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## 성공적인 투자진출을 위한 TIP



### 합작투자 모색

외국인 단독투자가 가능하긴 하나 현지 사정에 밝지 못할 경우 현지기업과의 합작투자도 한 방법이 될 수 있다. 나이지리아 기업인의 경우 경영여건, 인맥, 현지관행 등에 많은 정보를 가지고 있으므로 현지 파트너를 활용하여 공장운영, 마케팅 등을 효과적으로 할 수 있는 장점이 있다. 그러나 합작투자 시 파트너와의 갈등이 발생할 소지가 있으므로 이에 대비하여 지분관계, 이익배분, 업무영역, 합작정리 등을 계약서에 구체적으로 명기하여야 한다.



### 열악한 인프라에 대비

전력·수도 등 인프라 부족에 대비하여 자가발전, 급수 시설 확보 등을 사전 검토하고 대비해야 한다.



### 기능인력 확보

현지에 기능 인력이 충분치 않음을 감안하여 기능인력 양성 등 인력 확보 방안을 마련해야 한다.



### 노사문제 대응

노조가 경영진과 대립을 하여 경영에 차질을 빚는 경우도 적지 않으므로 기 진출 외국업체를 접촉하여 노사관계를 벤치마킹하는 것이 필요하다.



### 투자인센티브 확인

NIPC를 접촉하여 나이지리아 정부가 부여하는 재정적인 인센티브를 사전 확인하고 필요시 협상을 해볼 수 있다.



### 유망광산 조기 확보

나이지리아에는 43개 광물이 매장되어 있는 것으로 확인되었으며, 정부는 선착순으로 광산개발권을 부여하므로, 유망 광산을 확보할 적기인 것으로 보인다.

## I. 투자 여건

### 1. 투자 환경

#### ■ 풍부한 자원, 대규모 잠재 시장

- 1일생산량 250만 배럴, 세계 8위의 석유 생산국
- 천연가스 및 광물자원 매장량 풍부
- 인구 1억 4천만명의 거대 잠재시장

#### ■ 투자 자유화 및 활성화

- 투자유치 업무를 총괄하는 NIPC(Nigerian Investment Promotion Commission)를 설립, One Stop Investment Center 운영 등 외국인투자 유치를 위한 환경개선에 힘쓰고 있음
- 나이지리아 정부는 국내 경제에 활력을 불어넣고 현재 최대 외화 수입원인 원유 의존도를 줄이기 위해 연간 60억 달러의 외국인투자 유치를 목표로 하고 있음

#### ■ 서중앙 아프리카 경제, 물류 허브

- 풍부한 원유, 가스 및 광물자원을 바탕으로 서중앙 아프리카 경제 중심 국가로 부상하여 많은 국가들의 경제 진출이 늘어나고 있음
- 나이지리아는 서중앙 아프리카 중심에 위치하고 있어 라고스 국제공항을 통해 아프리카 전역에 항공기가 취항하고 있음

#### ■ 치안 부재 심각, 정부는 적극적인 대응책 마련 계획

## 2. 주요 투자유치정책

- 외국인의 투자범위가 확대되어 석유와 Negative List(무기, 마약, 화약, 군장비)를 제외한 모든 산업분야에 투자가 가능하며, 합작투자뿐만 아니라 100% 단독투자도 가능
- 은행, 보험, 광산업 투자뿐만 아니라 나이지리아 증권거래소를 통한 주식매매도 가능하며, 자본 및 이윤의 해외송금도 보장함
- 나이지리아 투자진흥위원회(Nigerian Investment Promotion Commission, NIPC)를 통해 나이지리아 내 투자확대 방안을 전체적으로 기획, 조정하며 외국인투자 문제와 관련된 분쟁의 경우 양자 및 다자적인 방법에 의한 신속한 해결을 추구하고 있음
- 외국자본의 유치를 위해 외국인투자자에게 각종 조세 혜택을 부여하고 있으며 식품원자재, 기계류의 수입의존도를 낮출 수 있는 프로젝트에 중점을 두고 있음
- 산업과급 효과가 크고 국내 보존 자원을 개발·활용할 수 있는 분야에 각종 혜택을 제공하고 있으며, 수입 대체 품목의 경우와 해도 단순히 부품을 수입하여 조립·생산하는 분야는 대상에서 제외시키고 있음
- 2004년부터 현지 생산이나 혹은 대체가 가능한 45개 소비재 완제품 품목군에 대한 수입금지 조치를 단행하는 등 자국 산업 보호 및 외국인투자 유치 정책을 강력히 추진하고 있음
- 나이지리아 정부의 투자정책 중점목표
  - 급속한 산업발전
  - 국내 부가가치 극대화를 통한 자립경제 체제 확립

