining activities.

The group also called on the Solid Minerals Development Ministry to urgently create a website on solid minerals in the country. Comprehensive information on the sector should be available on the website, especially on how new investors could enter the industry. In addition, the Ministry, acting solely or in partnership with interested private sector partners, should mount solo exhibitions overseas to attract foreign investors to the sector. The group believed that international agencies such as MIGA would be interested in co-sponsoring such exhibitions.

On the lack of long term funds to small scale mining companies, the group would want every bank to maintain an active solid minerals desk and be ready to finance small scale miners. This is in addition to funds to be provided to the sector by the reconstituted Development Finance Institutions (e.g. NIDB).

On the environment, the group recommended that the Ministry of Environment and the Solid Minerals Development Ministry should update the existing draft document on Environmental Policy for Solid minerals, which was developed by FEPA.

The group also charged the private sector to develop a local solid minerals market, promote and support the establishment of a Solid Minerals Development Fund and be willing to participate in the provision of infrastructure to mining sites, under agreed arrangements.

The group articulated the strategies necessary for the development of the sector within the next 15 months and recommended the following action plan:

Action Plan For Next 15 Months

Action	*By Whom*	*Time*
Provide Solid Minerals Databank by carrying out detailed geological mapping of Nigeria	Solid Minerals Development Ministry Nigerian Geological Surveys	2001 fiscal year
Aerial geophysical survey of the country	"	between now and end of fiscal year 2001
Facilitate		
• Establishment of solid minerals development fund ($200m)	Federal Government/ Private Sector	
• Facilitate establishment of Nigerian minerals and Metals Exchange	Federal Government/ Private Sector	2001 fiscal year

Public Sector Commitments

- States and Local Governments should
- organise informal miners into co-operatives
- Accelerate mining sector reform

- Establish modem, computerised mining cadaster
- Provide basic infrastructure to mining sites

Private Sector commitment to economic growth

The private sector should
- Develop local solid minerals market
- Promote the establishment of a solid minerals development fund

Group 8: Investment Flows – Domestic & Foreign

Introduction

The group discussed the current realities of investment flows (both domestic and foreign) in Nigeria, the constraints and specific actions that should be taken to increase inflow of investments into the country.

Current Realities

In analysing the investment environment in Nigeria, the Group found that it is characterised by:

Low level of investment
- Nigeria's GDFCF/GDP ratio averaged 9.4% from 1989-1998 and 5.2% from 1995 to1999
- Average ratio for five NICs for 1996 was 37%

Low level of Savings
- GNS/GDP ratio averaged 10.8% from 1989 to 1998
- Average ratio for five East Asian countries in 1996 was 38.8%

The group discussed the reasons for low levels of investment and savings in Nigeria.

- Low level of savings
  The low level of saving was attributable to low levels of income and purchasing power, unattractive rates of interest, compared to inflation rate; excessive budget deficit and large size of government, weak export sector and over-dependence on imports, capital flight, high cost of doing business, high income and corporate taxes relative to income profile and performance of the corporate sector.

- Poor Infrastructure
  The poor infrastructure was attributed to neglect by government, lack of incentives for private sector participation in infrastructure financing, None/partial implementation of capital expenditure proposals, and poor monitoring of infrastructure projects by multilateral institutions.

  Other factors responsible for low levels of investment and savings in the country include:

- Political and macro-economic instability/unstable and inconsistent policies
  - military intervention
  - unstable tenure of economic ministers
  - lack of harmonisation between fiscal and monetary policies

- Corruption/bureaucracy and multiplicity of approval agencies
  The system was characterised by
  - lack of transparency and accountability
  - excessive bureaucratic procedures
  - political intervention in internal monitoring mechanism
  - poor institutional framework for implementation of policies and programmes
  - weak external supervision and monitoring

- Insecurity of lives and property due to
  - Inadequate funding, training and equipment for the judiciary and security agencies
  - poor remuneration of security agents
  - weak enforcement of laws and regulations
  - traffic bottlenecks to Nigerian gateways.

- Lack of long-term funds which gave rise to the
  - narrowing of the capital market
  - government's and parastatals reliance on the money market
  - ineffective and bureaucratic development banks
  - high cost and risk of raising long-term funds

Recent Achievements

In its effort to strengthen the Nigerian Investment Promotion Commission (NIPC) to promote investment, the government has inaugurated a private sector oriented Board for the Commission and transferred the Commission from the Ministry of Industry to the Presidency in order to give it the necessary autonomy for effective operation.

As a result of the new democratic dispensation and the vigorous investment promotion campaigns by President Olusegun Obasanjo, there have been positive responses from the international investment community, resulting in numerous investment missions from Germany, France, United States of America, Japan, China, Argentina, Brazil, Spain, Indonesia, India, etc.

In addition, the NIPC has been provided with necessary funds to embark on overseas investment promotion campaigns. Despite these achievements, the group observed that the investment environment is still not conducive for the kind of massive investment flow required for an economic breakthrough for the country.

Where We Want To Be

Based on the reasons highlighted above for low levels of investment and savings in Nigeria, the Group recommended as follows:

- Make Nigeria a preferred country for investment
  - remove regulatory and other constraints to investments
  - make Nigeria competitive
- to attract foreign capital inflows
- to enable business output to compete globally

Achieve Average Investment Growth Rate of 25% p.a.
- adopt Vision 2010 projections for sectoral growth
- achieve GDFCF/GDP ratio of over 30%, as in NICs

How To Get There – Action Plans/Strategies

In order to achieve the targets that the group has set, the following action plans and strategies were recommended for implementation by the government and the private sector by December 2001:

- Improve the investment environment
  - complete the deregulation of the energy and telecommunications sectors
- Complete restructuring of NITEL/NEPA
  - privatise NITEL/NEPA
- Improve/expand private sector investment in infrastructure
  - ensure that NIPC operates as a one-stop agency
- Improve the Business Promotion Unit of NIPC to adequately market Nigeria globally
- Streamline all approvals needed for business commencement by foreign investors
- Implement existing provisions
  - immediately empower the Independent Anti-Corruption Commission
  - provide necessary funds and infrastructure

- coordinate with existing agencies
- commence implementation and enforcement of the Anti-Corruption Act in both the public and private sectors
- reform/recapitalise the development banks
- allow private participation in ownership (foreign and domestic)
- Institute private sector business ethics in the management and operations of the banks
- provide a funding scheme for resuscitation of ailing industries
- reactivate the bond market
- governments and parastatals should float bonds to finance capital projects
- the private sector, especially the trans-nationals should set specific investment and export targets for the year 2001
- adequately fund, train and equip law enforcement agencies and the judiciary

- Increase allocations for these headings
- Institute monitoring mechanism to ensure proper utilisation of the funds
- Improve private/public sector understanding and cooperation
- Reform the National Orientation Agency to be more aggressive in performing its duties
- Private sector should re-orientate its employees towards orderly behaviour
- Re-orientate all agencies to:
  - make them more courteous and responsive to the public
  - minimise inter- agency rivalry
- Adopt and implement tax reforms
  - reduce corporate tax from 30% to 20%
  - make Nigeria competitive
  - eliminate multiple taxes and enforce compliance
  - provide tax credit for new companies to encourage employment generation
  - provide tax benefits for pension funds.

- Promote/mobilise savings
  - encourage banks to reduce the spread between savings and lending rates
  - expand personal income tax bands (N100,000/band)
  - to accommodate the new minimum wage
  - reduce PIT top rate from 25% to 20%
  - reform the pension scheme
- Privatise the management of NSITF
- Diversify the investment portfolio of NSITF
- Allow contributors to draw from pension funds after five years for eligible purposes

Group 9: Legislative and Institutional Reform

Current Realities

The group discussed the current realities as regards security of life and property, availability of information and statistical data, corruption, bureaucracy and legal/regulatory framework. It noted the current insecurity of life and property. This, it blamed on the weakness of the police force. It examined the police and adduced its weakness to its low strength of about 200,000 personnel to a population of about 120 million people, under funding, lack of equipment to effectively fight or control crime, inadequate training, poor remuneration and welfare facilities, eg. accommodation, and corruption.

The group also noted with concern the emergence of militant ethnic militias in the country. These groups have been responsible for inter-ethnic clashes and jungle justice under the guise of law enforcement.

On availability of information or data, the group observed that economic statistical data and information were either lacking or unreliable. The Federal Office of Statistics is ill-equipped to meet the demands of a modern national data bank, while lack of reliable information and data is hampering informed business decision-making.

The group also observed that corruption is a cankerworm eating deep into the fabric of the society. It said that while bureaucrats erect "toll gates" in the form of artificial bottlenecks as avenues for extracting gratification, the private sector is equally guilty of corrupt practices. Although government has sacked some public officials for corrupt practices, it is yet to prosecute any offender. The "419" fraudsters are still having a field day. The image of the country has been badly dented, not least with the recent rating of Nigeria as the most corrupt country in the world. The group therefore hailed the enactment of the Anti-Corruption Act as a welcome development.

On bureaucracy, the group observed that the pace of processing applications for licences and statutory approvals has remained slow. Generally, there is low productivity and poor work ethics have persisted and there was a general lack of discipline in society.

Also, the group noted that the country's legal and regulatory framework is characterised by the following:

- Constant changes in policies outdated laws and regulations
- Lack/inadequacy of competition (anti-trust) and consumer protection laws.

- Non compliance with environmental laws
- Inadequacy of subject-specific laws
- Delay in administration of justice
- Malfunctioning of public infrastructure

The group observed that policies change too often, sometimes in the form of U-turns. The impact is currently being felt in the telecoms sector where the licensing process has twice been cancelled. Such policy reversals often hurt businesses and make the government less than credible.

Also, the country lacks laws to check monopolistic business practices. This has enabled state monopolies, like NITEL, to abuse their dominant market power with impunity. The impact of the Consumer Protection Act is yet to be felt in practice.

On inadequacy of some subject-specific laws, the group cited examples of communications and electricity sectors as areas for new laws to reflect the changing landscape for competition and service delivery in these sectors. It also observed that the Labour Act did not apply to all categories of employees. Even for the category of workers within its ambit, it offers limited protection. For instance, there is no framework for the provision of mandatory pension and retirement plans for employees and protection against unfair dismissal and sexual harassment.

The group also observed the delay in dispensation of justice in the country. It noted that judges were still poorly remunerated and inadequately supported with infrastructure and facilities, such as information technology, verbatim recording, up-to-date books and research assistance necessary to boost their productivity. Also, there is a general deterioration in the quality and status of physical and social infrastructure like water, roads, electricity, telephones, railways, health facilities and educational institutions while, law-making process is characterised by bottlenecks This is attributed to conflicts between the executive and the legislative arms of government. Also, there is lack of institutionalised mechanism for public enlightenment and consensus building before laws are passed, the legislatures are not well-equipped with library, information technology and research assistance/facilities, while the legislators lack specialised knowledge base, especially in economic matters.

Achievements Since Last Summit

- The group credited the government for achieving the following landmarks within the last one year:

- Resuscitation of the privatisation programme which was discontinued since 1993
- Enactment of the Niger-Delta Development Commission (NDDC), Anti-Corruption and Minimum Wage Acts
- Acceptance of the country by the comity of nations
- Respect for civil rights
- Improvement of the public sector remuneration
- Reduction in the number of agencies at the ports
- Appointment of consultants to advise the government on the legal and regulatory framework of the telecommunications and electric power sectors.

Action Plan for the Next 15 months

The group also marshalled the following action plans as milestones to be achieved within the next 15 months:

- **Improve Security of Life and Property**
  - Strengthen the police force through massive recruitment of personnel who should be well-trained, motivated and rewarded adequately; it should be equipped with state-of-the-art infrastructural facilities, for example, information technology, communications gadgets, patrol vehicles, ammunitions, forensic laboratories and conducive accommodation in the barracks, while discipline should be enforced by ridding the force of corrupt personnel.
- **Break Bureaucratic Bottlenecks Across all Government Departments/ Agencies**
  - simplify requirements and procedures for statutory approvals, licences and permits
  - make the procedures open and transparent in order to reduce corruption
  - Improve work ethics through leadership by example by appointing high quality candidates to leadership positions in government department,. discipline inept personnel, right-size government by relieving non-performers of their appointments, retain and reward high performers.
- **Reduce Corruption**

  In order to effectively combat corruption, the group advised the government to:

- faithfully implement and enforce Anti-Corruption Act against culprits, without fear or favour
- initiate/enhance the mechanism for "whistle-blowing" by providing dedicated private mail bags (PMBs) to which informants can send information by post, hot lines (which informants can call), and e-mail addresses (to which complaints can be transmitted electronically)
- reform of the country's criminal law and penal system to ensure that offenders are not only punished through jail terms, but are disgorged of their ill-gotten gains
- enforce the provisions of the Advance Fee Fraud and Fraud-related Offences Act, 1995 to combat "419"
- establish offices of the Anti-corruption Commission in each State of the federation, and liaison offices in all the Local Government Areas for easy accessibility.

- **Improve Availability of Economic data/information**

The government was advised to strengthen the Federal Office of Statistics (FOS) and other repositories of information. FOS must embrace information technology in data/information gathering, processing and dissemination, and establish linkages with international agencies performing similar functions.

The Internet should be used to widely disseminate information and data on the country. As an example, the Nigerian Investment Promotion Commission's website should contain all the investment incentives on Nigeria and relevant business laws that prospective investors can access before visiting Nigeria.

Finally, it was recommended that government departments and regulatory agencies such as the Nigerian Communications Commission (NCC) should be duty bound by law to gather and allow public access to information relating to the sectors they regulate.

- **Legal/Regulatory Framework**

Recommendations were made for the government to:

- ensure consistency and continuity of policies and laws in order to create a stable environment for business transactions
- respect sanctity of contracts in transactions between it and private parties

The government should also enact:

- anti-trust laws to curb monopolistic practices
- communications and power sector laws suitable for the post-privatisation era as soon as the consultants recently appointed by the government submit their recommendations

- laws to enable sports development without undue interference by the government, and
- labour law to promote equal opportunities, protect employees against sexual harassment and unfair dismissal. The new labour law must also provide for mandatory retirement plan and pension schemes to improve the well-being of employees in retirement.

- Repeal the Land Use Act to remove restrictions on land holding

- Amend the NIPC Act to facilitate day-to-day registration of foreign enterprises by the NIPC in the same manner that the Registrar-General, Corporate Affairs Commission incorporates companies every day even though the power to do so is vested in the Commission. In other words, the registration of foreign enterprises should not wait for the NIPC monthly Council meeting

- Re-organise NIPC to focus mainly on investment promotion functions
- Abolish the requirement of business permit by foreign investors by deleting Section 8 of the Immigration Act;

- Re-organise other government agencies whose activities impact on the needs of investors (e.g., the Federal Ministry of Internal Affairs, the Nigeria Immigration Service, the ports and agencies administering investment incentives, e.g. the Federal Ministry of Industries and the Nigerian Export Promotion Council) by simplifying their processes and procedures for improved performance

- Abolish expatriate quota and replace it with work permits as is done in modern economies. Exempt investors from target countries, like Europe and North America, from visa requirement

- Abolish alien registration requirement

- Amend the Nigerian Social Insurance Trust Fund (NSITF) to make contributions thereto optional, and re-organise NSITF to ensure prompt settlement of claims by retirees and pensioners; and

- Re-organise the Trade Marks, Patents and Design Registries and the Copyright Council into an Intellectual Property Commission with responsibility for registration, protection and enforcement of the criminal aspects of infringement of intellectual property rights. Publish the Trade Marks Journal on monthly basis, or otherwise allow trade mark registrants to advertise trade marks proposed for registration in widely circulating newspapers.

Infrastructure

The group recommended the acceleration of the privatisation of NEPA and NITEL and the institutionalisation of open and transparent licensing processes for specialised industries like telecommunications, electric power and oil and gas sectors and that the privatisation programme be extended to water supply, railways, road construction using such infrastrutural project finance schemes as Build, Own, Operate and Transfer (BOOT) or Build, Own and Transfer (BOT).

Administration of Justice

The group recommended the improvement.

- in the remuneration and conditions of service of judges
- Provision of verbatim recording devices, research assistance, up-to-date books and improved work environment for judicial personnel
- Institutionalisation of continuous education for judicial officers at all levels; and
- Encouragement of specialisation by judges and the establishment of specialised court divisions e.g. commercial, energy, communications, aviation laws.

- **Legislative Process**

The group recommended

- the need for more consultation and co-operation between the Executive and the Legislature
- training of the executive and the legislature on democratic values and ethics to educate them on their constitutional responsibilities and foster mutual respect between the two arms of government
- accountability and probity by both arms of government
- both resolution of fundamental differences between the executive and legislative arms of government through judicial process, and
- that mechanism for public participation in law making process should be instituted and institutionalised to enable concerned citizens and stakeholders to make their input before the laws are passed.

- **Private Sector Commitments for Economic Growth**

The private sector participants committed themselves to the establishment of a Code of Ethics and cooperation with the government to fight corruption, submission of inputs to new laws and reform of existing laws and helping government in building capacity among public service officials, through personnel exchanges, training and sponsorships.

Group 10: Management of the Oil & Gas Sector

Current Realities

In pursuit of the task before it, the group articulate the current realities in the upstream and downstream oil and gas sector and observed that the issues raised at the 6th Economic Summit were still relevant. These include the following:

Upstream

- Funding
- Community unrest
- Environmental concerns
- Indigenous participation
- Local content

Downstream

- Product pricing policies
- Product supply, transportation and distribution
- Pipeline security / Law and Order
- Environmental concerns

Gas

- Gas flaring
- Gas infrastructure (transport and distribution)
- Natural gas policy

Other general issues
- Natural Energy Policy
- Law and Order

Current Realities

In pursuit of the task before it, the group articulated the current realites in the upstream and downstream oil and gas sector and observed that the issues raised at the 6th Economic Summit were still relevant. These include the following:

It was believed that these issues remained relevant.

Downstream

- It was observed that there were still problems associated with the pricing of products, that the sector was still highly regulated and that product prices were still subsidised .

- NNPC remained the sole distributor of products and controls the supply, transportation and distribution channels

- Poor maintenance of the refineries and relevant infrastructure required for efficient supply and distribution which has led to 80% importation of products.

It was noted that 80% of the problem had been due to the destruction of pipelines, which led to disruption of the supply chain. The old and dilapidated vehicles used in the transportation of products had further aggravated the problem. Vandalisation of pipelines by locals had frequently caused explosions, resulting in the release of poisonous hydrocarbons into the atmosphere. Inhalation of these hydrocarbons lead to health problems such as cancer and other fatal illnesses.

Where We Want To Be

Stable supply/demand balance at competitive prices in a safe and secure environment

How To Get There

The group made the following recommendations:

- Deregulate the industry with adequate consumer / stakeholder protection
- Privatise Government owned companies
- Subsidise transportation
- Diversify product mix
- Establish a regulatory plan to protect all

Gas

Current Realities

It was observed that natural gas which was a waste product in Nigeria in the past is now fuel of choice because of its abundance, versatility and environmental cleanliness. However, there are high costs associated with storage, transformation and transportation. Facilities required for the storage, and transformation of gas are highly specialised and transport ship required for international distribution is expensive to produce and maintain.

The development of a domestic, regional and international gas markets is essential because if there is no ready end user then it is absolutely worthless. It would then be cheaper to continue flaring of gas as it would be worthless.

Other issues that were raised pertaining to gas included;
- Environmental
- Regulatory
- Infrastructural issues framework and - how to get gas to end users
- Financial issues regarding development of the market and infrastructure
- Security of the production processing sites

It was observed that problems in the gas sector are bound to increase as government plans to increase oil reserves, which will bring about an increase in released gas.

Where We Want To Be

Nigeria must aspire to achieve the following goals

- Establish a safe national gas grid of world class standard
- Make Nigeria first choice for gas in a competitive international gas market to attract international investments
- Fully utilise produced gas in the short term
- Achieve security of supply
- Develop and expand the domestic, regional and international market

It was the view that the money invested in the oil industry had been well managed but that the income generated had been mismanaged. It was observed that the country cannot have improved local content without a process of capacity building and that unless capital is injected into the industry, capacity will decline over time.

How To Get There

The group noted that the domestic market will be the easiest to develop as issues regarding transportation and transformation are not considered. The group recommended the following measures:

- Deregulate the distribution and transportation of

- Establish legal framework for the deregulation and privatization for the gas industry to avoid amending any policies in the future
- Put in place a national policy to ensure protection of the communities from the effects of processing, transformation and distribution of gas
- formulate broad policy on stakeholders' rights and expectations
- Develop and expand the domestic regional and international markets and provide protection for local stakeholders.

Upstream Presentation

Current Realities

It was observed that Current oil prices were higher than government's budgeted (Actual/Budget - N35/N20). This had brought about an increase in foreign exchange earnings and government revenue.

There has been increase in volume - OPEC having increased the quota for Nigeria in pursuit of the global price stabilisation policy. The need for a new MOU was also stressed. This will put pressure on the producers and facilitate inflow of investment in the economy.

It was observed that the release of the13% derivation revenue to oil producing states was beginning to ease the unrest in the oil producing communities.

The group noted that the 2000 Budget was not announced until July. This was considered as not good enough for business.

On cash arrears it was observed that the Government had started paying but the government was yet to put in place policy to ensure that arrears do not re-occur.

It was observed that the NDDC bill had been passed and signed, into law but that the approval of the nominee for chairman of the Commission was being awaited. It was emphasised that the Upstream Sector remains the engine of economic growth and foreign investment inflow into Nigeria and should therefore be well nurtured.

Where We Want To Be

The Group recommended that:

- The oil industry should be the true engine of growth of the economy
- Nigeria must continue to position itself to get maximum OPEC

quotas - Nigeria has intentions of increasing its reserve to 30 billion barrel reserves and production of 3million barrels per day

- Pursue maximisation of local content.
- Communities should be made true stakeholders in the Upstream sector of the Oil Industry

How To Get There

- Increase the production quota of current operating companies
- Provide adequate and timely funding
- Put in place, an efficient Budget process
- Device a strategy to encourage local participation in the oil industry

Group 11: Debt Management (Domestic and Foreign)

Current Realities

The group commenced its work by articulating the current realities in the country as debt management. It noted that the actual amount of debt owed to local contractors was not known. It however observed that the CBN held a disproportionate stock of the country's domestic debt. The group believed that the country's domestic debt was too high, as evidenced by the projected N100 billion set aside by the government for interest payment on domestic debts alone and noted that the statutory limit on domestic debt had been exceeded.

Achievements in the Last One Year

The group noted the positive development that treasury bills are now market determined. It also, observed the conflicting figures on the country's actual external debt stock, 73% of which is owed to the Paris Club, about 21% as penalties and fines for default. It noted that the scheduled interest payment amounted to about $3.5billion yearly but that actual debt service amounted to only $1.5billion yearly. This was leading to further growth of the debt stock.

Where We Want To Be

The group discussed where the country would want to be in its debt management. These include use of medium to low tenured debt instruments, more private sector participation through market determined rates, adherence to statutory limits on the categories of debt and certification and settlement of debts due to local contractors.

The group would also want the country's external debt reduced to a sustainable level, while overseas export credit agencies should be asked to extend cover. Stolen monies which form a substantial part of the country's debt stock should be recovered.

Action Plan For The Next 15 Months

The following action plan was developed to manage the country's domestic and external debts after thorough articulation of the issues involved. They are:

- **Domestic Debt**

  - reactivate the bond market within the next 12 months. Institute competitive bond rates.
  - implement national saving certificate before December 2000
  - enact law that will compel public and private employment to fund pension plans for their employees.

Others include verification and quantification of debts owed to contractors and securities issued in place of such debt, maintenance of fiscal discipline by the government and proper appraisal of all future debts based on positive rates of return.

External Debt

The group recommended that all the country's external debt should be properly appraised based on a positive rate of return and the debt management office should be appropriately funded and allowed to function optimally. The debt management office should also put in place comprehensive debt management policy incorporating a debt buy back strategy. Other measures recommended include convening of a conference within the next six months to crystallise a consensus on strategies for debt forgiveness/reduction, while the country's future debt negotiation teams should include the private sector for more rounded negotiation.

Group 12: Poverty Alleviation

Current Realities

The group noted that poverty alleviation was very crucial for the rapid growth and development of the country. Therefore, the conclusion was that "poverty anywhere was a threat to prosperity everywhere". It was against this background that the group discussed the current realities in this sector. It observed that poverty was pervasive, affecting all people, groups and greater than the available statistics. It also observed persistent problems of definition and measurement of poverty, as there was no proper or widely accepted definition of what constituted poverty. However, it agreed that measuring or gauging poverty levels included examining those indicators that helped in the analysis of people's access to and control over resources, benefits and opportunities within a given economy.

There was a consensus that between 1999 and 2000, poverty indicators had worsened. For example, it noted the following poverty indices:

- Deteriorating Human Development Index (from 146-151)
- Increasing Maternal/Infant/Neo-Natal mortality 70%
- Increasing HIV prevalence rate (7%)
- Increasing unemployment level
- De-industrialisation (27% capacity utilisation)
- Geographical and gender characteristics with high percentage in the North, among women and in the rural areas
- Policy bias towards growth rather than development
- Unemployment problem due to mismanagement of globalisation as emphasis might shift to imported goods at the expense of shrinking domestic industrial production

Achievements since 1999

The group listed two areas where the government had recorded some achievement since 1999 as increased awareness and advocacy, and government initiatives.

Under increased awareness and advocacy the group said poverty alleviation has become an issue at all tiers of government. Poverty alleviation committees had been formed at the national and state levels. There is increased collaboration with development partners on access of the country to micro-credit schemes.

The group also listed government initiatives aimed at alleviating poverty in the country to include the release of N10billion for the poverty alleviation programme in all states; rationalisation of poverty reduction initiative in some six selected state, like Abia, Cross-River, Yobe, Ekiti, Kogi and Kebbi. After the initial take off of the project another six states namely; Benue, Enugu, Gombe, Delta, Zamfara, Osun were expected to come on board. Other government initiatives include: finalisation and adoption of a poverty reduction policy, with set goals, objectives and modalities for public sector, private sector and civil society action on poverty and, finalisation of a comprehensive participatory poverty reduction plan. A Poverty Reduction Strategy Paper (PRSP) – would be used to garner support and action of all stakeholders. There have been establishment at States and Local Government Area level community based and participatory poverty reduction projects that would emphasise empowerment of the poor and increased access and control of resources and opportunity for welfare enhancement. Other achievements include the setting up of a National Governance Programme for poverty alleviation, the Universal Basic Education Scheme which has been launched and has taken off in some states and the National Programme for Immunisation (NPI) of the Federal Government aimed at immunising the children against such killer diseases as polio, whooping cough and measles.

Where We Want To Be

Against the background of the need to improve the living standards of the citizenry, the poor in particular, the group noted that poverty should be alleviated through empowerment of the poor to enhance their productive capacity. All citizens of the country should have equal access to and control over resources, benefits and opportunities and access to the basic needs of life, which include the following:

- Basic and functional education
- Primary health care services
- Food security (minimum calories as advocated by the United Nations)
- Potable drinking water.
- Renewable energy sources
- Rule of law
- Security of life and property
- Employment opportunities.

How To Get There

The group identified various policies and action steps within the next 15 months to alleviate poverty in the country. These include:

Agriculture

The group recommended that agriculture be made attractive to rural farmers. There must be a minimum price guarantee to farmers to hedge against downward price fluctuation. It was recommended that the government should provide high yielding seeds and seedlings to farmers nationwide and that farmers should be assisted with acquisition of improved and mechanised implements. It was also recommended that the government should provide free land clearing/weed control as these will minimise the cost of cultivation to the farmers. Government should also ensure adequate and regular supply of fertilisers and herbicides through farmer's distribution mechanisms.

In addition, the group said that there should be private sector involvement in the Nigeria Agricultural and Rural Development Bank (NARDB) and there should be commercialisation and dissemination of research findings to farmers so that the results would be applied to increase yield. Such research breakthroughs include the:

- manicotti techniques from Umudike Agric Research Centres
- stabilised earth (laterite) blocks for massive building projects in the villages (from NIBRRI)
- improved cassava cuttings from various research centres
- improved plantain suckers from ITA, etc.

Other recommendations include:

- review of The Land Use Act should be carried out to create access to land and minimise the delays in processing land transactions
- provide Micro-credit Schemes for all sectors and special incentives should be used to encourage credit providers
- provide incentives for export oriented products
- Local Governments should train, on a regular basis, hundreds of people in their communities on grassroots economic activities like: piggery, bee keeping, snail-rearing (snailry), rabbitry, free range poultry (chickens, ducks, goats), fruit farming (such as mangoes, oranges, bananas, plantains, cashew, etc), vegetable farming (for local consumption campaign) and grains (such as corn, beans).

- **Health**

The group recommended that the Federal Ministry of Health and information as well as NGOs should immediately embark on intensive and aggressive campaigns against preventable diseases such as AIDS, malaria, tuberculosis, and maintenance of reasonable sanitation/cleanliness.
It also recommended the following:

- 10% Federal Government budgetary allocation to the health sector
Responsibility – Federal Ministry of Health/NGO. (Time : 2001)
- Adequate Public Health Facilities and basic Health Care
Responsibility – Federal Ministry of Health/NGO. (Time: 2001)
- Health Insurance for the vulnerable
Responsibility – Federal Ministry of Finance. Time : 2001.

- **Education**

  The group recommended that the Federal Ministry of Education should, in year 2001 ensure compulsory enrolment at the primary school level for basic education. It also recommended that:

  - teachers' salaries should be on the first charge as this will make teachers more dedicated and the school children stay more in school all year round.
  - Education Trust Fund (ETF) should be transferred to Federal Ministry of Education to down size institutional framework for the administration of education in the country as the funds should be available for retraining of teachers and provision for basic infrastructure at all levels of education
  - schools nationwide should be renovated by the Primary School Boards
    Responsibility – The President/Fed. Ministry of Education. (Time:2001)
  - private sector involvement in skills acquisition/vocation programme
    Responsibility – Private Sector. (Time:2001.)

Private Sector Commitment to Economic Growth (Poverty Alleviation Perspectives)

The group recommended that banks should finance pro-poor services (tied to fiscal incentives). It called for increased private sector investment in energy/telecommunication, infrastructure and agro-allied industries.

Other commitments of the private sector include:

- partnership with core communities/public sector/NGOs
- sponsorship of skill acquisition programmes
- sponsorship of stakeholders meetings – bottom up approach to development funding
- procuring not less than 15% inputs locally from SME (fiscal incentives)
- funding Research and Development (R&D).

The role of the banks as catalysts for mobilising funds for economic development was brought into focus. The group felt that banks should do more to alleviate poverty in the country from their excessive profits . Without government intervention, the banks should set aside 25% of their profits as venture capital to be loaned exclusively to young entrepreneurs with creative ideas to establish their ventures if they are found viable. The loan should cover the cost of monitoring consultants whom the banks will employ to oversee the projects to ensure that they are well managed. It is believed that these young entrepreneurs are better placed to create more employment in the rural areas with the required enabling environment by the government.

The group also believed that private sector organisations can realise their poverty alleviation agenda/contributions through the "Poverty Alleviation Trust Fund (PATF)" being set up by the UNDP. The fund would allow them to choose specific types of intervention in communities, states or zones and thematic areas of their choice.

Group 13: Privatisation

The Group considered the summary at page 29 of the NESG Workgroup Discussion papers and adopted it as a reference document the group then decried the inappropriate/non-existence of a legal and regulatory framework and an inadequate regulator for the power, Oil & Gas, Mining and Telecommunications Sectors. It viewed with concern the lack of adequate dissemination of information on the progress of the privatisation programme. It observed that there were conflicting signals about privatisation within the executive arm of Government and this was not helping the process. Concerns were also expressed over the divestiture strategy adopted by government in those private companies in which it has a joint interest with third parties.

Achievements in the Past One Year

The Group observed that the following achievements were made

- Wapco, Ashakacem, BenueCem, CCNN and Unipetrol completed; core investor in place, full subscription expected
- FSB, NAL and IMB being concluded, no core investor to be appointed. – N6.5bn raised, about N5bn with Issuing Houses
- AP and NOLCHEM, core investor selection in progress. CCNN and NOLCHEM public offer in progress. About N11bn is expected to be raised
- Afribank, Assurance Bank, NigerCem and Calabar Cement being prepared. Ownership issues are being addressed
- Inadequate planning, weakened human resources and opposition of entrenched interests are key constraints
- Information dissemination and poverty issues are being addressed, even if belatedly by the NCP and BPE

The Group observed that international credibility is the key to success and so far, so good.

Action Programme

The Group recommended that Government should

- Present a focused timetable for each offer and implement the time -table in a consistent and focused manner. Avoid delays to offer closure timetable

- Undertake programmes to expose judges to information on privatization and investment issues

- Improve publicity and information dissemination to the Nigerian Public on the privatization program

- Build capacity within the BPE and the enterprises being privatised

- Ensure full support and commitment of the NCP on the implementation of the privatisation programme

- Sustain the current policy of allocation of shares on the basis of federal constituencies. However, the concerns of host communities about the effects of privatisation must be taken into consideration and all efforts made to carry them along in the process

- Government to recognise existing pension liabilities in the course of the divestiture programme. Other obligations like accumulated salary arrears, retrenchment and subsistence commitments should also be recognized. The obligations should be quantified and adequate provisions made for them in the federal budget.

Action Plan – Top Three Priorities

- Close first phase of the privatisation programme by listing the shares of relevant companies on the floor of the NSE.

- Commence and close phase II in Y2001.

- Fast-track PSP in the utilities sectors in an open, competitive and transparent manner without incurring long-term liabilities e.g. EPP and ROT in power, digital mobile licensing in telecom sector.

Questions and Answers

At the end of the group presentations at plenary, comments and questions were invited from the participants. Unfortunately, due to time constraints, most of the questions could not be answered. Below is a run down of the comments, questions and answers:

- **Privatisation**

Question: Some banks have insurance and property companies. Does this not militate against their efficiency in their core area of competence, which will complicate their privatisation?

Answer: This is not necessarily so. However, their new owners will define their core areas of focus.

Comment: The hues and cries following the selection of core investors for AP, BCC and others have put to question the transparency of the privatisation exercises in total. Other complaints include insufficient time for due diligence to prospective investors to examine the records of the companies. It is surprising therefore to see your conclusion – "so far so good". Certainly, there is room for improvement.

Question: Could it be right to assert that a core investor has been chosen for Benue Cement Co. when Dangote has not been recognised by the host community?

Answer: As far as BPE and NCP are concerned, the exercise is concluded.

Question: Does privatisation allow for indigenisation? Please clarify what the Decree states on this.

Answer: Yes, currently, foreigners are only accommodated as core investors.

Question: You did not mention the role of the recently introduced Abuja Stock Exchange. What do you think the role of the exchange should be in going forward? How does one ensure that one stock exchange does not affect the other, negating in the process, the much acclaimed advantage of competition?

Answer: There is a difference between companies already listed and those that are not. Whatever is the case, the company owners will decide where and when to list their company.

Question: What would the group recommend as a strategy for dealing with employment issues in privatised enterprises?

Answer: Retrenchment is inevitable in most of the companies being privatised, but this should be made as painless as possible; BPE will reach out to the unions of the privatised companies.

Question: When is the privatisation fund going to be made available to poor, indigent Nigerians to enable them to acquire shares in the firms to be privatised?

Answer: This is expected to be done in 2001.

Commerce & Trade

Question: I am shocked that your committee failed to address how to checkmate the dwindling fortunes of the industrial sector occasioned by the dumping, currently the bane of our industrialisation drive.

Answer: First, The Customs officials are supposed to checkmate dumping. Second, the Federal Government is now actively encouraging patronage of made in Nigeria goods by the public sector.

Question: What is the practical and best way to ensure that many more Nigerians participate in the privatisation exercise?

Answer: There must be adequate publicity for the programme. There must also be good empowerment of the people through loans and better salaries.

- **Foreign Trade**

Question: What should be the role of state and local governments in the promotion of Nigeria's participation in international trade?

Answer: Each is blessed with natural resources. They should actively promote what is in their areas in which they possess comparative advantage

- **Commerce**

Question: The absence of coherent and consistent policies is not restricted to exports alone, it covers imports as well. You did not address the issue of quality control and standardisation in order to meet international expectations for our commodities and products.

Answer: Patronise Nigerian goods.

Question: With no core investor selected for FSB, IMB, etc. which group will give strategic direction to these institutions? How are they selected?

Answer: Who?

Comment: Your recommendation on un-funded pensions liability is apt. It should, however, be noted that the problem among state governments is much bigger. Not only are most state pensions and gratuities not funded, states are bound to increase pensions (even though they are not funded) with every salary increase. Even though it is not a privatisation problem, I believe it should be addressed, otherwise the collapse of the public sector will be inevitable.

Answer: We agree totally!

- **Infrastructure**

Comment: To avoid the deterioration of major federal highways (e.g. to Benin/East) the Federal government should award maintenance contracts to reputable construction companies over defined periods (e.g. one year) in advance and monitor the firms along specified performance criteria.

Comment: The strength of a chain is the strength of the weakest link. Federal presence in Imo state is grossly inadequate. For example, out of the 92,180km of federal roads, Imo has only 507km of which barely 150km are in fairly good condition. The Onitsha/Aba and Onitsha/Port Harcourt) via Owerri roads are among the busiest highways in the country; yet, they are not dualised. I strongly recommend that Imo State, being the Eastern heartland and a unique location, should have its federal roads addressed.

- **Solid Minerals**

Question: How do we tackle the problem of differences in land tenure in various parts of the country?

Answer: The question is already being addressed by the Minister of solid Minerals Development.

Comment: It is clear that the problem of limited funding in the sector is that of ack of understanding by all of us – the regulators and the regulated. The echnicalities of funding mining are totally strange to bankers. This, in my pinion, will continue until there is a conscious effort by our financial experts to nderstand the funding needs and structure of the sector. Also, it is a known fact at the local banks cannot provide the huge funding needs of the sector.

uestion: If foreign capital is available with know-how, is it possible to have ata information and all necessary approvals to commence mineral exploitation ithin six months?

Answer: Yes, depending on the type of mineral and the location.

Question: Where and how do you place the Ajaokuta Steel company in the fabrication of process technology?.

Answer: Put it back on course.

Question: Your action plan is oriented towards 2001. However, the government has already drafted the year 2001 budget and the House has already adopted it. The priorities are therefore already set. Don't you think that this makes your recommendations useless? (at least for 2001). Would you agree to say that the coming Nigerian Economic Summits have to take place before the budget is drafted and adopted?

Answer: The budget is not finalised. The summit is to influence how to kick-start economic growth. The government is ready to take input from this summit to its budget implementation.

- **Oil & Gas**

Question: Your committee did not emphasise the fact that downstream activities like refining should be made competitive, then price will naturally become acceptable. No amount of campaigning or public enlightenment can undermine the basic fact.

Answer: Deregulation in the sector was halted by the Federal Government following labour unrest. While it is good to deregulate the sector there is the need to tread with care.

Comment: It is possible you want the issue of the small undeveloped and undevelopable fields to fall under the "increase of the local content". One would have expected it to feature on its own, considering the talk these days about marginal fields.

Response: Government should come up with guidelines and proper definition on this.

- **Human Capital and Technology Development Group**

Question: Making promotion dependent on having management training presupposes that the staff trains himself. All that a company that is not willing to promote needs do is not to train. Please elaborate.

Answer: Companies which refuse to train their staff or which refuse to embark on staff training should be penalised.

Question: Are you satisfied with the 2 per cent education tax being deducted currently from companies? How is it used?

