INVESTMENT FACILITATION IN NIGERIA

YEWANDE SADIKU
EXECUTIVE SECRETARY/CEO
NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)

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Nigeria: a strategic market, undergoing dynamic changes and transformation

Increasingly friendly business environment

Note: Size of bubble reflects relative GDP of each country

Southern Africa
East Africa
West Africa

Nigeria is the emerging economic locomotive of the African continent
- Largest population on the African continent and eighth largest in the world
- Largest GDP in Africa
- Largest gas reserves and second largest oil reserves in Africa

Elements of investor facilitation in Nigeria: #1
Business case for investment facilitation

Strong correlation between **economic prosperity** and **ease of doing business**

Source: World Bank Doing Business
Nigeria scored **44.63** points in *Distance to Frontier* in the World Bank’s *Doing Business 2017*, giving it a ranking of **169th** overall, out of 190 countries.

PEBEC: Nigeria’s commitment to investment facilitation

Federal Executive Council
▪ chaired by HE, Mr President

Presidential Enabling Business Environment Council (PEBEC)
▪ Chaired by HE VP; Vice Chair HM Ministry of Industry, Trade and Investment
▪ 10 Honourable Ministers, Head of Service and CBN Governor
▪ Meets frequently to provide steer, ensure coordination across ministries and resolve challenges

Key partnerships and technical supporters
▪ Development agencies, e.g. World Bank, Government of Singapore
▪ Advisors: consulting firms, technology companies
▪ Private sector companies/stakeholders

Champions of initiatives at MDAs, e.g., FIRS, CAC to work with the EBES to implement reforms

Routinely interfaces with the nominated reformers at MDAs, State Governments, as well as the other implementers at multilateral agencies and private sector
Short term National Action Plan to jumpstart reforms

1 Prioritized initiatives/reforms
The Plan detailed, by reform Module, what initiatives were prioritized for the next 60 days, sharing both the pain point and PEBEC’s proposed solution

2 Ownership and impact
For each reform Module, we shared what impact Nigerians can expect if we complete our mission; we also shared who is responsible if we don’t, for full transparency

3 Firm time commitment

February 21 – April 21, 2017

8 Indicators
22 Initiatives
60 Days
12 MDAs

1 Selected from a total of 56
Potential impact of improvements is transformational

N 2.6bn
Saved annually in SMEs start up registration costs

116,000 minutes traveler time saved daily

60% reduction in property registration time

130% Increase in MSME access to credit

23,500 hours saved by exporters annually

20 place increase in Nigeria’s World Bank DB rankings

Source: EBES Team Analysis, The Credit Crunch - CBN/IFC
<table>
<thead>
<tr>
<th>Clear outcomes in 8 priority reform areas</th>
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<tbody>
<tr>
<td><strong>STARTING A BUSINESS</strong></td>
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<td>- More convenient, <strong>fully online application process</strong></td>
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<td>- Elimination of requirements to hire lawyer</td>
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<td>- Number of days required to register a business reduced from 10 to 2</td>
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| **ENTRY AND EXIT OF PEOPLE**             |
| - **48 hour visa processing timeline** across missions abroad |
| - Simplification of visa-on-arrival |
| - Fix infrastructural deficits at Nigerian airports |

| **GETTING CREDIT**                       |
| - Passage of two bills – **Collateral Registry and Credit Bureau** - to strengthen legal framework |
| - Facilitation of improved credit scoring and over 130% increased access to credit for MSMEs |

| **PAYING TAXES**                         |
| - Removal of in-person requirements for TIN, with company registration |
| - **E-Filing and E-Payment** processes to improve tax adherence and ease of payment |

| **CONSTRUCTION PERMITS**                 |
| - Publish laws and fees on website |
| - **Operationalize e-planning platform** |
| - Clearer application of regulations and requirements (e.g., Soil tests) |

| **REGISTERING PROPERTY**                 |
| - Simplification of application process e.g. by eliminating sworn affidavit |
| - **Reduction in time to obtain Governor’s consent by 50%** |

| **TRADING ACROSS BORDERS**               |
| - World standard guidelines on import procedures (e.g., palletization and advance manifests) |
| - **50% reduction in import and export times**, driven by streamlined examination processes |

**MSME = Micro, Small and Medium Enterprise**

Implemented by Lagos and Kano State Governments
Elements of investor facilitation in Nigeria: #2

PEBEC → Executive Order 1 → OSIC
Executive Order 1 to institutionalise reforms

MDAs to publish details of all fees, timelines, conditions and requirements for obtaining permits, licences and approvals

Applications not approved or rejected within specified timelines shall be assumed to have been approved; approval evidence can be requested within 14 days of deadline

Ordinary tourist and business visas to be issued within 48 hours; transparent visa on arrival process

Harmonise operations of all agencies at the ports into a single interface; dedicate terminal to export of agricultural goods

If an MDA requires a document from another MDA to deliver service to an applicant, the requesting MDA should seek verification or certification from the issuing MDA; published SLAs binding on MDAs

MDA = Government Ministry, Department or Agency
SLA = Service Level Agreement

Implementation Deadlines:
May 18 - July 17, 2017
Elements of investor facilitation in Nigeria: #3

PEBEC → Executive Order 1 → OSIC
NIPC’s Principal Functions

Nigerian Investment Promotion Commission (NIPC) was established by the NIPC Act 16 of 1995 to encourage, promote and co-ordinate investments in Nigeria.

**Investment Promotion**
- Co-ordinate all investment promotion activities in Nigeria
- Promote investments through effective promotional means

**Investment Facilitation**
- Register enterprises in Nigeria
- Provide support services to investors

**Policy Advocacy**
- Initiate and support measures that enhance the investment climate
- Advise Government on policy matters and investment impact

**Strategic Communications**
- Analyse and disseminate investment & incentive information
- Project Nigeria as an attractive destination for investment
NIPC’s One Stop Investment Centre (OSIC)

- Houses 27 agencies to facilitate investments and reduce time required to process regulatory approvals and permits
- Provides assistance with information and requirements from incorporation to expansion
- Also supports with business visa facilitation
Trade and Investment value chains

Inward Trade
Import goods to establish market

Serves the domestic market
Jobs
Import dependent

Least Direct Investment

Serves both domestic and external markets
Creates more Jobs
Import dependent/Export generating

Most Direct Investment

Serves the external market
Jobs
Export Generating

Material Direct Investment

Outward Trade
Produce locally for external markets

Trade and investment value chains

Source: NIPC Intelligence
Nigeria’s trade and investment relationship

- The Federal Executive Council recently established the Nigerian Office for Trade Negotiations (NOTN)
  - NIPC will work closely with NOTN on “integrated trade and investment relationships” to ensure the development of national, regional and global value chains

- The WTO Agreement on Trade Facilitation and its faithful implementation is critical
  - Especially in advancing on trade-and-investment led development in countries like Nigeria because of the mutual supportiveness of TFA rules and Nigeria’s efforts in investment facilitation
Thank you

Yewande Sadiku
Executive Secretary/CEO

infodesk@nipc.gov.ng
osicinfodesk@nipc.gov.ng

NGERIAN INVESTMENT PROMOTION COMMISSION
Plot 1181 Aguiyi Ironsi Street
Maitama District
Abuja, Nigeria

www.nipc.gov.ng