- 수출산업 육성
- 고용효과 증대
- 산업기술 습득
- 무역 증진
- 산업의 다양화를 통한 균형 있는 산업발전

#### ● 나이지리아 투자 우선순위

- 국산 원자재 사용비율이 최소 80% 이상인 농업 분야
- 국산 원자재 사용비율이 최소 80% 이상인 석유화학 분야
- 국산 원자재 사용비율이 최소 70% 이상인 농업관련 분야  
(종이, 펄프, 섬유 등)
- 국산 원자재 사용비율이 최소 70%이상인 화학공업 분야
- 고용효과 증대산업
- 수출산업

### 3. 투자 장단점

#### ■ 투자의 장점

- 미국, 일본, 영국, 독일, 프랑스 대기업을 투자진출과 최근 유가상승의 영향으로 외환보유고가 증가하고 정부 예산이 확대됨. 이에 나이지리아 정부는 석유잉여자본을 바탕으로 SOC 건설 등에 투자할 계획임
- 자본, 기술 등을 투자하여 이윤을 대거 획득할 수 있는 취약산업이 많기 때문에 기업의 투자 성공률도 높은 편이며, 임금, 수도, 전기 등이 비교적 저렴하고 영어로 의사소통이 가능하기 때문에 노동집약적 산업의 투자진출이 유망함
- 석유·천연가스 등 지하자원이 풍부하고 이들 자원의 수출로 인한 외화수입이 계속 증가할 것으로 예상됨

- 인구 1억4천만명 이상의 대규모 소비시장을 형성하고 있어 서중앙아 프리카경제공동체(ECOWAS) 16개국 등 서부 아프리카 진출의 거점 지역으로 부상함

#### ■ 투자의 단점

- 건설현장이 집중된 포트코트, 와리 지역을 중심으로 한국인 근로자 피랍 및 피습사건이 연이어 발생하는 등 치안 부재가 심각함
- 노동자들의 근면·성실성이 크게 부족하며 기술력이 거의 없기 때문에 계속·반복적인 지도감독과 교육이 필수적임
- 정부의 긴축재정 정책으로 외환시세는 안정되어 가고 있으나 고물가와 고금리로 및 은행금리의 인상으로 소비수요가 감소되어 불경기가 계속되고 있으며 각종 인프라(통신, 수도, 전기, 도로 등)가 열악함
- 공무원의 부패, 국민의 낮은 교육수준 등으로 인해 근무 및 생활에 많은 어려움이 있음

#### 4. 투자진출 시 유의사항

- 나이지리아는 한국에서 비행편으로 18시간 이상이 소요되고, 선박을 통한 각종 자재 및 제품의 수송기간이 최소 2개월 이상 소요되는 원격지임
- 나이지리아 국내의 각종 인프라(전력, 통신, 교통, 교육, 치안 등 제반 분야)가 최악의 상태이기 때문에 대 나이지리아 투자 시 충분한 시간을 투입하여 면밀한 “타당성 조사”를 수행하는 것이 필수적임

- 공무원 및 국민의 의식수준이 지나치게 낮고, 열대 기후로 인한 각종 질병(말라리아, 황열병과 같은 풍토병 등)이 만연해 있어 근무·생활환경이 매우 열악함
- 시장조사를 위한 각종 통계 등 정보가 많이 부족하므로 투자 준비단계에서 반드시 현지를 수차례 직접 방문하여 조사해야 함
- 나이지리아 연방정부는 2010년까지 국산 원자재 사용 비율을 70%까지 상향 조정할 계획이므로 나이지리아 투자진출을 희망하는 외국기업들은 직접투자보다는 현지 에이전트 및 테크니컬 파트너를 지정하여 간접적인 방법으로 진출을 도모하는 것이 유리할 것임

## 5. 투자 진출 현황

### ■ 외국기업 투자동향

- 원유확보를 위해 엑슨모빌, 쉘브론, 토탈 등 다국적 석유회사들이 진출하면서 미국 및 유럽의 투자가 증가하기 시작했음
- 개발도상국들의 경제성장이 가속화되었지만 석유파동, 유가상승 등으로 경제개발의 어려움이 발생하자 중국을 중심으로 많은 국가들이 자원 확보 경쟁에 나서기 시작함
- 특히 중국은 나이지리아에 대규모 차관을 제공하여 다수의 원유광구를 확보하고 철도 및 플랜트 건설 수주를 따냄으로써 많은 경제적 이득을 취하고 있음
- 한국은 2006년 2개의 심해 유전광구(OPL321, OPL323)를 확보하고 카두나 지역에 정유공장을 건설하여 1,500km에 달하는 철도 및 발전소 건설 수주를 획득한 바 있음