Answer: There is no ready answer to the question, as we need to make more enquiries.

Comment: We in the private sector consider it scandalous and morally indefensible for the management of an organisation not to patronise its own products. Unfortunately, one of the fundamental reasons why our educational system is or has been in shambles progressively since independence is that the managers of the educational system at both federal and state levels - Presidents, Senate Presidents, Legislators, Governors, members of the Federal and State Executive Councils, Permanent Secretaries (including that of education) etc., do not send their own children to the public schools, for which they have responsibility. I hope Mr. President of the Federal Republic of Nigeria is listening. Please, save our future.

- **Legislative and Institutional Reforms: Corporate Law Reform**

Question: You talked only about the police force. I believe that the government will appreciate our input into what to do in the long term about the ethnic militant groups, neighbourhood watches, etc. for example, *ThisDay* of today has a caption: "24 Killed in Ethnic Clashes". This involved the OPC and the Hausa community. If you discuss this, then what is your recommendation?

Answer: No private or ethnic organisation should be allowed to usurp the functions of the police. The police should be strengthened to enable them do their job well.

- **Productivity**

Comment: Reward and incentives are also critical in enhancing productivity (e.g. bonuses, profit sharing, etc.) Please make the summary of these presentations available to us delegates/attendees.

Competitive Industrialisation & Globalisation

Question: Anti-smuggling laws are completely ineffective. So the advice is to adopt the US method of having quotas on different goods that we need to import.

At present, the government has opened up its borders to textile importation with the result that there is a lot of dumping and most of the textile factories have closed down. Similarly dumping of barley and sorghum is affecting usage of local substitutes. Globalisation ought to be handled with a lot of care.

Answer: Imposing quotas/licences on different goods to be imported may work in the U.S. It may not work in Nigeria. It may not be the best for us.

Question: Do you think that our fastest route to competitive industrialisation is the deregulation of the downstream oil sector because of our comparative advantage in oil. This could lead to:

i. Creation of an export oriented refined petroleum products sector to serve most of West and Central Africa
ii. Creation of secondary industries and SMEs that can serve the industries
iii. Creation of more sustainable jobs
iv. Raising of living standards in the country and most especially in the Niger Delta.

Answer: Yes. But, as was pointed out earlier, deregulation in the sector was halted following labour unrest. Just as deregulation in the sector is good, it must be handled with care.

Comment: It is observed that the Summit has not paid any attention to the issue of maintenance of industrial harmony in the polity. With frequent labour unrest, the competitiveness of the economy will surely be undermined.

Response: Labour as a topic was discussed by the work group. It is true that any labour crisis affects productivity. Unfortunately, the effects of industrial strikes by labour were not discussed.

Question: What is the Summit's recommendation to the government to abate the increasing wave of strikes in the Nigerian economy?

Answer: The summit's recommendation is that there is no alternative to industrial harmony. With labour unrest, production is affected and this invariably affects our productivity as a country.

Question: In mobilising funding for small scale industries, is it not discriminatory that banks have been singled out to contribute 10 per cent profits towards development of SMEs?

Answer: They [Bankers' Committee] had meetings with the government and they promised to use 10% of their profit before tax to fund SMEs. We thank them for doing so.

Section 3

Presentation to the President, Federal Republic of Nigeria, by *Prof. Ajakaiye, Funke Osibodu, Dotun Sulaiman*

Summit Theme: "Breakthrough Economic Growth: An Action Plan"

Summit Objectives

The Objectives of the Summit were to:

- Sustain the public – private sector dialogue and cooperation process in a democratic setting.
- Identify and define the macro economic framework necessary for sustainable growth and development.
- Define the economic priorities necessary for achieving breakthrough economic growth.
- Fashion out clear and sector focused strategies for achieving the targets set in the economic policy 1999 - 2003.
- Develop an action plan and a time table for implementation, monitoring and evaluation.

Presentation Outline

The presentation addressed the following areas:

i. Economic Challenges
ii. Private Sector Constraints
iii. What More Needs to be Done?
iv. What to Expect of Private Sector

In these areas, it focused on

A. Assessment of Economic Performance/Progress report to Date

B. What more needs to Be Done By All Stakeholders

- Overriding Priorities
- Build Confidence
- Enhance Competitiveness
- Facilitate Investment

C. What to Expect of the Private Sector

Economic Challenges
Overriding Objective

- Systematic and sustained improvement of the well-being of the people

Strategy
- Private sector to be engine of economic growth
- Public sector to enable, support and facilitate economic development

Economic Challenges
Major Economic Indicators
- Per capita GDP Growth Rate – Static (2.7-3.0 GDP)
- Capacity Utilisation – unchanged (34-32)
- Gainfully employed labour force – unchanged (50%)
- Inflation Rate declined from double digit to single digit
- Exchange rate depreciation rate reduced (8.5 – 5.9%)
- External reserves almost doubled ($4.8bn – over $8bn)
- Interest rate spread reduced to low double digit
- Transparency, accountability and general fiscal discipline improving

Major Challenge for Private Sector

Massive increase in non-oil sector investment so as to:
- Improve real DGP growth (5-6%)
- Increase new job creation
- Arrest de-industrialisation process and broaden the industrial base

Private Sector Challenge

The Non-oil Challenge is to:
- Generate Private sector employment at 7.0 ml jobs per annum
- Mobilise $10 billion annual private investment

These require major private investment breakthrough.

Encouraging Progress to Date

Prudent macro economic management
Commencement of privatisation programme
- Increase in public sector remuneration

- Commencement of power, telecom, refinery reforms
- Implementation of 13% derivation
- Signing of IMF standby agreement
- CBN autonomy
- Freed-up exchange rate
- Passage of NDDC Act
- Planned increase in police force
- Passing of anti-corruption bill, etc.

Private Sector Constraints

- Current Nigerian attitude does not welcome business (especially non-oil)
  - Corruption, 419, customs police, border posts, NAFDAC, licensing, etc.
- High cost of doing business
  - Tax and duty reform not yet evident
  - Infrastructural deficiencies
  - Inefficiency high at port level
  - High rate of smuggling discourages local production
  - Obsolete, inadequate private sector technology
  - External debt not yet rescheduled
  - Slow pace of privatisation
  - Democratic institutions and structures not yet effective
  - Growing security concerns
  - Corruption remains pervasive
  - Slow dispensation of justice
  - Cumbersome process of land acquisition for agriculture and industrial development
  - Infrastructural deficiencies and regulatory framework for competition
    - ☐ Power
    - ☐ Telecom
    - ☐ Transport
    - ☐ Refineries and distribution
    - ☐ Water

What more needs to be done by all stakeholders

- Given where we are coming from, a lot of progress has been made
- But given magnitude of the problem and fact that rest of the world is racing full speed ahead, a lot more can and still needs to be done

- Key challenge remains how to accelerate private investment

Overriding Priorities

- Maximise oil wealth and use to develop the non-oil economy
- Continued prudence in macro-economy management

Build Confidence

- Deliver immediate visible results
- Put all political squabbles behind us
- Improve Security, law and order
- Crack down on 419 and other scams
- Deal decisively with corruption
- Enhance disposable income
- Reduce personal income tax
- Rebuild institutions and administrative processes
- Judicial process
  - ☐ Automate the courts
  - ☐ More, better funded courts; more, better judges
  - ☐ Create specialised courts
- Rebuild civil service systems and structures
- Accelerate privatisation and deregulation
- Issuance of GSM licences
- Quoted companies
- Stay the course
- Expedite action on the reform and liberalisation agenda
- Conclude debt rescheduling and meet debt obligations
- Commit publicly to target completion dates

Enhance Nigeria's Competitiveness

- Investment seeks out competitive economies
- We need to out-compete those countries seeking the same, finite investment capital
- Reduce the cost of doing business in Nigeria
- Fix and modernise our infrastructure (power, telecoms, transportation, water
- Refineries/pipelines
- Enable exploitation of Nigeria's comparative advantage
  - ▪ Cheap energy, especially gas
  - ▪ Abundant low-cost labour
  - ▪ Abundant arable land

- Foster modern skills and technologies
- Put a special focus on skills acquisition, especially IT skills
    - Incorporate IT in school curriculum at all levels
    - Zero duty computer, telecom equipment and peripherals
- Emphasise the modern sciences in universities
    - Genetic and biotechnology
    - Information and communication technologies
    - Environmental science
- Out-incentivise the competition
    - Err on the side of the too liberal, too generous
    - Reduce taxes and levies
        - Zero duty on production machinery/equipment
        - Max 5% on industrial raw materials
        - Cut corporate tax to 20%
        - Lower port charges and levies
        - Reduce cost of raising capital
            - *Government to fund regulatory agencies*

Facilitate Investment

- Refocus NIPC to become more facilitative
    - Measure success by volume of investment dollar and job created
- Re-orientate other facilitative agencies (CAC, Customs, Immigration, NAFDAC)
- Eliminate irritants
    - Expatriate quota, rely on work permits
    - Alien registration card
- Ease land acquisition process

What the Private Sector Has Done

- Actively develop management capability in the public sector-sponsored legislators at LBS executive programme
- Various banks committed to an executive exchange programme with BPE
- Workshop on deregulation/reform of downstream petroleum sector
- Jointly hosted the Commonwealth Business Council Investment Forum in Lagos, London, South Africa
- Actively collaborated on the Clinton visit co-hosted Business Roundtable

For the Future Private Sector Will Do More

What to Expect of the Private Sector

- Investments seek out competitive economies
- Investing is done at firm level

    - Firms seek competitive advantage and profit
- A positive response, slow at first, but should pick up as confidence grows
- As stake increases, so the commitment for improving the system
- Self interest then leads to self-regulation
    - Better ethics, more revolutionary compliance
    - Help with implementing and anti-corruption
    - More level playing field
- Competition as the ultimate discipline will ultimately promote national competitiveness

It is like ants and sugar.

Appendices

Appendix A

Programme of Events at the Seventh Nigerian Economic Summit – Abuja, October 15-17, 2000

Theme: "Breakthrough Economic Growth: An Action Agenda"

Schedule of Activities

DAY I, Sunday, 15th October, 2000	Pre Summit Activities
8.00am Registration	All participants
3.00pm Group Leaders' Meeting	All Co-Chairmen, Rapporteurs, Scribes and members of the Organising Committee
4.00pm Press Briefing	Members of the Organising Committee/representatives of Public/Private Sector
7.30pm Pre-Summit Dinner	All participants
Welcome Remarks	Bunmi Oni, Chairman, The NESG.
Special Guest of Honour	His Excellency, Atiku Abubakar, Vice-President, Federal Republic of Nigeria
Guest Speaker	Chief Justice Mohammed Uwais, Chief Justice of the Federal Republic of Nigeria
Vote of Thanks	Chief Olusegun Oshunkeye
Masters of Ceremony:	Asue Ighodalo, Jumoke Akinjide-Balogun, Okey Enelamah,Olu Agunloye, Maina Waziri, Tokunboh Adeola.

DAY II, Monday 16th October, 2000

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 His Excellency, President Olusegun Obasanjo, GCFR, President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria .	
9.05 a.m.	Welcome Address	Bunmi, Oni - Chairman, The NESG.
9.10 a.m.	National Presentation	Private Sector: Pat Utomi and Umar Abba-Gana
9.40 a.m.	Guest Speaker	Jim Burkhard
10.20 a.m.	Invitation of the President to give his Keynote Address	Philip Asiodu - Chief Economic Adviser to the President
10.25 a.m.	Keynote Address/Declaration of the Summit open	His Excellency, President Olusegun Obasanjo GCFR
10.55a.m.	National Presentation	Public Sector: Chibudom Nwuche – Deputy Speaker, Hassan Adamu – Minister of Agriculture, Mustapha Bello – Minister of Commerce, Jubril-Martins Kuye – Minister of State for Finance.

11.55 a.m.	Vote of thanks	Henry C. Okolo
12.00 p.m.	President departs	
12.05 p.m.	Announcements/Briefing on	Asue Ighodalo/Jumoke Akinjide-Balogun
	Workgroup discussions	Okey Enelamah Olu Agunloye /Maina Wazri/ Tokunbo Adeola
12.15 p.m.	Group discussion	**All Participants** - (lunch to be served in the committee rooms)
5.30 p.m.	Press briefing	Representatives of the Public/ Private Sector
7.30 p.m.	Workgroup discussion continues (dinner to be served in the committee rooms)	
DAY III, Tuesday 17th October, 2000		**States Plenary Session/ Closing Ceremony**
9.00 a.m.	Concurrent State Plenaries	All participants
11.00 a.m.	National Assembly Presentation	Senator Anyim P. Anyim, Senate President.
11.30 a.m.	Guest Speaker	Reinold H. van Til, Senior Resident Representative, IMF
11.55 a.m.	Feedback from Workgroups	All participants
1.00 p.m.	Lunch at Oriental Restaurant, Osun rooms, Niger Plateau and Lagos rooms.	All participants
.45p.m.	Closing Ceremony begins	All participants

4.00 p.m.	Arrival of President Olusegun Obasanjo GCFR President, Commander-in-Chief of the Armed Forces, Federal Republic of Nigeria	
4. 10 p.m.	Presentation of Recommendations of NES # 7 to His Excellency President Olusegun Obasanjo,GCFR, President Commander-in-Chief of the Armed Forces, Federal Republic of Nigeria	Funke Osibodu/ Dotun Sulaiman/ Olu Ajakaiye
4.55 p.m.	Invitation of the President to give his closing address	Philip Asiodu, Chief Economic Adviser to the President
5.15 p.m.	Closing Address/Declaration of Summit Closed	His Excellency, President Olusegun Obasanjo, GCFR President, Commander-in-Chief of the Armed Forces, Federal Republic of Nigeria
7.45pm	Post-Summit Dinner	All invited Guests and participants
	Special Guest of Honour	His Excellency, President Olusegun Obasanjo, GCFR President Commander-in-Chief of the Armed Forces, Federal Republic of Nigeria
	Guest Speaker	Ambassador Walter Carrington (former US Ambassador to Nigeria)
	Vote of thanks	Dr. Hamilton I. Isu
	Master of Ceremonies	Ambassador Gbenga Ashiru

Appendix B

Speeches and Presentations

Welcome Remarks by Bunmi Oni, Chairman, the Nigerian Economic Summit Group, at the opening of the 7th Nigerian Economic Summit in Abuja on October 15, 2000

Protocols

I am truly delighted to offer you all a very hearty welcome to this Pre-Summit Dinner. We welcome in particular our Special Guest of Honour, Vice President Atiku Abubakar, our Guest Speaker Chief Justice Mohammed Uwais, Chief Philip Asiodu, and all those who have travelled from abroad and from various parts of the country to Abuja, our symbol of unity.

The opportunity we create in our annual come-together to dialogue on economic issues is indeed can be tremendous, and I think it is important that we recognize the warranted value in our Summits. Given the depth to which we sank in years past, it has taken the several incremental steps in successive Summits, and the contribution of many stakeholders to affect policy direction. Now that we have taken the foundational steps to entrench democracy, it is not difficult to project the net present value of the benefit stream from future Summits. Clearly, the step change we so desperately need has not happened, and this may have created some degree of fatigue among those who should keep pressing to build on the efforts of the past. Let us not forget, however, that the summit process has made a significant contribution even in the difficult days of the past.

Everyone agrees that our economy has grossly under-performed, and I believe that the imperative of critical reforms must be obvious by now to most citizens. Our task is to disallow the few who thrived in the chaos of the past, and the handful who fear losing the control they have enjoyed for so long, in their enterprise to stall the Nigerian renaissance even if they do so unconsciously. That is why we must lift the weary hands, and sustain the public sector/private sector collaborative efforts to enable us to realize the potential we have so fondly spoken about. Many of the other problems we face will be easier to resolve if the economy does get to grow at the desired rates and in a sustained manner. Indeed, the African renaissance largely awaits the upturn of the Nigerian economy, which is why it has been observed that if the African land mass were to be imagined as a hand gun pointing south, Nigeria is where you can expect to find the trigger. We therefore carry tremendous responsibility in this regard.

I believe also that in progressing this task, information is extremely vital. The summit process is one of the avenues of fulfilling the critical objective of building a constituency of informed opinion, and The Nigerian Economic Summit Group stands firmly with all stakeholders without exception, to pursue this goal. Our work over the next two days will be quite demanding, and 1 must stop now not just because 1 am hungry, but especially because we have the nation's chief custodian of our laws who will speak to us. I am sure you would rather have a speech from him than from me.

I welcome you most heartily, once again. Please enjoy your dinner.

The Challenge of Modernity and the Centrality of the Legal System in the Context of Economic Growth by Hon. Justice M. L. Uwais, CON, Chief Justice of Nigeria, delivered at the Pre-Conference dinner of The 7th Nigerian Economic Summit on Sunday, 15th October, 2000 at the Nicon Hilton Hotel, Abuja

I feel highly honoured and flattered for being invited to be the Guest Speaker at the Pre-Conference Dinner of the 7th Nigerian Economic Summit, which, I have been made to understand, is an independent, non-partisan private sector organisation dedicated to fostering economic growth and development in Nigeria. I have been given a freehand to choose the topic on which to address you. I have also been made to understand that the theme of the Summit is – **"Breakthrough Economic Growth: An Action Agenda".**

The letter of invitation to me remarked as follows: "We are mindful of the fact that economic development is possible only within a framework of law and order guaranteed by enforceable contracts."

Your Excellency, Distinguished Ladies and Gentlemen, first of all, I seek your indulgence to narrate to you a lawyer's joke about a young barrister who had just decided to practise and had opened his chambers. He had decorated the chambers with expensive heavy oak furniture, a collection of costly art posters, and various other accoutrements to impress any potential client who walked through the door. He had placed advertisements and sent out engraved announcements about his new business, and he was sitting back in the chambers waiting for the first phone to ring or his first client to appear. Suddenly, he heard the doors of the lift closing and footsteps coming down the hall towards his chambers. He wanted to give the impression of a successful professional, so he grabbed the shiny new phone receiver and plunged into imaginary conversation.

"Yes, Mr. Abiodun", he intoned as the stranger entered the office, "I will attend to that business as soon as I have a free minute. I am sure you are aware that Chief Obi had wanted me to handle his estate. I had to put him off, since I am far too busy with other cases from Shell, Texaco, Chevron, Total, Mobil and other oil companies as well as Dominion and Utopia Banks Plc However, I will manage to sandwich your case between the others somehow. Yes, yes, certainly, its my pleasure sir, Goodbye." The conversation ended.

Certain that he had properly impressed his prospective client, he hung up the receiver and turned to face the stranger who was patiently waiting.

"Excuse me, sir," said the stranger, who was a NITEL technician, "I have come to connect your telephone!"

Now, I must confess to some trepidation when I received the invitation to be the Guest Speaker at this opening dinner of the Seventh Nigerian Economic Summit. My trepidation came in waves.

There was, first, that dilemma, that most dinner speakers face, of deciding whether to make a light-hearted speech, and be accused of usurping the role of the master of ceremony, or to deliver a serious speech, at the risk of ruining the digestive process of their listeners.

No sooner had I overcome that dilemma, not without great effort, than I remembered that, being a lawyer, I am expected to make intelligent and relevant remarks concerning, and probably as an appetiser to the serious business of fashioning a durable and effective strategy for a breakthrough economic growth of our country.

I overcame the second wave of trepidation when I remembered that the pervasiveness of law in almost every sphere of human endeavour is sufficient ground to justify the lawyer's claim to the right to pronounce on any subject under the sun. The lawyer does so, of course, from "the lawyer's perspective" and where is that economist who will deny the lawyer of his perspective! If in the course of this address, I make any statement which does not quite fit in with economic theories, I plead, in advance, the defence of "lawyer's perspective", and probably, "judicial licence", whatever that may be interpreted to mean.

Emboldened by the plea of "lawyer's perspective", I was prepared to plunge, headlong, into my address, with less than the required humility, when I had another look at the invitation and was reminded, therein, that I was to address "the leadership of Nigeria (private and public sectors) and her foreign partners and friends". The thought of addressing such an august gathering, consisting of men and women who formulate and implement policies in the public and private sectors, fills me with profound humility.

It is indeed an honour for me to be among you tonight and to have the opportunity of addressing this select gathering of men and women whose decisions affect millions of lives. Permit me to share with you in the next few minutes some random thoughts on such diverse but, somehow, inter-related, topics as "The Challenge of Modernity and the Centrality of the Legal System in the Context of Economic Growth", which is the topic of my address.

My understanding of breakthrough economic growth, put simply, is growth that is sustainable and durable. There is no breakthrough in flashes of good performance or in freakish economic performance due, for instance, to some windfall. Breakthrough connotes release from the oppression of an inhibiting factor. It is elementary, I believe, that any serious attempt at freeing our economy from factors which inhibit growth must start with an identification of those factors. It is futile for me even to try to enumerate those factors. They are so numerous and too well-known to you.

It is sufficient to bear in mind that the struggle of a developing nation to the status of developed nation must be marked by, not one breakthrough, but a series of breakthroughs, all inter-related and interdependent. To think of the struggle, in terms of a single breakthrough, is to prolong the struggle. There must be breakthrough economic growth, breakthrough in education, breakthrough in health delivery, breakthrough to good governance and political stability, breakthrough to a just society, breakthrough to a healthy and robust legal system, and so on and so forth. There is a myriad of them. Even in respect of each sphere, once the desired goal is set, breakthrough to that goal consists of series of challenges to be overcome.

In our day and age, perhaps, one challenge that must be met in every sphere is the challenge of modernity. Breakthrough to modernity is one breakthrough that a developing nation as ours can neither avoid nor ignore. As the world becomes smaller, developing countries struggle to forge a breakthrough to modernity, while they, at the same time, contend with the problem of managing modernity. Modernity has its own consequences, which bring, in their wake, social and economic problems. Managing modernity consists in anticipating consequences and rendering them less damaging.

I briefly illustrate what I mean. Breakthrough to modernisation in production may bring a desired increased production of goods or agricultural products, but it may also lead to unemployment. Technological modernisation may show the way to improved farming methods, but the gains from such modernisation may not manifest themselves where land holding remains fragmented. Modernity itself, if not mixed with the appropriate education of the citizenry, may lead to a new society with false and shallow values that come from acquired tastes and attitudes. It does not require any unusual perception to realise that the ripple effect of these and other numerous consequences will manifest, eventually, in increased workload for judicial institutions.

In an age in which technological breakthroughs in means of transportation and of communication have turned the world into a global village, developing countries struggle, with their meager resources, to keep pace with the rest of the world.

It is against the background of the challenges of modernity that we have to forge a strategy for breakthrough economic growth. The cost of inadequate attention to the problems of universal modernity may be too high.

At the forefront of tackling the challenge that our aspiration to modernity and breakthrough economic growth poses, is the question of national orientation. National orientation to work, national orientation to that economic patriotism, which despite globalisation, shows preference for home made goods instead of foreign goods, national orientation to law and order, and above all, a determination to make Nigeria work and be a great and worthy nation, all make the struggle for breakthrough economic growth worthwhile and easier.

No doubt, at the centre of such national orientation must be fairness and justice. Any effort at redirecting the orientation of the citizens without enthroning fairness and justice, both in the private and in the public sectors, will be futile. The aspiration should be to make respect for fairness and justice a national culture. This is why I suggest a new and vigorous national campaign for a new national orientation founded on justice and fairness and a new attitude that puts Nigeria and the national interest first.

The legal system must face the challenges of modernity, if it is to be strong and be an effective agency, for a breakthrough economic growth for our country. Although the judiciary is the central institution of the legal system, no discussion of administration of justice can ignore the importance of the sources of our laws, of which legislation has a prime of place, issues of law and order and issues of nforcement of law.

At the onset, permit me to make three major propositions. First, the legal system f a country must be sufficiently strong, responsive and efficient, to command the onfidence of the citizens and investors.

Secondly, an inefficient legal system is a danger to the sustenance of the supremacy of law and the rule of law. Thirdly, in a virile legal system, the rule of law and the supremacy of law are essential, if there is to be a breakthrough economic growth. I do not think anyone can doubt the truth of any of these fundamental propositions.

Adequate and well-trained manpower and adequate modern facilities, are all essential to a virile legal system. The system must have within it adequate mechanism for assessing, from time to time, the quality of law and of justice administered. Any neglect of these requirements leads to a weakened legal system.

In the context of economic and social well being of the state, and of development, the consequences of a weakened legal system are seldom realised or even discussed, Yet, it cannot be denied that ineffective law enforcement machinery tends to make criminality a profitable and worthwhile enterprise, which a slow and cumbersome machinery of adjudication, often makes uneconomical for persons, whose rights have been infringed upon, to seek remedy.

Where the law-making process is unresponsive to immediate needs of the economic community, gaps in the law begin to appear, leading to uncertainty in business relations. Only a foolhardy investor will rush to invest in an environment where there is rampant criminality and where rights do not matter, because of the tardiness of the legal process, and where there are numerous lacunae in the law.

My vision of our legal system is one in which law enforcement agencies are well-trained, as to make crime unprofitable, one in which the quality of law, which the courts are enjoined to apply, is constantly monitored, and reform of law, where necessary, is undertaken with dispatch, by a well-funded machinery of law reform; and, where the factors which hamper quick dispensation of justice, are reduced, if not completely removed.

A legal system that is ill-prepared for the challenge of modernisation and the challenge of economic growth will be put under great strain to meet the demands of change, and may ultimately stifle growth. Economic growth throws up new business relations, that have to be regulated; a new attitude to employer and employee relations; law explosion, as government increasingly intervenes by regulatory measures to manage growth, monitor competition and protect investors, and even a new approach by judges to economic issues.

The challenge of economic growth to the judiciary, in an era of modernisation, becomes even more acute as the world becomes a global village and the volume of international commerce increases. Our legal and judicial culture must become attuned to that of the rest of the world with which we are engaged in commerce. When a vessel is arrested in Nigeria, the consequence may be felt in countries several thousands of miles away. When intellectual property is infringed in Nigeria, the person or company, who or which seeks remedy and protection of law in Nigeria, may be far away in another jurisdiction. When arbitral proceedings are commenced in Nigeria to settle disputes arising from contract, one of the parties may be outside the shores of Nigeria. The multi-national company doing business in Nigeria and other parts of the world expects a quality of law, of legal services and of adjudication of comparable standard with the rest of the world.

All these show that the breakthrough economic growth, that we aspire to, imposes an obligation on us to embark on a deliberate policy of improving the quality of performance of our institutions, particularly legal institutions, if we are to become a worthy and credible part of a new world economic order. The era in which our legal institutions may be content, or left, to operate in smug isolation, content with their own parochially set standards, tolerating and excusing their own inadequacies, seems to be over.

It is sad to note, however that the government and the private sector seem to share a common attitude, that the importance and relevance of a virile legal system and efficient institutions of administration of justice to economic issues is remote. That attitude seems reflected in the omission of anything concerning a fresh empowerment of the institutions of the legal system, as one of the instruments that the government proposes to use in achieving its laudable economic policy. It is also reflected in the topics of the breakout sessions planned for this Summit, and a general indifference of the private sector to improvement of the machinery of justice.

hope I am wrong in my observations, but if I am right, permit me to plead for a hange of attitude. The institutions of the legal system, particularly the judiciary, eed to be empowered by provisions of adequate facilities and funding for their peration and training of their personnel, if they are to be positioned as effective ools for achieving economic breakthrough.

Vhile the judiciary and other institutions of the legal system are best suited to udy and reform their structures and procedures, assess the effectiveness of their perations and initiate change, these they can do much better with the support and articipation of the public and private sectors.

or several years now, some organisations such as the Shell Petroleum evelopment Corporation and the Nigerian Shippers Council have been ollaborating with the National Judicial Institute in its training programmes for judges in fields related to their respective operations, That is one form of cooperation worthy of emulation by other organisations. Other forms may be in the organised private sector funding researches and studies into specific areas of the legal system or sponsoring workshops and seminars in collaboration with the National Judicial Institute.

I share with you my vision of change in the legal system in general, and the judiciary, in particular, for the better, so that it will be able to complement and facilitate a breakthrough economic growth. It is a vision of a judiciary that will rank among the best in the world, in terms of facilities available to it, the quality of its personnel, and its general efficiency and effectiveness. That vision will, however, become a reality only if by the collective efforts of the public and private sectors, the judiciary and other institutions of the legal system are assisted to achieve this dream of forging a breakthrough to modernity and efficiency.

Your excellency, distinguished ladies and gentlemen, in conclusion, I am not sure that I have not inflicted on you an address too heavy for a dinner speech. If I have, I plead the defence of "judicial licence". There may be consolation in the fact that just as food for the stomach is good for the body, food for thought is also good for the soul. Pursuant to the economic principle of division of labour, I have left it to the hotel authorities to provide the former, while I have endeavoured to provide the latter.

I thank you for your impressive and encouraging attention.

Vote of thanks by Chief Olusegun Osunkeye at the Pre-Summit Dinner of the 7th Nigerian Economic Summit on Sunday – 15th October 2000 at Nicon Hilton Hotel, Abuja

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This pre-summit dinner heralds us into the 7th Nigerian Economic Summit which is the first summit to be held in the new millennium, and I am told also that the figure 7 is the figure for perfection. Therefore this summit, starting with this pre-summit dinner, is truly historical.

I am particularly happy to give the vote of thanks which is the most pleasant part of the proceedings tonight - pleasant because it is always a joy to be able to show appreciation to others. You remember the story of the shop keeper in London who after serving his customer, asked the customer:"Haven't you forgotten something"? As the customer could not comprehend it, the shopkeeper retorted, "You should say thank you". This is even more so, when we have had a delightful evening of pleasant company, delicious food, good music, and intelligent conversation all round. When you have all four united in one and the same evening, it makes the occasion a truly splendid one.

Talking of appreciation reminds me of a professor who was often asked to give the vote of thanks after dinner. He prepares two versions - the long version he puts in his left pocket. The short version he puts in his right pocket. If he has not enjoyed the dinner he brings out the speech in the left pocket and proceeds to inflict a one hour speech on his audience. I have prepared two versions but I have no hesitation whatsoever to bring out the right pocket version because it has been a splendid evening.

However, success does not come on its own – it is often the result of hard work and proper preparation. Therefore I like to say thank you to the organisers of this dinner, the organising committee and the masters of ceremony. I also thank the hotel for the splendid arrangements - and for the food we have enjoyed. The band, 'Diamond Star,' brought back nostalgia with the hit tunes of the 50s and 60s, which is apt, especially as we are still in the mood of celebrating 40 years of Independence. Thank you for bringing back memories of those happy times.

And now to our distinguished guest speaker. There is a Russian proverb which says "Fear not the law, but the judge."

There is the story of the lawyer who sent his client a bill for advice given over dinner paid for by the client. The client then phoned the lawyer demanding the reason for the bill. The lawyer retorted that since the client did not know which soup to take, he had advised him accordingly. So at buffet, I kept a distance from the honourable Chief Justice – to avoid possibility of contempt of court.

I thank Chief Justice M. Uwais for his illuminating speech, and for his call to national re-orientation to work, and social justice, which we take to heart. Your speech straddled the private and public sectors. We fear, respect and admire our Chief Justice of Nigeria and we thank him for his presence and for his speech at this gathering tonight.

We thank our Special Guest of Honour, His Excellency Vice President Atiku Abubakar, although absent due to pressing State duties, is ably represented by the Chief Economic Adviser to the President, Izoma Philip Asiodu.

Izoma Philip Asiodu in his own right is very distinguished, and his presence amongst us, is back to base because he is also one of us in the private sector. He is at home with the private sector just as Ambassador Walter Carrington, at the far right, is at home in our midst anytime he comes back visiting Nigeria. Izoma Asiodu, your presence here tonight has added to the conviviality of the evening. We thank you for your gracious presence.

The sponsors of this evening's dinner: Mobil Producing Unlimited. I often go to Switzerland on Nestle business, passing through Geneva, the home of private banking. I am always amused by one of the adverts at the airport as you approach the Immigration desk. It says 'money talks, wealth whispers.' As it happens tonight I am sitting next to Mr. P. Caldwell - Chairman/Managing Director of Mobil. When I talk to him, he seems to whisper to me. With so much wealth at Mobil, I can now understand. So, we thank Mobil Producing Unlimited for sponsoring tonight's dinner. May Mobil continue to produce and have wealth unlimited.

To all the participants at this pre-summit dinner, your presence made the evening a success. Fancy what this evening will look like without the participants. I thank you all and God bless.

A Welcome Statement by Bunmi Oni, Chairman, the Nigerian Economic Summit Group, at the opening of the 7th Nigerian Economic Summit in Abuja on October 16, 2000

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It is a delightful task for me to offer these words of welcome at the opening of the 7th Nigerian Economic Summit. I would particularly like to welcome His Excellency, President Obasanjo, our Special Guests and friends.

We have not come to analyse the problems of our economy. We know them. We know that there is a structural defect in having our economy based heavily on the exploitation of natural resources with little value added. We therefore have limited control on prices, and do not participate sufficiently in the margin stream. We know that we have managed our economy only in windows in the past rather than as a whole. We also know that corruption and ineptitude have combined to remove standards and we know we have seen a wholesale destruction of some of our institutions.

We know that the forces of globalisation have ravaged the face of the earth, driven by liberalisation and technology. We know that reform and change management have been elevated to a compulsory art, and we no longer debate the concept of TINA. We know that globalisation has reduced the boundary lines between nations to a very thin line, or removing them completely in some cases. Indeed, the boundary lines have been confined to the Geography class and the mind of the politicians since they cannot go across the border to canvass for votes. Sometimes they try.

We know that changes in our world have been dramatic and that technological developments have created a digital divide, which further sets back those emerging economies that do not make haste. The IFC invented the phrase Emerging Economy in the late 80s, and since then I have learnt that the definition of an emerging economy is one from which you do not emerge in a hurry.

We know that these fierce changes have lined up the nations of the world into three categories:

- Those who make things happen
- Those who watch things as they happen, and
- Those who wonder what happened.

We know that Nigeria has played in the third league for too long and we are also aware that we have determined to shift to a more felicitous division.

But, we also know that we have emerged from the pariah status to which we were driven. And crossed the significant hurdle of restoring democracy, or rather installing democracy, because 60% of our citizens are too young to have experienced, let alone remember, what democratic governance is. They have read in books that democracy is the government of the people for the people by the people, but that must all sound like fiction to them. But they constitute our tomorrow, and they are anxious to see what we bequeath to them.

We have become abundantly aware of the need for reform, and have taken the initial critical steps. We also must accept that the reform process must be rescued from the hazard of inertia.

We are familiar with the recommendations of Summit 6 and we know that all the arms of Government- the Executive, the Legislature and the Judiciary – take them seriously. Indeed, we have seen some positive steps taken, and one of the testimonies is the publication, earlier this year, of the *Nigerian Economic Policy* (1999-2003) document, which lays out for the first time in our contemporary history of governance, some specific measurable goals and targets. We are delighted, Mr. President, that in publishing this document, government is making a powerful statement that it is willing to be judged by its performance on those targets, especially when the time comes to renew the mandate of the people to govern.

However, we also know that the task on hand is not one for the government alone. The business of kick-starting our economy demands collaborative effort of the public and private sectors. So, it's about partnership, and partnership means there are responsibilities that each party must undertake.

In a sense, therefore, the spirit of Summit 7 really is Just Do It.

However, as we roll up our sleeves to do it, this summit provides the opportunity to fine-tune our views as in a dress rehearsal, and determine the true priorities; those vital few measures that will give us maximum leverage. Clearly there are many things that are important, but we do not have the resources to take on everything at once. We also have the benefit of reviewing the steps that have been taken over the past year and realigning our focus. That is why we have chosen the theme this year to be: *Breakthrough Economic Growth: An Action Agenda.*

Mr. President, we will distil thoughts on these issues, and our conclusions to be presented to you tomorrow afternoon would represent over 12,000.00 man-hours of work that will be done by this collection of good heads between now and then.

I welcome you most heartily to NES 7 and thank you for listening to me.

Private Sector Presentation by Pat Utomi and Umar Abba-Gana

The title of the presentation of the private sector was *Just Do It.* It was jointly delivered by Pat Utomi and Umar Abba- Gana. The presentation was so titled because many of the ideas proposed at the Sixth Nigerian Economic Summit (NES 6) and in previous Summits are yet to become policy or to be implemented even when formulated as policies.

The presentation was structured into the following sections:

- Where we were in 1999
- What we prayed for in 1999 and the answers of the government to the prayers
- Our prayer for this year.

Where we were in 1999

The year 1999 was characterised by the following factors:

- enormous foreign goodwill due to the democratisation of the country;
- legitimacy at home underscored by people's choice of democracy and the high popularity rating of the democratic government;

high level of confidence of the private sector in the government even though economic
realities were still sluggish at the time;
great expectations from the war against corruption;
poor state of physical infrastructure, namely electricity, fuel, roads, water supply etc. and
economic indicators, such as interest rates, exchange rates, inflation and transaction costs, that showed lack of competitiveness.

ereafter, a balanced stock-taking of post-1999 realities was presented as llows:

The Bad News	*The Good News*
Conflict between the National Assembly and the Executive	• Improved cash calls and open bidding for upstream assets.
High oil prices and utilisation of the Windfall	• Fledgling restructuring of the National Electric Power Authority (NEPA) and award of contracts for the rehabilitation of power plants.
Petrol shortages	• President Clinton's visit and the resulting global focus on Nigeria.
De-industrialisation of the country	• The renewed interest of development agencies, like UNDP and USAID in Nigeria
Over-politicisation of the country	• Increasing trade delegations to Nigeria
Slow pace of investment inflow	
Rating of the country as the most corrupt country in the world by Transparency nternational.	

What we Prayed for in 1999 and Answers to the Prayers

- **Rebuilding Tasks**

The government was advised to:
- concentrate on national competitiveness
- reduce the cost of doing business through deregulation and privatisation
- provide infastructural imperatives and tariffs
- ensure stable exchange rates
- create enabling environment and incentives for local and foreign investments
- develop an export-led development strategy, and
- provide massive incentives for exports of manufactured goods and high value agricultural products like pineapple, cut flowers, etc.

- **Budget 2000 Imperatives**

The prayers covered the following key sectors:

- **Agriculture**

The year 2000 Budget Imperatives for the agricultural sector stressed the need to:
- streamline policies to attract bilateral and multilateral support for the agricultural sector;
- revive extension services, and
- embrace electronic delivery of information to farmers

It was noted that Budget 2000 has not yielded the results desired as answers to these prayers.

- **Manufacturing - Budget 2000 Imperatives**

The government was asked to:

- reduce duty on raw materials and scrap duties on machines and spares while increasing duty on finished goods; and
- enable effective demand through government patronage.

The key measures recommended to be instituted in this regard were:

- Development of infrastructure through privatisation and encouragement of long term financing via bilateral and multilateral arrangements;

- Identification of areas of relative advantage, especially exports, and provision of maximum incentives; and
- Provision of tax incentives to induce lending to SMEs.

It was acknowledged that government has initiated preliminary steps towards the privatisation of NITEL and NEPA. However, it was noted that major progress, if any at all, has not been made with respect to the other areas.

- **Mineral Resources (Upstream and Downstream) - Budget 2000 Imperatives**

The year 2000 Budget imperatives for the Upstream and Downstream sectors focused on the need to:
- phase in payment of cash call arrears and evolve new funding of major projects
- deregulate pricing of petroleum products to reduce pressure on government funds
- firm up privatisation in order to reap the gains and re-channel the proceeds of sale of the state owned enterprises, and
- reform the Land Use Act.