# <주요국별 대 나이지리아 투자 동향>

(단위: 십억 달러)

Host Region/Economy	2001	2002	2003	2004
World	818	681	580	612
Developed Countries	571	490	380	321
European Union	357	374	308	165
Belgium	-	15	29	7
France	50	49	47	35
Germany	21	36	13	-49
Ireland	10	24	27	26
Italy	15	15	16	15
Luxembourg	-	117	92	52
Portugal	6	2	1	6
Spain	28	36	26	6
United Kingdom	53	28	21	55
Australia	4	14	8	5
Canada	27	21	7	12
Japan	6	9	6	7
United States	159	63	30	121
Developing Countries	220	159	173	255
Africa	20	12	15	20
Latin America and the Caribbean	88	53	51	69
Brazil	22	17	10	16
Chile	4	2	3	6
Mexico	27	15	11	18
Asia and Pacific	112	94	107	166
China	47	53	54	62
Hong Kong	24	10	14	33
India	3	3	4	6
Korea	4	3	4	9
Singapore	15	6	11	21
Central and Eastern Europe	26	31	27	36
Czech Republic	6	8	3	5
Poland	6	4	4	5
Russian Federation	2	3	7	10

자료원: UNCTAD and UNCTAD's own estimate (2007.2.28일 기준)



## ■ 우리기업 투자동향

- 현재 나이지리아 투자진출 한국기업은 26개사 내외로 가발 및 플라스틱 제조 관련 업체 13개사, 대형 건설업체 3개사, 전기 및 전자 관련 업체 2개사, 기타 6개사 등이 활동하고 있음
- 이들 한국 기업이 고용하고 있는 나이지리아 근로자수는 약 8천명으로 대형 건설회사 및 가발업체 현지 고용 인력이 주류를 형성
- 석유 관련 건설현장에 진출해 있는 건설업종을 제외한다면 한국의 현지진출 기업이 나이지리아 산업에 미치는 영향은 극히 미미한 수준
- 나이지리아 투자 초기에는 대우, 삼성 등 대기업이 건설업 및 도소매업 중심으로 진출하기 시작
- 1997년 이후 대 나이지리아 투자는 이동통신과 건설을 중심으로 급속히 증가하였으나 2002년부터 다시 급격히 감소
- 2004년 제조업 수출이 증가세를 보였으며 2006년 이후로는 원유 및 건설 플랜트 관련 투자가 급속히 증가
  - 한국석유공사 심해광구 2개 낙찰
  - POSCO, Port Harcourt-Abuja Maiduguri 1,500km 철도 건설
  - 대우건설, 현대건설 등 대기업들은 13건 47억달러 수주 진행

<투자주체 및 업종별 대 나이지리아 해외투자 진출 현황>

업종	현지법인명	신 고		투 자	
		건수	금액	건수	금액
광업	KNOC NIGERIAN WEST OIL COMPANY LTD.	1	155,080	1	57,802
	KNOC NIGERIAN EAST OIL COMPANY LTD.	1	151,080	1	58,970
	DOLPHIN PROPERTY LIMITED	1	8,080	1	3,840
	합 계	3	314,240	3	120,612
통신업	WIRELESS SYSTEMS LIMITED	1	19,802	1	19,802
건설	POSCO ENGINEERING & CONSTRUCTION NIGERIA., LTD.	1	2,500	1	2,500
	DAEWOO DEVELOPMENT CO., LTD.	1	456	1	216
	DONGSAN TOKUN.	1	391	0	0
	HANYANG (NIGERIA) LTD.	1	360	1	326
	HYUNDAI INDUSTRIES,LTD	1	46	0	0
	HYUNDAI ENGINEERING AND CONSTRUCTION CO., NIGERIA LTD	1	40	1	25
	합 계	6	3,793	4	3,067
제조업	WJ (NIGERIA) CORPORATION	1	1,000	1	181
	ONOSIEN HEECO ENGINEERING CO.,LTD.	1	450	1	255
	PRIMIER METAL IND.(NIGERIA)LTD.	1	306	1	271
	MARICHI INDUSTRIES LIMITED	1	200	0	0
	SANG SHIN METAL NIGERIA LIMITED.	1	160	1	160
	UNIT 2 INDUSTRIAL CO., LTD.	1	72	0	0
	합 계	6	2,188	4	867
도소매업	DAEWOO MOTOR SERVICES (NIG) LTD.	1	900	1	900
	DAEWOO NIGERIA LTD.	1	595	1	595
	DONGKYO KIUP	1	320	0	0
	SAMSUNG NIGERIA CO., LTD.	1	291	1	291
	KOREA INSU NIGERIA LTD.	1	60	1	8
	HYUNDAI COMPANY NIGERIA LIMITED.	1	12	1	12
	합 계	6	2,178	5	1,806
총 계		22	342,201	17	146,154

자료원: 한국수출입은행(2007.5.10일 현재)

<연도별 대 나이지리아 해외투자 진출 현황>

년도	신 고		투 자	
	건수	금액	건수	금액
1980	4	1,254	2	543
1981	3	1,122	1	271
1982	2	462	3	593
1983	0	0	1	216
1984	0	0	0	0
1985	0	0	0	0
1986	0	0	0	0
1987	0	0	0	0
1988	1	72	0	0
1989	0	0	0	0
1990	0	0	0	0
1991	0	0	0	0
1992	0	0	0	0
1993	1	200	0	0
1994	1	46	0	0
1995	1	900	1	900
1996	0	0	0	0
1997	1	9,901	1	9,901
1998	0	0	0	0
1999	0	0	0	0
2000	0	10,244	0	10,244
2001	1	60	1	8
2002	0	0	0	0
2003	0	0	0	0
2004	1	1,000	1	181
2005	0	0	0	0
2006	6	316,940	6	123,297
<b>총합</b>	<b>22</b>	<b>342,201</b>	<b>17</b>	<b>146,154</b>

주) 1980년의 실적은 1968~1980년까지의 누계임

자료원: 한국수출입은행 (2007.3.12일 기준)

## ■ 한국기업 투자진출 현황

### • 현대중공업

프로젝트명	Bonny Terminal Integrated Project
발주처	SPDC(Shell Petroleum Development Company of Nigeria Limited)
수주금액	7억4600만 달러
수주형태	발주처 원청, 공개경쟁입찰
계약일자	2002.3.4일
공사기간	2002.3~2008.4월
공사내용	기존 원유정제 시설 업그레이드 및 신설 (현 60만 배럴 정제 용량을 125만 배럴로 증설)
향후 추진일정	<ul style="list-style-type: none"> <li>• 2002.3월 공사착공</li> <li>• 2006.6월까지 기존시설 증설 완료</li> <li>• 2008.4월까지 전 공정 완료</li> </ul>

프로젝트명	East Area NGL Project(가스 액화시설 공사)
발주처	CNL(Chevron Nigeria Ltd)

프로젝트명	Escravos Gas Phase 3 Project
발주처	CNL(Chevron Nigeria Ltd)

### • 대우조선

프로젝트명	Delta State Off Shore Plant Project (AGBAMI, FPSO)
발주처	CNL(Chevron & Texaco)/NNPC

● 대우건설

프로젝트명	BRT(Bonny River Terminal) Expansion Project (원유탱크 확장공사)
발주처	MPN(Mobile Producing Nigeria)
공사내용	기존 터미널 확장을 위한 Site 보강 및 Pentane Storage Tank, Utilities 확장(65,000 BPD Fraction Train 및 300,000 BPD Storage Tank 확장공사)

프로젝트명	LNG Train 6 Project(LNG Plant 설치공사)
발주처	NLNG(Nigerai LNG Limited)
공사내용	LNG 플랜트 설치 및 부대공사(연 480만 톤 처리용량의 LNG Plant Process Area 내 토목, 기계, 전기 및 계장 공사)

프로젝트명	Agbami FPSO Module Project
발주처	Star Deep Water Petroleum Ltd. (Chevron 자회사)
공사내용	Agbami지역 신설 FPSO(부유식 원유저장 시추선)의 모듈 및 Flare Boom 제작공사

프로젝트명	Escravos Gas to Liquid Project
발주처	CNL(Chevron Nigeria Ltd)
공사기간	2006.2~2008.2월
공사내용	34,000 bpd Liquid Product 생산을 위한 Process Plant 설비공사

프로젝트명	EGGS(Eastern Gas Gathering System)2 Pipeline Project
발주처	PDC(Shell Petroleum Development Company of Nigeria Limited)

프로젝트명	Gbran/Ubie Integrated Oil & Gas PJ.
발주처	SPDC(Shell Petroleum Development Company of Nigeria Limited)
수주금액	8억8천만 달러
공사내용	1.4 Bil SCFD(Square Cubic Feet Per Day) 처리규모의 가스 Plant 및 12만 BPD 원유 생산 규모 Flow Station 부대시설 공사

프로젝트명	Afam VI Power Plant Project
발주처	SPDC(Shell Petroleum Development Company of Nigeria Limited)
수주금액	4억7500만 달러
수주형태	발주처 원청, 공개경쟁입찰
계약일자	2005.12.9일
공사기간	2005.12~2008.7월
공사내용	650MW 규모의 복합 화력발전소 건설