The key measures proposed to achieve the foregoing are:

- the provision of gas incentives in the form of free pricing and privatisation of gas transmission and distribution
- increase in funding of the petroleum sector to optimise crude resources and production
- privatisation of petroleum depots and refineries; and
- deregulation of product pricing and unrestricted product imports and exports.

Progress was noted in the funding of the upstream sector in the sense that government has been meeting its cash call obligations. Although the prices of refined products (petrol and diesel) were increased in the course of the year, the government is yet to deregulate product pricing. Downstream privatisation, so far, is limited to the petroleum product marketing companies (Unipetrol, AP and National). Finally, the Land Use Act is yet to be reformed.

- **Finance - Budget 2000 Imperatives**

The Budget 2000 Imperatives for the Finance Sector included:
- pricing of treasury bills to reflect developments in the money market while ensuring that it does not exceed 5% of inflation rate
- development of insurance products to support consumer credit;

- reform of insurance and pension funds;
- strengthening the Central Bank of Nigeria in discharging its responsibility for inflation monitoring; and
- completion of the sale of state-owned enterprises listed on the stock exchange.

The key measures proposed for accomplishing these imperatives included:

- provision of tax incentives to encourage long term savings and investments
- consistency and continuity of policies to ensure a stable monetary policy regime
- elimination of monopolies and all anti-competition legislation and
- privatisation and deregulation of public enterprises, such as NITEL, NEPA, NPA, NRC etc., through open and international tender.

Our Prayer This Year

In this regard, reference was made to Nicolo Machiavelli's famous quote: "It should be borne in mind that there is nothing more difficult to handle, nor more doubtful of success, and more dangerous to carry through than initiating change. The innovator makes enemies of those who prospered under the old order and only lukewarm support is forthcoming from those who would prosper under the new. Men are generally incredulous, never really trusting new things unless they have tested them by experience."

- We are unable to make change due to new order of things as stated by Machiavelli
- The duty of the patriot or the obligation of good governance remain in persistence of the path of these prescriptions
- This year's theme helps to persist in this direction

It is clear that if we are to achieve Breakthrough in Economic Growth, we have to consider:
- The size of government
- The consumption of government
- The role of government conduct in stimulating demand and growth and how government reforms the public service.

Globalisation: Its Challenges and Opportunities for Nigeria-Jim Burkard, Cambridge Research Associates; United States of America

Distinguished Ministers and National Assembly members, Governors and other distinguished ladies and gentlemen, good morning.

Let me start by saying that Daniel Yergin, the Chairman of my company, Cambridge Energy Research Associates, seriously regrets that he is not able to attend the conference. But Dan's loss is my gain and one of the things Dan is working on right now is the interview of world leaders in preparation for TV Ministries that will be out next year that is based on his book, *"The Commanding Heights"*. The *Commanding Heights* is a book that details the value between government and the market place regarding economic control.

Much of what I say today is fully based on Dan's book, "The Commanding Heights". As I mentioned, Dan's loss is my gain because some of the most rewarding years in my life were spent in West Africa. It has been several years ago, in a village in Niger Republic, Nigeria's neighbour to the North and so, every opportunity I get to come back to West Africa, I jump at it, and I certainly welcome the opportunity to speak to you today.

This conference comes at the crucial time. Nigeria is at the crossroads and is working towards establishing a new economic environment. That is, indeed, one of the goals of this conference. Nigeria is also in the throes of a national debate. And, as an observer, as a forward observer of Nigeria, I mean to look at Nigeria's economy, politics, energy situation, and I can say from outside Nigeria that there is a keen and deep appreciation of the complex issues that all of you are attacking right now. For example, the issue of the relationship between state and religion, federal versus local control, revenue sharing, etc. On the international scale, you have the issue of how deep, how far and how fast you want to integrate your economy with the rest of West Africa and also the degrees of peacekeeping and peacemaking that Nigeria sees for itself in West Africa. Also, on the international scale, the issue of debt relief is an important one for Nigeria. In fact, a year ago, I listened to President Obasanjo speaking at Harvard University about that relief. It was one of the issues he spoke about. He gave a very compelling case for debt relief because he was able to convince one of the world's leading development economists at Harvard University of the need for some form of debt relief. Nigeria is certainly not alone in the world in undergoing potentially and far-reaching changes. The world is a much different place today than it was 20 years ago and even five years ago. I'll spend a few minutes over these changes. We see three routes of global change. They are:

i. The retreat of government. By that I mean reduction in government intervention in the economy worldwide.
ii. The second is government in the private sector and
iii. Advances in information technology.

Since the end of the cold war, government has been on the retreat while the private sector has increased its foothold in nearly every nation in the world. Communism, which exemplified state control of the economy, has disappeared in the former

Soviet Union and in China. At least, as an economic system, it has been put aside in favour of the wealth generating benefits of the economy. In fact, I am going to add a little bit to what Chief Asiodu mentioned last night about China. He talked about the volume of foreign investment that China has been able to attract over the past 20 years and the impact on economic growth is absolutely astounding. In real terms, China's economy has grown by 500 per cent between 1980 and 2000. In 20 years, China's economy has expanded five times. China's economy is about 62 per cent larger now than it was 20 years ago. So, what has happened in China is, indeed, amazing. China has now learnt from their other eastern states and Asian countries such as Japan, after World War II, South Korea, Malaysia, Thailand and a few others that have experienced tremendous growth. It will be interesting if you know the history that China is such a shining example of how much wealth private sector-led, market-based economy can generate. After all, China is still led by a communist party. The changes have not been limited to developing countries.

Of course, over the last 20 years, in the west, in the industrialised countries, governments have shed many of their responsibilities and obligations to the private sector. The retreat of governments from economic control over the last 10 years has been driven by the inherent difficulties that arise when states become too expensive, too ambitious and seek to become the main player, instead of being the referee in the national economy. There have been many significant manifestations of these changes that have occurred over the last 20 years, especially over the last 10 years. When you step back and start to list a few of the changes, you will realise how fast the pace of change has been, especially this decade. I will just list a few:

- the break up of the Soviet Union,
- the erosion of the East-West divide,
- the end of apartheid in South Africa,
- the demands of the people in terms of economic growth, jobs and technological advancement.

The end of apartheid was propelled, in part, by international economic sanctions that helped speed things up, may be, a little bit faster. German reunification – East Germans saw the benefits that the West Germans were enjoying. They saw it on their TV, heard it on their radios. They saw western movies and they wanted to be a part of that and it's amazing how rapidly the German unification occurred. Helmut Khol, the leader of Germany in the 1980s and early 1990s, just one year before the Berlin wall fell, just one year, Helmut Khol said: "In my life time, Germany will never be reunited". Yet, a year later the Berlin wall fell and a couple of years after that Germany was united under Helmut Khol's leadership. So, it is indeed amazing, the speed at which things have changed over the last decade and the speed at which the world is going to continue to change will probably only intensify over the next several years.

That brings us to the next, and that is advancement in technology, particularly, information technology. The ease of communication, the cost at which we are able to communicate around the world has come down dramatically with the advent of wireless communication and, of course, the Internet. Just last week, I visited a friend of mine who is a bond trader in New York City and at his desk, he has about 15 monitors, TV monitors and news monitors, around his desk that he monitors all the time and he often make trades. He and his team are bond traders. They trade based on what they see, based on the headlines. Of course, financial statistics are fed constantly into the office from all around the world. Also, another important ramification of information technology has been the erosion of the border between day and night. Again, I will refer to the example of my friend. His team is often trading bonds in Manhattan. At 2am, they often trade Asian bonds and Asian equities when the Asian markets are open. This global communication has woven a web of technology and has allowed us to really become much more integrated around the world.

Another benefit of the advantage of information technology has been productivity gains. The computer is titled as the great efficiency-maker and, over the last years we have seen the gains and efficiency, particularly in the United States. In the 70s and 80s, many leading economists thought that US productivity gains would be limited to about 1 or 2 per cent a year, not a heck of a lot, but in recent years, we have seen productivity in the United States increase at about rates of over 3 per cent. You may say that is not a big difference, 1 per cent versus 3 per cent. But when you compare this over the years, it makes a big difference and the US economy has benefited tremendously from the gains that have been attributed to information technology and the use of computers.

ɔne interesting note, a dollar GDP today weighs much less than it did 20, or 30 /ears ago. And how is that? For 20 or 30 years ago, heavy industries – concrete, ;teel and the oil industry had a very large share of global economic output. These lays the software industry, the Internet are the major engines of growth and when ι software programmer is sitting at his desk in writing a code, that code is veightless and yet, he is adding a great deal of value to the economy. So, it is just nteresting that economic output today weighs much less than it did 30 years ago ll because of information technology. So, at least, these changes have resulted in /here we are today. The move away from government control has increased eliance on the market place to achieve increased economic growth and create obs. In fact, just over the last couple of years, I have seen a great difference and ttitude towards the market in some of Cambridge Energy Research Associates' clients. I won't name them but they are important OPEC producers. Five years ago they would rarely contact us to discuss changes in the oil market because they weren't that responsive at the time compared to today. They weren't that responsive to market forces. Now, these major OPEC oil exporters contact us and I get e-mails from them a couple of times a week and phone calls all the time discussing the oil market. They are very much in tune with what is happening in the oil market and they are much more focussed on the bottom line in making sure that the oil trading and the EMP operation are as efficient and profitable as they can be, and this focus on the market has, indeed, improved their bottom line.

Market based competition is also viewed as the most effective manner of protecting the public against the inefficiencies and excesses that state economy controls. Does this mean there is not a government? Absolutely not. The shift from government to the market place as the main determinant of the global economic environment does not signal the end of government. In fact, in many countries around the world, particularly in industrial countries, the government continues to spend a constant share of the national income. For instance, the German government, the Japanese government, and others continue to share each year an average sum of money that it did 5 or 10 years ago. The reason for that has largely to do with transfer of payments and entitlement, pensions, welfare and social security benefits in the US. So, it's not necessarily that the government is increasing its control over the economy but it is spending just a larger share of the national income generally.

Also, the scope and the range of duties of the government have decreased dramatically over the last decade. This is because of the government's decision to recede in terms of its control over the global economic environment. This diminished government's control has allowed the growth of the market place to occur around the world. It has expanded capital markets. Again, my friend in New York; his business has profited tremendously because of the lowering of trade and investment barriers, the lowering of the capital market and we have much more efficient distributions of capital globally than we have ever had.

We have looked at the global economy and the changes that occurred in the last 20 years, particularly the last decade. I will now spend a few moments here discussing Nigeria's challenges, the challenges and opportunities that confront Nigeria in this age of increase in globalisation. I am not going to stand here as a forward observer and pretend that I know more about the Nigerian economy than the leaders of the private sector and leaders of the Nigerian government. I certainly doubt that. What I will do is that from the perspective of an interested foreign observer, I will give a few comments on the challenges and opportunities Nigeria faces as it tries to revise its economic blueprints. I start up by saying how important knowledge in communication can be the engines in economic development, particularly over the last decade and, to that source of growth, the type of growth that is engendered by the knowledge that communication is only going to increase. For example, let us talk of the labour market in India. There is an increasing premium paid to people who have great knowledge, who are involved in the knowledge sector of the economy such as software. In fact, in India, a very important software industry has emerged.

There are a number of Europeans and especially US companies that hire Indian companies to develop software for them. The reason for that is that the programmers are just as good as those in the United States. Yet, you don't have to pay them as much. That said, what the programmer earns in India is still above what an average Indian is earning. So, this re-channelling of productive resources is not taking jobs from the US but creating jobs in India. This has been a very significant source of economic growth in India and it is expected to continue. Philippines too, have become an important provider of IT services, particularly to the United States. For example, when I make a call, my call is being transferred, most likely, to someone in the Philippines. The Philippines have really established an efficient IT sector and have improved their communications so that they can communicate easily with consumers in the United States and the result has been a source of economic expansion and job creation in the Philippines. What this means in terms of education is that it highlights how important it is to match education with the needs of the market place.

I live in Boston in Massachusetts in the US and each Sunday, the Boston Globe publishes one hard section. It is about 2 inches thick and it lists employment opportunities in the Boston area. Ninety per cent of those job opportunities have to do with computers, with software, with hardware, with information technology. This is because in the United States, there is a big gap between what the new economy needs and what our educational institutions are producing, and that gap, I think, not only exists in the United States but also in many places around the world, including Nigeria.

Then, the third is communication. Giving that knowledge in communication is so important, a reliable infrastructure such as electricity is vital for its survival. Indeed, electricity is the foundation. It is the blood of the modern network economy and I won't go into the travails of the national electricity company here in Nigeria. I will just advise you.

I am sure you are very well aware just how important stable supplies of electricity are to the modern economy, also security - personal security and property security. I want to spend a lot of time on that because there are, of course, challenges to

Nigeria in this area. Another one is personification of its economy. I spend a lot of time looking at the oil market, and a few main sources of national incomes, i.e. oil export revenue. It makes the economy very difficult to plan. In December 1998, the price of crude oil was $10 per barrel. Today, it is well above $30. This extreme volatility makes it difficult to plan your spending and to target government revenue. So, the personification, of course, as you are all aware, is a really keen challenge to Nigeria. The oil industry though will remain a very significant part of Nigeria's economy. Globally, the upstream is much more competitive since the fall of the Berlin Wall, you can invest in many more countries in the upstream than you can ever have before.

Look at Khazhakstan and look at Vietnam, you will find that it is a very competitive environment globally in the upstream oil sector. Nigeria's deep water is, of course, a very significant attraction. But in this age of globalisation and the decline in investment barrier, it is important to remain competitive in the terms that are offered in Nigeria's upstream.

On natural gas, some of you who understand me must have heard me talk about the potential benefits of natural gas, increased utilisation of natural gas in Nigeria. The opening of the Nigerian LNG facility last year is, of course, a very key milestone and LNG will continue to be a very important source of export growth in Nigeria. What I like to spend a moment talking about though is the domestic market. Natural gas utilisation in Nigeria could lead to greater, more dependable supplies of electricity. The United States is making a tremendous bet on natural gas. Nearly every new power plant in United States is going to be powered on natural gas because it is very efficient relative to all other sources of fuel. It is environmentally friendly. If Nigeria is able to establish a domestic gas market, it could lead to, as I said, a greater reliable electricity supply and can be to greater economic growth, particularly in the region. If the West African gas pipeline is built, it can also spur growth in other industries such as petrochemicals. That said, the wealth generating powers of the market place are quite clear but you still must get the rules right. For example, in the United States, the State of California has deregulated its electricity market, but it did not get the rules right and consequently, this summer, there has been a number of brown houses in California because they deregulated the market but they did not create the right environment to ensure stable electricity. Also, most of the deregulation and privatisation have been a tremendous engine of economic growth over the last 20 years. In fact, Yen, the leader of modern Singapore said, communism collapsed and the next economy. What else is there and with the end of history, the dominance of the market one and we are at the beginning of an inexorable trend in increase in market based economy. I will say no, not necessarily. We think so, but there is no guarantee. For example, this is not the first great age of globalisation. The first great age was at the end of the last century, the end of the 19th century and the beginning of the 20th century. The world was growing tremendously because of greater economic integration and a vast increase in global trade. That all ended with the guns of August 1914 when World War I started.

Why did these nations throw away all of the wealth benefits they gained from increase in globalisation? I won't go into that but more or less it did occur. So, globalisation has happened in the past and there is no guarantee that it will continue forever. But, really serious, do you think there are very good prospects for increase in market based economies?

Again, I mentioned about the wealth that is guaranteed by private sector market-led forces. But, looking at the feature, what are the points? We are going to shift back. Will the government ever begin to regain power and assert itself in the economy? We don't think it will, as long as the market passes the five key tests. These five tests, I'll try and go over, briefly.

One is *delivering the goods*. Will market economies deliver on what they promised in terms of measurable economies such as growth, higher standard of living, better quality services, and jobs? The second test is *ensuring fairness*. For many, the market system will be evaluated not only by its economic success but by the way in which that success is distributed. Third, *upholding national identity*. Many people around the world feel that their cultural life should not be dominated by these satellite-borne media images that globalise the values of Hollywood.

The fourth test is *securing the environment*. The global concern about the environment has increased over the last 25 years and economic systems will be judged by how they respond to the wide range of environmental concerns and they will be compelled to find further improvements and new solutions. The last test will be *coping with demographic trends* vis-à-vis the performance of market economies. In the developing world, the demographic terms are quite clear. Nigeria itself is grappling with a huge surge of working age population while in the developed world the problem is the opposite trend. For example, in the United States, we have a rapidly ageing population and there will be fewer workers supporting older people over the next 20 years. So, I conclude here that we do believe that the market forces are very strong, the benefits are very clear. But, keep in mind these five tests of globalisation. If we fail anyone of these or several of these, we may see a retreat, then we may see the government start to roll back some, to assert itself. I will like to thank the Summit organisers for inviting Dan and myself to speak here. It is clear that the Nigerian Economic Summit is an excellent national forum for discussing Nigeria's economic future and, again, thank you for listening and thanks to the organisers of the Summit.

Invitation of the President to give his keynote address – Philip Asiodu, Chief Economic Adviser to the President

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I think if there are any critical factors by which the Obasanjo administration wishes to be judged, they are good governance, transparency and anti corruption; poverty reduction and the restoration of discipline; purposefulness and dignity in national life. Now, these constitute the dividends of democracy about which Mr. President has often spoken. And, we all know that for these things to be sustained, economic growth is essential. It is in testimony of Mr. President's commitment to this that he is here this morning with us and accompanied by Mr. Vice-President. And, we are greatly honoured. It is now my honour and privilege to invite Mr. President to address us. Mr. President, Sir.

An Address by His Excellency, President Olusegun Obasanjo at the Opening Ceremony of the 7th Nigerian Economic Summit

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It gives me great pleasure to once again be with you at the opening ceremony of the annual Nigerian Economic Summit. The 7th Nigerian Economic Summit is the second being held since the rebirth of democracy in Nigeria.

The theme of this year's summit, "Breakthrough Economic Growth: An Action Agenda", vividly captures the mood and requirement of Nigerians today.

There is no doubt that both the public and private sectors are now in agreement on the imperative for accelerated economic growth and administrative economic policy. This fact is well articulated in the document *Nigerian Economic Policy 1999-2003.* The design and implementation of the appropriate action agenda seems to be the gap between today's reality and the much-desired breakthrough economic growth that would deliver the democracy dividends and improve the living standards of Nigerians.
I listened to the presentation at the end of the 6th Nigerian Economic Summit held a year ago with rapt attention. While a lot of progress has been made since then, we still have a long way to go.

Progress made since the last summit include:

- The compilation and approval by the Federal Executive Council in December 1999 of Nigeria's Economic Policy (1999 – 2003). The adopted economic policies reflect most of the recommendations you have made in your summit reports.

- The implementation of Poverty Alleviation Programmes
- Commencement of the privatisation process
- The approval of the Niger-Delta Development Commission Act and the resolution, recently, of all implementation issues surrounding the Act.
- Inflation has been contained at favourable levels.

We have also made substantial progress in consolidating our democratic structures and rescued the nation from the pariah status of the past.

Despite all of the above developments, we must all admit that the feel good factor and dividends of democracy are yet to crystallise for the average Nigerian. We must, therefore rededicate ourselves, both in the public and private sectors, to continuous efforts to accelerate economic growth and improve the standard of living of Nigerians.

Let me at this stage comment on some contemporary economic issues, particularly, the favourable movement in world oil prices. The recent improvement in world oil price should not in any way lure us into a false sense of well-being and security. World oil prices remain volatile and Nigeria remains a poor country when you apply the human development indices. My administration will diligently direct the additional receipts generated by the price increase to ensure the accelerated rehabilitation of Nigeria's infrastructure, particularly in the areas of transportation, education, health, power, telecommunications and the development of agriculture.

Our efforts at obtaining debt forgiveness and restructuring will continue. We will continue to make the international community understand that major concessions to heavily indebted poor countries provide the only basis for global peace and economic development.

The Nigerian Economic Policy (1999-2003) features critical monitorable economic indices, but primary goal is the well-being of the Nigerian people. The policy document is anchored on private sector-led economic growth. The public sector remains committed to the creation of the enabling environment and provision of infrastructure to support the private sector-led economic growth.

Distinguished ladies and gentlemen, while the government still has a lot to do I will like to challenge you to honestly examine the role of the Nigerian private sector in economic development.

My administration will deliver the public sector role, especially as it relates to necessary reforms, and I would like to hear during your closing presentation the commitments and action plan of the Nigeria's private sector to the country's economic development.

I am particularly pleased that since the emergence of democracy the annual economic summits have now been deepened to include the participation of state and local governments. The future of Nigeria depends on broad- based grassroots social-economic development. I commend you to show great interest in the development of our rural areas.

Your assignment over the next two days is to produce dynamic ideas, oil the blue print for breakthrough economic growth. The work groups/sub-themes you have chosen coincide with the critical components of the Nigerian economy Government does not have all the resources to articulate blue prints and implement economic policies. We must show understanding of this in our comments on government performance. We welcome constructive blue prints and support to implement policies and not just the conventional criticisms of the past. I, therefore, charge you during your deliberation to focus on this issue of providing proposals on the "how to". I must express my sincere appreciation to the Chairman, and Members of the Nigerian Economic Summit Group, the organisers of the annual Economic Summit. My government will continue to partner with you and support the Annual Summit at all levels.

Let me also thank all the participants for their sacrifices and contributions to the process.

I wish you all successful deliberation and look forward to receiving your presentation by tomorrow afternoon.

It is now my pleasure to declare the 7th Nigerian Economic Summit open.

Thank you. And God bless you all.

Appendix C

Ministerial Presentations

Biotechnology and food security – Ambassador (Dr.) Hassan Adamu, Minister of Agriculture and Rural Development at the 7th Nigerian Economic Summit at the Nicon Hilton Hotel 16th October, 2000

1.0 General Overview

1.1 Agriculture remains the largest contributor to the Nigerian economy accounting for over 38% of the Gross Domestic Product (GDP), 88% of the non-oil foreign exchange earning, and employing about 70% of the active labour force of the population. Total Food output increased from 35.9 million metric tons grain equivalent in 1990 to 52.7 million metric tons grain equivalent in 1997 (Annex 1). In-spite of this increase in growth, there has been sharp increase in the food import bill. The food import bill relative to total imports increased from 8.2% in 1989 to 20.5% in 1997, (Annex IV). Rice, wheat, sugar, vegetable oil and fish account for this growing import bill. The growth rate for the agricultural sector in 1999 was estimated at 4.5%, an improvement on the 4.25% of 1998. The sector is expected to provide raw materials and serve as catalyst for the development of the industrial sector while also generating employment for Nigerians. The sector provides most of the staple food consumed by the 120 million Nigerians with food prices remaining reasonably stable. Analysis of food prices relative to prices of other goods/services is shown in Annex Ill. The goal of government is self-sufficiency in food production and food security as well as export of agricultural commodities. In line with the economic direction of this administration, various strategies have been adopted and are being implemented to attain a growth rate of 6-10%. However, it is to be noted that agriculture in the country has suffered long-term neglect. The extension and research institutions are run down. There is need for revitalisation.

1.2 The draft document of an elaborate Agricultural and Rural Transformation Programme (ARTP) has been developed and is being considered at the various levels.

2.0 Analysis of Issues

2.1 The key issues that the Federal Ministry of Agriculture and Rural Development is pursuing in order to achieve food security include the following:

- Policy review
- Agricultural Research and Extension delivery

- Agricultural input supply and distribution
- Rural Infrastructural development
- Agricultural Credit and Rural Finance
- Funding of Agriculture
- Agricultural Processing and Market expansion.

2.2 Policy Review

The current agricultural policy and its associated strategies have been implemented for the past 12 years with varying degrees of success. In view of the current economic trend nationally and internationally, it has become imperative to review the agricultural policy and develop new strategies. Among other things, the revised policy instruments shall ensure:

- Increased participation of states and local governments in agricultural development
- Enhanced private sector investment in agriculture
- Strengthening of the research and extension delivery systems
- Rapid development of the seed/seedlings industry
- Enhanced investment in local manufacturing of agricultural inputs
- Increased mechanisation of farm operations
- Improved storage/processing of agricultural produce to minimise post harvest losses, market expansion to increase demand for agricultural commodities and encourage export
- Improved farmers access to credit. Provision of adequate incentives for profitable agriculture
- Proper environmental management for sustainable agriculture
- Application of appropriate tariff and administrative measures to stem dumping and unfair trade practices in agricultural trade
- Constant training and retraining of agricultural research and extension personnel for enhanced performance
- Sharper policy focus on rural development with emphasis on rural infrastructure and empowerment of rural communities
- Adoption of participatory approach to agriculture and rural development.

2.3 Agricultural Research and Extension Delivery

There is no doubt that agricultural research is the engine of growth of agricultural production. Key issues to be addressed include:

- capacity building and human resource development

- encouragement of the involvement of non-governmental organisations (NGOs) in extension delivery
- generation, utilisation and promotion of improved technologies that are appropriate to our local environment
- Biotechnology: The recent advances recorded in biotechnology have made it imperative for Nigeria to acquire expertise in this field in order to make our agriculture competitive. With respect to Genetically Modified Organisms and products (GMO and GMP) technology, we need to acquire the necessary expertise to undertake the production of genetically engineered products and to carry out risk assessment and management. Currently, biotechnology is being used in the areas of tissue-culture for the vegetative propagation of planting materials and for the development of vaccines, diagnosis of livestock diseases and hybridisation in fish breeding in the national agricultural research system. Appropriate legislation and infrastructure (such as laboratories, etc) shall be put in place to ensure bio-safety.

2.4 Agricultural Input Supply and Distribution

One of the major impediments to agricultural production and productivity in Nigeria is inadequate supply and distribution of inputs. Agricultural inputs in the form of improved seeds, seedlings, brood stock, feed, vaccines, fertilisers, agro-chemicals, machinery, implements, etc are essential ingredients for high productivity. The reality, however, is that the delivery mechanism has not adequately responded to the input needs of farmers and other end users. Major areas of concern in input delivery are:

- The development of an effective and sustainable private sector led input delivery system
- Implementing an efficient credit delivery system
- High cost of inputs

2.5 Rural Infrastructural Development

Over 70 percent of Nigerians live in the rural areas. Unfortunately, the stock of rural infrastructure has virtually collapsed. There is therefore an urgent need to reverse the situation with a view to boosting agricultural production, processing, marketing and raising the quality of life of the rural populace. The major challenges for stimulating development in the rural areas are:

- Provision and maintenance of basic rural infrastructure
- Community mobilisation
- Promotion of rural industrialisation skills development and training

2.6 Agricultural Credit and Rural Finance

In spite of past government's efforts in channeling credit to agriculture and the rural economy through allocatory mechanisms, portfolio targeting and existing institutional rural finance market, the quantum of credit to the rural economy has remained low.

2.6.1 In order to address the credit needs of Nigerian agriculture, N.A.C.B. and the Peoples Bank of Nigeria have been merged to form the Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB). The new bank has been recapitalised with the sum of N4.5billion by the government.

2.6.2 Government has also approved the establishment of a National Agricultural Development Fund (NADF) primarily to finance agricultural research and extension.

2.6.3 The factors militating against the evolution of a viable rural financing system that will adequately cater for the needs of the rural dwellers are being further addressed through the following:

- Operation of a moderately low interest rate and adoption of simple but effective financial procedures
- Assessing and streamlining of the overall policy guiding the formal agricultural and rural financial delivery system in the country.

2.7 Agricultural Processing and Marketing

In Nigeria, post harvest losses account for about 20 to 50% of the output of major crops and other commodities. There is need to develop simple processing and storage technologies for agricultural produce to reduce these losses and add value.

3.0 Food Security

3.1 Food security poses both political and economic challenges to the Nigerian nation. With the current poverty level in the country, the issue of access by all people at all times to food in adequate quantity and quality for healthy and productive life is very critical. The food insecurity situation in Nigeria decreased from 27.2% in 1980 to 6.86% in 1994 (Annex 11). In this regard, Government's effort to address the key issues central to food security is being tackled in an integrated approach through:

- Poverty Alleviation Programme (PAP)

- The strategic and buffer grain reserve programme
- The buyer of last resort (BLR) to guarantee the farmer a fair price
- All season farming through rain-fed and irrigated agriculture.

4.0 Time Based Action Plans

4.1 The Ministry has articulated plans of action for achieving a growth rate of 6–10% and food security.

The strategies are as follows:

4.2 Short Term

- Improvement of the availability, supply and distribution of farm inputs

- Institutionalisation of Buyer-of-Last Resort (BLR) as a price stabilisation mechanism

- Establishment of private sector led commodity development and agricultural marketing companies

- Establishment of appropriate mechanism for effective agricultural credit delivery

- Strengthening of the Agricultural Research and Extension delivery systems

- Establishment of National Agricultural Development Fund (NADF)

- Establishment of one hatchery per state for fingerling production

- Increase fish production from aquaculture from 25,000 metric tons to 40,000 metric tons per year

- Training of 500 fish farmers and extension agents per year

- Stocking of at least two major water bodies (reservoirs, lakes, lagoons, rivers) in each state of the federation and FCT

- Accessing micro credit for fisher folk;

Medium/long term

- Rural Infrastructural Development (feeder roads, water, energy, communication)
- Rapid development of seed/seedling industry
- Environmental Management for sustainable agriculture
- Improved storage/processing and marketing of agricultural produce
- Increased pace of mechanisation of farms
- Establishment of two additional fish hatcheries per state
- Construction of fish quality control laboratories
- Establishment or revitalization of one technology transfer centre in each of the six geo-political zones of the country
- Construction of Lagos fishing terminal with private sector participation
- Increase production from aquaculture up to 250,000 metric tons per year
- Capacity building in tropical ~~aquarium~~ fish breeding for export
- Update existing livestock census which was carried out in 1990 by RIM
- Organise an inventory of milk production in the country, notably in Mambila and Jos Plateau as well as in Obudu cattle ranch
- Promote peri - urban dairy farming
- Ascertain total meat output covering all species of domestic animals.

The above reflects the effort being made by the Federal Ministry of Agriculture and Rural Development to achieve our national objective of food self sufficiency, food security, gainful employment, poverty alleviation and foreign exchange earnings through agricultural exports. I believe that these goals are achievable given the present political support.

I thank you all for your attention.

ANNEX I

Food Demand-Supply Gap (000MT Grain Equivalent Value)

Year	Total food utilisation	Food output	Demand- supply gap
1989	37493	35974	-1519
1990	40531	35311	-5220
1991	71497	36745	-34752
1992	75571	38855	-36716
1993	90504	45143	-45361
1994	93581	45808	-47773
1995	96284	46490	-4//94
1996	101569	51276	-50293
1997	104487	52725	-51762

Sources: Derived from
1. CBN Statistical Bulletin, 1995
3. CBN Annual Report and Statement of Accounts, 1997
3. UNCTAD Commodity Yearbook (Various Issues).

ANNEX II

Food Insecurity (Measured by Deficits in Per Capita Daily Calories Intake) and its Determinants, 1976 –1994.

Year	Deficit in Per Capita Daily caloric Intake (%)	Total domestic output of food (proxied by total output of staple crops) (mmt)	Export Earnings (N billion)	Per capita Income	Food Imports (Nm)
	1	2	3	4	5
1979	24.93	18.862	6.6224	1151.71	441.7
1977	27.57	17.828	7.8817	1216.28	780.7
1978	30.84	15.977	6.3805	1099.16	1027.6
1979	32.84	15.121	10.3975	1097.79	952.2
1980	27.20	15.421	14.1987	1158.98	1437.5
1981	38.00	15.704	11.0338	813.07	1819.6
1982	33.90	16.445	09.1964	790.23	1642.3
1983	27.70	14.240	07.7518	723.35	1296.7
1984	26.00	29.552	09.1388	669.50	843.2
1985	23.00	31.601	11.7208	714.23	940.6

1986	20.50	32.512	90.4750	718.45	801.9
1987	11.50	37.106	29.5781	697.36	1646.5
1988	15.70	47.015	31.1918	747.55	1220.0
1989	11.30	52.964	57.9712	782.96	2108.9
1990	09.10	55.964	109.8861	826.25	3474.5
1991	09.10	60.854	121.5337	843.94	6085.1
1992	09.10	65.756	205.6131	847.67	12591.2
1993	07.70	70.235	218.7652	845.56	13912.9
1994	06.86	73.588	205.2851	835.67	11594.0

Sources:

1. Column (2), Derived from CBN, 1993 Economic and Financial Review and from AD and FOS Publications.
2. Column (3),(4) and (5), CBN Statistical Bulletin (Several Years)
3. Column (6) CBN Statistical Bulletin Several Years and Annual Abstract of Statistics of the FOS several years.

ANNEX III

Trend in Composite Consumer Price Index and Food Price Index Nigeria, 1988-1997

Items	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
All items food	557	273	293	331	478	752	1181	2040	2638	2863
Drinks	8250	298	308	346	597	800	1175	2018	2631	2864
Tobacco/ Kolanuts	752	424	534	610	920	1492	2390	3946	4638	5282
Accommo-dation Fuel and light	357	181	271	226	298	475	1057	1845	2394	2526
Household goods and other purchases	864	291	328	411	618	939	1584	3042	3464	3559
Clothing Transport	871	243	306	376	498	723	1107	1996	2658	2919
Other Services	1092	174	232	287	412	629	1115	1960	2527	2731

Source: CBN Annual Report and Statement of Accounts (Several Issues).

ANNEX IV

The Relative Importance of Food Import in Total Import for Nigeria, 1998 -1997

Year	Total Import (N Million)	Food Import (N Million)	Food Import as Percentage of Total Import
1989	26600.1	2200.9	8.27
1990	28234.5	1694.2	6.00
1991	28945.3	3005.9	10.38
1992	30100.9	3763.5	12.50
1993	32170.0	5785.5	17.89
1994	30800.9	6312.6	20.49
1995	28940.5	6802.9	23.51
1996	38231.1	7306.4	19.11
1997	40401.5	8322.0	20.51

Sources: CBN Annual Reports and Statement of Account (Several Issues)

Average Prices of Some Domestic Staple Food Crops (N/tonne)

Food Stuff	1994	1995	1996	1997	Average % Change
Garri	12.321	20,151	20,618	25,749	30.2
Yam	10.510	17,528	1,336	25,956	36.7
Maize	6.646	15,199	19,799	20,519	54.2
Sorghum	6.833	19,063	17,276	16,031	54.1
Millet	7.240	14,296	19,323	16,257	38.9
Rice	21.717	33,823	40,861	45,048	38.9
Cowpea	22.412	28,169	47,944	39,045	25.8
Groundnut	22.875	55,257	44,198	28,915	29.0

Trade Policy Framework for Development in the Global Economy – Engr. Mustafa Bello, Minister of Commerce, at the Seventh Nigerian Economic Summit, Nicon Hilton Hotel, Abuja.

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Resulting from the distorting effects of international trade on development, many developing countries, including Nigeria became so dissatisfied that they chose to pursue their development through some other alternative strategies. One of such strategies was import substitution industrialisation which was easily rationalised by the tendency then to equate industrialisation with development. Against this background, a high protective trade regime was maintained to support this development strategy, leading to trade policies that were influenced by episodic balance of payments difficulties, as well as the need to raise revenue for government. The import substitution programme also exacerbated the foreign exchange problems of the economy. To make matters worse, the production techniques of the protected industries remained largely capital - intensive with low labour absorption capacity and import dependence.

Today, and with hindsight, the declining and fragile performance of the Nigerian economy can easily be traced to the lack of a consistent and visionary outward-oriented trade policy framework. In particular, as a result of the import substitution strategy pursued by Nigeria at independence, policy measures like tariffs and price-risk management instruments have been misapplied largely for revenue purposes, rather than on the basis of their overall impact on the role of the trade sector in the economic development of the country. In effect, past governments were unable to provide the right signals to economic operators, leading to severe distortions and macroeconomic instability.

Under these circumstances, this administration inherited an economy that was generally plagued with inherent structural deficiencies, manifested in low capacity utilisation, high operating manufacturing costs, high unemployment, acute macroeconomic instability as evidenced by high inflationary pressures, huge fiscal deficits as well as high interest rates, and decayed infrastructural facilities. However, determined that Nigerians continue to enjoy rising standards of living through sustained growth in trade, the government has initiated the reform process to establish an open, rule-based and market-oriented economy that would provide full protection for private property rights. In the new environment, the role of government shall be to facilitate business activities by providing a favourable framework which allows the free play of market forces to guarantee private enterprise and economic freedom in such areas like new investments, human resources development, new technologies, higher manufacturing value-added and expanding manufacturing exports. As a facilitator, government shall also strengthen the country's structural competitiveness by improving physical infrastructure, promoting closer exporter-supplier relations within the country, maintaining continuous dialogue with private sector and formulating effective policies for export growth.

The broad policy goals also include stimulating greater capacity utilisation and employment generation, reducing operating costs and inflationary pressures, and encouraging the diversification of foreign exchange earnings through increased export activities in the non-oil sector. There is also the need to ensure the safety of life and property, and fight against the endemic problem of corruption.

In the context of these broad policy objectives and the prevailing difficulties, the Ministry of Commerce has put in place an Action Plan 2000-2003 to ensure that the relevant sectoral objectives within its mandate are achieved. The action plan comprises major activities aimed at enhancing export development and promotion, development of manufactured exports; strengthening the domestic institutional and regulatory framework, providing access to information and communication technologies as well as staff welfare and human resource development. The major activities include the export processing zones at Calabar and Kano, organisation of trade delegations, border free trade zones, reopening of the overseas commercial desks, export commodities development and rehabilitation, establishment of bankruptcy as well as intellectual property commission, anti-dumping and competition policy framework and their enabling laws.

In doing all this, we have recognised that to achieve competitiveness and ensure the efficient allocation of resources, the growth and development of the Nigerian economy must be anchored to the global economy to meet the challenges of globalisation. In that regard, special attention has been paid to the promotion of regional integration and cooperation as well as effective participation in the Multilateral Trading System, in order to create favourable market access for products of export interest to Nigeria at both bilateral and multilateral levels.

To that end, this administration has negotiated and signed major Bilateral Trade Agreements (BTA) with U.S., South Africa, Cuba, etc. I am happy to note that as a result of these efforts Nigeria has now been designated as an eligible beneficiary country for both the U.S. Generalised System of Preferences (GSP) and the Africa Growth and Opportunity Act (AGOA). My Ministry has been given the specific mandate to ensure that Nigeria exports, at least, US$500 million worth of goods to the US by the end of 2001. An implementation committee has therefore been established to create awareness among enterprises about the opportunities provided by the AGOA. Unlike hitherto my Ministry will also ensure that Nigeria also fully benefits from the new agreement between the European Union (EU) and the African, Caribbean and Pacific countries (EU-ACP), the Implementation Committee on AGOA has also been mandated to work out all the necessary modalities for the country to fully benefit from the trade concessions arising from the new agreement. To further strengthen this, on Friday, just last week, Mr President graciously approved and directed on my proposal to him that certain categories of machineries, raw materials and spare parts for the textiles and apparel sub-sectors of our economy be granted substantial import duty concessions. His excellency further directed the Hon. Minister for Power and Steel to remove immediately the discriminatory differential tariff structure put in place by NEPA in the 90s that made the cost of electricity very high for industrial consumers. We expect that all consumers shall pay equally. Nigeria is also fully committed to the accelerated implementation of all ECOWAS protocols.