프로젝트명	Downstream Project
발주처	나이지리아 대통령특별위원회
국내업체명	석유공사 한전 포스코 건설
수주예상금액	35억 달러
발주예정시기	타당성 조사 후
향후 추진일정	<ul style="list-style-type: none"> <li>• PSC 서명조건에 따라 서명 후 3개월 안에 Sterling Committee(3명)와 Working Committee(8명) 구성</li> <li>• 타당성조사 후 SPC설립과 동시 양 Committee는 자동해산</li> </ul>

프로젝트 명	18"x11km Oil Pipeline PJ
발주처	NAOC(Nigerian Agip Oil Company)
수주 예상금액	20(US\$백만)
향후 추진일정	2007년 상담기 계약 체결 예정

프로젝트 명	SAGG (Southern Swamp Associated Gas Gathering) PJS · Facilities Package · Pipe Line Package
발주처	SPDC(Shell Petroleum Development Company)
수주 예상금액	4~5억 달러
수주 추진 형태	원청 Consortium
수주 가능성	50%
발주 내용	Bayelsa 주Ogbotobo, Benisede, Opukushi 및 Tunu Field로 부터 약 120MMScf/d의 AG ,350MMScf/d의 NAG를 Evacuation 하는 인프라 공사
발주예정시기	기 발주
향후 추진일정	입찰서 제출, 기술사항 평가 중

프로젝트 명	Qua Iboe Terminal (QIT) Gas Flare Elimination PJ
발주처	MPNU (Mobil Producing NigeriaUnlimited)
수주 예상금액	1억 달러
수주 추진 형태	원청 단독
수주 가능성	50%
발주 내용	기존 QIT Terminal내 가스 Flaring을 제거 하기 위한 시설 공사
발주예정시기	기 발주
향후 추진일정	입찰서류 제출, 기술사항 평가 중

프로젝트 명	O.U.R (Obite~Ubeta~Rumuji) Gas Pipeline PJ
발주처	EPNL (Elf Petroleum Nigeria Ltd.)
수주 예상금액	1억5천만 달러
수주 추진 형태	원청 단독
수주 가능성	60%
발주 내용	42"x46Km 가스 파이프라인 공사 (Port Harcourt 북서쪽 75km 지점)
향후 추진일정	2007년 1/4분기 경쟁입찰 진행 중

프로젝트 명	Olo Kola(OK) LNG Plant PJ
발주처	OK LNG J/V (NNPC, BG, Shell, Chevron, etc)
수주 예상금액	5~10억 달러
수주 추진 형태	원청 Consortium 또는 하청
수주 가능성	60%
발주 내용	Ondo/Ogun State 경계 지역에 총 33M TPY 규모 LNG Plant 건설공사
향후 추진일정	2007년 EPC 낙찰사 선정 예상



## II. 투자유치 제도

### 1. 개 요

- 1995년 제정된 외국인투자법(Nigerian Investment Promotion Commission Act No. 16 of 1995 for Foreign Investment)은 외국자본의 기업경영을 인정하며, 투자자본을 보호하고 세액감면 및 외국인 현지체류허가(현지고용 쿼터)를 허용
- 영업에서 발생된 과실해외송금 및 소유권 이전보장 등 외국자본의 보장에 관한 사항 등을 규정
- 나이지리아 정부는 외국인투자 유치를 위하여 각종 조세상의 혜택을 부여하고 있으며 식품, 원자재, 기계류의 수입 의존도를 낮출 수 있는 기술선도 산업이나 대규모 플랜트 프로젝트 유치에 중점을 두고 있음
- 산업과급 효과가 크고 국내 보존자원을 개발·활용할 수 있는 분야에 각종 혜택이 부여되며 수입 대체라 해도 단순히 부품을 수입해 조립·생산만 하는 분야는 대상에서 제외
- 정부는 외국인투자 유치 확대를 최우선으로 하고 외국인투자 유치를 위한 제도 정비와 함께 통신, 전력, 석유탐사, 정유 수출, 광물, 자원개발, 호텔·여행업 등의 투자유치에 집중하고 있음
- 비석유부문 투자지원 강화를 위해 광업 및 농업부문의 외국인 투자에 적극적이거나 사회간접자본 미비로 미국 및 유럽계 업체들은 전력, 원유분야, 통신 등의 대규모 투자에 관심을 보이고 있음

- 광물자원 개발과 관련한 투자 유치 촉진을 위해 나이지리아 정부는 아래와 같은 특별 인센티브를 제시

- 3~5년간 세금 무과세(tax holidays)
- 투자액과 투자의 전략적 가치 등에 따라 로열티 지불 일정기간 유예
- 개발 지역에 대한 도로 및 전기 시설 연결
- 광산 개발 시 외국인 지분을 100%까지 허용