Your excellencies, distinguished ladies and gentlemen a new trade policy framework that is consistent with developments in the global economy is being developed for Nigeria. The trade policy thrust aims at promoting trade liberalisation and competitiveness, while at the same time providing appropriate measures to safeguard the interests of domestic producers against the influx of imports and unfair trade practices. We also intend to evolve guidelines and measures to ensure the integration of the informal sector into the mainstream economy. Let me seize this opportunity to urge all stake holders to provide my Ministry with all relevant inputs to ensure that all interests are properly accommodated.

I thank you for your attention.

Management of Nigeria's domestic and foreign debts - Senator Jubril Martins-Kuye, Honourable Minister of State for Finance at the 7th Nigerian Economic Summit, 15th-17th October 2000

Protocols

The size of our domestic and foreign debts and their efficient management pose serious problems for Nigeria especially during the last two decades when they assumed a new dimension. However, this development is, by no means, peculiar to Nigeria. Indeed, most Third World countries in their effort to achieve rapid economic development, find themselves in similar circumstances since their governments do not have sufficient resources to propel them towards their declared goals. Their resort to borrowing is thus intended to fill the resource gaps.

Debt Management in Nigeria is the joint responsibility of the Central Bank, the Office of the Chief Economic Adviser to the President and the Federal Ministry of Finance. Together, they devise and implement the measures needed to ensure efficient debt management.

Domestic Debts

The management of domestic debt is predominantly handled by the Central Bank. This is carried out through a package of initiatives and measures in the areas of policy, legislation, administrative guidelines, monitoring and surveillance activities, etc which are designed to ensure that domestic debts are kept within limits in accordance with best practices. The instruments which come into play include floating or issuance of Development Stocks, Treasury Bills, Treasury Certificates, Treasury Bonds and Ways and Means Advances.

Over the years, there has been a mix in the application of these instruments to achieve, at any one time, the desired objectives. Some of the instruments e.g. Development Stocks, have been discontinued while the issuance of Treasury Certificates was suspended in 1996 and the remaining certificates converted to Treasury Bills. The administration by the CBN of these financial instruments enables the bank to ensure that they contribute positively to the attainment of stability in the financial market. In this connection, a number of legislations have been enacted to facilitate this. The following statutory limits have been established in this respect:

a. Nigeria Treasury Bill
   100% of the estimated federal retained revenue and the gross revenue of the states;

b. Nigeria Treasury Certificates
   60% of the estimated gross revenue of the federal government;

c. Development Stocks
   75% of the banks' total demand liability;

d. Ways and Means Advances
   12 .5% of the estimated Federal Government retained revenue.

Although, some improvements have been recorded in the management of domestic debts, there is ample room for improvement. Apart from the portion of such debts which has been securitised, data in respect of other obligations are scanty or unreliable. Another problem is that the relative low rate of interest in the securitised debt instruments does not make them attractive to investors, although the rate would not be regarded as unattractive in a free competitive market.

The table below provides data, provisionally, as at June 2000 on our domestic Debt Stock profile less debts owed local contractors:

Description of Debt	Amount Charges (1)	Interest Charges (2)	Sinking Fund Total (3)	Cumulative (2) + (3)
Nigeria Treasury Bills	361.760	52.466	0.00	52.466
FGN Dev. Stock	2.250	0.235	0.364	0.599
Treasury Bonds	430.608	40.355	9.092	49.447
Ways and Means Advances	688.736	0.339	0.00	0.339
Total	1,483.354	93.395	9.456	102.851

Foreign Debts

The management of our foreign debts has faced serious problems, not the least of which is the absence of reliable records. Some of the problems which have manifested include:

a. Lack of adequate information on the quantum of debts owed and the amounts repaid and outstanding;

b. Ineffective monitoring which means that records of payments effected have not been strictly maintained;

c. Cumbersome procedures, and consequential delays in processing payments which have become due resulting in the payment of default in addition to normal interest;

d. Insufficient budget provision for meeting debt service obligations;

e. Absence of efficient planning to ensure that payments do not all become due at the same time and thus create undue pressure on foreign exchange resources.

In the effort to reduce, if not eliminate, these problems completely, government has recently set up a Debt Management Office with qualified and experienced staff drawn from the Federal Ministry of Finance, the CBN and the financial sector. It is therefore expected that in the very near future, the management of our external debts will be on a sound footing and take us out of the problems which, for several years, have affected very adversely the management of our external debts.

Given below is a summary of our external debt profile as at 30th June, 2000. The total exposure amounts to US$28,442.90 million made up as following:

Category	**US$ million**
(i) Multilateral	3,880.76
(ii) Paris Club-Rescheduled	18,478.62
- Not previously Rescheduled	2,539.27
(iii) London Club	2,043.21
(iv) Non-Paris Club Bilateral	66.00
(v) Promissory Notes	1,435.04
Total	**28,44209**

(The details are provided in the attachment)

Debt Reduction Strategy

There is an urgent need to establish and implement an appropriate strategy which would enhance the reduction of our debts, domestic or foreign, and thus reduce the negative impact they have on the economy and our development efforts. Some of these measures include:

(i) *Reduce/Eliminate Budget Deficits*
Budget deficits result in borrowing in order to finance the gap. Our debt burden cannot be reduced if we continue to increase the debt stock through a recourse to loans. Put in other words, we should live within our means.

(ii) *Improve the quality of our Borrowing*
A deliberate effort should be made to improve the quality of the loans we take. In the past, there has not been adequate analysis of projects and programmes before accessing loans. Many of the loans taken were injected into projects which were failures *ab initio*. Our debt burden will remain until we set strict borrowing guidelines and comply with them which hitherto, has not been the case.

(iii) *Draw up a Comprehensive Debt Policy*
Steps should be taken, as a matter of urgency, to draw up a comprehensive and sustainable debt policy both for domestic and foreign loans. Unless this is done, we will be unable to ensure that loans taken meet set objectives. We will also not be able to install mechanisms for loans' control and effective monitoring. The institutional reforms recently undertaken represent a step in the right direction.

External Borrowing Guidelines

In the above connection, I wish to refer to the new borrowing guidelines which are being prepared. The guidelines will be made sufficiently stringent to prevent the acquisition of loans with unfavourable terms for ill-considered projects by federal and states agencies that have either over-borrowed or whose financial resources would not be adequate to meet amortisation obligations. Below are the highlights of the proposed guidelines:

Federal and States Governments

(i) Economic Sector

(a) Projects for which external credit facilities are desired must bear proof of positive rate of return which should be higher than the cost of funds or borrowing, and

(b) There must be supporting evidence that the projects are export-oriented and would generate foreign exchange that would be sufficient to meet the amortization need.

(ii) Social Sector

(a) Requests for external loan facilities to finance projects for improvement of infrastructure and social services are to be assessed on the basis of cost/benefits analysis, and

(b) Such loan facilities must be soft or concessional in nature.

(iii) The Private Sector
In view of the fact that the economy has been deregulated, the private sector will be free to borrow externally to meet its investment needs subject however to guidelines to be issued from time to time. The government would not, however provide any guarantee or, take responsibility for failure on the part of the sector to honour its external loan obligations.

Paris Club Debts

A few words need be said of the Paris Club Debts which seem most problematic not only because of the size (73.41% as at 30th June) but because despite all efforts and appeals, some at the highest level, and three rescheduling talks, the debt stock remains more or less unchanged. The restoration of a democratic government, the increased financial outlay on poverty reduction measures, transparency and accountability in the conduct of official business, all these may help but it is also time to review our strategy in order to make tangible progress.

The Standby Arrangement with the International Monetary Fund

I wish to use this opportunity to say a few words about the Standby Arrangement which Nigeria entered into recently with the IMF.

The SBA is really a compendium of short-term policy measures, spanning economic and governance issues which are designed to restore economic stability and engender growth and development. The arrangement envisages the maintenance of stable macro-economic environment, prudent utilisation of resources, deregulation and privatisation, improvement in governance through transparency, judicial reform and curbing of corruption, poverty reduction, trade liberalisation, implementation of fiscal federalism, among other measures.

The macro-economic objectives include a planned GDP growth of about 3.5% in the current year, keeping inflation at single digit, reduction in external current account deficit from 11% in 1999 to less than 1% this year and increasing foreign reserves to US$7.8billion (equivalent to 5.5 months of imports) by the end of this year. In view of widespread misconception of the programme by the public, it is necessary to stress that Nigeria has explicitly made it clear in the Letter of Intent signed with the IMF that she does not intend to draw SDR 788.9 billion (about US$1billion) even though she is entitled to it. The principal objective of the Federal Government in concluding an SBA is to garner international confidence and support. It is expected that this would catalyse donor funding for our Poverty Reduction Programme. I therefore, call on all Nigerians, especially the private sector, to give the SBA the full support which it deserves.

In conclusion, I wish to remind ourselves of the adverse effects on our economic growth and development resulting from our large debt burden. Government has however, taken a number of measures to address the problem. Monetary and Fiscal authorities have strengthened their surveillance over the financial sector. Debt management has been centralised in the Debt Management Office recently set up by government. The external borrowing guidelines are being reviewed to tighten the provisions. In the case of certain categories of debts (e.g. the Paris Club creditors) new strategies may have to be evolved to achieve the desired results.

The administration has accorded due priority to our debt problem and has taken concrete steps to ensure that our debts are closely monitored and efficiently managed. I am therefore convinced that the measures introduced recently will bear fruits in the coming months.

Appendix D

Presentation by State Governments

Akwa Ibom State

Come, Let Us Build Together – Presentation by His Excellency, Architect (Obong) Victor Attah, Executive Governor, Akwa Ibom State

I will like to extend to you the hand of friendship and partnership of the government and people of Akwa Ibom State. Since the inauguration of my administration on May 29, 1999. we have focused our collective energies on improving infrastructure, building capacity and creating the right environment for your business to flourish.

I believe that very few of Nigeria's 36 states can provide the strategic advantages and commercial opportunities which you require for soar-away success within the Nigerian environment like Akwa Ibom. Our state is blessed with enormous wealth. Our land is arable and our weather clement to support year-round agriculture. Our soil is rich with numerous mineral wealth. You will find across the state, very large deposits of gold, limestone, black and white clay, salt, coal, silver nitrate and glass sand. They will support a variety of processing facilities.

We are also rich in oil and natural gas. Akwa Ibom accounts for more than 28 per cent of Nigeria's total crude oil output. Much of the crude is located offshore which has proven reserves of crude oil and condensate and is reputed for spectacular discoveries. We have enormous reserves of gas on-shore. Exxon Mobil, Shell, Chevron, and Elf have been actively exploiting these resources for years.

Our territorial water is home to a diversity of aquatic life that is ideal for deep water fishing. Our coastline measures more than 129km. Much of this is sandy beach. This should combine with our rich cultural heritage to provide a strong base for an extensive tourism industry.

We run a democratic government with respect for the rule of law and due process. We are open and accountable. We are updating our infrastructural base to support increased industrial activities. Our telecommunications system is being modernised to provide international standard services. We are working on an ambitious power project that will utilise our gas resources to generate clean, uninterrupted electricity. We are re-engineering our processes so that our public service can run with a private sector mentality, delivering unparalleled values within the Nigerian environment. Our state is served with a network of roads. There are two international airports and seaports within 150km of our capital, Uyo.

The more than 3 million people of Akwa Ibom State represent some of Nigeria's dependable manpower pool. We are close and compact, multi-ethnic yet united. Our people are warm, accommodating and very industrious. Our state is home to more than 5,000 expatriates who have come to regard it as home.

Foreword

We are a leading member of Nigeria's South-South, Nigeria's strongest economic geo-political zone. We fall within three export free zones at Ikot Abasi, Calabar and gas free zone in Port Harcourt. These should offer you great incentives.

We are determined to bring real development to our people by constantly updating our infrastructure, giving skills to our people, and re-orientating them on the imperatives of the new economy.

As part of our economic policy, the government is divesting from direct participation in the industrial sector. So you will find a turf that is level, and an environment that will guarantee the success of your enterprise.

Limitless are the possibilities in our effort to reach you with real growth opportunities. I invite you to take advantage of these and choose Akwa Ibom State as the ideal location for starting, expanding and relocating your business.

You will be glad you did.

Nigeria on the Rebound

Nigeria is a land of 120 million people and diverse nationalities spread across 36 states and the Federal Capital, Abuja. It is Africa's largest market. Its multi-ethnic nature provides a rich cultural heritage. It is rich in mineral resources including crude oil, natural gas and solid minerals like gold, silver and precious stones. It is also rich in agricultural produce.

It gained independence from Britain in 1960 but much of its post independence history has been one of sustained military rule. On May 29, 1999, a new democratic government was inaugurated under the leadership of President Olusegun Obasanjo.

Nigeria is a multi-party democracy. There is clear separation of power and the role of the Executive, Legislature and Judicial arms are well defined. President Obasanjo is leading a government that is open and accountable.

Following the return of democracy, a number of international investors are turning to Nigeria as the next investment destination. Without doubt, this is a right decision. Nigeria offers one of the highest returns on investment among emerging markets. The economy has been opened up and restrictions and obstacles to free flow of investments have been removed.

Government is divesting its interests in companies in the oil, manufacturing, banking, communication, and service sectors. It is investing massively in improving public infrastructure and creating enabling environment for new investments. Significant actions have been taken to restore efficiency to the national power system. The four refineries in the country are being rehabilitated for greater efficiency. There is an on-going restructuring of the telecommunication sector to introduce new players and greater competitiveness.

In a bid to attract foreign direct investment, the Nigerian government has reviewed some oil laws and put in place a high basket of incentives for investors. With the review of the Nigeria Investment Promotion Decree of 1995, foreigners can now invest in almost all sectors of the Nigerian economy. Similarly, the repeal of the Exchange Control Act has removed most of the restrictions placed on the transfer of foreign exchange. Investors can transfer legitimate financial gains, whether capital, technical management fees, profits or dividends.

A number of tax incentives such as tax holidays, income exemption, enhanced capital allowance, and investment allowance have been introduced. The rate has also been reduced. The incentives are reviewed periodically to create investor friendly investment climate.

All About Akwa Ibom State

History: Created on September 23, 1987 by the government of President Ibrahim Babangida, from the former Cross River State.

Location: Latitude 4^0 32' and 5^0 53' North and Longitude 7^0 25' and 8^0 25' East.

Area: 8,412 square kilometres

Population: About 3 million. Average population density is 350 inhabitants per square kilometre. 85 percent of the population live in rural areas.

Capital City: Uyo

Other Major Cities: Eket, Ikot Ekpene, Abak, Ikot Abasi and Oron.

Ethnic Groups: Multi-ethnic: Ibibio, Anang, Oron, Ekey, Ibeno, Mbo.

People: The state comprises several related sub-ethnic groups. The ethnic groups include Ibibio, Anang, Oron, Eket, Ibeno, Mbo, Okobo, and the Andonis. They share a common ancestry and are reputed to be the first settlers in present day south eastern Nigeria. Historians say that the various ethnic groups in the state were firmly settled in their present abode by 1200AD. Most people live in rural communities although in recent years, modern towns have emerged in Eket, Abak, Ikot Ekpene and Oron. Farming is the traditional occupation of people with many others engaged in fishing, arts and crafts.

Climate: Tropical climate marked by two distinct seasons; the dry seasons (November–March) and the wet season (April–October). The wet season is usually interrupted by a short dry spell in August. Mean annual rainfall is 2,200mm in the north of the state and 3,500mm in the south of the state. Sunshine is between 1,400 to 1,500 hours per year. Average temperature range from 23^0C to 31^0C.

Geography: There are five distinct terrains, namely; the alluvial plains, beach ridge sand, rolling sandy plain, dissected upland and the Obotme Isolated Hills, a collection of hills which rise to about 150metres above sea level, the highest levels in the state. The state is watered by three main rivers, which empty into the Atlantic. These are the Cross River, Imo River and Qua Iboe River.

Vegetation: Three easily distinguishable vegetation; the saline water swamp forest, the fresh water swamp forest and the rain forest.

Mineral Resources: Crude oil, natural gas, limestone, gold, salt, coal, silver nitrate, glass sand, kaolin.

Government: Democratically elected government inaugurated May 29, 1999.

Executive Governor: Architect (Obong) Victor Attah.

Deputy Governor: Obong (Engineer) Chris Ekpenyong

Speaker, House of Assembly: Hon. Bassey Ekanem

Chief Judge: Justice E. R. Nkop

Secretary to the State Government: Obongawan Rita Akpan

Head of Service: Elder Eseme Essien

State House of Assembly: 26

Senators: 3

House of Representative: 12

Local Governments: 31

The Strategic Advantage

Akwa Ibom is one of Nigeria's 36 states. Strategically located in the south eastern flank of the country, it is a key member of Nigeria's South-South zone, the new economic power bloc, rich in crude oil, natural gas and a diversity of agricultural produce. The zone accounts for more than 90 per cent of Nigeria's oil wealth. In Akwa Ibom, you will find superior advantage no other state in the country can offer your business and investment.

A Rich Endowment

The 8,142km^2 that forms Akwa Ibom State is endowed with enormous wealth. The land is arable – from the saline water swamp forest in the south, to the rainforest in the northernmost part - and supports extensive agriculture. A number of cash crops which can be processed into primary and secondary goods are grown in the state. They include oil palm, rubber, cocoa, kolanut, coconut, citrus, cassava, yam, maize, rice, cowpea, plantain, banana, pineapple and gmelina. Akwa Ibom has the highest number of oil palm tree per capita in Nigeria. A variety of tropical livestock can also be found in the state.

In terms of marine life, its continental shelf and the neighbouring estuaries of Cross River, Imo, Qua Iboe and Calabar Rivers are very rich in many variety of fish and other seafood including catfish, sharks, barracuda, sardines, croaker, shrimps, crayfish, snappers, bivalves and oysters.

There are large deposits of oil and gas both on and off-shore. Plus other mineral resources such as limestone, clay, gold, salt, coal, silver nitrate and glass sand.

A Conductive Climate

A very clement tropical climate, marked by two distinct seasons - the rainy and dry seasons – combines with sound political and social conditions to create the right environment for new investments. We are deregulating and divesting from state owned companies. The business of government is to create an enabling environment for your business to grow. We believe that the private sector must be the engine of growth.

We are re-engineering our public service to operate with private sector mentality. We are computerising our operations. We have made it possible for you to process and receive all government approvals with dispatch.

There are a number of incentives for new investors. The export processing zone at Ikot Abasi guarantees such benefits as tax holidays, processing for export and easy repatriation of profit in tune with international practices. Our people are warm, friendly and very accommodating. Crime rate is very very low. Akwa lbom is one oil producing area without a history of hostage taking. Exxon Mobil which has been operating in our area since 1961, enjoys a very close relationship with the host community. We see it as a unique partnership for growth. To them, it is good neighbourliness.

Unique Location

Akwa lbom State is the only state that is served by three export free zones. That means, triple benefits for investors. There is an export processing zone at Ikot Abasi, home to Nigeria's multi - billion dollar Aluminium Smelter Company, Alscon. The state also falls within the catchment areas for Calabar export processing zone and the oil and gas free zone in Port Harcourt.

Because we are positioned midway between the two port cities of Calabar and Port Harcourt, Akwa lbom has unlimited access to the world, whether by air or by sea. Much more, we have become part of Nigeria's gateway to the countries of Central Africa, like Cameroon, Gabon, Central African Republic, Equatorial Guinea and Congo. These are great market potentials for our industries.

Currently, the Federal Government is dredging the Atlantic coast at Ikot Abasi so that sea going vessels can berth at the port. This should help the export drive of Alscon and for you, foster business growth.

Strategic Bridge

Out of the six geopolitical zones in Nigeria today, only the South-South has the economic muscle to translate its dreams into realities. The rich natural resources of the zone accounts for more than 90 percent of total national earnings. The zone comprise Akwa lbom, Bayelsa, Cross River, Delta, Edo and River States. For years, these states were considered as the minorities with little say in the management of their natural endowments. Not any more. Today, following from the return of democracy, we have become a voice that is heard across the land; a major power bloc. In this group, Akwa lbom State is a major player.

The people of the zone are being empowered politically and economically, especially through the recent changes in federal revenue sharing system that gives 13 percent of oil earnings to oil producing states.

The zone has a total population of more than 15 million. Add to this the more than 12 million people in the neighbouring states of Abia, Anambra, Ebonyi, Enugu and Imo which form the south east zone and you will come face to face with one of Africa' s extensive market, by far larger than the population of South Africa.

Infrastructure Base

We are modernising our infrastructure to bring them to world class standards. The state is benefiting from a federal programme to upgrade and modernise key telephone facilities across the country. This process should be completed shortly. We are currently discussing with a number of organisations within and outside Nigeria to develop independent power projects that will provide uninterrupted electricity in the state.

We are building new roads and rehabilitating old ones. A total of 1,000 km of road will benefit from this programme over the next 12 months. They should open up our communities and facilitate easy movement across communities. Our compact size demands that we develop our state as an integrated city served with very modern amenities.

In the housing sector, the state is benefiting from a special programme sponsored by the Nairobi-based Shelter Afrique. More than $30 million will be invested over the next three years in developing owner occupier homes across the state.

The Human Edge

Akwa lbom State is a colourful blend of people. The 3million people come from more than 10 ethnic groups. The multi - culture provides a unique heritage of accommodation, warmth and understanding. Our people are noted for their friendly attitudes. They are industrious, honest, hospitable and accommodating, always driven by a passion to excel. This is a value - based society, where honour and integrity is revered above transient gains. You will find a rich manpower pool to help you translate your corporate visions into reality. There are recreational facilities in key areas to help you to unwind. And for your children, there are numerous primary and post-primary schools, a college of education, a polytechnic, a federal university and an international standard maritime academy to prepare them for the future.

The Economy

Although the state is mineral - rich, agriculture is the bedrock of its economy. It employs about 70 percent of the state's workforce. Most are engaged in subsistent farming. The industrial sector is small and dominated by government owned companies. The private sector is active in the service areas, although a few industries are privately owned.

At inception, the state inherited a number of companies from Cross River State. These companies are:

- Sunshine Batteries, Essien Udim
- Peacock Paints, Etinan
- Quality Ceramics Industries, Itu
- Qua Steel Products Limited, Eket
- Asbestonit Industries, Oron
- Plasto-Crown Industries, Uyo
- International Biscuits Limited, Ikot Ekpene
- Champion Breweries, Uyo
- Pamid Industries, Abak

- Seastate Seafood Limited, Eket.

Most of these companies were ailing, becoming a drain on government. As part of the economic policies of the present administration, these companies are to be revived and privatised. The State government is divesting its interest in them in line with its overall philosophy to focus its energies on creating an enabling environment for private sector initiatives to flourish.

The state government is pursuing its industralisation and privatisation programme through the Akwa lbom Investment and Industrial Promotion Council, AKIIPOC. Through AKIIPOC, a number of interests have been secured as strategic partners and core investors in reviving these industries. The Plasto - Crown Industries has been revived and is back on stream, producing crown corks and plastics for domestic and industrial uses.

A core investor has been secured for the Champions Breweries, Uyo. An interim board has been put in place to direct efforts at early resumption of operations. AKIIPOC is discussing with other investors from across the world on participating in the revival of the other companies.

Other industries in the state include Ebuchu Fishing Terminal, Mbo, Akwa Rubber Estate Limited, Itu, Akwa Feeds Limited, Uyo. There are two Federal Government industries, the Aluminium Smelter Company, Alscon, at Ikot Abasi and the Nigerian Newsprint Manufacturing Company, NNMC, Oku lboku.

There are a number of oil companies operating in the state. Ibeno is the operational headquarters for Exxon Mobil. Shell, Elf and Chevron are here along with leading oil services company like Daewoo and Costain.

Government Economic Policy

The state believes that growth and sustainable development can take place through private sector initiatives under an enabling environment created by government. As part of our responsibility to create that environment, the present administration will invest in strategic areas of power, telecommunications, oil and gas as well as human capital development.

Government economic policy is consistent with providing the conditions for competition, liberalisation and openness.

We believe in the empowerment of the people to participate in productive economic activities. In addition to numerous skill development programmes, the government in partnership with the United Nations Development Programme, UNDP, completed the Akpan Andem Entreprenuership Village, to boost domestic productive capacities and create wealth.

In 1999, Governor Victor Attah undertook an economic tour to the United States where he met a number of investors and sold the opportunities existing in the state. The fruit of that trip has been a surge of interests, from the United States, Japan, Taiwan and China in partnering with Akwa lbom for its development. Government is offering a number of incentives to attract and sustain these investors. These include, free land and title, access to research studies on various fields in addition to tax holidays, capital allowance and easy repatriation of profits.

AKIIPOC has undertaken a number of studies on investment opportunities that exists in the state and is willing to share these studies with interested investors.

Agriculture

The rich land mass and the all year - round clement weather offer a favourable environment for the production of food and tree crops as well as livestock. A number of crops are widely grown in the state. They include cassava, yam, cocoyam, maize, rice, cowpea, melon *(arable mp),* plantain, banana, pineapple, pawpaw, mango, African pears *(fruit crops),* leafy vegetable, okro, pepper, tomatoes *(vegetable crops),* oil palm, coconut, rubber, cocoa, raffia palm, gmelina and kola *(cash crops).*

The major industrial crop is the oil palm tree. The state has the densest groves of oil palm in Nigeria. The Akwa Palm Industries Plc was set up in 1991 to harness the full potential of this crop. The production of crude palm oil will allow for downstream industries which can refine the oil into vegetable oil, soaps, margarine, glycerine, candies, detergents and numerous other products. The kernel oil is used for the manufacture of high quality toilet soap. Bye product from the oil palm industries are used for the production of livestock feeds.

The state provides excellent climate and soil for the growth of rubber and cocoa trees. Rubber crumbs are used in the production of rubber - based products like tyres and numerous components used in the manufacture of automobiles. Cocoa is exported and is also processed into chocolate, various beverages and wine.

Yam and cassava are processed into edible powder and chips and industrial starch. Maize can be processed into edible powder and animal feed. Citrus fruits and

pineapples grow easily and are processed into juice for canning and confectionery and cosmetics. Banana and plantain can be processed into chips and for pharmaceuticals.
Livestock such as poultry, pigs, and goats produce meat and raw materials 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.

Forest Resources

Several tree species are found in the state. The predominant specie is *gmelina arborea* which is used in the production of newsprint and other paper products. The major consumer of the tree specie is the Nigerian Newsprint Manufacturing Company, NNMC, at Oku lboku.

Other prominent tree species include *Pinus ip. Tecfona grandis (teak), Chlorophora excelsa (iroko), Khaya graondifoliola and Entadrophragama cylindricum.* Other prominent species are *ancistrophy sp and calamus sp* used for making cane chairs and baskets. They are also used for weaving. There are three forest reserves with total area exceeding 320 square kilometres.

Fishery Resources

The state has a coastline of 129 km. 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 a Federal Government owned fishing terminal at Ebughu, Mbo Local Government, with dry docking and bunkering facilities, berthing and discharge of fishing trawlers and sorting, processing and packaging of fish for export are available.

The relatively untapped fishery potentials at Itu, Uruan, Ibeno and Ikot Abasi offer investment opportunities in this area. The main fish species are the catfish, sharks, sardines, croaker, shrimps, crayfish, snappers, bivalves and periwinkles.

Oil & Gas

Nigeria is a leading producer of oil and also has vast gas resources. The oil industry is currently the largest and most important sector of the economy, being the main foreign exchange earner. Akwa lbom State is the second largest oil-producing state in Nigeria and provides the operational base for Exxon Mobil which is currently investing massively in the expansion of terminal facilities at its Qua lboe Terminal, Ibeno and some gas utilisation projects. Exxon Mobil contributes about 28 percent of Nigeria's total output. Other multinational oil companies operating in Akwa lbom State include Shell Petroleum Development Company of Nigeria and ELF.

Akwa lbom State is located within Nigeria's Niger Delta region. The Niger Delta basin is one of the most prolific hydrocarbon provinces in the world. The sedimentary basin occupies a total area of 75,000km^2 and is at least 12km thick in its central part. Total recoverable hydrocarbon is estimated at more than 20 billion barrels of oil and 120 trillion cubic feet of gas, making the region one of the highest concentrations of petroleum per unit volume of basin-fill sediment. The state government has just created a Ministry of Petroleum and Mineral Resources to oversee its interests in the sector.

Akwa Petroleum and Energy Limited (APEL)

Akwa Ibom Petroleum and Energy Limited is a state-funded holding company recently incorporated to facilitate the active participation of the state and its indigenes in the Nigerian oil and gas sector. It has three main subsidiaries, namely:

- *APEL Exploration and Production Company Limited*
- *APEL Refining and Petrochemical Company Limited*
- *APEL Gas Company Limited*

APEL Production and Exploration Company will focus on the upstream sector. It is currently bidding for oil blocks and marginal fields within Akwa lbom State. APEL Refining and Petrochemical Company will be responsible for the construction and take - off of an export - oriented refinery for which the state has received Federal Government approval, while APEL Gas Company will focus on gas utilisation projects. APEL is seeking joint venture partners with international investors in the key areas of its operations.

Power

APEL Power Company Limited is also interested in investing in power generation. The company is seeking partnership with power companies in its desire to generate and provide electricity to the state.

Oil Concession in Akwa Ibom State

The Nigerian Government through the Department of Petroleum Resources (DPR) has sub-divided the various sedimentary basins into various concessions for interested oil exploration investors. A lot of oil concessions are located on-shore and off -shore Akwa lbom State.

Type of Licences

Three types of licenses exist, namely:

- Oil Exploration license (OEL)
- Oil Prospecting license (OPL)
- Oil Mining Lease (OML)

The life span of these licenses are 1 year, 5 years and 20 years respectively.

Contract Terms

The subsisting contract terms in the sector are grouped into:

- Joint Venture
- Service Contract
- Production Sharing Contract
- Sole Risk

Legislative Provisions

The major legislation affecting the petroleum industry in Nigeria include:

1. Oil Pipeline Ordinance of 1956 as amended in 1965.
2. The Petroleum Profit Tax Ordinance of 1959 with amendments in 1967, 1970, 1973 and 1979.
3. Mineral Oil (safety) Regulations 1963.
4. The Petroleum Decree of 1967.
5. The Hydrocarbon Oil Refineries Act of 1968.
6. Petroleum (Drilling and Production) Regulations 1969 with amendments in 1973, 1979 and 1996.
7. Associated Gas Re-injection Decree 1979 as amended in 1985.
8. Nigerian National Petroleum Corporation Decree 1977.

These legislations highlight the relevant control issues, fees, terms and conditions of operating within the sector, technical standards as well as the broad specifications of equipment and installations, and statutory requirements on environmental and health issues. Types of licenses and permit, as well as the obligations and rights of the concessionaire are also included.

Memorandum of Understanding (MOU)

A Memorandum of Understanding was executed in 1986 between the Government and its joint Venture Partners on *Incentives for Encouraging Investments in Exploration and Development Activities and Enhancing Crude Oil Export.* The existing Memorandum of Understanding has undergone periodic reviews and negotiations are on for a further review.

The Gas Sub-Sector

New incentives were introduced between 1990 - 1993 by the Federal Government to encourage further investment in the gas sub-sector. The incentives include a guaranteed minimum price for gas, a more generous royalty rate of 5-7 per cent, a liberal capital allowance rate, and a reduction of Petroleum Profit Tax for gas to 65.75 per cent.

Other incentives for the sector include the *Associated Gas Framework Agreement,* AGFA of 1992 which guarantees capital investments for gas facilities as part of oil field development and petroleum profit tax, PPT, at 40 per cent. Indigenous and foreign investors with companies incorporated in Nigeria are allowed to own 100 per cent of natural gas and petrochemical plants with a tax exemption for five years.

Investment Opportunities

- *Exploration and Exploitation opportunities.* Concessions are available for investors interested in joint venture with APEL Exploration and Production Company Limited.
- *Seismic data acquisition, processing and geo-technical engineering.* As drilling at, sea bottom surveys and core companies will also thrive in the state.
- *Refinery and petrochemical plants.* Investors in APEL Refinery and Petrochemical Company Limited with minimum capacity of 100,000 - 150,000 barrels per day will be guaranteed supply of crude and necessary feedstock.
- *Oil field service companies* like drilling rigs, logging, etc are viable investment areas.
- *Gas powered industries.* APEL Gas Company Limited will be promoting several gas utilisation projects. Government guarantees the supply of gas at reasonable rate.
- *Marginal fields in Akwa lbom State.* Small-scale investors can partner with the government and indigenes of Akwa lbom State to exploit several small fields.
- Conceptual designs, local fabrications, etc.
- Large-scale offshore funding of ring-fenced and bankable projects.
- Provision of venture capital resources.
- Technological transfer programmes. There are opportunities to set up specialised institutes or centres for capacity building in the oil and gas sector. For instance, the Petroleum Training Institute at Warri can be benchmarked.

Solid Minerals

Our soil is host to a number of mineral resources that can be commercially exploited. There are both the metallic and non-metallic minerals which have been fairly distributed across the various local government areas of the state. A number of studies have been undertaken by the Federal Government owned Raw Materials Research and Development Council, RMRDC, on their uses and application. These studies are readily available to investors.

Akwa lbom State is set for the orderly and ecologically sound exploitation of these minerals in partnership with the private sector.

Metallic Minerals

The state has proven deposits of gold and silver nitrate. These are precious metals useful in the production of jewelry.

Non-Metallic Minerals

The non-metallic minerals found in the state are:

Clay

Hydrated alumino - silicate that is found in Eket, Etinan, Ikot Abasi, Ikot Ekpene, Ini, Itu, Onna, Oruk Anam and Nsit Ubium local government areas. Kaolinitic clay deposits are found in Itu and Ikot Ekpene. This can be processed directly into kaolin. Ordinary clay is useful in the building/construction sector where it can be employed in the manufacture of bricks and tiles and in the ceramic and pottery industries.

Kaolin can be processed into calamine lotion for babies and is used in the production of porcelain and China wares and a number of finished and semi-finished products. Kaolin finds direct application in the paper, paint, rubber, plastics and ceramic industries.

Silica Sand

Glass sand occurs extensively in Akwa lbom State beaches, coastal plains, riverbeds and some sandstone units. High grade silica and beach sand are abundant in Eket, Itu, Oron, and Uquo Ibeno local government areas as well as Mbo, Ikot Ekpene, Abak and Etinan. The glass sand are useful for the manufacture of a number of glass products including glass bottles, glass sheets, drinking glasses, mirror, optical and laboratory glasses and lenses. Also, as construction materials, silica sand can be used in moulding cement and production of concrete. It is also used in foundry, abrasive, and oil and gas industries.

Limestone

Limestone is impure calcium carbonate. Large deposit can be found in Ikono and further geological surveys are likely to produce other finds. Limestone is important in the building and construction industry and is used in the manufacture of cement, hydrated lime, calcium carbide for welding and Plaster of Paris.

Gravel

There are abundant deposit of gravel in Ikono, Itu, Ini and Oron. Quarrying is a key area to consider to supply gravel and other construction and building materials to the construction sector.

Salt

Commercial deposits of salt exist in the state and can be processed into table salt, sodium carbonate, sodium hydroxide and industrial chemicals. Primary uses are in flavouring, food preservation and skin tanning.

Coal

Akwa lbom lies within the coal-producing belt in Nigeria. The product exists here in sufficient commercial quantity to support viable mining for local use and for export.

Tourism

Akwa lbom is a rich tourism destination offering unrivalled wealth of scenic landscape, long sandy coast, a wealth of wildlife and culture, plus a warm and friendly people, known for their exceptional culinary skills.

Solidly wedged in Nigeria's south eastern flank, the state is deeply religious and this shows not only in its name which translates into *The Great God of Heaven, but* also in the rich relics of its traditional religion which have been preserved across the state. The local dances, songs, folkore, mythology, cult and traditional festivals provide engaging opportunities for those who seek naked excitement and unspoilt pleasure.

Across the state, especially as you move from the coastal south to the elevated north, you will find an attractive variety of natural landscapes, offering breathtaking views. They range from the moody mangrove swamp and picturesque vegetation island, to flat land of secondary vegetation and pockets of thick tropical forests, palm groves and vegetable land to rugged valleys on the slopes of gentle rolling hills.

Wildlife Park

For eco-tourists, Akwa lbom is rich in various specie of animal and bird fife to make a memorable trip. Watch rare species of African fauna, elephants, leopards, rhino, antelope and different types of monkeys, birds and fishes in their natural habitats at the coastal and inland forest games reserves at Mbo / Uquo Ibeno local government. A conservation programme is going on here to preserve endangered species of flora and fauna under national and international conservation programme. The area offer amazing opportunities for bird - watching, ocean or fresh water fishing, insect collecting and animal husbandry of unusual wool-less sheep, small hunch-backed cattle, land snails and a variety of crayfish, prawns, clamps, crabs and lobsters.

The Art and Craft Centre

Abak, Ikot Ekpene, Ikono and Itu areas of the state are world famous for their wood-carvings, raffia weaving and cane work. Ritual objects and shrine furniture, cultural items like masks, staff, rattles, gongs and drums, raffia fibre costumes, household implements, furniture, shoes, bags, folders, hats, coconut jewelry and souvenirs are produced in large quantity here. Most of these products have found their way into the international market and attract very large demand.

These items are produced from local materials and made to customer's specification. Ikot Ekpene is essentially the craft headquarters of the state and within 35 kilometer radius, you are certain to find more than 50 traditional carvers who learnt their trade from their forebears and have developed much dexterity. At Ikot Ekpene, you can order an invitation of antiquity mask and have them delivered in a matter of hours.

Urua Inyang, Abak is famous for skin - covered mask; Ibiono, for wooden carved household items; Itu, for cane works, including cane chairs, baskets, dividers, tables and Essien Udim, for raffia fibre and household clay utensils. Specialised metalwork – like manila currency, traditional brass leggings for the female coming-of-age-ceremony, bangles and rings, walking sticks and candleholders – have been produced at Ikot Ekpene since colonial times.

The Fine-Art Garden at the University of Uyo

Visit the University of Uyo sculpture garden and appreciate the works of products of the Fine Arts and Industrial Arts Department on display there. Products of the department have created a local tradition of metal and fibreglass sculpture and relief wall murals, which can be easily seen across the university. The department holds an annual exhibition of graduate artwork projects. It is usually a great hit.

Key Places of Interest

A number of historical and cultural places of interests exist across the state. Throughout the state is a scattering of stone age and metal smelting sites, finds of bronze and terracotta figurines, ancient farming and fishing settlements, sacred grooves and shrines. There are traditional centres of religious rituals like the Akwa Akpa Island, lbom and Asan Ibibio, early settlements at Enwang, Ididep, Otoro and Esuk Oro with their legendary landing beaches, pre-colonial water routes leading to ancient river beach markets, slave market and colonial and pre-colonial Architecture.

The Government Hills at Itu, Uyo and Abak and the Consular Beaches at Ikot Abasi and Eket are worth visiting for their rich history. There is a cenotaph and several sculptural monuments to commemorate the heroic sacrifices of women killed in the famous Women War of 1929 against the imposition of poll tax on women by the colonial government. You will find these at Ikot Abasi, Abak and Utu Etim Ekpo.

The Presbyterian Church Itu, built by Mary Slessor, the Scottish missionary who stopped the killing of twins is still standing at Itu.

There are two museums in the state. The National Museum at Oron started in 1959 and the National Museum office, Uyo contain rare historical works and antiquities of great delight.

Akwa Ibom Cuisine

The culinary ability of Akwa lbom people is legendary. The meals are generally rich in vegetables.*Edikang Ikong,* a traditional soup made from pumpkin leaves is a delicacy served in many restaurants across the country. It is usually eaten with cassava or yam flour. There are other soups like *afang, abak, otong, efere ikon and afia efere*. Look out for Ekpang Nkukwo, a porridge made from cocoyam tuber and leaves.

Hotels and Restaurants

The state is served with many hotels, particularly in the capital, Uyo and the other key cities. In Uyo, the average occupancy rate is as high as 80per cent. There are opportunities for the development of international standard hotels, resorts and conference centres. There are also opportunities in restaurant services.

Cultural Calendar

There are numerous cultural events to excite your interest in the state. They include *Ekpan Akata, Mbre Moong, Ekpe, Ekpo* and Ekonk festivals, sacred festivals to celebrate the traditional deties like *etefia, anyan, awa-itam, nkemba nkuku atan and obodom onyong.* Visit the State Council for Arts and Culture for a detailed programme of events to keep you busy all year round.

In addition, the state cultural troupe and a number of private groups and theatres abound in the state. A leading private group is the Ekemini Theatre, a youthful troupe that has performed in many parts of the world. This year, the troupe performed at the African Summit in Washington and stole the show at the African Odyssey at the Kennedy Centre, New York. It has performed twice at the International Children's Festival in France and is a popular choice for national performances.

Information on Investment Opportunities in Borno State

1. Introduction

Blessed with a population of over 3 million, which could provide sufficient workforce, a landmass of about 70,000 square kilometers which is arable and fertile; mild, warm and dry climate with rainfall ranging from 500 mm to 1000 mm/annum, Borno State is one of the most viable places for investment in Nigeria. The state is also well connected by good network of roads, railways and air transport. There is also good supply of electric power, water and telecommunications.

This write-up is aimed at enlightening the public on the investment opportunities that abound in the state with a view to stimulating interest towards investing in the state. It specifically takes a look at the agro-based and mineral raw material availability in the state, their locations and possible uses. It also highlights on the procedures for setting up a business, as well as government incentives to investors.

2. **Details of Agro-based and Mineral Raw Material in Borno State:**

A. Agro-Based Materials

S/N	*Raw Materials*	*Location*	*Possible Industrial Uses*
1.	Gum Arabic	Monguno, Kukawa, Gubio, Ngala & Nganzai	Glue, Surgical Dressing, Industrial adhesive, e.t.c.
2.	Maize	Biu, Shani, Kukawa (Baga) Hawul	Flour, starch, glucose, animal feed, corn flakes, e.t.c.
3.	Millet	Maiduguri, Damboa, Konduga, Kukawa & Abadam, Hawul	Flour
4.	Rice	Biu, Ngala, Dikwa, Shani, Bama, Mobbar, Abadam, Hawul	Flour, par-boiled rice, animal feeds, e.t.c.
5.	Tomatoes	Biu, Shani, Mobbar, Monguno, Abadam, Kukawa, Hawul	Tomato puree, tomato juice, e.t.c.
6.	Beans	Biu, Shani, Kukawa, Monguno, Konduga, Gubio, Magumeri, Hawul	Baked beans, beans powder, e.t.c.
7.	Groundnut	Gubio, Biu, Damboa, Hawul, Magumeri	Oil and animal feeds
8.	Cotton	Biu, Shani, Bama, Gwoza, Hawul	Textiles, oil, cosmetics, animal feeds, e.t.c.
9.	Fish	Lake Chad, Baga	Fresh, canned, and dried fish, e.t.c.
10.	Livestock	All Over	Meat, leather products, e.t.c.
11.	Cassava	Biu, Shani, Konduga, Hawul	Starch, batteries, adhesive, ethyl alcohol, food, soft drinks, confectionaries, e.t.c.
12.	Timber	Biu, Gwoza, Shani, Askira Uba	Furniture, building e.t.c.
13.	Desert Melon (Guna)	Kaga	Cooking oil, and Animal feeds

14.	Water Melon	Monguno, Ngala, Biu, Konduga & Kukawa	Melon drinks
15.	Red Pepper	Biu, Shani, Gwoza, Mobbar, Abadam, Hawul	Packed Species, Food Industries
16.	Wheat	Biu, Ngala, Monguno, Kukawa, Mobbar & Hawul	Flour, Malt e.t.c.
17.	Tamarind	Biu, Shani, Damboa, Askira/Uba, Gwoza, Bama Hawul	Pharmaceutical & Confectionary Industry
18.	Sweet Pepper	Mobbar, Konduga, Hawul	Species for domestic & Industrial uses
19.	Sweet Potatoes	Kukawa,(Baga), Biu, Shani, Hawul	Starch production
20.	Back Caraway	Monguno, Marte, Kukawa	Spies, Medical, oil production

B. Mineral-Based Raw Materials in Borno State:

S/N	*Raw Materials*	*Location*	*Possible Industrial Uses*
1.	Limestone	Damboa, Biu, Hawul	Cement, sanitary, & ceramic hardware, chalk lime production
2.	Quartz	Gwoza, Biu, Hawul	Flint, sand paper, metal polish, electronic devices, gem for necklaces, ear-rings, plates e.t.c.
3.	Uranium (traces)	Biu, Kwaya Kusar	Energy for nuclear e.t.c.
4.	Kaolin	Damboa	Industries filler in pharmaceutical products, detergents, insulation, paints, petro-chemical products, e.t.c.
5.	Clay & Ceramic	Lake Chad Plain	Chalk, sanitary ware, burnt bricks, e.t.c.
6.	Iron Ore	Biu, Gwoza, Hawul	Iron, steel production
7.	Diatomite	Shani	Fillers, insulators, roofing sheet, plastic cosmetics paints e.t.c.
8.	Feldspar	Gwoza, Shani, Hawul, Biu	Ceramic industries, glass industries

9.	Mica	Shani	Roofing sheets, electrical insulators e.t.c.
10.	Potash	Kukawa	Fertiliser, soap, dying, matches & explosive
11.	Diamond (traces)	Biu, Hawul	Wiring Implement, machine tools, precious stones, jewelry e.t.c.
12.	Magnesite	Shani	Refractory magnesium brick production, animal feeds and fertiliser plant.
13.	Bentonite	Ngala, Monguno	Drilling mud
14.	Fullers earth	Ngala	Fertilisers, insecticides, oil and grease absorbent
15.	Iron ore	Biu, Gwoza	Iron and steel plants
16.	Mica	Shani, Bayo and Hawul	Dry ground roofing and electric insulator factories.
17.	Gypsum	Bayo, Gwoza, Kwaya-Kusar, Damboa, Chibok	Plaster of Paris bandage factory, mini cement plant, gypsum beneficiartion
18.	Mica	Shani, Bayo & Hawul	Dry ground roofing and electric insulator factories
19.	Trona	Guzamala, Kukawa	Glass industry, soap, chemical industries, soda ash, caustic soda plant.
20.	Granite	Askira/Uba, Gwoza, Hawul	Granite cutting and polishing of plant
21.	Natural salt	Kukawa	Salt manufacturing industries
21.	Garnet	Biu, Hawul	Ornamental purpose
22.	Amethyst	Biu	"
23.	Tourmaline	Biu	"
24.	Aquamarine	Biu	"
25.	Sapline	Askira	"

3. Government Incentives to Prospective Investors in Borno State

Borno State, apart from being far away from the seaports, has in the past been plagued by the near absence of basic infrastructural facilities such as telecommunication, electricity, roads, and water supply.

However, persistent government and individual efforts aimed at changing the ugly trend of industrial backwardness have greatly paid dividends and things have changed for the better, as far as the provision of industrial infrastructural facilities are concerned.

- Near constant electric power supply from NEPA plus a functional rural electrification board, that supply light to all major towns of the state.

- Standard intra-state, inter-state and international road network linking all the local government headquarters, major towns, state capital and the neighboring countries of Chad, Niger and Cameroun Republics.

- A standard international airport, with fight links to virtually all the major airports in Nigeria and other countries.

- Direct dialing telephone system that connects you to your partners anywhere in the world.

- Vast and prepared land that makes land acquisition a "No Problem" for investors.

- An unbeatable relief package for industrial beginners which include among others, exemption from paying land and rents for 5 to 10 years, and speedy acquisition of title deeds on the land.

4. How To Go About Establishing Your Business in Borno State

When all investigations have been concluded and a decision to start a business has been taken, the following essential documents should be secured. They are the same nationwide.

(a) Feasibility study for the project

(b) Apply for permit to establish a business;

(c) Request for permission to employ expatriate, if required.

(d) Register the business name/incorporate a company

(e) Apply for approval of building plan

(f) Obtain presidential permit for alien(s) to reside in Nigeria.

(g) Notify the Federal Ministry of Industries of the Intention to incur capital expenditure on the business, information required for capital investment in manufacturing industry in Nigeria

(h) Request for import duty concession via application for approved user license which allows for either exemption from import duty, grant a concessionary low rate of import duty on raw materials brought into Nigeria, for use in the manufacturing or processing of certain goods in the provision services.

(i) Request for approval status permit for expenditure (on the business) involving foreign exchange.

(j) Request for pioneer status certificate – the grant of which entitles certain types of manufacturing company to enjoy relief from income tax.

For further discussion on areas of interest, please contact:
The Managing Director,
Borno Investment Company Limited,
No. 10 Nguru Road,
P.M.B. 1023,
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Delta State

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 the larger part of the famed Niger-Delta Area.

It has four seaports namely: Warri, Sapele, Burutu, and Koko in addition to two petroleum exporting terminals.

Natural Resources

Delta State is a leading producer of crude oil (40 per cent or 0.8 million paid from onshore/offshore) 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

Major Investment Opportunities

Delta State is seeking partnership with private investors in order to harness her abundant human and material resources in the following areas:

Industry

Palm oil processing, wood products, rubber products, fruit juice glass, petrochemical industries, paints and pharmaceutical

Raw Materials

Oil Palm

Available throughout the state but underutilised. Processed products are in high demand both for domestic consumption and industrial use.

Timber

Timber (Hard Tropical Wood) is available in most parts of the State.

Latex

There is a high demand for this product. Rubber trees thrive in all parts of the state. Domestic use of rubber is low. There is much scope for expansion in the industry and diversification towards finished products.

Assorted Fruits

There are grown throughout the state. Production should be large enough to sustain major fruit juice industries.

Silica

Extensive deposits of silica exist in the state. Investors to reactivate existing glass industry. Government is also prepared to go into partnership with private investors in establishing new ones.

Crude Oil

There is abundant supply of crude oil, natural gas and by-products from existing refinery in the state. Fertiliser, bitumen, LPG plants, Urea, Ammonia, etc. are examples of viable products and industries in the oil and gas downstream sector.

Kaolin

There are huge deposits of kaolin in the state, suitable for the manufacturing of drugs and paints.

Clay

Abundant deposits of industrial clay are found in nearly all parts of the state, suitable for brick factory.

Seaside and inland sites are prevalent in the state. Such sites are suitable for the development of river resorts and water-related tourism industries.

Raffia Palm

This is plentiful in the Riverine areas of the state. Raffia palm related industries are still underdeveloped in Nigeria. There is much scope for the development 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 abound, particularly in the riverine areas of the state.

Water

The atlantic ocean and inland waterways highly suitable for deep-sea fishing and aquaculture respectively. There is a high demand for the products of this industry both for human consumption and animal husbandry.

Cassava and maize

These products are of great demand in the paper, food and textile industries. Delta State is the leading producer of cassava in the country today.

Maize and Soy Beans

Maize and Soy beans are grown in the state. This is a vast area for private investors. Establishment of soybean - meal plant and automated feedmill are areas of potential investments.

Sea and Water

This is perhaps the most underdeveloped area, considering the number of people who fish for a living in the riverine communities. Nearly all aspects of the industry harbour opportunities for investment – for example, production of shackles and fishing gears, production of fingerlings/establishment of modern fish farms, shrimp fishing and culture for export and the establishment of an ice-melting plant.

Fruits/Vegetables

This is another vast area of investment opportunities particularly in the areas of industrial processing. The state has in abundance a variety of fruits and vegetables suitable for canning and bottling for local consumption and for export.

Privatisation

Delta State is desirous to create a private sector-driven economy in this millennium. We hope to achieve this goal by creating investment opportunities and incentives for the private sector and through privatisation/commercialisation of existing State Owned Enterprises (SOEs), namely:

a. Bendel Glass Industry , Limited, Ughelli
b. Bendel Steel Structures Limited, Enerhen
c. Delta Hotels Limited, Warri
d. Delta Hotels Limited, Sapele
e. Delta Hotels Limited, Agbor

Private Power Generation

It is pertinent to highlight this area of private investment opportunity. In the Warri metropolis 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 a ready source of energy to power the turbines in the proposed venture.

Telecommunication

Telecommunications in the state are at a rudimentary stage. The connections of different towns and local government areas to the national network is largely undone and as such telephone connections as of today is less than 7 to 1,000, as against the ITU standard of 1 to 10. Therefore, opportunities abound for private investors in this sector.

Proposed Development Pathway

Delta State Government will provide the enabling environment and incentives for private sector investment. Thus, at least three zonal industrial layouts or estates will be established in each of the three senatorial districts. Various classes of industries will be encouraged in the above estates. Among these are:

- Natural Gas Pipeline Network
- Electric Power generation and Distribution Network
- Telecommunications Network
- Portable Water Network
- Co-generation of Steam and Steam Pipeline Network
- Industrial Estate Road Network
- Cooling, Process/De-ionized Water Provision Network
- Compressed Air Network
- Hydrogen, Oxygen, Carbon Dioxide, Nitrogen, etc. Network
- Centrally-controlled Environmental Safety and Waste Management.

Incentives/Benefits to Investors

- Prompt allocation of land in government-owned industrial estates to would-be investors
- Favourable land use policies that would facilitate easy access to land
- Providing the full range of infrastructure/utilities for industrial estates so that they are truly "service providers"
- Ensuring that all projects that use associated natural gas would have additional financial grants equal to gas flared for 5 years
- Providing financial guarantees for all industries in the industrial estates
- Providing additional financial grants to industries that utilise associated natural gas for their operations
- Guaranteeing lower interest rates for private sector "service providers" to ensure the provision of uninterrupted services within the estates
- Generous discounts on rates and levies for oil and gas downstream mineral processing/agro-allied industries
- Ensuring commitment for the supply of associated gas by oil companies at processing cost
- Generous discount on rates and levies collectable by the state government

- Exemption of gains from disposal of stocks and shares from capital gains tax
- Investment capital allowance is increased from 5 per cent to 15 per cent.
- Initial tax holidays for gas investment extended from 3 to 5 years
- Favourable tax incentives
- Provision of feasibility studies and other requisite background information
- Sponsoring technological and management training programme
- Establishment research and technology centres to enhance growth and continued development
- Government protection guaranteed.

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.

You can contact us through the Ministries of Commerce, Industry, Cooperatives and Tourism and Finance at our website http://www.deltastate.gov.ng
e-mail: investment@deltastate.gov.ng
commercecommissioner@deltastate.gov.ng
financecommissioner@deltastate.gov.ng
Phone: 234-056-281838
234-056-281861.

Investment Opportunity in Gombe State

Gombe State was created out of the former Bauchi State on 1st October, 1996 with headquarters in Gombe.

The state consists of an area covering 20,265 square kilometers and has an estimated population 1,901,227 people. It is located between latitudes of 9°30' and 12°30' North and longitude 8°45' and 11°"45'East of the Greenwich meridian. It has an average annual rainfall of 900 mm.

The state is located in the North East region of Nigeria and its main topographical features are the concentration of mountains and hills in the South East, the predominance of flat/open plains in the central North and North East. The vegetation is mainly the Guinea Savannah grassland with concentration of woodlands in the South East and South West. The Gongola River traverses the state at the North East and South East through Dukku, Nafada and Dadinkowa to join the River Benue at Numan. Three other lesser rivers with origins from the mountains run in the southern part of the state and empty their waters into the Gongola River. As a result of this unique geography, Gombe State has abundant resources, abundant grazing fields, fertile agricultural lands and huge solid mineral deposits/varieties that are unequalled in the country.

In terms of solid minerals, Gombe State is endowed with over 35 different varieties of solid minerals, which are suspected to be in commercial quantities all over the state. Some of these minerals have been explored and are currently being utilised by the few companies we have in the state. An example is the Ashaka Cement Company Plc., which does not import gypsum any more for its production.

Today, Gombe State, particularly Gombe town, the state capital, is a cosmopolitan centre bursting with commercial activities. Apart from agriculture, which engages well over 80% of the active population of the state, commerce is the next line of economic activity, which employs the largest number of people.

Investment Opportunities

Agriculture

Gombe State is nationally known for its agricultural potential. The state is blessed with abundant agricultural land. About 65% of the total land area is cultivable out of which about 50% is currently cultivated. Intensive and extensive agricultural practices are widely practiced. Gombe State is known for cotton, maize, beans, soya beans, millet, rice, cowpeas, as well as vegetables such as okra, tomato, onions, hot and mild peppers production. Fruits of different kinds are also produced in the state, such as mango, guava, pawpaw, banana, citrus, cashew, etc.

The state is not only well endowed with abundant natural resources, dedicated, loyal and hardworking civil servants with well developed social and economic infrastructural facilities but also has an egalitarian, enterprising, hardworking, very loyal and peace loving people.

These great potentials of Gombe State informed the establishment of agricultural support facilities by the Federal Government in conjunction with the World Bank that has proved very successful. And with the cooperation of the rural out-growers, the state now produces thousands of tonnes of surplus food and cash crops which are ready raw materials for agro-allied industries, but due to lack of end-users (industries) to utilise these huge quantities of raw materials, they are being sold out and transported daily to other parts of the country for domestic/ industrial uses. For example, as far back as 1985, Gombe's contribution to national output was as follows:

Table 1: Production of selected crops 1985 Gombe and Nigeria

Crop	*Production in Gombe*	*Metric Nigeria*	*Tonnes Gombe Share (Percent)*
Sorghum	107,000	4,822,000	2.22
Millet	12,000	3,583,000	0.35
Maize	143,000	1,826,000	7.80
Cowpeas	32,000	642,000	5.00
Groundnuts	11,000	532,000	0.02
Cotton	15,000	30,000	50.00

Source: "Investment Opportunities, Bauchi State Industrial Development Appeal Fund" Ministry of Commerce, Bauchi State 1985 p.22 and "Facts and Figures about Nigeria" Federal Office of Statistics, Lagos, Table 7, page 8.

Our position in cotton production has long been recognised. Nigeria's first cotton ginneries, were constructed in Gombe in 1950 and they are still operating. Between 1988 and 1994 Gombe produced 343,000 tonnes out of 1,060,000 tones processed by the Ginneries in Nigeria, representing 32.5% of total cotton produced in Nigeria.

Textile Mill

With the availability of highly qualitative cotton in very large quantities, the establishment of a textile mill to process the cotton lint produced here into textile materials there from is no doubt a very good investment opportunity as the required raw materials are abundantly produced in the state. Likewise, a ready market exists for textile materials in the whole of the North East sub-region comprising the states of Bauchi, Adamawa, Taraba, Yobe, Borno and Gombe. In all these states, however, there is no textile mill, and the establishment of one in Gombe therefore will fill the existing vacuum and absorb all the cotton produced here. Presently, there are 3 ginneries in Gombe State turning out cotton lint – all of which is sold to textile firms elsewhere due to lack of a textile factory here.

In vegetable production, Gombe is a large producer of tomato, okra, and onions. The two mango and tomato paste factories located in Kumo and the other at adinkowa on the boundary with Borno State have the bulk of their raw materials roduced and supplied by Gombe State farmers. The Manto Processing Company Kumo is just about to start production and it is expected to produce 45,000 nnes of tomato paste and mango juice annually.

The prominence of agriculture in the state led to the introduction by the World Bank of the first experimental agricultural schemes in this area. The Gombe Agricultural Development Project (GADP) was therefore initiated as a pioneer scheme in 1975. The GADP became a successful experiment in agricultural production, rural development and modern cultivation in which output improved greatly. Rural roads were constructed to open up rural areas and dams were constructed all over the present Gombe State to tap water for both human and animal consumption.

Water Resources

The hydrological resources of Gombe were harnessed by the erection of three dams, which are of critical importance to irrigation in the state. The dams are situated on the main river and two tributaries on the southward flow of the River Benue. The dams are:

(i) Dadinkowa Dam
(ii) Cham Dam
(iii) Balanga Dam

The multi purpose Dadinkowa Dam, designed in phases, was completed in 1988. It is the second largest dam in the country. About 6,200 hectares of land in Gombe State are to be irrigated by the dam.

The potential agricultural output is projected at 30,500 tonnes of grain equivalent, that includes 5,000 tonnes of rice 9,000 tonnes of maize and 11,000 tonnes of groundnuts as well as 5,700 tonnes of cotton. In fisheries potential the dam can produce 20,000 tonnes of fish. The potentiality of the dam has not been fully exploited till date.

Another feature of the Dadinkowa Dam is the plan for hydro-electricity generation as the dam is capable of providing hydroelectric power to the North East sub-region comprising six States as enumerated earlier on. The generating house is already completed and what remains is the installation of the turbines. Investors are hereby invited to come and install the turbines and start generating electricity for sale to a ready market in the six states of the North East sub-region and the Ashaka Cement factory, a factory that produces a third of Nigeria's cement.

Another prominent feature of the Dadinkowa Dam is the provision of potable water to Gombe and its environs. The distance from Gombe to the dam is about 44 kilometers and the execution of the water scheme is definitely a worthy investment as return on investment will be very quick since Gombe, with a population of 1,901,227 is badly in need of potable water.

The other two dams – Balanga and Cham Dams, though smaller, are equally important in the development of agriculture in the state.

The combined capacity of the three dams is 1,849 million cubic metres of water divided as follows:

		Reserved capacity (Million cubic metres)
(i) Dadinkowa Dam	-	1,770.00
(ii) Balanga Dam	-	73.00
(iii) Cham Dam	-	6.6
		1,849.60

The Gongola River is 530.9 kilometers long out of which 300 kilometers are in Gombe State. Thus, apart from the three dams on the river and its tributaries, the span of the river is a source of economic life for all the communities along its banks. There are several schemes by the state government and the World Bank assisted agricultural programmes to provide assistance in developing the river valley.

From the foregoing, it is abundantly clear that the hydrological resource infrastructure in Gombe State are in place but are unexploited. With about 1.9 billion cubic metres of stored water unutilised, with 20,000 tonnes of fish left floating every year, with the potentials for sourcing and generating power sufficient to light the six states of the North East, with all their industries left undeveloped and with hectares of fertile land left uncultivated, it is a haven for investors to come and exploit the very vast opportunities available.

Solid Mineral Resources

Several solid minerals have been confirmed to be present in commercial quantities in several parts of Gombe State. Surveys carried out by the Raw Materials Research and Development Council (RMRDC) have recognised the following minerals as listed in the "USA Monthly Digest of Business and Economics" of July 1993

(i) Lignite
(ii) Coal
(iii) Uranium
(iv) Salt

Researches have shown the availability of 35 different varieties of solid minerals that are seen to exist in large commercial quantities underground all over the state. However, some of these minerals have been explored and are currently being utilised by the few companies present in the state.

In fact, nowhere in the country has mining changed the economic pattern of the area in a few years than in Gombe. The exploitation of limestone deposits was started with the commissioning of a cement factory in 1979. The discovery of complimentary mineral gypsum, less than ten years ago in the same area has provided perhaps the best example of development through efficient utilisation of local resources.

Limestone

Gombe State is the leading source of limestone and gypsum in Nigeria. Table 2 shows the relative position of Gombe in limestone output.

Table 2: Relative production of limestone, Gombe state and Nigeria, 1992 -1994 (in metric tonnes)

Year	*Production*		*Gombe State (Percent)*
	Gombe	*Nigeria*	
1992	2,121,710	720,645	34.0%
1993	2,298,927	747,464	32.5%
1994	2,032,494	750,030	36.9%

It is established that more than one third of the limestone mined in Nigeria originates from Gombe State. Since the cement plant exploits the mineral through its own machinery and equipment, the impact of the direct mining is felt only after the cement produced is successfully marketed.

Gypsum

Prospectors locally discovered this mineral a few years ago and the federal government's ban on the importation of gypsum has forced increased output. The deposits are manually dug by local miners and then sold to the cement companies.

Gombe State produces about 90% of the gypsum mined in Nigeria. Apart from the Cement Company of Northern Nigeria, Sokoto, which uses local sources nearby, all the major cement works in Nigeria purchase their gypsum supplies from Gombe State. Production is estimated at about 100,000 tonnes annually and is sold to the four cement companies of Ashaka, WAPCO's two plants in Shagamu and Ewekoro, and the Benue Cement Company Plc.

And as already stated above, Gombe State is blessed with abundant mineral resources some of which are:

1. Bentonite
2. Kaolin
3. Silica sand
4. Granite
5. Talc
6. Galena
7. Opal
8. Sphalerite
9. Agate
10. Amethyst
11. Diatomite
12. Iron ore
13. Barytes
14. Sapphire
15. Tourmaline
16. Topaz
17. Bog iron
18. Calcite
19. Felspar
20. Mica
21. Garnet
22. Aquamarine
23. Basalt
24. Copper
25. Ruby
26. Corundum
27. Vermiculate
28. Fluorite

Gombe State has recruited the services of the Geology Department of the University of Maiduguri to undertake a detailed study of the above listed minerals to confirm their exact quantities.

All these mineral deposits are very much available in Gombe State but remain untapped. Even gypsum is manually dug out without the use of modem techniques due to dearth of investors who are badly needed to come and invest in the tapping of these natural resources.

Existing Factories

Although there is a dearth of sufficient investments in Gombe State, this is not to say that there is a total lack of them. Some have had tremendous success so much so that they have become a force to reckon with nationally. The following are some of the companies in Gombe State.

Ashaka cement

The Ashaka Cement Company commenced full operations in 1979. The company, produces Portland cement using the raw materials of limestone and gypsum. The company has a production capacity of up to 850,000 metric tonnes per annum and its performance has been consistent. For instance, the company recorded the following output in comparison to the industry's total performance as shown in table 3.

Domestic manufacture of cement (1992 – 1994): performance of Ashaka Cement ('000 metric tonnes)

Year	*Nigeria*	*Ashaka Cement*	*Ashaka (per cent)*
1992	2,520	759	30%
1993	2,459	787	32%
1994	2,400	790	33%

Source: Federal Office of Statistics, Lagos.

Gombe Oil Seed Processing Ltd.

The Gombe Oil Seeds Processing Company Ltd is a cottage industry that uses the by-products of the cotton ginneries as its main raw material. Cottonseeds are processed to give edible oil and cakes for domestic use. The factory was initially set up by the government and later sold to a private entrepreneur to run.

Cotton Ginneries

As cotton is one of the main agricultural commodities produced in commercial quantities in Gombe State, three cotton ginneries were privately established in Gombe State to process the cotton produced locally. Two are in Gombe and one is in Kumo, Akko Local Government Area. They process cotton lint that is readily sold to textile firms in other parts of the country.

Fertiliser Blending Plant

A fertiliser blending plant has just been completed in Gombe to produce varieties of fertilizer for use by our teeming farmers for increased crop production. The total sum of ₦650 million has been spent on the plant and the sum of ₦250 million will be made available as working capital for the plant. The plant is expected to give a boost to farming activities in the state, which will increase the total yield turnover.

Gombe Sugar Project

The state government has entered into joint venture agreement with an American firm to promote a sugar factory in Gombe. The project will utilise the irrigation facilities at the Dadinkowa Dam and the state's equity contribution will be ₦2 billion. Feasibility studies have been commenced upon for the project.

Table 3: Other existing factories in Gombe State:

	Name of company	*Location*	*Products/Services*
1.	Azuma Bottling Co. Ltd	Gombe	Soft drinks
2.	Front Line Oil Mills	Gombe	Oil extraction
3.	DSPC Ltd	Gombe	Polythene bags
4.	Landa Nig. Ltd	Gombe	Production of sacks
5.	Beltech (Nig) Ltd	Gombe	Metal fabrication
6.	Kotin Vita Ltd	Gombe	Flour mill
7.	Dukson Soap Ltd	Gombe	Soap making
8.	Sokanje Soap Industry	Kaltungo	Soap making
9.	Jewel Furniture	Gombe	Furniture
10.	Jamil Press Ltd	Gombe	Printing (publishing)
11.	Kawata Press Ltd	Gombe	Printing/publishing
12	Alh. Makeri Metal Works	Gombe	Metal fabrication
13	Chimac Machine Workshop	Gombe	Metal fabrication
14	Arabi Bakeries Ltd	Gombe	Confectionery

Promotion of Industries

The present administration has embarked on a serious drive to get investors to invest in Gombe State. The efforts have started yielding fruits as three projects have reached advanced stage for take off.

The first is the establishment of a plastic making factory in Gombe in a joint venture with a Korean firm. The equity participation in the joint project is 45% and 55% for Gombe State and its indigenes, and the Korean firm respectively. All arrangements have been concluded for the successful take-off of the project.

The second project is a joint venture promotion of a water bottling plant in the water spring of Kwadon in Yamaltu Deba Local Government Area with a foreign partner. The project is taking off very soon.

The third project is property development. The state government has reverted ownership of all government housing estates to the Gombe State Investment and Property Development Company Ltd. for proper management. They have also been mandated to build more houses to tackle the acute shortage of houses in Gombe. The company plans to commence property development in the state and investors in this sector are invited to come and take advantage of great opportunities waiting to be tapped. Returns on investments are guaranteed.

Government shall continue to lend support to all such ventures whether they are to be promoted jointly or privately. We are ready to enter into partnership with all serious investors and promote such enterprises; and when the project is fully on stream, government will look for suitable local entrepreneurs to take up its equity.

Incentives

Gombe State has recognised the fact that the present disadvantaged position of most developing nations is as a result of their poor industrial base which makes it impossible for them to compete favourably with powerful economies in the world market. It therefore becomes necessary for a developing country like ours to urgently look inwards and evolve sound socio-economic policies that would ensure realistic economic growth, self reliance and sustainability so as to survive the tough economic scenario of this millennium.

The extent of these policies at the socio/political sphere involves the inculcation of positive attitudinal and institutional changes aimed at eradicating corruption and enshrining the spirit of patriotism and transparency in the minds of the citizenry in all facets of our national life. This gigantic task is what the present administration is poised to accomplish.

Gombe State is endowed with abundant agricultural raw materials and huge solid mineral resources with enormous quantities of crops that can be adequately used as raw materials by industries and also be consumed directly by households. Presently, only three privately owned cotton ginneries and the Manto Processing Co. Ltd. are the functional industries that process our crops. A substantial portion, therefore, has to be sold out to other parts of the country, as there is a lack of end user industries in the state.

In terms of solid minerals, the state is endowed with over 35 different varieties of solid minerals, which exist underground in large commercial quantities all over the state. And with the exception of the use of limestone and gypsum by the Ashaka Cement Company, all of these natural endowments have been left untapped.

The state government, therefore, assures all would-be investors that highly attractive packages of incentives do await them in Gombe State. Industrial or commercial plots for genuine investors will be given free, while all industries established will attract five years tax exemption. The state government is also ready to enter into partnership through the Gombe State Investment and Property Development Company Limited (the state government's investment agency) with all investors.

In addition, the investment company offers wide range of support services such as property valuations, estate agency, company secretaries, feasibility studies, corporate investment advice and a host of other support services that facilitate smooth establishment of industries. Moreover, as the "Jewel In The Savannah" we have our special ways of pleasing our friends.

Conclusion

From the foregoing, all would-be investors are called upon to visit Gombe State and see for themselves the incentives offered to encourage them. We call on all investors to come and take advantage of our rich natural endowments to advance their business and enhance our industrialisation drive. We are ready to give our maximum support and co-operation to facilitate the smooth establishment and take-off of such business/projects.

The road networks are very good as Gombe is accessible from all directions. The telephone services are very excellent and the electricity supply is fairly okay. There is an airstrip facility for light aircraft at Ashaka 100 kilometres away from Gombe. Postal services are readily available and health and educational facilities are also readily available. All these offer complimentary services to investors.

Investment Opportunities and Incentives in Jigawa State

Jigawa State is situated in the Northern part of Nigeria and shares a border with the Republic of Niger to the north. It also has common borders with Kano, Katsina, Bauchi and Yobe States. It occupies an area of about 22,410 square kilometers with an estimated population of 3.8 million. The topography is generally characterised by undulating landform with sand dunes and sedimentary rocks of the Chad Basin formation in the Northeast, while the basement complex rocks underlie the southern part.

The state has two seasons. The rainy season begins in the month of June and ends in October, while the dry season begins in November and ends in May. The mean temperature range is between 33.1°C and 15 °C. The vegetation cover of the state is predominantly Sudan Savannah. About 35% of the population lives in semi-urban areas while 65% live in the rural areas.

Agriculture is the mainstay of the state's economy, engaging over 80% of the population. Since the inception of the present administration, the government has been focusing on efforts to create an enabling environment for local and foreign investors to harness the abundant agricultural potentials. Consequently feasibility studies have been undertaken in the following areas:

- Industrial sugarcane production and sugar factories
- Sesame seed (beniseed)
- Cotton production and textiles industries
- Gum arabic plantations
- Date palm plantations
- Mango plantations

This initiative has taken us far and has enabled us to make wide consultations; and in some areas we have signed memorandums of understanding with interested investors. Thus, the state government is deeply committed to public/private sector partnership.

Jigawa State is blessed with many solid minerals deposits such as granite, columbite, kaolin, silica, cassiterite (tinstones), marl (limestone), tantalite, iron-ore and gemstones. Our granite deposit is one of the best and largest in the country.

Commerce, the second largest employer of labour in the state, has historical roots. The Maigatari market located on the border between Jigawa State and the Republic of Niger has been a transshipment point in the old Trans-Saharan trade route, which linked the West-African sub-region with North Africa, Europe and the Middle East. Currently the estimated volume of trade at the market is 40 billion naira per annum. The range of commodities traded in the market are mainly livestock, hides and skin, food and cash crops, as well as manufactured goods.

Tourism is accorded a lot of importance in Jigawa State. A study has been carried out by a firm of international consultants, which indicates tremendous potentials for tourism development. In this regard, we are determined to develop the potentials of the famous Baturiya and Dabar Magini Bird Sanctuaries in Hadejia-Nguru wetlands as well as Wawan Rafi Lake holiday resort.

Investment Opportunities

- **Agriculture and agro-allied industries**

Jigawa State has 1.6 million hectares of cultivable area, out of which 355,000 hectares are Fadama land which could support the production of irrigated crops.

- **Sugar production**

Presently, a total of 2000 hectares of industrial sugarcane have been produced in the state. This is to be used as seed cane that would enable us expand to about

15,000 hectares in the next cropping season. Farmers have been fully mobilised as regards the production of industrial sugarcane. Efforts are being made to identify core estates totaling 50,000 hectares to support five sugar factories. The opportunities offered by this potential could best be understood from the perspective that Nigeria currently imports 95% of its sugar requirement. The bagasse that is a by-product of the production of sugar will be used for the production of electricity. The United States Trade Development Authority (TDA) has given $300,000 to the Dangote Group and Schaffer International of Louisiana for the preparation of feasibility studies in this field in Jigawa State.

- **Sesame seeds**

Sesame seeds (Beniseed) have tremendous export value. The crop has imminent industrial potential as this can complement groundnut in the vegetable industry. The production of this crop is estimated at 30,000 metric tonnes in 1999 cropping season. In realisation of the value of this crop the state government has given a lot of encouragement and support to farmers and thus the yield is expected to double this year.

- **Gum Arabic**

In addition to the production of fruit-bearing trees, the state is also a commercial producer of gum arabic (*Acacia senegalensis*). To date a total of 350 hectares of gum Arabic plantation have been established all over the state. Currently, the state intends to expand gum arabic production in partnership with the FAO to the tune of 1 million US dollars.

- **Cotton Production and Textiles**

Jigawa State is one of the major cotton producing states in the country where about 50,000 hectares were cultivated in the 1970s. The main producing areas are Kirikasamma, Guri, Hadejia, Birnin Kudu and Gwaram LGAs. Already, the state government is working with FAO to improve the cotton yield and introduce the long fibre variety. Textile producers are invited to take advantage of the opportunity offered.

- **Mangoes**

In our endeavours to stimulate the exportation of fruits, the state government is committed to replacing old native varieties with improved high yielding varieties with greater export potential. To that effect, a total of 1,000,000 mango seedlings are under importation to be distributed to our farmers. This will support the exportation of fruits, and the establishment of processing plants.

- **Date Palm**

The demand for date palm is increasing by the years in Europe, America and the Middle East. This tree is grown in commercial quantities in the state, so as to attract the establishment of a branch of the Nigeria Institute for Oil Palm Research (NIFOR) in Dutse the Jigawa State capital. We currently have vitro varieties to enhance early maturity. Investors in this sector will be needed in the processing and packaging of the product.

- **Silica Sand**

This product is in commercial quantities in the northern part of the state. It is available for those who are interested in the establishment of glass industries.

- **Granite**

Jigawa State is endowed with large deposits of granite. Studies have shown that this sector requires only a little push from investors to support any investment in the production of wall tiles.

- **Incentives**

The state government has also taken a queue from the Federal Government's initiative of encouraging investment by striving to create a favourable climate for potential investors. These include:

- Allocation of free industrial plots in rural and semi-urban areas
- Allocation of free land for the construction of housing estates for workers. The state is ready to support any investors towards the construction of housing units with modern interlocking block-making machines free of charge for a minimum of 20 housing units.
- Provision of stable electricity and pipe-borne water. Government has concluded arrangements for the supply and installation of power platforms that will provide 100 MW of uninterrupted and reliable power supply.
- Realising the crucial importance of research and development in all facets of development, the state in conjunction with ENBRAPA of Brazil has established a research institute.

- Provision of reliable telecommunication network. The state has already signed a comprehensive agreement with a US based company for the installation of a broadband communication system. The project is being financed by the EXIM Bank of the USA, and will be commissioned by March 2001.
- Exemption of all land development charges for a period of five years
- Preparation of industrial profiles and feasibility studies
- Guaranteed government patronage and assistance in marketing and distribution.

In conclusion, I would like to express my sincere appreciation to the organizers of this epoch making summit. I thank you for your attention.

Investment Opportunities in Katsina State, being text of an Address Delivered by Tanimu Yakubu, Honourable Commissioner, Ministry of Finance, Budget and Economic Planning at the 7th Nigerian Economic Summit, Abuja, October 15 – 17, 2000.

Protocols

I feel highly honoured to address this summit on the very important topic of investment opportunities and incentives in Katsina State.

The state, with a population of 4.7 million people, is located between the 11th and 13th parallels and 6th and 9th Meridian. The land area of our state is 24, 000 square kilometers with most of it being cultivable. The state has a total Fadama Irrigation land of 36,000 hectares out of which 20,585 hectares is potentially productive. We also have 850,000 farm families of between 7-9 people per household.

A greater portion of the state is in the Sudan and Sahel ecological zones with mainly dry savanna vegetation. This has an annual rainfall of between 300mm and 800 mm concentrated in four to five months of May to September.

Katsina State is largely rural and agrarian. It is the nation's major producer of cotton and millet, in addition to accounting, rather substantially, for the national output in major crops such as maize, groundnut, rice, millet, sorghum, soya beans, rosehips (soborodo), onion, okra, tobacco, sesame seed, sugarcane, water melon, cowpea, sweet potatoes, tomatoes, wheat, etc.

We have a substantial livestock population comprising the following species:

- million cattle heads;
- million sheep;
- 4.3 million goats;
- 80,000 donkeys;
- 12,000 horses;
- 8,000 - 10,000 camels,
- 4 million assorted domesticated birds largely comprising chicken, ducks and guinea fowls.

These animal and poultry populations clearly enhance the prospects for highly viable meat, milk and allied products industries.