## 2. 세액감면 인센티브 제도

### ■ 선도산업에 대한 소득세 면제

- 공업발전법(Industrial Development-Income Tax Relief Act 22, 1971년, 1988년 개정)에 따라 선도 산업으로 지정된 분야에 투자할 경우 5년간 제세 면제

### • 선도산업 지정업종(65개)

- 곡물, 야채, 과일채배 가공, 코코아제품 제조, 유종가공, 낙농, 축산, 원양어업 및 가공, 제염, 연·아연개발, 제철, 비철금속 정련, 중정석 개발, 나이지리아 원료사용 기초·중간 화학품, 유전굴착 재료 제조, 시멘트 제조, 유리 및 동제품 제조, 석회 제조, 대리석 채석, 가공 도자기제조, 공업용 화학 품 제조, 의약품제조, 외과의용 의류, 피혁제조, 식물·합섬사 제조, 금속제품 제조, 기계류 제조, 고무제품 제조, 국산원료에 의한 망의 제조, 제분, 야자유 플랜테이션 및 가공, 천연고무 플랜테이션 및 가공, 아라비아고무 플랜테이션 및 가공, 목재가공 비료 제조, 상업용 차량 제조

## ■ 국내원자재 사용비율 혜택(LOCAL CONTENT)

- 국내원자재 사용 비율이 아래 조건을 충족시킬 경우 5년간 제세의 30% 감면

### ※산업별 국산원자재 사용비율

- 농산물제조분야 80%
- 농업 70%
- ENGINEERING 분야 60%
- 화학분야 60%
- 석유화학분야 70%

## ● 노동집약산업에 대한 세제혜택

- 1,000명 이상의 노동자 고용 효과가 있을 경우 5년간 15%의 제세 감면
- 200명 이상의 노동자 고용 효과가 있을 경우 5년간 7% 제세 감면
- 100명 이상의 노동자 고용효과가 있을 경우 5년간 6% 제세 감면

## ● 부가가치 창출산업 세제혜택

- 단순조립이 아닌 부가가치 창출 산업의 경우 5년간 10%의 제세 감면

## ● 훈련용 비용에 대한 세제혜택

- 종업원, 기술자 훈련을 위한 비용에 대해서는 5년간 2% 제세 감면

- 수출산업에 대한 세제혜택

- 총 생산량의 60% 이상 수출 시 5년간 10%의 세제 감면

- 사회간접자본 건설비용에 대한 세제혜택

- 도로, 공업용수, 전력 등 사회간접자본 건설에 소요된 비용에 대해서는 기간에 관계없이 비용의 20% 세제 감면

- 비경제적 산업분야에 대한 투자 시 세제혜택

- 비경제적 산업분야에 대한 투자 시에는 7년간 전액 세금 면제 및 최초 투자 자금을 감가상각함

- R&D 분야 투자 시 세제혜택

- R&D 분야 투자 시 비용의 120% 세제 감면 및 나이지리아산 원자재에 대한 R&D의 경우 140% 세제 감면

### Ⅲ. 진출형태별 투자절차

#### 1. 투자진출 개요

- 외투기업이 영업을 하기 위해서는 통상 주식회사(현지 법인)를 설립해야 하며, 외국인투자법에서는 외국자본에 의해 설립된 회사에 대해서 일반 국내기업과는 다른 자격을 주고 있음. 지점의 영업활동은 현재 인가되고 있지 않음

#### ■ 외국인투자 지분 제한 철폐

- 1995년까지 나이지리아는 “기업진흥법”에 의거, 국내 경제에 대한 중요도, 자국인 관리능력 등을 기준으로 업종별 외국인투자 지분을 제한하여 왔으나 1995년 9월 이를 개편, 외국인투자 활성화 정책을 도입하여 시행하고 있음

#### ■ 합작 및 단독투자 모두 가능

#### ● 외국인투자 범위 및 지분

- 석유와 Negative List(무기, 마약, 화약, 군 장비)를 제외한 모든 산업 분야에 투자가 가능하며, 50% 이상의 지분 확보도 가능(은행, 보험, 광산업 투자 가능)
- 나이지리아 증권거래소를 통한 주식매매 가능, 자유로운 양수, 양도 보장
- 외국인투자자와 현지투자자가 합작을 하는 경우에는 반드시 주식회사 형태로 설립하여야 하며, 일반적으로 내국인 파트너의 소유지분은 납입자본금의 5% 이상이면 성립