Mineral resource endowments include high quality kaolin, clay, silica, asbestos, precious stones, etc.

Katsina State has extensive surface water-potential in Sabke, Zobe, Jibiya, Daberam, Tsabu and Mairuwa Dams, which could be used for irrigation farming. In addition to these facilities, we have vast amount of water in aquifer in most of the area known as Daura Emirate.

Industrial activities within the state based on the foregoing resources include kaolin processing, groundnut milling, oil milling, corn, maize and wheat flour milling, carpet manufacturing, steel rolling, fertiliser blending, cotton ginning, textile manufacturing, burnt bricks production, diaries. We also have poultry production units, game reserves and ranches.

Our telephone system has recently been digitalised and expanded. Our road network system connects us with the rest of the country and neighbouring Niger Republic. There is also a largely idle airport with the capacity to accommodate big aircrafts, which could become handy for airlifting fresh farm produce and allied output for global markets. Katsina State is also only few hours away by road from the Mallam Aminu Kano International Airport in Kano.

Our agricultural potential and sizeable population provide the enabling environment for the growth of agro-allied industries to stimulate output for both home and world markets. Cheap labour, both skilled, semi-skilled and to a small extent unskilled, is in abundance to ensure low-cost structure for businesses in the state.

All these resource endowments combined with our increasingly rehabilitated and expanded infrastructure, no doubt, present very conducive environment for investors.

Katsina State Government, through its numerous agencies, has assembled useful business data and produced feasibility studies for interested investors. Such data and studies are being updated on a continuous basis. We have also enunciated, and are still proposing, well articulated policies that are investor friendly. In this regard, we are both complementing and deepening the privatisation programme of the Federal Government of Nigeria. The state has, accordingly, deemed it fit to fully privatise its few business enterprises. These include the Katsina Oil Mills Limited, the Katsina Flour Mills Limited and the Nigeria Universal Bank Limited. Another aspect of our industrial policy is to take all uncompleted viable industrial projects which we inherited from previous governments to full completion, and then privatise them.

These include but is not limited to Kankiya Metals, Daura Tannery, Funtua Fertiliser Blending Plant and Funtua Burnt Bricks Projects. The last two have now been fully completed. These two will also be privatised to investors with demonstrated managerial, technical and financial capacities to ensure their sustainable operations.

We are, again, at the moment currently working on a number of legislative and institutional capacity building innovations to create a more favourable investment climate in our state. These include:

(a) The Skills Entrepreneurship Training Scheme. This is a deliberate programme for training highly trainable able-bodied citizens to acquire vocational, technical and business skills to increase the availability of skilled manpower and entrepreneurs. The state-owned Business Apprenticeship Training Centres are being used for this purpose. It is hoped that in the short run, the beneficiaries will be lifted out of poverty and in the long run pursue self-employment. The state government intends to facilitate the delivery of on-lending credit facilities to the beneficiaries of this training.

(b) The proposed Katsina State Industrial Fund. Having appreciated the roles of high lending rates and that the relative absence of long-term credit is stunting growth in the real sector, this fund shall be modestly endowed with an initial capitalisation of ₦100 million for on-lending to businesses in the state at reasonable interest.

Ladies and gentlemen, all the foregoing policy responses and incentives are being put in place, in addition to existing traditional inducements that have been strengthened. The latter includes easy access to land in industrial and commercial layouts with a title over it by statutory Certificates of Occupancy, and the provision of water, extension of electricity and access roads to reduce cost of doing business in Katsina State.

Finally, I wish to once again, call on you all to avail yourselves of the vast profitable opportunities for doing business in Katsina State, and once again, draw your attention to the availability of relevant information through our business bureau at this summit, and subsequently through Katsina State Investment and Property Development Company (KIPDECO), Ministries of Commerce and Industry, and Office of the Special Adviser on Economic Affairs. The Governor will also make himself personally available, to discuss with promoters, serious investment propositions for siting within the state.

Investment Opportunities and Incentives Available in Ogun State, Being Paper Presented by Ogun State Government at the 7th Nigerian Economic Summit in Abuja on15th – 17th October, 2000

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 and it is bounded in the West by 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 kilometers.

State Capital: Abeokuta, the capital and largest urban centre 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, which 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 of the state are Olumo, Ogun, Igunnuko, Osun, Orisa-Oko, Obalufon, Egungun, Obirin Ojowu, Gelede, Oro, Agemo, New Yam and Sango.

Language: The languages spoken are mainly 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 potential. 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

2.1 **Mineral Resources in Ogun State**: Ogun State is blessed with abundant mineral resources such as non-metalic minerals, tar-sands, useable as fuels, and industrial rocks. The minerals that have been so far identified within the state and their location are shown below and composed predominantly of calcium carbonate.

2.2 **Limestone:** This is the major component in cement manufacture. It is used in ceramics, chemicals, lime, water treatment, paint, paper, 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.

2.3 **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.

2.4 **Quartz:** A non-metalic mineral, is essential in electronic application and minor amounts are used for producing fused quartz specimens and jewelry. 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.

2.5 **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.

2.6 **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.

2.7 **Gypsum:** This is a minor but essential ingredient of cement, in which its function is to control the settling time and consequently enhances 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.

2.8 **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.

2.9 **Tar sand:** Tar sands or bituminous sands are sands and sand stones that are heavily impregnated with oil. The Ogun State tar sands can be a viable source for asphaltic heavy oil suitable for up-grading as feed for heavy oil refinery.

2.10 **Clay:** Clay plays an extremely important part in the brick building, monument making, and in 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 enameled 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, chemicals stone ware crucibles, retorts and saggars. Excellent clays of sufficient quantity and suitable quality for modern industrial purposes are found in Ogun State.

2.11 **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 hard-rocks 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.

2.12 **Pharmaceutical factory:** Manufacture of a wide range of pharmaceutical products e.g. Disinfectant solution, syrup, capsules tablets, intravenous solution and ampoules.

2.13 **Crude oil:** Mini or medium scale refinery near Water side Ogun State is endorsed with lagoon in the water side area. From the crude oil could be produced items as petrol, gasoline, kerosene, diesel oil etc.

2.14 **Solid waste recycling:**

(a) Synthetic gas – used to produce electricity.

(b) San – like mineral product – a useful bituminous paving or concrete additive material.

(c) Water contained in the waste – recycled and rensed 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) Sulphur – pure grade sulphur sold to the pharmaceutical industry.

2.15 For mineral based resources, their uses and processed industries as well as their locations in Ogun State, see Annuexures I and II.

3. Agricultural Raw Materials for Industries (Investment Opportunities in Agriculture)

3.1 **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

3.2 Encumbrances have 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.

3.3 **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 that 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.

3.4 **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.

3.5 **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). Presently, 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 use of this raw materials profitably.

3.6 **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.

3.7 **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.

3.8 **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 and get spoilt 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.

3.9 **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.

3.10 **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.

3.11 **Cocoa:** More than 3,000 tonnes of cocoa is being graded in Ogun State annually. With the renewed 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 cocoa based industry in the state is guaranteed.

3.12 **Rice:** Over the years, investors have not taken the 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 its processing including packaging. This is a good area of investment.

3.13 **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 glut of palm oil. Location of palm oil processing industries in Ogun Waterside and Ipokia/Ado-Odo Local Governments will be viable.

3.14 **Maize:** Maize is produced in commercial quantities throughout the state particularly in Yewa North Local Government where the effect of high insolation results in high yield. Industries that make use of maize as raw materials will thrive in the state.

3.15 **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 industrial set-up.

3.16 **Sugarcane:** 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.

3.17 **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.

3.18 **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.

3.19 As outlined above, Ogun State has the potential for production of some of the key raw materials required by industries such as starch, sugar production, 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.

Annexure IV contains projects with investment estimates and feasibility studies.

4. Tourism Potentials

4.1 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 development of the tourism industry, the state government encourages and welcomes private participation in the development of diversed tourist potentials in this state. These diversed 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	Area J4 Forest Reserve in the heart of Omo Forest Reserve.
2. Recreational facilities	Olumo Rock in Abeokuta. To be incorporated in the 2nd phase of the development of the centre.
3. Amusement park	Trade Fair Complex in Abeokuta. Ample opportunity for its establishment also exist in other geographical zones in the state.

4.	Preservation and development of cultural heritage	Brikisu Sungbo Shrine in Ijebu-ode area (Oke-Eri).
5.	Hotel development	Renovation of the former Rockland Hotel – near the Olumo Rock Tourist Centre.
6.	Preservation of historical monument	Yemoji natural swimming pool at Yemoji near Ijebu-Ode and Ahoro-Ile spring at Imeko.

4.2 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

5.1. 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 net-work 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 Ogun 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;
(x) 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.

5.2 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.

5.3. 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 exist 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.

5.4. As part 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 of fabricating needed tools and equipment for small scale industries.

6. Ogun State Industrial Development Policy and Role of the State Government

6.1. 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.

6.2. 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 creation 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 small-scale 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 programme 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.

7. Conclusion

7.1. The state government through its appropriate agencies will ensure that land is provided for commercial, agricultural and industrial purposes. The Ministry of Agriculture can be contacted for land for agro-based industries. For industrial land and housing projects, four agencies can be contacted. These are the Bureau of Lands, Survey and Town Planning, Ogun State Housing Corporation, Ogun State Property and Investment Corporation and the Ministry of Industries and Social Development.

7.2. The state has on ground, a committee on export promotion which provides assistance for producers of export products. The Committee is located in the Ministry of Commerce, Cooperatives and Tourism.

7 3. To ensure a buoyant and sustained industrial development growth, the state government established an Industrial Services Centre at Onijanganjangan, Abeokuta. In the same vein, the Federal Industrial Development Centre which serves a complimentary role, also has an extension service centre.

7.4. Ogun State has a friendly and conducive environment for industrialisation. The needed infrastructural facilities are being improved regularly and the people are hospitable. The government has tried in various ways to engineer the industrial growth of the state. It has built industrial estates and agro-Industries in all parts of the state through government and private efforts. Already, there are modern industries producing cement, high quality beer, bicycle tyres, carpets and clothing materials, confectioneries, pharmaceutical products, plastic, etc. With available abundant human, natural and mineral resources, the state welcomes investors to take advantage of these tremendous opportunities for investment.

7.5. **Annexure I**

Mineral based resources, their uses and proposed industries

No	*Sources*	*Industrial Uses/Application*	*Proposed Industries*
1.	Limestone	Cement, ceramic wares, chemicals, lime, glasses, water treatment, paint, paper, fertiliser, as a filler in plastics, fluxes in smelting of iron and steel and source of industrial salt	a. Cement b. Lime producing factory c. Precipitated calcium carbonate firm
2.	Kaolin	Ceramic wares, fertiliser, chemicals and pharmaceuticals, paints, paper, wall and floor tiles, filler in plastics, chalk, porcelain wares, pipes, insulator, etc.	a. Chalk manufacturing industry b. Ceramic industry c. Tiles and sanitary wares firm

3.	Glass sand filler	Bottles and glass making (bulb fuse, mirror, head-lamp, rouvers etc.), abrasives, temperature resisting	a. Bottle manufacturing b. Glass manufacturing industry.
4.	Phosphate	Fertiliser, match making, pharmaceuticals, explosives and production of phosphorus and phosphoric acid.	a. Fertiliser industry b. Phosphate beneficiation plant
5.	Tar sand	Petrochemicals ,· constructions, bitumen, sulphur, pitch, feed stocks, carbon black	a. Petrochemical plant b. Refinery
6.	Clay	Bricks, pottery, sanitary wares, ceramic insulator	
7.	Gypsum	Chalk, cement, pharmaceuticals, plaster of paris (POP) other uses include ceiling boards, art castings, paint and paper	a. Chalk manufacturing firm b. Plaster of Paris firm c. Pharmaceutical industry
8.	Rock Forming Minerals		
(i)	Feldspar	Ceramic wares, glass, enamel, polished stone and slabs, tiles, refractories, etc.	a. Glass producing firm b. Refractory industry
(ii)	Mica	Heat insulator, pressing iron insulator, fire proofing, lubricant, roof and paper coating, etc.	a. Industry for manufacture or insulator
(iii)	Quartz	Crystal, electronic bulb ornaments, and optical lenses	a. Industry for manufacturing of optical lenses
9.	Decorative Rocks and Aggregate (Granite, Gabro, Synite) and Quartzite	Stone cutting and polishing aggregates for construction	a. Decorative stone cutting and polishing b. Quarry industries

Annexure II

Distribution of Mineral Based Resources of Ogun State

S/N	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, tar sand
11.	Odogbolu	Kaolin, feldspar, glass sand, mica
12.	Ijebu North	Kaolin and glass sand
13.	Ijebu East	Clay, glass sand, tar sand
14.	Ogun Waterside	Mica, glass sand, clay, tar sand
15.	Egbado North	Kaolin, feldspar, glass, 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

Annexure III

No	*Products*	*Location*	*Industrial Uses*
1.	Cocoa	Abeokuta, Yewa, Ijebu North	Cocoa butter, powder, beverages, alcohol from the pod, ashwine, livestock feed
2.	Cassava	Throughout the state	Cassava starch – derivates used for batteries, thickens as in baby food, gravies, ethylalcohol, textile finishing, glue, photograph purposes, etc.
3.	Rice	Obafemi-Owode	Rice milling, animal feeds malting
4.	Oil Palm	Ogun Waterside, Ikenne,	Soap, margarines, cosmetics,

		Ado-Odo/Ota	palm-kernel, furniture, broom, textile, pulp and paper, yeast extract.
5.	Maize	Throughout the state	Starch, glucose, animal feeds, cornflakes, corn-oil, pop-corn
6.	Poultry	Throughout the state	Feathers and blood meals, mattresses and pillows, clothing accessories, poultry manure for biogas manure, egg flour
7.	Kolanut	Sagamu, Obafemi-Owode	a. Source of essential oil for flavouring in confectionery industries b. Alkaloid caffeine in pharmaceutical preparation c. Preparation of kola type beverages
8.	Rubber	Odeda, Ijebu-East, Ijebu-Ode, Ilugun-Alaro	Adhesives, baby feeding bottles, surgical, domestic and industrial gloves, tyres, insulators, hair shampoos
9.	Pineapple	Obafemi/Owode, Sagamu Ikenne	Juices, squash, slice, jam, ice-cream
10.	Coffee	Abeokuta North and South, Obafemi/Owode	Concentrate, beverages
11.	Sugarcane	Throughout the state	Sugar, molasses, feed blocks, alcohol yeast, pharmaceuticals
12.	Citrus (Orange)	Ijebu East and Odeda	Feed products for marmalades, animal feed, perfume from the ring, concentrates
13.	Tomato		
14.	Forest Wealth (trees)		

Annexure IV

Investment Opportunities in Ogun State

S/N	*Project Title*	*Project Description*	*Specific Target/Remark*
1.	Ibese Cement Project	To produce high quality cement from the available abundant	• The projected cost is about \$240m • Approximately 3,182

		high quality limestone at Ibese town in Yewa North Local Government of the state	hectares of land • Capacity is 1,000,000 tons per year • Iju River, 10km from quarry site is the major source of water • Feasibility report is available
2.	Investment in the Poultry Multiplication Project, Emure	The Ministry of Agriculture owns a multi-million Naira Poultry Multiplication Project at Emuren. It consists of the parent stock phase for production of fertile and hatchable eggs, hatchery phase	Presently, the project is not being operated but the facilities are still in excellent condition. Ogun State is one of the states with the highest poultry population in Nigeria. The demand outlet for chicks of various types produced is elastic. A good project with high investment returns for investors.
3.	Gateway Industrial and Technical Co. Ota	Furniture making, iron and steel works and timber sawmill	100% owned by government. Assets are landed property, residential and factory buildings, machines, equipment, generating set, etc.
4.	Investment in Oil Palm Processing	Revitalise the economically viable Palm Holdings for medium scale processing at Ipokia (36 Ha), Odeda (25 Ha), Coker (176.4 Ha), Sawonjo (39.69 Ha), Ibiade (300 Ha) which were installed with manual processing mill.	Investors can set up medium scale processing mills which are lacking now at these locations for the purpose of processing at a fee or on crop-share basis for the allotees.
5.	Cashew Plantation Processing Plant	Expanding the scope of operation and installing Cashew-nut and cashew juice processors at the Agricultural Development	Cashew processing into juice and nut for domestic and export markets. Also production of cashew nut.

		Corporation (ADC)'s cashew Plantation Establishment at Ibara Orile and NALDA's Assisted Farmers 500 hectares of Cashew Plantain at Joga Orile.	
6.	Sugar Processing Plant	To process the abundant sugar case at Papalanto, Ewekoro Local Government into cube and granulated sugar.	o Approximately 10,391 hectares of land o Equipment required is Guar Plant with Crushing Capacity of 500 Mt/day o About 20 hectares of right breed sugar case variety has been propagated
7.	Bitumen Processing Plant	To produce bitumen from the bitumen deposit at Ogbere in Ijebu East Local Govt.	Size of land is over 300,000m^2 with surface seepage
8.	Production of Particle Board	Establishment of production units for particleboard for which raw materials abound in the state i.e. gmelina from the underlisted plantation in Ogun State.	Gmelina tree is available on land area of 20 – 50 hectares at areas J-4. Location is close to major highway for transportation. The Annual Allowance Cut (ACC) is 693,000m^3/year.
9.	Tongeji Island Tourist Centre	The Island is located on the Lagoon at Ipokia Local Government. It is accessible by Lagoon to and from Badagry and other areas of Lagos State.	Essential facilities and infrastructure available e.g. electricity, portable water, health clinic and primary school. - Vast hectares of land with good topography to be developed into a tourist centre
10.	Television Village/Studio	OGTV is blessed with a vast land of about 50 hectares majority of which is yet to be converted into use. It has a natural habitation and friendly	This can be complemented with OGTV's Studio 1 which is regarded as the biggest Television Recording Studio in Nigeria. This was the studio used by Independent Producers to produce various programmes

environment which can be developed into a Television Village, as the case is in Hollywood, where films of international standard can be produced and marketed.

which were transmitted nationwide on NTA network in the 80s e.g. Turning Wheel, Young Ones, Jagua Nana's Daughter, Bassey & Company, Princes, National JETS' competition.

Investment Opportunities and Incentives Available in Ondo State being Text of the Contribution of the Executive Governor of Ondo State of Nigeria Chief Adebayo Adefarati, at the 7th Nigerian Economic Summit Held at the Nicon-Hilton Hotel in Abuja, Nigeria, 15th - 17th October, 2000

Protocols

I am indeed grateful to the organisers of the 7th Nigerian Economic Summit for affording me the unique opportunity of tabling before this distinguished audience investment opportunities in Ondo State of Nigeria. First of all, I will, by way of introduction, like to say that Ondo State has the uniqueness of a wide variety of vegetational zones ranging from the mangrove swamps of the coastal belt, through the famous evergreen rain forest in the central area to the derived Savannah wooded grassland in the extreme North. This variety of vegetational zones has also made possible a variety of agricultural practices for the people of the state all the year round. The state is also endowed with a variety of soil types. These can be categorised into three main types:

(i) Alluvial soil (6%) in the coastal areas to the extreme south of the state;
(i) Ferrasols (southern/middle 5%);
(ii) Furriginous tropical soils (89%).

All the soil types are fertile, containing more than 2.5% organic matter content.

The climate is tropical with temperatures varying from 21 to 29 degrees Celsius. Rainfall which varies from 2,500mm in the coastal areas to 1,500mm in the northern fringe of the state, is experienced from March/April to November with a peak in June/July, usually with an August break. This supports an all year round agricultural activity.

The state is served by a network of federal, state and local government roads. Travellers from all states in the South-West zone of Nigeria normally pass through Ondo State on their way to and from Abuja, the Federal Capital. Provision is also being made to link the state with the nation's railway system through the proposed East-West standard gauge line. There is an airport at the state capital capable of taking the largest aircrafts. The people are warm, very hospitable, peace loving and hardworking. The state has about the highest level of literacy and numeracy in the federation while the level of educational attainments of its people are very high and varied.

Investment opportunities are considered in this paper under the following headings:

(i) Agro-allied activities;
(ii) Oil, gas and bitumen: up and down stream;
(iii) Solid minerals;
(iv) Water resource development;
(v) Housing development;
(vi) Transport and tourism.
(vii) Power sector.
(viii) Communications
(ix) Resuscitation of ailing industries.

1. Agro-Allied Activities

It must be mentioned that agriculture is the mainstay of the people of Ondo State. About 80 per cent of the working population is engaged in farming and allied activities. As a result of the favourable climatic conditions, farming activities continue all the year round.

Agricultural activities in Ondo State are based on both cash crop and food production. The cash crops include cocoa, palm produce, coffee, cashew, kolanut, etc. while food crops such as yams, cassava, maize, plantain, tomatoes, mangoes, citrus, pineapples and many others are grown for consumption while surpluses are sold.

Investment opportunities abound in the agro-economy of the state. Some of the areas are as follows:

(i) Cocoa Production

Ondo State produces 50 per cent of the cocoa produced in Nigeria. The cocoa beans are still largely exported raw without any value added.

Although there are some cocoa processing plants in the state, they can, as yet, not cope with the volume of production. Substantial increase in production capacity is still required to cope with the processing of the cocoa beans into cocoa butter, liquor, powder, etc. These products will, in turn, be used as raw materials in beverage, cosmetic and other industries. It is to be noted that cocoa pods with the large potassium content, but which are left to waste in the farms today, can be collected and used as raw materials in the production of fertiliser, thus providing additional income to cocoa farmers.

(ii) **Oil Palm Produce**

There are currently three major oil palm companies operating in Ondo State. They are:

(a) Okitipupa Oil Palm Plc;

(b) Araromi/Aiyesan Oil Palm Plc.

(c) Ore/Irele Oil Palm.

Other plantations and small holdings are growing rapidly in the state as oil palm production is currently gaining popularity in the state. Prospects of large-scale plantations development are high, especially in the rain forest belt of the state.

(iii) **Other Tree Crops**

Other tree crops such as cashew, coffee, pear, mangoes, etc. are currently gaining popularity in the state with ready market and encouragement, farmers in the state will be quite up to the task in producing enough to feed any processing mills that may be set up in the state. For example, there is a processing mill, which is already processing cashew nut at Owo, Ondo State. This has led to a steady growth in the production of cashew in the state.

(iv) **Sugar Production**

Studies carried out have shown that production can be achieved on a commercial scale in Ondo State, particularly in Irele Local Government area where the identified area can support a 45,000 metric tonnes plant. Bacita currently has a plant with a capacity to produce 40,000 metric tones annually.

It is evident from studies, especially because of the more abundant rainfall, that the cost of production in Ondo State would be considerably lower than the situation in Bacita as much less irrigation would be required. The total sugar production in Nigeria at the moment is less than 30 per cent of the requirement. There is, therefore, a ready market for sugar in the country.

(v) **Sea Food Production**

Ondo State has the longest coast line in Nigeria which is about 90 kilometres long. The coastline is particularly rich in pink coloured shrimps which is in high demand in the world market. The existing Federal Fisheries Terminal at Igbokoda, which is currently in disuse can be put to effective use with the setting up of a sea food project. The fish and shrimps would be made available to the local market and for export.

(vi) **Commercial Cassava Production**

Cassava is grown throughout the state and it is capable of being produced on a large scale. Production increased from 867,500 tonnes in 1989 to 1,802,804 tonnes in 1995 according to Ondo State Agricultural Development Programme statistics. The production of cassava is still on the increase. Cassava can be used for the production of bread, chips, cake, starch, industrial alcohol and other value-added products, apart from its current use for local food items such as garri, fufu, etc. It is currently being planned to expand production of the crop from the present 18,000 hectares to 20,000 hectares within the next two years. This is being pursued vigorously through the adoption of the out growers production scheme and support to farmers in the farm- settlement schemes and the seed multiplication centres.

(vii) **Maize Production**

Maize is being produced throughout the state and can be produced two or more times during the year as it takes 3-4 months to mature. It can also be produced in the fadamas during the dry season. 25-30% of the agricultural land in Ondo State is devoted to maize cultivation. Apart from human consumption of 10% of the production on the cob, roasted or boiled, it is an important raw material for the brewery industry and for livestock and poultry feed.

(viii) **Swamp Rice Production**

From the research already carried out, a large part of the riverine areas of the state have been found very suitable for swamp rice production. There are also vast areas of land along the flood plains of rivers and creeks, which are very suitable for this type of activity.

(ix) **Wood Based Industries**

Ondo State as of today has the largest economic wood resources in the federation. Establishment of wood based industries for export or domestic consumption would be welcome. The varieties of wood available in the state from the forest reserves and also from the free forest areas are mahogany, iroko, apa, mansonia, obeche, opepe, etc. while teak and gmelina are cultivated in plantations. All these (and most especially, gmelina) are available for processing on a commercial scale.

(x) **Particle Board Manufacture**

In order to put to economic use waste products in our forests, especially wood wasted after timber has been removed in our various forests, such waste products can be crushed and converted to particleboards upon the addition of resins. Such wastes are abundant in all forest reserves in the state and in the afforestation project at Epe-Makinde in Odigbo Local Government area.

In addition, in the numerous sawmills in the state, large heaps of saw-dusts are generated on a continuing basis. These constitute nuisance to the saw-millers and are consequently being burnt. The saw-dust, mixed with resin and machine compressed, will produce particleboards. Establishment of particleboards plants, with the abundant raw materials, will be a very lucrative concern. All the particleboard in use in West Africa are currently imported from Latin America, especially Brazil.

(xi) **Sheep and Goats Production**

Sheep and goats are currently left to roam, especially in the rural areas. Farmers will be encouraged to rear their animals in controlled environments where there are buildings constructed and pastures established. In such environments, in-breeding can be controlled while adequate and balanced feeding and the health of the animals can be properly observed.

A project such as this would lead to greater availability of protein to improve the protein content of the diet of the citizenry.

Similarly, other animals such as pigs, rabbits, etc., can be produced while snail development on a large scale can be similarly arranged. Appendix 1 provides additional information on agro-allied projects for which there are investment opportunities in Ondo State.

(xii) **Agro-tech services**

It should be mentioned that mixed technology is in use as a few of the farmers have access to tractors while the large majority depend entirely on hand implements such as hoes and cutlasses. Setting up of agro-service centres where agricultural equipment such as tractors and its various attachments and other forms of agricultural machinery will be available on hire, will go a long way in improving the productivity of farmers in the state. One of such centres per local government or group of local governments may be ideal to start with.

2. Oil, Gas, and Bitumen: Up and Downstream

Ondo State is one of the oil producing states in Nigeria. It would not be out of place, therefore, if industries based on the utilisation of petroleum and gas, are established in the state. For instance, the petroleum refineries in the country are no longer able to cope with the demands of the Nigerian market for refined petroleum products. More importantly, Nigeria needs to move away from exporting its petroleum resources in crude form. There is need to add value through refining. A refinery in Ondo State territory will certainly be a right step in the right direction. Investment from the private sector in this regard is, therefore, very welcome.

Petro-chemical industries could also be set up to utilise bye-products of the refinery being proposed.

It is also to be noted that bitumen and tar sand deposits in Ondo State are second in reserves only to the deposits in Venezuela. Time is now certainly opportune for the tapping of these resources which had been left idle all the ages, except for a brief period, before the second world war. As the state government has already applied to the Federal Government of Nigeria for a licence to exploit bitumen, it is interested in going into partnership with willing investors.

As soon as the required licence is received, Ondo State Government would commence operations with technical partners and other investors with whom she would join funds in exploiting and processing bitumen and tar sand.

3. Solid Minerals

Ondo State is very richly endowed with solid minerals, many of which have been ascertained to be available in commercial quantities and quality. Apart from bitumen and tar-sand which have already been mentioned, the following are available in commercial quantities and quality:

(i) Filter sand (for filtering water);
(ii) Limestone (for cement manufacture);
(iii) Marble (for house flooring and wall facing etc.);
(iv) Granite (for house flooring and wall facing etc.);
(v) Iron-Ore (for smelting into iron and steel).
(vi) Salt (for refining into edible/industrial salt);
(vii) Bulk clay (for ceramics, bricks, pottery, etc.)
(viii) Coal (lignite) (for heating and iron smelting).
(ix) Kaolin (for ceramics, sanitary wares, refractory bricks, pharmaceuticals, etc.).
(x) Glass sand (for glass manufacture).

For greater details, please see appendix 11.

4. **Water Resources Development**

The provision of potable water, especially because of its importance in ensuring the health of the people, is a major priority area for Ondo State Government. On assumption of office, I discovered that no community in the state had adequate water supply. Where potable water infrastructure was not totally lacking, the available one, which invariably is inadequate, is also usually in decadence.

The state government has, therefore, had to plan new projects or the expansion of the existing ones in order to ensure the provision of adequate potable water supply to the people of the state. Details of the four schemes, which have been designed or are being designed for execution are contained in appendix III to this paper. The four schemes will provide portable water to twelve of the eighteen local governments in the state.

5. **Housing Development**

At present, residential accommodation is in gross short supply in Akure, the state capital. With the influx of investors and workers expected in the state in the next few years, if not months, it would be highly desirable that massive investments be made in the housing sector. Towards this end, the state government has acquired large tracks of land through the state for development into residential and industrial estates where either houses or plots on site and services, basis are to be made available. In this regard, Akure, Ore and lgbokoda are expected to be special attractions. Investors in this sector are, therefore, welcome.

6. **Transport and Tourism**

Numerous tourist attraction potentials are available in the state for development.

Such places are:

(i) Ebomi lake at Ipesi-Akoko.
(ii) Idanre hills.
(iii) Oke Maria at Oka-Akoko.
(iv) Isarun Ash cave.
(v) lgbokoda/Ayetoro water way.

Similarly, an amusement park could be developed in Akure for relaxation purposes for both tourists and residents.

Considering the envisaged phenomenal increase in the tempo of industrial and commercial activities in Ondo State within the next one or two years, five-star hotels would be required in Akure and Ore. These should be private sector planned and financed.

For the purpose of ensuring ready availability of facilities for intra and inter-state transport services, a transport company, Owena Mass Transportation Company Limited has been established by the state government, which currently own its shares fully. It is the intention of government to privatise the company in order to make it more efficient.

7. Power Sector

The power sector is a very vital one in which investment is required in Ondo State to complement National Electric Power Authority (NEPA). In particular, private investment is required in the area of power generation through the construction of gas turbines to utilise gas being at present flared by the oil companies operating in the state. The power generated could be fed into the national grid or fed directly to existing heavy industries already in existence or those to be established which will required large power out-put for their operations.

8. Communications

Direct investment by private entrepreneurs will also be required in the communication sector in the provision of digital telephones in areas not yet served by NITEL. The installation of mobile telephones to operate within the established system will also be considered necessary. This will make tremendous impact on modernisation and industrialisation of the state.

9. **Ailing Industrial Establishments Requiring Revitalisation or Re-activation**

The following industrial establishments as a result of neglect or mismanagement require either to be revitalised or re-activated:

(ii Premier Metal Industries, Ondo (it produces galvanized iron sheets).
(ii) Okitipupa Oil Palm Plc.
(iii) Araromi/Ayesan Oil Palm Plc.
(iv) Catalytic Cocoa Processing Project at Alade, Idanre.

Interested investors will be provided with further details on these projects.

Government Policy on Industrial/Commercial Investment

It is the policy of government to provide an investment-friendly environment for investors willing to invest in industrial and commercial activities in the state. To this end, the civil service has been re-structured to make information storage, retrieval and dissemination more effective. Appropriate legislation are also being enacted to protect investors and their investments in the state. Specifically, the state Ministry of Commerce and Industry (and the Ministry of Agriculture and Rural Development in respect of agro-allied industries) and the Department of Statistics and Research in the Ministry of Finance, Economic Planning and Budget are under obligation to release promptly all data requested for by interested investors in the state.

As a matter of policy, the government is willing to take up between 10 - 20 per cent or less, of equity participation in the projects to be established as a way of encouraging investors. Many of the existing industries or commercial activities in which, Government has interest are to be privatised.

Incentives to Investors

I will, at this stage, like to outline some of the incentives designed to encourage investors to invest in industrial and commercial projects in Ondo State. The state government is currently investing massively on road development to movement within the state. The network of roads in the state has improved tremendously within the last one year. We are sparing no efforts in ensuring that the development continues unabated. Similarly, even though electricity is a federal subject under a monopoly by the Nigerian Electric Power Authority (NEPA), the state government is making substantial investment in the provision of electricity in towns and villages. This is in realisation of the fact that electricity is of paramount importance in the development of any community.

I like to mention that in addition to maintaining the existing industrial layouts in Akure, Ondo and Ikare, new ones are being opened up in Ore/Odigbo and Owo/Emure-Ile. Basic infrastructure such as roads, electricity and water supply are being made available in these estates. In addition, I wish to assure industrialists wishing to invest in Ondo State that a large number of other incentives have been put in place to encourage them. Such incentives include:

- allocation of industrial plots at relatively cheap prices to those who show evidence of readiness for immediate investment in the state;
- tax holiday for infant industries in specific cases to encourage their firm establishment and growth;
- encouragement of people for the large scale production of raw materials where the industry is raw material based, especially in the agro-allied sector;
- state patronage of the products or services of the industries, thereby encouraging their consumption; and
- speedy processing of certificate of occupancy papers where industry is to be sited in privately arranged land holding. I like also to say that any aspiring industrialist wishing to establish in Ondo State is Free to seek information relating to the project of choice from any ministry or agency of the state government. I assure you of speedy response in this regard.

Conclusion

In conclusion, I like to assure you of the friendliness of our citizens to people coming from outside their communities. They are very amiable and accommodating. I like also to assure you that the above-mentioned opportunities are just the few that can be packaged for the limited scope of this summit and time constraint. Virtually all the projects already have either detailed feasibility studies which would be made available to interested investors on enquiry.

I like to mention that Ondo State, in spite of its enormous human and material resource base, is still largely unattended to in terms of industrial and commercial development. The investment opportunities are largely virgin and limitless. Investors are heartily welcome to Ondo State any time you choose to call.

Once more, I like to thank the organisers of the summit for the unique opportunity afforded me in delivering this address. I wish you journey mercies back to your respective destinations after this summit.

Appendix I: Agro-Based and Allied Resources Including Forestry

S/N	*Raw Material*	*Location*	*Products*	*Remarks*
1.	Cocoa	Widespread	Cake, powder, butter and liquor	
2.	Oil Palm	Widespread	Kernel cake, oil, broom making and soap making	
3.	Rubber	Odigbo, Irele	Rubber latex	
4.	Citrus, mango, guava, pineapple, tomatoes,	Widespread	Concentrates, extracts soft drinks, tinned foods	
5.	Plantain	Widespread	Flour, biscuit, etc. source of potash	
6.	Cassava	Widespread	Starch, staple food, flour, etc.	
7.	Kolanut	Ijare, Ikare And others		
8.	Forestry	Widespread	Hardwood, plywood, particleboard, and furniture making, paper making	
9.	Sugarcane	Ikale, Irele	Sugar production, soft drinks	
10.	Rice	Ikale	Food, etc.	
11.	Maize	Widespread	Flour, poultry, production, etc.	
12.	Sheep and goats	Widespread	Protein products, hides and skin	
13.	Sea Foods	Coastline and continental shelf	Fish, shrimps, etc.	

Appendix II: Mineral Resources of Ondo State, Location and Possible Uses

S/N	*Mineral*	*Location*	*Possible Uses*	*Remarks*
1.	Kaolin	Omialafia, Abusoro, Ode-Aye, Omifun	Ceramic wares, sanitary wares purposes, refractory bricks, pharmaceuticals, glazing filter	Partial/full exploration and evaluation

2.	Bulk clay	Erusu-Akoko, Ode-Aye, Ute, Arimogija, Ifon	Earthen wares, 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, abrasives	Partial exploitation
4.	Dimensio n stone	Akure, Akoko widespread	Substitute for marble and tiles aggregates, slabs for flagging pavements	Partial exploitation
5.	Limestone	Arimogija, Okeluse	For cement and lime production, fluxes, refractoriness, fillers	Partial exploitation
6.	Coal	Ute	Sources of heat energy for iron and steel industry	Partial exploitation
7.	Tar sand oil and Oil sand (Bitumen), Heavy crude oil	Agbabu, Ilubirin, Loda, Onishere	Petroleum products, natural asphalt, pitch and petrochemicals industry	Preliminary exploration
8.	Crude oil	Opuekeba, Obe-nla, Woye, Moluchin	Petroleum products, natural gas	Exploitation and evaluation of the deposit
9.	Iron-ore	Ise, Auga, Ikaramu, Iboropa, Akunnu	Iron and steel industry	Partial exploration
10.	Marble	Ido-Ani, Idogun, Supare, Oba, Oke, etc.	Lime production glazing	Partial exploration
11.	Salt	Riverine area of Ondo State	Domestic and industrial salt	Partial exploration
12.	Granite	Widespread	Road construction, floor and wall facing	Partial exploitation

Appendix III: Proposal for Commonwealth Business Council Assistance in Ondo State Water Corporation

No	*Scheme*	*Location*	*Capacity M3/Day*	*Year Commissi-oned*	*LGA of Coverage*	*Current Situation Report*	*Proposal*	Cost
1.	Oyinmo/ Awara (includin g Irun Reservoir pump and treatment /mains)	Oyinmo River at Elemoro Village	5.52m	-	Four local govern-ments in Akoko	Still under engineering investigation	Constru-ction of a new Dam, Constru-citon of Head work electricity pipeline extension and distributio	₦1.7b
2.	Ijugbere/ Ogbese	Ojugbere	45,000	-	Osse, Owo, Akure South, Akure North	Already investigated and awarded in 1982 to SCC but abandoned for lack of fund backup	Constru-ction of Head works, Dam Reservo-irs, treatment section, pipeline, etc.	₦3.81b
3.	Ilaje Water Supply	Mahin	-	-	Riverine area	Yet to be awarded for construction though engineering study has been done	-	₦1.1b
4.	Oluwa River	Odigbo/ Ore	No yet	-	Odigbo, Okitipupa, Ondo, Ore	Reconnai-ssance survey done already	Dam constru-ction complete, treatment plant for constru-ction, reservoir, etc.	₦4.85b

For further enquiries, please contact the following:

(a) Hon. Commissioner,
Ministry of Commerce, Industry, Co-operatives and Tourism,
Ondo State, Akure.
Telephone No. 034-241935, 034-240072.

(b) Ondo State Liaison Office,
Oduduwa House,
Ahmadu Bello Way,
Victoria Island,
Lagos,
Telephone No. 01 -2617061

(c) Ondo State Liaison Office,
Plot 76, 4th Avenue,
Central Business Area, ABUJA.
Telephone No. 09-2346747, 09-2346748

I thank you all.

Appendix E

Presentation by His Excellency, Senator Anyim P. Anyim, President of the Senate, Federal Republic of Nigeria : Partnership for Economic Growth

Partnership is a key word in today's globalisation process. Globalisation as the major force that is presently reshaping societies has not only brought nations closer, it has also brought about the sense of community, localisation and participation within and between nations. This has equally deepened the sense of shared understanding, mutuality and complementarity, while at the same time fostering partnerships in a comprehensive development framework. Significantly, the process has forced a rethink of development practice. From a highly centralised trickle-down approach in the earlier period, development thinking has shifted to the bottom-up approach, which laid the basis for the presently evolving inclusive and integrated approach that considers everybody a stakeholder in the concept of a new partnership for development.