## ■ 투자 유망 분야

- 나이지리아는 청량음료, 섬유, 신발 등 일부 업종을 제외하고는 산업의 다양성이나 기술 수준에 있어 극히 초보적인 단계에 있으며 기간산업 분야도 최근에는 석유화학, 철강, 비료 공단을 준공할 정도로 산업발전의 초기단계에 있음
- 합작투자 유망분야는 주재국 정부의 외국인 투자법에서 규정하고 있는 인센티브를 향유할 수 있는 분야와 나이지리아 기업진흥법(Nigerian Enterprises Promotion Act)에서 정의한 유망 투자 분야를 선택하는 것이 유리
  - 한국에서 점차 사양화 되고 있는 노동집약적 산업(섬유, 신발)
  - 생산기지의 이전이 시급한 공해산업(금속가공, 석유화학)
  - 자원개발, 확보에 필요한 농·임·광업 분야
  - 선진국시장을 겨냥한 수출 산업
- 현지 각 주 정부에서 우리와의 합작을 요청해온 분야는 다음과 같으며 이들의 합작 희망형태는 대부분이 한국의 설비, 기술을 도입하는 방식임
  - 화학관련분야: 비누, PVC제품(PP shopping bag, PVC flooring, 신발, 파이프), 모기향(mosquito coil), 살충제 등
  - 식품가공분야: 농수산물 가공, 과일 주스류, 낙농품, 미곡 도정
  - 피혁가공분야: 가방, 벨트, 신발, 여행용구, 종이류
  - 섬유류: 드레스, 양말, 타올, 봉대, 어망
  - 의료용품: 봉대, 일회용 주사기 등

## 2. 지사 및 현지 법인 설립

### ■ CAC(Corporate Affairs Commission) 등록

● 필요서류

- 정관(Memorandum of Articles) Statement of Authorized
- Share Capital of the Company
- 이사회 구성현황 및 리스트
- 이사회 의사록
- 회사 위치 확인서(Notice of Address of registered office)

● 소요경비: CAC 등록 시 소요비용(소요기간: 14일 내외)

<CAC 등록비용>

일반 기업	등록비용
Registration of Private Company with share capital not exceeding N1 million	10,000 나이라
Registration of Private Company with share capital exceeding N1 million but less than N2 million	20,000 나이라
Registration of Private Company with share capital above N2 million	Add N10,000.00 for every N1 million or part thereof.

공기업	등록비용
Registration of Public Company with share capital not exceeding N1 million	20,000 나이라
Registration of Public Company with share capital exceeding N1 million but less than N2 million	30,000 나이라
Registration of Private Company with share capital above N2 million	Add N20,000.00 for every N1 million or part thereof.

## ■ NIPC 허가

- 나이지리아 투자를 관장하는 기관은 나이지리아 투자청 (Nigerian Investment Promotion Commission, NIPC)이며 투자 제한 대상이 아닐 경우 현지법인 설립을 통해 투자진출 기회를 보장함

### • 기본서류

- 설립자 및 주주 보유 지분 현황
- 회사명 및 설립자본금, 설립목적
- 100% 외국인투자가 아닐 경우 합작투자계약서
- 회사 정관
- 이사회 구성현황 및 명단
- 이사회 이사 선임 증명서
- 회사 위치 확인서(Notice of Address of registered office)
- CAC 등록 수수료 영수증
- Tax Clearance Certificate

### • 투자청(NIPC) 제출 서류

- NIPC 소정 양식 기재 후 사본
- NIPC 소정양식 구매 영수증 사본
- 회사 설립 등록증 사본
- Tax Clearance Certificate 사본
- 회사 정관 사본
- 회사 지분 구성확인 서류 발급 시 인지세 지급 영수증 사본
- 합작투자계약서 사본
- 사업계획서 사본(필요설비 목록 포함)
- 회사 위치 확인서(공장 또는 사무실 임대계약서로 대체가능) 사본
- 이사 구성 현황 및 명단(성명, 주소, 국적, 직책)



- 외국인 근로자 현황 및 직위 현황표
- 외국투자회사의 카탈로그 및 브로슈어 사본
- 투자청에는 사전 준비서류와 함께 투자요청 NIPC 양식을 기재하여 제출하면 하기 허가를 취득함
  - Business Permit and Expatriate Quota
  - Pioneer Status and Other Incentives
- 이상의 절차를 이행하면 NIPC로부터 투자승인 및 영업허가를 득할 수 있으며, 다음의 절차를 마쳐야 함
  - 해외로부터 자본금 송금 및 납입
  - 은행으로부터 자본금 송금관련 Certificate of Capital Importation 증명서를 발급
  - Work Permit(근로 허가) 발급 및 체류비자 발급
- 소요비용: 5천 나이라
- 소요기간: 2~8주
- 참고사항: 외국인투자 최소 자본금은 2백만 나이라임