Under the new development framework, the government, the private sector, non-governmental organisations, religious bodies, subnational entities, and prominent individuals are key actors. Indeed, recent indicators from various parts and sector of the world seem to suggest that the 21st century development practice is hinged upon participation and partnership. Demonstration and protests continuously mounted by NGOs and civil society organisations against such international organisations as the World Bank and the IMF, suggest that in the new development practice, people and individuals are determined to take charge of their destiny, rather than having others think for them, especially when it is considered that the chief grievance of these protesters is the alleged lack of transparency and accountability to the global public of these multinational organisations.

Perhaps, this underscores the point that the relevant actors in the governance of the national economy have been redefined. New actors have therefore emerged to give boost to the roles of previously dominant players. In fact, the new development coalition goes beyond the oft-quoted public-private sector partnership, to incorporate other relevant actors. Given that the evolving forces of globalisation and localisation have implications for how the development agenda can be tackled, who the relevant actors would be and the nature of their interactions, it may still be too early to conclude that the party is full. In fact, it has necessitated the evolution of new institutions and norms to define and regulate the relationship and interaction between these new actors and state.

In our own context, the Nigeria Economic Summit is pioneering the new institutional arrangement required to mobilise national participation to improve quality of policy-making and formulation on an ongoing basis. This we consider to be a key component of participatory democracy presently recognised as essential for the functioning of the market mechanism.

One of the distinctive positive contributions of democracy is that it encourages the process of open dialogues and debates, which help in the formation of values and priorities and the constructive function of democracy can be very important for equity and justice as well as efficiency. While democracy is important, indeed crucial, for development and for social justice, the success of democracy depends not only on the institutional forms that are adopted, important as they are, but also on the vigour of practice. The opportunities created by political and civil rights have to be seized and used in line with our understanding of fairness and justice. The functioning of democracy depends, to a great extent, on its constructive role, since its achievements depend on the actions of citizens, influenced by values and norms. The success of democracy depends ultimately on the emergence, sustaining and strengthening of values that make responsible democratic practice effective.

Democracy has complex demand, which include the protection of liberties and freedoms, respect for legal entitlements, and the guaranteeing of free discussions and uncensored distribution of news and fair comment. Democracy is, in fact, a demanding system.

The debate on the relationship between participatory democracy and development has been on far a long time. While there is no definite evidence to conclude that democracy is the only key to development, there is no doubt that broadly participatory processes (such as openness and transparency) promote truly successful long-term development. An understanding of the centrality of open, transparent and participatory processes in sustainable development helps us to design policies that are more likely to lead to long-term growth, and that reinforce the strength of the processes themselves.

Participatory process entail open dialogue and broadly active civil engagement, and they require that individuals have a voice in the decisions that affect them. In the parlance of modern economics, ensuring participatory process, and promoting the pubic good more broadly, is itself a public good. As with other public goods, there will be too little provision of such participatory processes in the absence of public support. A strong civil society is an important element in a strategy of implementing meaningful democratic reforms.

The first Nigerian Economic Summit was held in 1993, but it was only last year that the legislative arm of government had the opportunity of participating in the summit policy dialogue process. As mentioned earlier, the development of this nation requires input from each and every stakeholder. Much of the mistakes of the past would surely have been avoided had the government adopted a more open and participatory attitude. There is no doubt that Nigerians know much about how to manage their economy. While we will probably never be able to avoid all economic crises, we can make them less frequent and their consequences less severe by seeking much wider consultation. I believe, we have the knowledge to avoid severe social and economic problems. The challenge is to ensure that we use this knowledge and expand it to meet the new situations that continually arise. In pursuing these objectives, more open participatory and transparent processes will be key ingredients.

The public sector participation in the Summit process is yet evolving. However, it is imperative to seek for a more active participation in the shortest possible time. The legislature in the past one-year has adopted processes that capture the entire essence of the summit process of participation and partnership. Through various public hearings, we have variously sought to consult the general Nigerian public on various matter of national interest. But in the spirit of the evolving partnership and consensus building, the practice needs to be further deepened and consolidated.

We in the legislature as a representative body of the people from different constituencies have a primary role of making laws. The role of the legislature in a private sector-led economy is therefore anchored on the desire to have laws that provide the foundation of a strong legal system that can guarantee the enabling environment for free flow of investment.

Our purpose is to effectively put together laws that will guide our great country through this rough terrain to a stable, peaceful and prosperous nation. As the highest law-making body, we are conscious of the challenge and we are working hard to ensure that we live up to the high demands of the Nigerian public. In doing this, it is good that the public for whom we are working realise that the difference between a participatory democratic systems and an authoritarian one is that bills would have to undergo some procedures before being passed into law, whereas authoritarian decrees go by fiat. Open, participatory processes may result in delay, but as seriously slow as open political processes may sometimes seem to be, it is still believed to produce more durable results.

The legislature is committed to cooperating with the executive to pursue good governance. It is instructive to note that the apparent poor relationship between the executive and the legislature did not affect the passage of bills or the quality of bills passed. Nor did it reflect in the clearance of presidential nominees for all positions. In fact, within the given period, we passed the 1999 Supplementary Appropriation Bill, the Year 2000 Appropriation Bill, the Anti-Corruption Bill and the NDDC Bill, among others. None of the bills so far tabled before the Senate, whether emanating from the Executive or from individual distinguished senators, were deliberately delayed. This is not to say that improved relationship is not desirable. The Senate is now more committed to improved relationship and high-level cooperation with the executive, within the limits of the independence of each arm of government.

We recognise that probity and honesty are factors of economic development. For that reason, we did not waste time to perfect the Anti-corruption Bill, one of the first bills from the President. The Senate is committed to setting the pace in creating confidence in this economy as well as enhancing the standards of our institutions. The internal probe the Senate instituted by itself is an example worthy of emulation by other public and private institutions and organisations.

Economic prosperity occurs in an environment where there is rule of law, order and security of lives and property. Political stability is essential for an investor-friendly environment. For this reason and in order to ensure that the grievance of sub-national entities are properly addressed, the Senate has not closed its eyes to the agitation for economic, political and social justice in Nigeria, hence, the passing of the NDDC Bill in spite of concerns from certain quarters.

Distinguished ladies and gentlemen, the Senate and, indeed, the National Assembly, is committed to the ideals of a sustainable partnership for development, as this remains the best way to achieve sustainable economic breakthrough. In this sense, the Senate welcomes good ideas from all of you, so that good, innovative laws will continue to be made for the economic development and sustainable growth of Nigeria. The Senate would always support the Nigerian Economic Summit process and would welcome any development to ensure that the process is institutionalised and remain operational on a much more regular basis within the course of the year. But while we pursue market led-reforms, it is important to remark that we believe, the government would still remain the central player in the development process, providing the desired guidance and responsive regulatory framework at all times. It remains the key player that holds the institutions of governance together.

Any solutions to our problems require much more than the piecemeal reform measures attempted in the past. It demands nothing less than a fundamental change in our approach to the idea of development; a conceptual shift towards a parallel pursuit of democracy and market economy. Without democracy, we cannot expect development of a genuine market economy under fair and transparent rules of competition. Economic growth achieved under conditions of political repression and market distortions is neither sound nor sustainable. Let me refer to the image of the "two wheels of a cart" recently employed by the South Korean President. He said: *democracy and market economy are like two wheels of a cart, and both must move together and depend on each other for forward motion.*

At this juncture, I will say that I am delighted to see Agriculture topping the list of workgroups because like me, the Nigerian Economic Summit Group has accorded agriculture its rightful place. I was more delighted when of the three Ministers who spoke yesterday, one is the Minister of Agriculture and he spoke on current government agricultural policy. Having heard the presentation of the Honourable Minister of Agriculture, Alhaji Hassan Adamu, I am motivated to briefly remark on Agriculture. On the whole, I find government concern for Agriculture encouraging, and the various strategies enumerated by the Honourable Minister, if implemented to the letter, will be most rewarding. It is difficult to understand how any Nigerian Government could have failed to give the required attention to agriculture. This sector accounts for 70 per cent of Nigeria's active workforce. Nigeria is definitely a poor country with per capita income of less than $300. Majority of the members of the families of this agricultural workforce live below poverty line. While the government is working hard on poverty alleviation, it must recognise that it has to take bold step to address the growth and development needs of this agricultural workforce.

The improvement in farming methods of the average farmer is minimal since 1960 such that farmers are hardly able to feed themselves from their farm outputs. There has to be rapid improvement in simple mechanisation that will be affordable to all farmers. This has been found most successful in India. The government's role here is to make it a deliberate policy, invite private sector participation in developing suitable farming tools and provide subsidised credit for the purchase of these tools by farmers. At our current level of development, government subsidy in agriculture is not only desirable but also necessary. Government has to start and continue to subsidise agriculture until farmers are able to feed themselves and develop capacity for growth.

The current policy on fertiliser as mentioned by the Honourable Minister yesterday needs to be reviewed; policies must be directed towards growth. Removal of subsidy on fertiliser and indeed on agricultural credit finance should be phased and guided by the level of improved performance in the sector over time - the federal, state, and local governments should together develop a 5-year period. The three tiers of government, as a first step, should adequately fund the new structured Nigerian Agricultural Cooperative and Rural Development Bank.

Nigeria looks forward to a time, in fact, in the next few years, when agriculture no longer requires 70 per cent of the workforce in order to feed us and to export. Industry will be there to accommodate excess workforce from agriculture.

We need to improve on the performance of the majority of our workforce so that they can earn increased income and generate the effective demand the industries require to increase capacity utilisation.

I thank you very much for this honour.

Appendix F

Other Presentations by:

i. Reinold H. van Til, Senior IMF Resident Representative in Nigeria
i. Professor Jeffrey Sachs
ii. Dr Lorenzo Belamy

Towards Sustainable Growth and Poverty Reduction - Reinold H. van Til, Senior IMF Resident Representative in Nigeria

When the organisers of this conference told me that they would like to have the perspective of an outsider on Nigeria's economic situation, I was not sure whether I fitted that description. Not only do I live in Nigeria, which I would think brings me close to the qualifications of an insider, but my long involvement with Nigeria has given me the feeling to be in and not to be out. Nonetheless, I will try to provide an international perspective, and a comparison with experiences elsewhere which will hopefully help in clarifying what needs to be done and what needs to be avoided.

Income and Poverty

Over the past two decades, Nigeria has not reaped the benefits of its rich natural resource endowment and has stayed far below its potential. During this period, the economy grew on average by only 2½ per cent a year. Population growth averaged 3 per cent a year, and with a per capita income of only US$310 in 1999, Nigeria has become one of the poorest countries in the world. According to the World Bank's World Development Report 2000/2001, with this per capita income Nigeria ranks 179th out of 206 countries. On a purchasing power basis, Nigeria ranks even lower, in 193rd place. On the African continent, only a handful of countries have lower per capita incomes, either because they have experienced prolonged wars or civil strife or they lack fundamentally the resource base to support their population. Poverty in Nigeria has increased dramatically, with 66 per cent of the population below the national poverty line in 1996, compared with 43 per cent in 1992, and 70 per cent of the population lives on less than one U.S. dollar a day. In no other country in Africa has the deterioration in living standards been so severe as in Nigeria.

How has it been possible that Nigeria with its rich oil and other resource endowments, large domestic market and vibrant entrepreneurial class has arrived at a situation in which its social and economic statistics paint such a dismal picture? With the return to democracy, Nigeria has made the political turnaround and can put behind it the neglect of the economy in the past. The new democracy should form a solid foundation for an economic turnaround. The topic of this summit on how to achieve breakthrough growth requires, indeed, the urgent attention of policy makers.

In my contribution today I will elaborate on the crucial ingredients for sustained growth, the role of government in creating a conducive environment for growth and the key priorities in economic policy that should guide Nigeria to prosperity.

Growth Arithmetic

Before addressing the question on how to achieve high growth, I want to start with some sobering growth arithmetic, which illustrates the daunting tasks that lie ahead. As a reference point, I take the figures from the President's Economic Direction for the period 1999-2003, which targets growth of between 6-10 per cent per annum. It will require 18 years of growth at an average annual rate of 6 per cent to double Nigeria's per capita income and reach the level that was achieved in 1999 for sub-Saharan Africa as a whole. This period could be shortened to 10 years, if the economy were to grow by 10 per cent per year. If Nigeria would want to catch up with the rest of Africa, its growth rate would need to be 6 per cent above the average growth rate in sub-Saharan Africa for 18 years in a row.

What is Required for Higher Growth?

What does it take to achieve such ambitious growth targets? Poverty reduction and growth have received much attention over the past few years. The limited success so far in reducing poverty, notably in Africa but also in Latin America, as well as the divergent growth experience in many parts of the world, has rekindled the interest in growth and what is driving it. The research in this field is not narrowly confined to pure economic phenomena, but also attaches increasing importance to institutional factors. It is now widely recognised that political and social stability, law and order, property rights, transparency and accountability have a major impact on the efficient functioning of markets and investment decisions. There is a considerable body of empirical work in which the characteristics of fast growing economies have been explored and contrasted with those of low growing economies. Although somewhat surprising and counterintuitive, fast economic growth is generally not related to natural resource endowment, but is strongly correlated with good economic policies and well-functioning institutions. In a recent IMF comparative study on growth and poverty around the world, a number of factors have been identified as affecting economic performance, as they have a bearing on the productivity of capital, the labour force, and the efficiency of production.[1] Other studies have focused on Africa. Some of these have stressed the uniqueness of the continent because of its geography and climate, while others have emphasised the importance of policy factors in explaining relative growth performance.[2]

I will concentrate in particular on three aspects that explain the divergent growth experience among countries, namely: the role of investment in physical and human capital macroeconomic stability and external openness, and a set of institutional factors, such as transparency, good governance, the rule of law, enforcement of property rights and contracts, and corruption.

Investment, Savings, and Human Capital

Slow growing economies generally have low levels of (private) investment and savings low level of schooling and low life expectancy, reflecting poor health conditions. The Nigerian statistics on health are hard to come by but there is overwhelming sense that education and education and health conditions have deteriorated sharply during the last decade. Although public spending on health and education is not necessarily the best indicator of investment in human capital, because it does not tell you anything about the quality of spending, Nigeria is close to the bottom on health and education spending compared with other countries.

With an investment/GDP ratio of only around 18 per cent, sub-Saharan Africa contrast with other developing countries in Latin America and Asia, which have investment/GDP ratios ranging between 23 per cent and 30 per cent. Moreover, the share of private investment in total investment is much lower than elsewhere. It has been found that the productivity of investment, measured by the incremental output-capital ratio, is significantly lower in slow growing economies than in faster growing economies. This is a double-edged knife. Not only the volume of investment is lower, but the low productivity of investment also adversely affects growth.

In Nigeria, the share of investment in GDP has averaged 20 per cent during the 1990s. Private investment as a share of GDP is estimated at less than half of this. Current investment levels are insufficient to raise growth, and there is an enormous imbalance between private investment, which is too low, and public

[1] IMF, World Economic Outlook, May 2000, Chapter IV: "How Can The Poorest Countries Catch Up?"

[2] For a survey of the literature, see Paul Collier and Jan Willem Gunning, "Why Has Africa Grown Slowly?", Journal of Economic Perspectives, Vol. 13, No. 3 (Summer 1999).

investment, which is too inefficient. The investment/GDP ratio will need to be doubled to achieve sustained growth of 6 per cent per year, and the bulk of this increase in investment will need to come from the private sector.[3] The paradox of high rates of return on investment and the low volume of investment can be explained by the substantial risk premium that is attached to investment in this part of the world. It suggests that to attract more private investment, the rates of return need to be even higher, but of course, reducing the risk premium is a much better solution, and that requires a considerable improvement in the business environment.

Macroeconomic Stability, Fiscal Policy, and external Openness

Macroeconomic stability is good for growth and poverty reduction. Low inflation promotes growth because it reduces uncertainties in transactions and helps avoid distortions in investment decisions. Low inflation also helps the poor, ie, it is "super-pro-poor",[4] because they are generally the least able to protect themselves against the erosion of purchasing power of the domestic currency. A prime source of macroeconomic instability is the government's budget. This is particularly the case in Nigeria, where 90 kobo of every naira spent is raised from oil export revenue, which has the same economic impact as monetary financing of expenditure. Keeping a firm check on government spending is thus the key to achieving macroeconomic stability and maintaining low inflation. It has been an unfortunate tradition in Nigeria that booms and bursts in oil prices have been reflected in large swings in government spending.

This has caused large gyrations in inflation, which has undermined macroeconomic stability. These booms have also encouraged large and often uneconomic capital projects. It is imperative that Nigeria avoids these pitfalls by adopting an expenditure policy that looks 3-5 years ahead. Medium-term expenditure norms need to be developed that take into account the absorptive capacity of the economy, as well as the recurrent cost implications of capital spending. Expenditure policy also needs to be linked to an overall fiscal stance over the medium term that avoids fiscal deficits and that is based on a medium term trend price of oil. In this manner, reserves can be built up so that expenditures can be smoothed over time, thereby avoiding spending crunches when oil prices fall.

3 See also Emesto Hernandez-Cata, "Raising Growth and Investment in Sub-Saharan African: What Can Be Done", IMF Policy Discussion Paper, May 2000.

4 David Dollar and Aart Kraay, "Growth Is Good For The Poor", The World Bank, Development Research Group, March 2000.

Countries with inward-oriented and protectionist policies have experienced lower growth rates compared with countries with outward-oriented policies. Faster growing economies show in general a greater openness to trade and export-led growth. Trade liberalisation, removal of non-tariff barriers, and a reduction in tariffs and effective rates of protection are important to increase the efficiency and competitiveness of domestic production and the exposure to new technologies. The past protection of Nigeria's domestic industries have failed to build a strong industrial sector and infant industry arguments are hardly convincing for what has become an old man. Further trade liberalisation will provide the incentives to build a competitive and outward looking manufacturing sector, which can greatly contribute to higher growth. Of course, this is a two-way street. Developing countries have been restricted in their access to industrial countries' markets, notably for the products in which they have a comparative advantage (e.g. textiles, primary agricultural products). Therefore, it will be important for industrial countries to allow quota-free and duty-free access to their markets, as well as a reduction in the subsidisation of their agricultural sector.

Good Governance, Corruption, and Transparency

Economic uncertainty increases when wars, military coups, political instability, and corruption are widespread or when basic institutional structures, such as property rights, the rule of law, transparency/accountability and financial intermediaries, are not functioning properly. Corruption and a lack of enforcement of property rights adversely affects domestic and foreign investment. It raises the required rate of return on investment and transaction costs, and it depresses the willingness to invest. Long-term investment is particularly vulnerable to these societal deficiencies, which explains the overwhelming tendency in many parts of Africa to invest short term with a quick pay-back period.

Governance and transparency play a significant role in promoting or hampering growth and raising the efficiency of the market place. Corruption and non-transparency stifle competition, as new entrants to the market are viewed with suspicion if their background is not known. In an uncertain environment it is better to do business with known entities than with new ones. Corruption and bribery also affect the quality of project selection, thereby lowering the productivity of capital.

Nigeria's reputation in terms of perceived political, financial, and economic risks is not good and undoubtedly holds back the development and diversification of its economy. Its position on the Individual Country Risk Grouping index classifies it as a high to very high risk country. Its ranking by Institutional Investor Credit Rating places Nigeria also very low on the list, while according to Transparency

International the country is the most corrupt among the 90 countries surveyed. The recent establishment of an Anti Corruption Commission is a first step in the right direction, but much more will need to be done to strengthen judicial institutions, promote transparency, and vigorously pursue good governance in all its aspects.

In sum, the factors mentioned above are, to a large extent, the outcome of economic policies. Growth and poverty reduction go hand in hand. Without sustained growth there is no lasting reduction in poverty. And growth is a function of the effectiveness by which capital and labour are deployed, which is not only determined by pure economic factors, but importantly also by the political, legal, and social environment in which economic activities are shaped.

An Action Plan for Breakthrough Growth and Poverty Reduction

From the foregoing, it is clear that economic and social policies should be closely interlinked if one wants to raise the growth potential of the economy and fight poverty. In this context, I would like to recall the key international pledges for sustainable development that have been made in various United Nations conferences in Copenhagen, Cairo, Beijing, Rio de Janeiro, and Rome. These pledges call for reducing extreme poverty, achieving universal primary education promoting gender equality, lowering infant and child mortality, fighting against hunger, providing reproductive health services, and protecting the environment. In all these areas, quantitative targets have been formulated to achieve concrete results by the year 2015 at the latest. As the World Development Report notes, many of these goals are not on target. Without sustained economic growth, there is no hope of achieving them.

Engineering sustained higher growth is not something that can be accomplished overnight. An action plan for breakthrough growth will need to concentrate on the essentials. It will require a proper understanding of what the government can and should do, and it will need to set priorities. Not everything can be accomplished at the same time and the sequencing of actions is probably as important as their content.

From a potentially very long list of economic policies that need to be pursued, I will select those that in my view are the pillars for promoting private sector-led growth in Nigeria.

1. The maintenance of stable and consistent macroeconomic policies;
2. The reallocation of public spending toward health, education, and essential infrastructure;

3. The elimination of commercial functions of the public sector through deregulation and privatisation;
4. The promotion of further trade and exchange liberalisation; and
5. The strengthening of government institutions, with a view to increasing transparency, reducing corruption, and building the capacity to implement sound policies and to deliver the basic services that government should provide to the population at large.

Nigeria's Economic Conditions: The Challenges of Socio-Economic Development – Professor Jeffrey Sachs

I am Prof. Sachs, Professor of Economics at Harvard University and the Director of the Centre for International Development at Harvard University. I also have the enormous honour and pleasure of working with President Obasanjo and his economic team and many members of the government and many of the distinguished business people of this conference to think about Nigeria's economic prospects and to think about the topic of today's conference which is: "Breakthrough Economic Growth: An Action Plan".

What is it that Nigeria needs to do right now given the quite dire economic circumstances which it has found itself at the beginning of this new democracy? What are the priorities that Nigeria ought to undertake to spur economic growth and to address some of the most critical problems of social development in the country?

I am so grateful for the chance to spend a few minutes with you on this issue at this very important Nigerian Economic Summit. I was very much hoping to be physically present not just through the electronic medium but, my schedule, in the end, because of teaching responsibilities, prevented me from coming.

I did have a chance to spend quite a few days in Abuja this summer and I look forward to being back to Abuja and other parts of Nigeria later this fall or next year as I continue to work with you and thinking about this important challenge.

I can say frankly, and, of course, something that you all know very well that the Nigerian economy has been in serious trouble and indeed in probably worsening economic shape for many years, and while we are through with the return to democracy and of course we are through with the fact that we have an internationally respected President, who is looked to by the whole world for guidance on key issues facing Africa.

The economic situation is a terrible challenge that is not going to be solved from one day to the next even with the return of politics in Nigeria. It is going to be many, many years of even reconstructing a normal economic situation and it is going to be a generation or more of very hard work to build a new Nigerian economy which can meet the aspirations of the Nigerian people. It is not, and I have to say this at the beginning very clearly, it is not simply the case of ending the mega-corruption which characterised the previous governments, for example, or recovering lots of loot; or even making management systems run right in government, which will be hard enough. It is not those by themselves that can solve Nigeria's problems because Nigeria finds itself today really in a very, very weak, and I would say critical economic condition.

So, it has been essentially a lost generation of economic development, such that the living standards in the country are dire and while Nigeria boasts of absolutely brilliant and world class talents. Prof. Anya is among those world class figures whom I so much admire in Nigeria and he gave me some wonderful essays that he had written on public health issues in Nigeria which I hope can be implemented in the years ahead. Even with these wonderful talents and leadership, world class scientists many of whom are working in the United States and Europe rather than in Nigeria because of the economic crisis, the overall situation in the country is very very poor. We know that Nigeria ranks near the bottom of the world in terms of average per capita income, and we know that even with the oil resources that Nigeria as a country is extremely impoverished.

One of the problems for Nigerian leaders is the kind of confused perception of the country both within Nigeria and in the international community. Many people think, within Nigeria and also internationally, that Nigeria is fundamentally a rich country but impoverished right now because of the massive corruption which has characterised the country for so many years. So many people think that ending corruption is somehow going to be sufficient to create economic prosperity in the country. Other people think that with high world oil prices right now and with new oil fields that can be brought on line as a result of recent successes in exploration, that Nigeria can obtain wealth through oil.

Well, I am here to say in part that a development strategy, while it will certainly include anti-corruption, no doubt and will certainly include the development of new oil fields, is not going to be solved by either of those two initiatives. In fact, those two initiatives are as important as they are a relatively small part of the story of what Nigeria needs.

The international community has even said "this country is so rich we don't have to give it help because if they can use the oil revenues properly that in itself will be sufficient to meet the urgent social needs of the Nigerian people". And I have met good hearted Nigerians who believe that he central issue is really the corruption in government.

Let me do a little bit of arithmetic why I take a quite different view of the situation. Nigeria is producing about 2 million barrels a day of oil and while oil prices have reached about $30 per barrel even though oil could have dipped below $20 per barrel as well, I used as a rough calculation, may be, a future average price of say $25 per barrel. At $25 per barrel at 2 million barrels a day means $50 million in oil revenues for Nigeria. Now, a lot of those oil revenues get eaten up in production costs. So, much of the revenue is not even owned by the Nigerian government. Of course, it is owned by the foreign oil companies that are producing in Nigeria. I don't know the exact number then I would say that nobody is sure about the exact number or how much of that $50 million a day actually remains with the Nigerian people via the governments revenues and taxation and royalties and so on. But it is a fair guess that, may be, if something around $30 million a day may with better crude oil prices it is up to $50 million a day. I have used in my own rough estimate an average of $30 million a day in what the Nigerian people get once you take out production costs, once you take out the oil that goes to the foreign companies and so forth. If that is even approximately correct, note that $30 million per day spread out over 120 million Nigerians approximately is something in the order of 20 cents (US) per day, that is, one US quarter per day.

With all that oil wealth, there are so many Nigerians that if you distribute it in terms of the average benefit for the Nigerian people, you are talking about considerably less than one dollar per day. If you take that 25 cents per day estimate and take the 365 days in a calender year, the average oil earnings per person in Nigeria would be about $91.25. It is not negligible, but it is obviously not a source of real economic development for the country. Oil exports and related petrochemical exports total about 95 per cent of the country's total exports right now, and we can understand why that $91.25 estimate multiplies to no more than maybe $300 per year of average per capita income in Nigeria. At $300 per capita per year, this is a very poor country, one of the poorest in the world.

And even if I am wrong that, instead of $30 per year it is $50 per year, even if the oil exports needs per capita are closer to $150 per person rather than $90 per person, oil is not going to be the difference between wealth and impoverishment of the Nigeria people.

Economic success is not going to be solved by itself simply by using better the oil revenues, not having them squandered in rapacious corruption as in the previous regimes. We must understand that real economic development is something quite different from pumping a natural resource like oil out of the ground. Real economic development involves investing in the health and education of the Nigerian people, in building up the human capacities of the people, it is not living simply by pumping a single natural resource out of the ground. In my view that encapsulates the essence of Nigeria's development challenge – how to foster a healthy and educated population that can be internationally productive and competitive in a much wider range of economic activities, and how to do it coming from the terrible burdens that the past has thrown up for the Nigerian people, the least of which is the more than $30 billion of foreign debts which weigh on the economy very heavily, which weigh on the budget very heavily and which must be alleviated for Nigeria to succeed in the challenges of education, health and export diversification.

Now, this general notion that oil can't be the key; that Nigeria is not a rich country that has squandered its resources, but is actually a poor country that has squandered a few resources that it has, is a lesson that is very important, I believe, both for within Nigeria and the international community.

I have spent months and months speaking to the President of the United States, to the cabinet, to leading congressmen and senators, to members of the US government, more generally to the IMF, to the World Bank, to key officials in other governments around the world, about the urgency of cancelling Nigeria's debts so that the fundamental challenges of health and education and export diversification can be achieved. And I am often told "oh why should we cancel, Nigeria's a rich country" and so forth? That simple arithmetic that I went through reveals is that even if the oil revenue is well used, it doesn't just go far enough to enable Nigeria to solve its economic problems which are much deeper than how much oil revenues can cover. That simple arithmetic is so poorly understood internationally that it has taken a while for the major creditor governments in the world to understand that they really need to help Nigeria in a far more fundamental way.

Now, let me try to outline in the few minutes that we have together what I think is the appropriate kind of strategy to achieve economic growth in Nigeria. And I will try to stress that we need at least three legs of this strategy, three pillars of a development strategy.

One pillar is the social dimension; basically asking yourselves the question, how can we ensure that every child born in Nigeria has the chance to grow healthy, free of the terrible burden of infectious diseases and by being healthy, to have the chance and also the financial means to attend school, so that, that child can grow up as a healthy and productive member of the world economy. So, the first pillar is the social pillar, that is, the education and health challenge.

The second pillar is what I call the economic growth pillar or the business development pillar. How can Nigeria get beyond its oil dependency and become competitive in manufactures and in services, to become a tourist destination, to become a provider of services such as software services, information technology services (which it is not right now), to become a manufacturer of both labour-intensive goods and middle technology products such as automobile components or ready-made garments. So, that is the second challenge: the economic challenge or business development challenge.

The third pillar is what the international community provides. President Obasanjo has been saying everywhere he gets the chance that Nigeria needs fundamental debt cancellation. I want to say without question that this is correct, that every international business in the room should understand this and should help to promote this among the G7 governments. Nigeria cannot make it without a financial fresh start. Nigeria is not rich enough to be able to solve both the development challenges and to repay a debt which is more than 100 per cent of its Gross National Product (GNP). Nigeria needs the international help, partly the debt cancellation, partly new funds to battle disease such as malaria and HIV/AIDS. And it also needs new mechanisms for linking Nigeria with the international community in the areas of research, biotechnology, information technology, university -to-university linkages such as from Harvard to the major universities of Nigeria, in order to help Nigeria become a creative and dynamic part of the broader world community and in order for Nigeria to be able to benefit from this explosion of technological capability that has covered the world at large but, which to a great extent, has by-passed so much of Nigeria.

Let me first focus on the three legs of the stool, and the human development side and the social component and the business environment side and on the international component briefly. You have a lot of work to do at your meeting and I don't want to take a lot of your valuable time away. But I hope that this kind of scheme can be useful to you as you think about Nigeria's growth strategy.
First, under the social dimension, the human conditions in Nigeria are unacceptably poor both in health and education, there is a desperate need to raise the standards, to raise the goals, to raise the vision. Life expectancy in Nigeria by loose estimates has fallen to around 50 years from birth, one of the lowest rates in the world. Illiteracy remains very high, the proportion of children getting education past the primary school remains regrettably low, many students don't

even finish primary education. In the knowledge based modern economy, even primary education is probably insufficient.

Secondary education has to be the goal of every country, even the poorest countries. So, Nigeria ought to find ways to permit and achieve universal secondary education for the children that are now being born in Nigeria. That's a very tall order. Now, I have not seen, and I have asked many times for coherent strategies on how to accomplish the goals of improving public health and raising education standards. I don't feel it yet and I have to say frankly that those strategic dimensions are not yet in place in an agreed set of policies between the government and the National Assembly or between the Federal Government and the State level governments. When I looked at the public health side of this issue which I have been doing quite closely, in part because I am the chairman of the World Health Organisation (WHO) Commission on the Macroeconomics of Health, focusing precisely on the question of how much countries should invest in health in order to achieve development goals.

I have been shocked at Nigeria's under-investment in basic health. The estimates, I stand to be corrected. But the estimates are that Nigeria is spending less than one per cent of the Gross Domestic Product (GDP) in public health right now, and Nigeria's GDP is only about $300 per person. What that implies is that, Nigeria is spending right now less than $3 per Nigerian. You know that at less than $3 per person, it is not possible to raise life expectancy, to save children, to reduce infant mortality, to roll back malaria, to stop the spread of HIV/AIDS.

These goals cannot be met at such a pathetically low level of expenditure. Of course, you will be the first to say that if expenditure is raised, then it has to be honestly delivered because nobody wants to put more money into health and have it squandered through corruption and mismanagement. But I can absolutely, fundamentally say that if the first social pillar is to be met, there has to be a tremendous increase of resources going into health expenditure to get the primary health centres working, to get preventive approaches to the killer diseases in place. Many studies now have shown that one needs at least $50 to $60 or $70 per capita to have a functioning public health system. That clearly is beyond Nigeria's means, so we are going to need help from outside. What kind of health is needed? First and foremost, the creditors should stop collecting the debts and the debts should be wiped off the books.

I have found it scandalous that the rich countries operating through the International Monetary Fund (IMF) have been demanding this year about $1.6 billion debt service expenditure at the same time that the public health budget has been no more than $300 million. How can a self-respecting international community ask Nigeria to spend more than five times its health budget on interest servicing principal repayments on external debts? To me, it is nothing short of a scandal and I believe the IMF should be ashamed of itself for having been in the front of that effort to collect Nigeria's debts at a moment of democratic transition and in the midst of public health crisis like this. And I think the United States, although it has inched forward in favour of debt reduction, still has not been able to recognise that Nigeria must be a member of the Highly Indebted Poor Countries (HIPC) initiative to see its debts wiped off, so that resources can be free up to face the public health challenge at the minimum. More money will be needed than that. Even if all the debts were wiped off, Nigeria in its own budget will not have the resources to address the education and the health challenges together. Nigeria needs foreign assistance, it needs honest management of public resources, it needs a package of measures to make that social pillar a real pillar. I regard that as the most urgent challenge that Nigeria faces. Even beyond the business sector challenge that I am going to talk about, because if children are dying of malaria, if the population is suffering a spreading AIDS pandemic, if tuberculosis is rampaging, if other tropical infectious diseases are uncontrolled, economic development is not going to work. That is the history and that is the logic of countries like Nigeria. So, this is the first challenge; get the public health budget increased, get doctors, nurses and other professionals helping to introduce the needed preventive and therapeutic measures, get the primary health system re-established because it is basically completely dysfunctional right now and get children in schools, perhaps giving them a meal a day in every elementary school in the country, in every primary school so that parents also will have the incentive, in their impoverishment, to send their children to school, because children in school is the key to Nigeria's future.

Now, we do know that if the country educates its children and keeps them healthy, that is a prerequisite for growth. But, it is not sufficient because if the business environment remains terrible those healthy and educated children would grow up and they will leave the country and we know how many Nigerians have left Nigeria because of the poverty and because of the mismanagement of public health by various military regimes. So, it is not enough to educate the population, although that is the story, it is not enough to keep the population healthy, there has to be a business development strategy so that the people can make real money in Nigeria and money outside of the oil sector, which has dominated so much of the economy. And my view has long been that such a business development strategy has, at least, two key components. One is to establish viable industries and services in key urban areas. That is to make Lagos a functioning economy again. Lagos should not just be an administrative and commercial centre, it should be an important producer for international markets, not just serving the national market, but should be a major export centre as well, which it is not.

Well, there is a lot of experience on how a great costal city can become a dynamic export centre and you know we need infrastructure such as power, communications, clean water, roads from factories to ports, functioning ports, functioning airports. We also need physical security so people are not going to get shot, the goods are not going to get stolen and that the containers coming into the ports are not going to disappear. You need economic incentives, so that when profits are made they can be repatriated and that taxes don't gulp such a large proportion of any earnings, that it is impossible to make a profit in the country. You need a very liberal attitude towards foreign direct investment, so that major enterprises would want to come to Nigeria, want to come to Lagos, to the ports, want to come to the export processing zones to do business. And I think that the strategy of thinking through the business environment again infrastructure, physical safety and property rights, foreign direct investment promotion and appropriate incentives, these are all essential to get in foreign companies to come in to produce in Nigeria and in Lagos, in a specific sense, and other parts of the country; to come to want to produce not just for the domestic market but for export to the world markets, because Nigeria fundamentally needs to be able to earn more foreign exchange and to earn it outside of the oil sector, in addition, that is, to the oil sector.

Now, I don't feel that any of those conditions is met right now. Power is dreadfully unstable, physical security, of course, we know is inadequate, the incentive systems are unacceptable, state monopolies in key sectors like power and telecommunications, and ports and airports are crippling the weak infrastructure.

Two keys I would stress. Infrastructural improvement can come through private financing, but the government has to end its monopoly of these sectors so that private investors can come in and make money. Power is one key area where the private sector would do project financing.

Telecommunications is another area where there are billions of dollars available for major investments. Money, the government cannot hope to raise itself, but which the private sector could raise if the regulatory environment were freed up enough to allow for private financing concessions so that the ports are run in an honest, non-corrupt and efficient basis. Airports concessions so that the airports can be modernised and made acceptable by international standards which they really are not right now.

So, these are the critical points which the government must address. It just has to get out of the way and allow the private sector under an appropriate regulatory framework to do the hard work. The government also has to encourage foreign investors and to encourage them in areas other than the traditional oil exploration. And I believe that Nigeria needs to think through a good strategy of Export Processing Zones (EPZs), tax holidays and incentives in key areas that Nigeria wants to build up as productive, competitive international sectors, and do acknowledge that more work needs to be done on that.

I mentioned the growth component as having two components. The other part is agriculture. Nigeria, in agriculture, has great potential;, of course, in the commercial sector and in the peasant sector. But it needs new research and development, the extension of new technologies better seeds, better models for higher intensity farming with expanded use of appropriate fertilisers and the like, depending on the ecological conditions. In general, the findings over and over again in Africa is that agricultural productivity is very low in part because the amount of research and development devoted to agriculture is minuscule. But the other finding is that the returns to agricultural research in Africa are extremely high, as high as anywhere else in the world, even higher because so little has been done. So, one can find social returns of 30 per cent or 40 per cent on each dollar invested in increased agricultural research in sub-Saharan Africa.

Nigeria needs an agricultural strategy that includes improved seeds, improved breeding, introduction of biotechnology, for nutrient supplementation and more drought or pest resistant crops. This involves hooking Nigerian scientists up with international scientific community and helping the scientists to have the resources to do the scientific work that is required for increased agricultural research & development.

The third pillar is the international community, and there I say again there has been a lot of confusion. The general confusion is: "Nigeria doesn't need help, it just needs a better government. Nigeria should pay back its debts afterall she is earning so much from oil. Nigeria should help stabilise West Africa, we don't have to add any money from the outside." All of those ideas are basically phoney. Nigeria needs help from the world right now starting with the United States. Nigeria needs it debts cancelled. The President is absolutely correct to be going out at this point but many Nigerians are sceptical and are saying why should we insist so much, we should just go about our business and do better. Nigeria cannot address its urgent social needs without debt cancellation and the international community needs to recognise that. And if there is any IMF and World Bank representatives in the room, they really should carry home the message, what has been done in recent years has been in the records especially this year, and in my opinion when you have a new democracy, to fail to understand how burdensome the debt is in stabilising democracy, in stabilising the macroeconomy and achieving social goals, it is, in my view, unacceptable.

We all expect movements in the right direction. When President Clinton came he said the United States next year would support debt reduction for Nigeria, assuming that this year's economic reforms went well. The United Kingdom has come out publicly in favour of debt reduction. Some other governments have, as well. I just hope that Nigeria continues to take a very tough line on this issue. If it were up to me, I would just unilaterally stop paying the debts and I will take the saving and I will devote them clearly transparently to the public health emergency in the country because that is the highest priority that Nigeria faces right now. But the government here is responsible, of course, so it has not unilaterally taken such steps but it needs to be absolutely firm in my view that there is no acceptable human way out of this mess until these debts are cancelled and that next year is the year to do it and the cancellation should be extremely deep. And somehow I am going to work morning, noon, and night to help Washington and London and Berlin and Paris and Tokyo and Rome to understand this point, so that we really have prospects after a generation of unpayable debt build-up, because after all those debts even was too high 15 years ago and it has been rescheduled six times, even after all of these, next year we have to make sure that this debt is really cancelled.

Let me conclude by making a couple of what I hope are our operational points. In my view Nigeria still lacks an accepted, clear, strategy, accepted and understood by the Nigerian people, shared in vision by the President and the National Assembly, and shared in concept between the Federal Governments and the State Government. In my view all of those things are needed. As I said, I believe that uch a strategy should be comprehensive, it needs to engage the social crisis traight on, it needs to engage the business environment crisis straight on, it needs o recognise that while oil will remain important, it is not the elixir that can solve ligeria's problems even at $30 or $35 per barrel, Nigeria has to create new sector, ey have to be private sector based, they have to attract foreign direct investment.

o I think that these goals are, in my view, clear, sensible, very straightforward, ot too different from what many people are saying, but they haven't been omprehensively, formulated, they haven't been synthesised, yet, in a way the erage Nigerian can understand and in a way both the President and the National ssembly can really grasp, and especially in the way that also the international mmunity can see quite clearly that that is a country which is addressing its oblems in a deep way and therefore a country they will want to invest in both in e sense of debt cancellation and in the sense of foreign direct investment.

, until these sum up to a comprehensive picture, I can assure you, no IMF gramme is going to do this for you. This is something that Nigerian absolutely e to do by themselves. Friends of Nigeria such as myself are ready to pitch in at any moment, anytime, looking at ideas, making any suggestions and so forth. The business of Nigeria's policy makers right now is to create a blue print of reconstruction, not that you are going to be able to follow any blue print step-by-step. It is a focus or vision, a set of priorities, a set of budgetary priorities that when taken together can formulate the broad based or three legged approach to economic growth.

Let me conclude by saying that despite all the tremendous problems that Nigeria faces in health, in education, in illiteracy, in rapid population growth, low levels of agricultural productivity, despite all this, Nigeria has every chance, every possibility of becoming a prosperous and dynamic and competitive economy in the years ahead. There is so much talent that you have available. When we at Harvard call the patriotic Nigerian community to come to discuss those issues, we see leaders in business, leaders in the academia, leaders in NASA or other national government laboratories in the United States, Nigerians, cream of the crop in the hospitals and university departments and so forth. Such wonderful human talents can be mobilised to address these issue. But I think the time is urgent and I so much admire what your work means at this annual economic summit and the idea of formulating a deep strategy, that I remain quite optimistic that you will be able to put the results to use in various forms.

Let me conclude only by thanking you once again for the opportunity to share a few general thoughts with you and to tell you how much I look forward to seeing you in Nigeria in the very near future. Thank you very much.

African Growth and Opportunity Act: Dr Lorenzo Belamy

On October 2, 2000 President Clinton signed a proclamaiton designating 34 sub-Saharan African countries as beneficiary countries under the African Growth and Opportunity Act (AGOA – Title I of the Trade and Development Act of 2000). The Presidential proclamation designates these sub-Saharan African countries as beneficiaries for purpose of trade preferences made available under the AGOA. The Proclamation modifies the Harmonised Tariff Schedule of the U.S. to reflect the apparel and textile trade preference made available under Section 112 of the Act. It also delegates to the Office of the United States Trade Representative the authority to publish (*through a Federal Register* notice) determinations regarding whether a country has established an effective visa system and meets the other customs-related requirements under section 112 of the Act.

General Preferences

The (AGOA) institutionalizes a process for strengthening US. Market access for essentially all products through the Generalized System of Preferences (GSP) programme, provides additional security for investors and traders in African countries by ensuring GSP benefits for eight years, and eliminates the GSP competitive needs limitation for African countries. In addition, the Act establishes a U.S sub-Saharan Africa Trade and Economic Cooperation Forum to facilitate regular trade and investment policy discussions and promotes the use of technical assistance to strengthen economic reforms and development, including assistance to strengthen relationships between U.S. firms and firms in sub-Saharan Africa.

Apparel and Textile preferences:

The Act lifts all existing quotas on textiles and apparel products from sub-Saharan Africa (within 30-days of a U.S. Government determination that Kenya and Mauritius have adopted effective visa systems), and extends duty/quota free U.S. market access for sub-Saharan African apparel made from yarns and fabrics not available in the United States. In addition, the Act extends duty/quota free treatment for apparel made in Africa from U.S yarn and fabric and for knit-to-shape sweaters made in Africa from cashmere and some merino wools as well as apparel produced in Africa from silk, velvet, linen, and other fabrics not produced in commercial quantities in the United States.

The Act extends duty free and quota free U.S market access for apparel made in Africa with African/regional fabric and yarn. Such imports, however, are subject o a cap (limit) ranging from 1.5 to 3.5% of the multibillion-dollar U.S apparel mport market over an 8 years period. African apparel imports made with African abric/yarns currently total about $250 million. Normal MFN duties would be evied on apparel (regional fabric) imports over the cap.

inally, the Act, which provides an average 17.5% duty advantage on apparel nports in the U.S market, promotes economic development and diversification in frica's poorest countries through a special provision in the cap which allow frican countries with an annual GNP of under $1,500 ("lesser developed eneficiary countries) to use third country fabric inputs for four years. This special vestment incentive for the poorest African countries is aimed at providing a arket stimulus to economic development for areas with little existing industry.

Beneficiary Country Designation

The thirty-four countries designated as lesser developed beneficiary sub-Saharan African countries under the AGOA. They are: Benin, Cape Verde, Cameroon, Central African Republic, Chad, Republic of Congo, Djibouti, Eritrea, Ethiopia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone*, Tanzania, Uganda, and Zambia.

Eligibility Review Factors

In considering the eligibility of sub-Saharan African countries for AGOA beneficiary status, the AGOA required the President to consider the countries based on the existing criteria under the Generalised System of preferences programme as well as new AGOA criteria and a new GSP criterion. These new criteria include whether these countries have established or are making continual progress toward establishing, a market-based economy, the rule of law, the elimination of barriers to U.S. trade and investment, economic policies to reduce poverty, the protection of internationally recognised worker rights, and a system to combat corruption. Additionally, countries (1) cannot engage in activities that undermine U.S national security or foreign policy interests, (2) cannot engage in gross violations of internationally-recognised human rights, (3) cannot provide support for acts of international terrorism, and (4) must have implemented their commitments to eliminate the worst forms of child labour.

Customs-Related Eligibility Determination

The AGOA requires that beneficiary countries meet certain customs-related requirements in order to receive the apparel and textile benefits of the AGOA. The Presidential Proclamation delegated to USTR the authority to make this determination and to publish this determination in the *Federal Register*. To receive the apparel and textile benefits of AGOA, a USTR-chaired inter-agency committee must determine, inter alia, that countries have an effective visa system and enforcement procedures and requirements similar to, or be making substantial progress toward implementing and following procedures and requirements similar to those of NAFTA (Chapter 5). USTR will publish Federal Register notice as countries meet these requirements and expects that some countries will be determined to be eligible for these benefits shortly. U.S. Customs technical assistance teams will soon travel to the region to work with key apparel producing beneficiary countries on the visa and other customs-related requirements.

Eligibility Review Process

A USTR-chaired Subcommittee of the Trade Policy Staff Committee (TPSC) conducted a review of countries eligibility for AGOA preferences, based on the criteria required under AGOA. The review relied on information from U.S Embassies, from sub-Saharan African governments, from U.S. Government agencies, from other reliable information sources, and from public comments received in response to a June 19, 2000 *Federal Register* notice. Through the process country-specific governments were established. Objective with respect to economic reform, internationally recognised worker rights, human rights, anti-corruption actions, intellectual property protection, and elimination of the worst forms of child labour were pursued with a wide-range of countries. USTR'S recommendations to the President regarding the designation of AGOA beneficiary countries were based on the results of these efforts.

GSP Expansion Process for AGOA Beneficiaries

Under the AGOA, the President is authorised to provide GSP (duty-free) treatment for selected products from beneficiary sub-Saharan African countries if, after receiving advice from the U.S International Trade Commission, he determines that the products are not import-sensitive in the context of imports from these countries. A review of almost 1,900 products is now being conducted by the USTR-chaired GSP Subcommittee of the TPSC. A public hearing was held by the TPSC on September 7. The ITC is scheduled to publish its advice to the President on or about October 6. It is expected that the President will designate the products that will be added to the GSP programme if imported from beneficiary sub-Saharan African countries before the end of the year.

Sierra Leone: Delayed Implementation

In the Presidential Proclamations, the President authorised the USTR to determine the effective date of Sierra Leone's designation as a beneficiary sub-Saharan African country under AGOA. Sierra Leone has democratically-elected government trying to restore its control over all the territory of Sierra Leone. While it is confronting difficulties with a brutal armed insurgency, the country has a market-oriented economy with minimal government interference and policies conducive to foreign investment. Problems with effectively implementing rule of law throughout its territory are linked to the insurgency. Developments in Sierra Leone will determine when the benefits will become effective. The trade benefits provided by AGOA could be particularly beneficial to the people of Sierra Leone as they attempt to recover from the traumatic conflict of the last decade.

Appendix G

GROUP SUMMARIES

Agriculture, Biotechnology and Food

Current Realities

- Dwindling budgetary allocation
- Poor rural infrastructure, especially roads
- Inadequate financial services support
- Low productivity as a result of traditional agricultural practices
- Dwindling arable land
- Food insufficiency, poor preservation and storage

Action Steps

- Release the proposed policy document for agriculture and rural development
- Give priority to selected crops
- Adopt bio-technology
- Set aside 1 per cent of GDP for agricultural research
- Encourage private sector-led demonstration farms
- Establish government support for farmer-led commodity, development and market companies
- Extend micro credit schemes to agricultural sector

Commerce and International Trade

Current Realities

- Inadequate infrastructure
- Multiple taxes and tariffs
- Low consumer demand and high inventories
- Lack of long term funding
- Lack of coherent and consistent national export policy
- Poor promotion of "made in Nigeria" goods

Action Steps

- Streamline multiple taxes and tariffs
- Articulate a national export policy
- Institute regular dialogue between all stakeholder at the ports
- Continue to modernise and upgrade cargo handling facilities at the ports
- Implement connectivity of NPA, Customs, pre-inspection agencies and major shipping companies

- Create a commercial department to missions where Nigeria has comparative trade advantage
- Complete the export processing zone facility in Calabar and Onne
- Identify and promote specific products

Competitive Industrialisation

<u>Current Realities</u>
- High cost of inputs
- Low capacity utilisation
- Multiple taxes and tariffs
- High cost of money
- High incidence of dumping

<u>Action Steps</u>
- Improve infrastructure
- Develop SMEs
- Generate effective demand for goods and services
- Improve labour/skills
- Improve the business environment
- Improve efficiency and competition by privatising key utilities: power, telecommunications, etc
- Develop SMEs
  - Building capacity
  - Improving access to credit
  - Encourage collaboration among firm
- Improve business environment
  - Repeal the laws, regulations and processes that add to the cost of doing business
  - Reduce the role of government in the economic and commercial life

Banking and Capital Market

<u>Current Realities</u>
- High interest rate
- Lack of development finance
- Multiple exchanges rates
- Inefficient clearing and payment systems
- Lack of depth and breadth of the capital market

Action Steps

- Adopt macro economic policies that achieve single digit inflation rates
- Reduce T/Bill Rate/MRR towards level of inflation
- Encourage private sector involvement (e.g. banking sector investing 10 per cent of PBT in SMEs)
- Improve supervision of DFI
- Full convertibility of the Naira
- Reduce documentation of access to CBN funds
- Articulate and implement a national payment system policy
- Review capital market rules and regulations to ensure effectiveness
- Implement all capital market reforms and strengthen regulatory body

Human Capital and Technology Development

Current Realities

- Lack of a philosophy on education
- Inadequate funding by the private and public sectors
- Lack of relevant skills in a global economy
- Lack of basic infrastructure

Action Steps

- Provide better infrastructure
- Adequately remunerate teachers
- Institute programme to educate teachers
- Reactivate and fund trade centres
- Create a database on employment opportunities
- Institute performance management systems in the public sector
- Devote 1% of GDP to research and development
- Remove taxes on telecommunication equipment
- Create specialised information and communication technology institutions

Infrastructural Development

Current Realities

- Inadequate commercial orientation in service product
- Inadequate supply of services relative to demand
- Excessive regulation lead to high cost of services
- Obsolescence/poor maintenance of facilities
- Inadequate investment in modern equipment
- Undue interference of ministries in the affairs of parastatals

Action Steps

- Rehabilitate broken-down generating plants, substation, transmission, distribution and communications lines
- Restructure and privatise NITEL and publish timetable for implementation
- Equip NIPOST
- Monitor and evaluate National Borehole Scheme
- Accelerate road rehabilitation and network extension project
- Build, transfer and regulate railways
- Review Airport Tariff
- Modernise ports

Solid Minerals

Current Realities

- Lack of information on mineral deposits
- Limited funding
- Conflict over land use
- Lack of adequate mining infrastructure

Action Steps

- Develop data bank on mineral deposits
- Establish a solid minerals development fund
- Establish the Nigerian Minerals and Metal Exchange
- Provide basic infrastructure to mining sites
- Resolve land tenure conflicts
- Develop the small scale mining fund

Investment Flows

Current Realities

- Low level of investment
- Low level of saving
- Inconsistent policies on investment
- Lack of long-term flows
- Political and economic instability
- Lack of a predictable business and economic environment
- Insecurity of lives and property

Action Steps

- Restructure and privatise NEPA/NITEL
- Empower the independent anti-corruption commission

- Fund and train law enforcement agencies and the judiciary
- Reduce corporate tax from 30% to 25%
- Eliminate multiple taxes
- Promote savings by:
  - Expanding personal income tax brackets (₦100,000/band)
  - Reducing the spread between savings and lending rates
  - Retiring/recapitalising the development banks and reactivate the bond market
  - Reducing PIT top rate to 20%

Legislative and Institutional Reforms

Current Realities
- Insecurity of life and property
- Pervasive corruption
- Bureaucratic bottlenecks
- Lack of legal/regulatory framework
- Inadequate legislative infrastructural support

Action Steps
- Enhance security of life and property
- Break bureaucratic bottlenecks
- Reduce corruption
- Improve availability of information/data
- Make government policies consistent
- Improve remuneration of services for judges
- Establish specialised courts
- Accelerate the privatisation of NEPA, NITEL
- Establish code of ethics for the private sector
- Institutionalise co-operation and consultation between executive and legislature

Management of the Oil and Gas Sector

Current Realities
- Regulation of key petroleum products
- Inadequate product supply
- Underdeveloped domestic gas market
- Gas flaring
- Late payment of cash call arrears
- Low level of local content

- Insignificant indigenous participation upstream

Action Steps
- Establish legal, and regulatory framework
- Deregulation of the downstream sector
- Expedite the privatisation of pipelines
- Establish a National Gas Policy
- Increase production quota
- Define local content and set achievable target
- Make communities stakeholders
- Pay pre-199 cash call arrears

Debt Management

Current Realities
- Conflicting figures of actual debt stock
- Lack of coordination between Federal Ministry of Finance and the CBN
- Poor control measures
- Poor loan sourcing
- Concurrent repayment of maturity

Action Steps
- Reactivate the bond market
- Implement proved national savings certificate
- Properly appraise future debt
- Fund the debt management office
- Establish a comprehensive debt management policy
- Include private sector in future debt negotiating teams

Poverty Alleviation

Current Realities
- Pervasive poverty
- Lack of appropriate measurement of actual poverty
- Policy bias towards growth rather than development
- Threat of globalisation
- Defective intervention programme

ction Steps
- Conduct a national survey on the poor

- Improve the agricultural sector
- Intensify health campaign
- Allocate 10% of GDP to health
- Improve educational facilities
- Motivate entrepreneur pursuits
- Establish skills development centre in all LGAs
- Legislate National Poverty Alleviation Policy

Privatisation

Current Realities

- Public enterprises become a real drain on the economy
- Public enterprises reduce competition and entry by private competitors
- Inefficient public enterprises reduce economic growth
- Slow pace of privatisation programme
- Inappropriate regulatory bodies for the key sectors

Action Steps

- Presents a focused time-table for each privatisation process
- Uniform judiciary on privatisation process and investment issues
- Build capacity within the BPE
- Ensure full national commitment to the privatisation process

Appendix H

i. **Presentation to the President, Federal Republic of Nigeria**
ii. **The President's Closing Address**

Presentation to the President, Federal Republic of Nigeria, by Prof. Ajakaiye, Funke Osibodu, Dotun Sulaiman

Theme: Breakthrough Economic Growth: An Action Agenda

Economic Challenges

Overriding Objective
- Systematic and sustained improvement of the well-being of the people

Strategy
- Private sector to be the engine of economic growth
- Public sector to enable, support and facilitate economic development

Economic Challenges

Major Economic Indicators
- Per capita GDP Growth Rate – Static (2.7-3.0 GDP)
- Capacity Utilisation – unchanged (34-32)
- Gainfully employed labour force – unchanged (50%)
- Inflation Rate declined from double digit to single digit
- Exchange rate depreciation rate reduced (8.5 – 5.9%)
- External reserves almost doubled ($4.8bn – over $8bn)
- Interest rate spread reduced to low double digit
- Transparency, accountability and general fiscal discipline improving

Major Challenge for Private Sector

Massive increase in non oil sector investment so as to-
- Improve real GDP growth (5-6%)
- Increase new job creation
- Arrest de-industrialisation process and broaden the industrial base

Private Sector Challenge

The Non-oil Challenge is to:

- Generate Private sector employment at 7.0 million jobs per annum
- Mobilise $10 billion annual private investment

These require major private investment breakthrough.

Encouraging Progress to Date

Prudent macroeconomic management
Commencement of privatisation programme

- Increase in public sector remuneration
- Commencement of power, telecommunications, refinery reforms
- Implementation of 13% derivation
- Signing of IMF standby agreement
- CBN autonomy
- Freed up exchange rate
- Passage of NDDC Act
- Planned increase in police force
- Passing of anti-corruption bill
- Etc

Private Sector Constraints

- Current Nigerian attitude does not welcome business (especially non-oil)
  - Corruption, 419, customs police, border posts, NAFDAC, licensing, etc.
- High cost of doing business
  - Tax and duty reform not yet evident
  - Infrastructural deficiencies
  - Inefficiency high at port level
  - High rate of smuggling discourages local production
  - Obsolete, inadequate private sector technology
  - External debt not yet rescheduled
  - Slow pace of privatisation
  - Democratic institutions and structures not yet effective
  - Growing security concerns
  - Corruption remains pervasive
  - Slow dispensation of justice
- Cumbersome process of land acquisition for agriculture and industrial development
- Infrastructural deficiencies and regulatory framework for competition
  - Power
  - Telecommunications

- Transport
- Refineries and distribution
- Water

What more needs to be done by all stakeholders

- Given where we are coming from, a lot of progress has been made
- But given magnitude of the problem and fact that rest of the world is racing full speed ahead, a lot more can and still needs to be done
- Key challenge remains how to accelerate private investment

What more needs to be done by all holders

Overriding Priorities

- Maximise oil wealth and use to develop the non-oil economy
- Continued prudence in macroeconomic management

What more needs to be done

Build Confidence

- Deliver immediate visible results
- Put all political squabbles behind us
- Improve Security, law and order
- Crack down on 419 and other scams
- Deal decisively with corruption
- Enhance disposable income
- Reduce personal income tax
- Rebuild institutions and administrative processes
  - Judicial process
    - Automate the courts
    - More, better funded courts; more, better judges
    - Create specialised courts
- Rebuild civil service systems and structures
- Accelerate privatisation and deregulation
- Issue of GSM licences
- Speedily hands off quoted companies
- Stay on course
- Expedite reform and liberalisation agenda
- Conclude debt rescheduling and meet debt obligations

- Commit publicly to target completion dates

Enhance Nigeria's Competitiveness

- Investment seeks out competitive economies
- We need to out-compete those countries seeking the same, finite investment capital
- Reduce the cost of doing business in Nigeria
- Fix and modernise our infrastructure (power, telecommunications, transportation, water, etc.)
- Refineries/pipelines
- Enable exploitation of Nigeria's comparative advantage
  - Cheap energy, especially gas
  - Abundant low-cost labour
  - Abundant arable land
- Foster modern skills and technologies
- Put a special focus on skill acquisition, especially IT skills
  - Incorporate IT in school curriculum at all levels
  - Zero duty on computer, telecommunications equipment and peripherals
- Emphasise the modern sciences in universities
  - Genetic and biotechnology
  - Information and communication technologies
  - Environmental science
- Out-incentivise competition
  - Err on the side of the too liberal, too generous
  - Reduce taxes and levies
  - Place zero duty on production machinery/equipment
  - Max 5% on industrial raw materials
  - Cut corporate tax to 20%
  - Lower port charges and levies
  - Reduce cost of raising capital
  - Government to fund regulatory agencies

Facilitate Investment

- Refocus NIPC to become more facilitative
  - Measure success by volume of investment dollar and job created
- Re-orientate other facilitative agencies (CAC, Customs, Immigration, NAFDAC)
- Eliminate irritants
  - Expatriate quota, rely on work permits

- Alien registration card
- Ease land acquisition process

What the Private Sector Has Done

- Developed management capability in the public sector-sponsored legislators at LBS
- executive programme
- Various banks committed to an executive exchange programme with BPE
- Workshop on deregulation/reform of downstream petroleum sector
- Jointly hosted the Commonwealth Business Council Investment Forum in Lagos, London, South Africa
- Actively collaborated on the Clinton visit-co-hosted Business Roundtable

For the Future Private Sector Will Do More

What to Expect of the Private Sector

- Investment seeks out competitive economies
- Investing is done at firm level
- Firms seek competitive advantage and profit
- A positive response, slow at first, but should pick up as confidence grows
- As stake increases, so the commitment for improving the system
- Self interest leads to self-regulation
    - Better ethics, more revolutionary compliance
    - Help with implementing and with anti-corruption programme
    - More level playing field

Competition as the ultimate discipline will ultimately promote national competitiveness.

t is like ants and sugar.

President Olusegun Obasanjo's Closing Address*

As you do know, the Vice President is my Chief Adviser. On almost everything, I seek his advice; and when after Professor Olu Ajakaiye, Funke Osibodu and Dotun Suleiman had finished, I turned to him (the Vice-President), and I said, "they said a lot of good things but they said a few bad things. What should I do?" He said "Just thank them. Receive what they have for you, and in any case, they generally endorse our economic programme".

But in all seriousness, let me thank you for spending the last two days dissecting and looking at the Nigerian economy. I must say that I am pleasantly surprised that you did not have more constraints and more discouragements. I certainly have more than you have listed.

Let me take one issue – capacity utilisation. You indicated that it had gone down from 34 to 32 percent. I recently talked to Alcatel and they told me they had moved up from 48 to 57%. Only last night, I talked to Berger Paints – and they have moved from 28 to 35% and rising. Also my farm has not closed down and we have moved our egg production from, I think 5% to about 45%.

On attracting foreign investments yes, I agree with you. In fact, $10 billion in investments every year is my target but it depends on where you put that investment. If the investment goes into oil and gas, it will do little to develop the economy and that has been the case in the past eighteen months since oil and gas is capital intensive. But we want investments in agriculture, and industry. These are the areas where we can have employment generated.

I like what you said about the areas of discouragement – corruption, '419', Customs etc. You should know that we have recently purged the Corporate Affairs Commission (CAC) and we are presently tackling the problems in NAFDAC.

One thing you failed to discuss was the present high rate of interest as a constraint. You did not talk about that. As a farmer - unless you are growing cocaine - how will you be able to borrow money at 25% and 35% rate of interest. Something needs to be done about that.

When you talk about the cost of doing business, you are right. For electricity, you have to rely on NEPA and have to rely on generators. You described it as running your own municipal services - your own water supply, your own road services, your own garbage disposal. You are effectively running a municipality. And all

* Transcribed from tape recording with minor editing for clarify

this costs money. But I was not aware until recently about the extra costs in the ports. Well, we have now dealt with the problem and I believe that, at last, we are going to reduce the extra cost to business which comes from the unnecessary costs in the ports. What we have to do is increase confidence. I agree absolutely with that and we cannot over do it.

We also have to increase competitiveness. Again we cannot over do that. We have to keep doing it and doing it and doing it. Well, I will end by telling you a story. In the late 40s, there was a very active and very efficient police sergeant in our area, an illiterate but a very good man. There was nothing you could do to influence him. And, you know, even in those days, corruption was there, but more than corruption,-there was pleading. So people would go to him and say "Serggy, now no money. Then, Serggy we beg now, we beg now. Serggy, we beg now." And Serggy will then get up in his dress and say, "I am a sergeant and my duty must be do". So, "like the sergeant we will do it and we must do it. Our duty is to do it".

Appendix I

Post-Summit Dinner Presentation

An Address by Walter C. Carrington. Former United States Ambassador to the Federal Republic of Nigeria, Delivered at the Post Summit Dinner of the 7th Nigerian Economic Summit on Tuesday, 17th October, 2000 at the Nicon Hilton Hotel, Abuja

Just as Arese and I were preparing to leave Nigeria after being the guest of ICAN for their annual conference, I received the invitation from Chief Philip Asiodu to address this closing dinner of the Seventh Nigerian Economic Summit. It was an invitation I could not refuse, coming from a man whose wisdom and accomplishments I have long admired. Also, it would give me an opportunity to attend my first of these gatherings. I studiously avoided doing so during my diplomatic tenure here. I had little faith that General Sani Abacha would give your deliberations any more than lip service. That, like his Constitutional Conference, he would use the holdings of these summits to try to project to the outside world an image of progress at odds with what we knew was actually going on at home. The private sector is to be commended for its perseverance during difficult times. I would always get reports back in Lagos from attendees that, at last, your advice was going to result in significant changes. May be, if your advice had been taken we would not be in the dire economic circumstances we find ourselves in today. But from the time of your first summit in 1993 and your last during the Abacha era in 1997 the ranks of the poor doubled and Nigeria was grouped by the United Nations among the world's poorest countries, the only member of OPEC to be so ranked. Alas, I fear that the only vision of 2010 that Abacha had was of the year he expected his reign to extend to. But, today I am here because I believe that there is in Aso Rock an elected President who means to set this economy right and to see that it benefits the many and not just the few.

The newspapers this past fortnight have been filled with stories and editorials reflecting upon the past forty years of Nigeria independent existence. I would like tonight to go through them one better-to turn the calendar back forty-one years. For, it was forty-one years ago that I first visited Nigeria. It was the last year of colonial rule and I was leading a group of American students under a programme called the Experiment in International Living. We each lived with families in all three of the old regions of the country - in Lagos and lbadan in the West, in Enugu and Port Harcourt in the East, in Kano and Kaduna in the North. It gave us a unique insight into Nigeria and its people that we could not have got in any other way. We understood the hope and fears that permeated this country as an old order was dying and a new one was struggling to be born. Government of the people was about to be installed. Elections would make it, for the first time, a government by the people. Only hard work and dedication could make it a government for the people. The most vexing question seemed to be for *which* people. Could so ethnically diverse a country succeed in assuring the members of its more than 250 tribes (as they were then called) that they could expect leaders drawn from regions different from their own kith and kin to look after their welfare and needs with as much dedication as they did that of the government officials. But the overwhelming sentiment in that summer of 1959 was one of optimism and pride. Nigeria would not only claim its rightful place as Africa's most important nation but would soon be recognised as one of the leading nations of the world.

I was certainly caught up in that heady atmosphere. I was finally on the soil of the first foreign country I had ever identified with. As a child I first met my uncle and aunt who had just returned after twenty years in Nigeria. He was working for the Nigerian Railways, while my aunt was raising my five cousins who were born there. I was awestruck by the tales they had to tell. Whenever my sister and I would visit them at their home in Brooklyn, New York, the two boys with whom I shared a bedroom would try to make sure my sleep was punctuated with nightmares by relating scary tales to me about life in Nigeria — about how they had to prove their manhood by facing, down and killing, lions and tigers. It wasn't until much later that I learned that there are no tigers in Africa. And I doubt if many lions prowled the government housing encampments in which they lived.

But my experiences as a more mature teenager with the realities of Nigeria were to have a more lasting impression and to inform my life long dedication to the causes of anti-colonialism and pan-Africanism. To that home in Brooklyn, in the early days of the United Nations, in the late 1940s and all throughout the 1950s trooped Nigerian nationalists to talk politics with my uncle, Edgar Kelley and to eat their native dishes prepared by my father's sister, my aunt, Angela. Oh, how I wished that I had taken notes on the conversations I overheard and had catalogued the names of the visitors to whom I was introduced. Though their names are now forgotten, what they had to say is not. How I longed, as I listened to them, to visit the land they were so determined to liberate. At last, that opportunity came on the eve of the realisation of their dreams.

I was not here on that never to be forgotten night when, the stroke of midnight, the Union Jack came down and the green and white colours of a newly independent Nigeria were unfurled. But I vicariously shared that moment back home in the United States as I remembered the discussions I had with the representatives of the three major political parties of the time - the Action Group in the West, the NCNC in the East, and the NPC in the North. While at that time I did not get a chance to meet Azikiwe or Awolowo at a reception held for us in the North we did get to meet the leader of the Northern People's Congress, the very imposing and regal Sardauna of Sokoto, Sir Ahmadu Bello. I bragged about the occasion to my friends back home for months afterwards.

Of all that I saw on that first trip to Nigeria so many years ago, no building, no monument, impressed me more than the complex known then as the University College of Ibadan. I had attended Harvard College and Harvard Law School. I had visited friends at Oxford. I had as a member of the Harvard College debate team appeared on the stages and in the amphitheaters of the leading universities in the United States but none of them impressed me as much as this new African cathedral of academy. Little could I have known then that out of that place would come my wife, Arese. Maybe some unrecognised premonition of that happy circumstance helps to explain my early romantic remembrances of U.I.

One of the first places I wanted to re-visit upon being posted here as ambassador in 1993 was the University of Ibadan. The accomplishments of its graduates both here in Nigeria and around the world were legendary. Those of you in the audience who are Americans or those of you who have spent long periods of time in the United States during the 1980s may remember a public service advertisement which ran on television to promote environmental protection. As I stood on the Ibadan campus in early 1994, 1 felt like the Indian Chief in that commercial, whose -gaze upon a once pristine, but now polluted river his fathers had fished, was highlighted by a tear streaming down his face.

As I walked around the campus and visited the classrooms and libraries .I was filled with an ineffable sadness. This could not be the same place that had so lifted my spirits 35 years before.

The University of Ibadan had become a metaphor for the absence of a culture of maintenance which over four decades has resulted in the deterioration of so many of Nigeria's modern treasures whether academic as in the case of the universities, medical as in the situation of the hospitals or commercial as in the breakdown of the oil refineries. Just down the road from Ibadan is the International Institute of Tropical Agriculture. The difference in the upkeep is astounding. And it is more than just the availability of funds. It is a matter of priority. I am convinced that if there had been a will to maintain there could have been found a way to do so. And not only has there been a failure to maintain structures, there has also been a failure to maintain an even greater treasure - the talented sons and daughters of one of the most talented people on earth. It is no secret that wherever in the world you find a community of Nigerian professionals you find a population that is probably the most accomplished immigrant group in whatever country they have settled. They are a dark cream that always rises to the top. It is time now to entice them back home to rebuild the land that their mothers and fathers freed a generation or more ago. But the teachers and professors, no matter how patriotic they are, will not come home in great numbers if the value of their services continue to be reflected in the appallingly low salary and benefit levels endured by their counterparts who did not leave the country. The doctors and scientists will not come if their ability to teach and research is hampered by inadequate facilities and lack of medicine and equipment. The technicians who have contributed so brilliantly to the new information age in the West can do the same for Nigeria if only they are given the material incentives to do so. They have many skills to bring and many dollars and pounds to invest. They have lived and worked in countries which have successfully combined economic growth with economic development.

A half a century ago, the United States became the first country in history in which the poor became a minority instead of a majority of the population. Other nations soon followed so that that trend became one of the defining social triumphs of the 20th century. Unfortunately, that trend often ran counter clockwise in much of what used to be known as the Third World. Today, in Africa the poor are a greater percentage of the population than they were 50 years ago. The International Fund for Agricultural Development (IFAD) has declared that eradicating rural poverty was the key to overcoming poverty everywhere. As rural poverty intensifies more and more people are driven off the land into cities thus swelling the ranks of the urban desperately poor. A target has been set for reducing the number of people in poverty by 50 per cent by 2015. Let us hope that the world community is more up to the task than it was in the 1970s when goals were set for ending world hunger only to have those goals unreached. Government, civil society and the business sector must work together to end the scourge of poverty in a world in which those in the northern hemisphere have become the people of plenty while those in the southern hemisphere increasingly have plenty of nothing. The eradication of poverty must become the urgent social imperative of the twenty first century. Therefore, here in Nigeria, maybe the acronym (PAP) for Poverty Alleviation Programme might be replaced with the more dynamic (PEP) for Poverty Eradication Programme. I know that the Bible says that the poor you will always have with you. But it says nothing about the inevitability of poverty. It may be true that some will never have as much as others but none need have so much less that they fall below a decent standard of living, that ought to be the birth-right of every human being.

Half of Nigeria's population is estimated to live in poverty. That is, they exist on less than $1.00 a day. And here I am not talking about the poor, but the destitute. If we were to talk about the poor we might be talking about, at least, 75% of the population or 3 out of every four Nigerians or as one expert on poverty, John

Illiffe has described them in his award winning book, "The Poor are those who struggle continuously to preserve themselves and their dependents from physical want". Or, as Charles Booth described the poor of England in 1880: (Those) living, under a struggle to obtain the necessaries of life and make both ends meet". The poor were those who knew hunger from time to time. The very poor or the destitute were those who lost the struggle either permanently or temporarily and had fallen into physical want and knew hunger almost always. Or, as Charles Booth in 1880 described them. "Those who live in a state of chronic want". It is this structural or long-term poverty which I believe can and must be eradicated from the face of the earth.

As you develop an action plan for Breakthrough Economic Growth in Nigeria remember that growth does not automatically correlate with development. Inequitable growth, as we have seen in a number of countries, can leave the poor worse off than before. The future of Nigerian democracy and stability will be ill served by an economy in which the rich get richer and the poor get poorer.

I have often heard it said in Nigeria when an attempt is being made to mobilise the people for one cause or another that "all hands must be on board". We must assure that those hands are female as well as male. No programme of economic growth or poverty eradication can succeed if half the population remains marginalised. Women must be brought in as full and not token partners. That is a lesson we are learning in the United States. That is a truth that is being recognised in more and more of the developing world.

If you are to achieve the breakthrough growth to which this summit is dedicated then there are many other hands that must be persuaded to come on board. You are aware, of course, of your critics who are skeptical that private sector led growth is the way forward. They do not have the same faith in the efficiency of the market place that, I suspect, most of you do. They see a continuing role for government which has a duty to a population far wider than the stock holders to which your companies owe a fiduciary duty. They see globalisation and structural adjustment as threats to sovereignty. Therefore, in addition to developing a plan of action and selling it to the government, you must also sell it to the people. You must demonstrate how your plan of action in addition to improving the dividends of your shareholders will also improve the chances of one hundred and twenty million Nigerians to enjoy the democracy dividend that President Obasanjo has promised them.

If, in these remarks tonight I have not concentrated on macroeconomic problems and the immediate concerns of the business community you can blame it on my first visit to this land. Two years after leaving Nigeria in 1959 1 gave up my budding law career and signed up with the most enlightened experiment in American foreign policy - the Peace Corps. The decade I spent with them in Africa left me obsessed with problems of development on this continent. I am convinced that if Nigeria can get it right then it can inspire and assist the rest of Africa to just do it too. And why shouldn't Nigeria at last get it right? What other country on earth is so well endowed, so blessed, with human talent and natural resources? To whom much is given, much is expected. Much has been given to Nigeria. Like the prodigal son it squandered most of it. Now that it has been welcomed back home into the family of nations the expectations are considerable. But I am confident that they will be met. Your job, members, public and private, of this Seventh Economic Summit, if you are to get the breakthrough you want, is to do your part to make sure that they are.

Appendix J

Vote of Thanks – Dr. Hamilton Isu, Special Adviser (Economic Affairs) to the Vice-President

Protocols

It is to me an honour and privilege to be called upon to present the vote of thanks at this post-summit dinner of the 7th Nigerian Economic Summit, the second since the inception of the present administration and the first in the millennium.

Our first vote of thanks naturally goes to His Excellency, the Vice President of the Federal Republic of Nigeria, Atiku Abubakar, for finding time to grace this occasion, despite his very tight schedule.

Your Excellency, your presence here is not only inspiring but re-assuring of the present administration's commitment to bequeathing a legacy of sound economy and decent living to all Nigerians.

Also deserving of our appreciation are the Executive Governors and their Deputies who came from their respective states to partake in the summit. Your Excellencies, your attendance has, no doubt, considerably elevated the level of stakeholder participation in this summit. It has equally demonstrated the national sense of purpose, for which we all subscribe to, in dealing with matters of national importance such as the economy. We are sincerely grateful for your presence.

We also seize this opportunity to say thank you to the Honourable Ministers, Special Advisers and Special Assistants in the Presidency whose participation have been invaluable, enriching and supportive of the overall objective of the summit.

It is a pleasure once again to listen to our friend and brother, His excellency, Walter Carrington, former US Ambassador to Nigeria and his wife, our own daughter. This vividly brings to our mind your commitment and resoluteness during our most difficult years. Once again, we thank you for coming.

We also profusely thank a number of corporate bodies and organisations whose generous sponsorship has contributed immensely to the success of the summit. In particular, NICON Hilton Hotel must be commended for their excellent services throughout the duration of the summit.

We also thank Shell Petroleum Development Company for sponsoring this dinner.

You will all agree with me that this has been a very successful summit given the depth of discussions and the quality of the action plan agreed upon.

This high level of success could not have been achieved without the commitment and diligence of the planners of the summit, who worked tirelessly to see to it that we had a great and memorable occasion. There is no need to mention names here. We know all of them and we thank them for their patriotic contributions.

We have listened to various guest speakers and have imbibed great words of wisdom and now is the time to "Just do it".

We are particularly grateful to all the guest speakers who have enliven this summit with their lucid and stimulating presentations.

We have over the years witnessed the gradual but effective transformation of the Nigerian Economic Summit into a powerful instrument for economic change in Nigeria. We commend this bold initiative by the private sector. I believe all can conveniently agree with me that we are on the threshold of a major economic break-through that will see Nigeria assume her rightful position in the comity of nations in a record time.

What we definitely need now is the cooperation of all citizens, corporate bodies, domestic and foreign investors.

Once again, it is my pleasure to thank everybody for gracing this occasion, and your resolve to join hands with us, not only to rebuild and modernise our economy, but also our democratic institutions.

Thank you all and God bless.

Appendix K

List of Group Participants

Group 1: Agriculture Bio-technology & Food Security

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The Report on the Seventh Nigerian Economic Summit with the theme "Breakthrough Economic Growth: An action plan" presents in pragmatic terms issues that policy makers must address for Nigeria to achieve breakthrough economic growth sufficient to deliver the much talked about democracy dividends and thus help sustain its nascent democracy.

The Seventh Summit focuses on achievements of the immediate past, economic priorities and suggested strategies for leapfrogging critical growth-driver sectors of the economy.

The report specifies those actions, in the short term, which would have significant multiplier effects on the economy sufficient to engender sustainable, private sector-led economic growth and development.

It also identifies those legal, administrative and institutional bottlenecks requiring urgent reforms for the current international goodwill to attract significant inflow of foreign investment.

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