#### ■ Ministry of Internal Affairs (내무성)

- 필요서류
  - Business Permit 신청서, 비즈니스 영역 및 인원구성 내용서
- 소요비용
  - 사장 또는 Technical Director 직위: 2천만 달러

- 기타 직위: 2년간 한시적 채류비자 제공, 매 2년 갱신 시 2천 나이라 소요

#### ● 참고사항

- 회사 자본금이 500만 나이라 이상이면 2명의 외국인 채용 쿼터가 자동으로 부여되며 1,000만 나이라 이상이면 4명의 쿼터가 부여됨

### ■ Securities and Exchange Commission (SEC)

- 소요기간: 1~2주
- 소요비용: 5,000나이라
- 참고사항

- 실제는 자본금 유입 없이 유입된 것처럼 서류만 작성하는 것이 일반적이며 이와 관련 브로커를 고용, 소정의 수수료를 제공함

### 3. 현지 법인 설립 절차

나이지리아 내 회사설립은 반드시 현지 변호사를 지정, 설립업무를 대행토록 해야 함

#### ■ 신청 서류의 작성

- 변호사를 통해 아래 서류를 작성, Corporate Affairs Commission (Lagos Liaison Office)에 회사등록을 신청함
- 회사 정관 (Memorandum & Article of Association)
- 주식 배당 (Return of Allotment of Shares Form CAC 2.5)
- 이사 등록 (Particular of First Directors of Company Form CAC 2.3)

- 회사등록이 완결되면 Corporate Affairs Commission으로부터 회사등록증(Certificate of Incorporation)을 교부
- 변호사는 설립된 회사에서 근무하게 될 주재원의 할당인증서 (Expatriate Quota Position) 확보를 위해 회사등록증을 포함한 관련서류를 현지 이민국(Federal Ministry of Internal Affairs)에 제출함
- 동 절차가 완료되면 Federal Ministry of Internal Affairs는 아래와 같은 증명을 발급함
  - 주재원 할당인증서 (Expatriate Quota Position)
  - 영업허가증 (Business Permit Immigration Regulation 1963)
  - 주재원 거주허가증 (Combined Expatriate Residence Permit & Alien Card Scheme)
- 주재원 거주허가증(Combined Expatriate Residence Permit)을 획득하면 이민국을 재접촉하여 나이지리아 출입국이 자유로운 Re-entry Visa를 수령함

#### 4. 공장 설립 절차

##### ■ 공장부지 선정

- 나이지리아에서는 상업지역에 공장을 설립할 수 없으므로 공업 지역에 토지를 매입 또는 임차해야 함
- 정부의 산업정책에 따라 Industrial Estate가 지정되는 것이 아니라 자연발생적으로 공장이 밀집한 지역을 산업단지로 지정함
- 대부분의 제품을 수입으로 충당하고 있기 때문에, 정부는 투자 기업이 Industrial Estate에서 부지를 매입하거나 또는 공장을

설립하는 경우 아무런 혜택을 제공해 주지 않음

#### ■ 공장부지 매입 또는 임차

- 공장부지를 매입 또는 임차하기 위해서는 약 2백만~4백만 달러가 소요되며, 토지가격은 토지 소유자와 협상이 필요함
- 나이지리는 토지 또는 건물에 대한 임차료가 해마다 연 8~10% 씩 증가하기 때문에 장기적 운영을 목적으로 공장을 설립하기 위해서는 토지를 매입하는 것이 임차하는 것보다 유리함

#### ■ 공장 설립

- 공장 설립을 위한 부지가 확보되면 회사를 설립하고 기술 및 자본을 들여와야 함. 외국인의 경우 회사를 설립하기 위해서는 지사 또는 현지법인 절차에 따라 CAC 등록 후 NIPC 허가를 받아야 하며, 절차와 방식은 상기의 절차와 동일함

### 5. 연락사무소 설립

- 연락사무소를 설립하기 위해서는 우선 사무소를 설립할 수 있는 기본 요건이 충족되어야 함
- 현지 법인 설립과 동일한 절차를 따르며, “지사 및 현지 법인 설립”을 참조하여, CAC 등록을 하면 사무소 개설을 할 수 있음
- 직접 연락사무소를 설립할 경우 사무실 임차료, 운영비, 인건비 등이 소요되기 때문에 가능하면 현지 바이어 또는 에이전트를 활용하여 연락 사무소를 설립하는 것이 효과적임

## Ⅳ. 산업단지 및 자유무역지대 투자

### 1. 산업단지 현황

- 나이지리아 정부에서 일정 토지를 저가로 임대해 주는 INDUSTRIAL ESTATE는 산업단지 개념과 유사한데, 주로 1970, 1980년대에 조성되었으며 1990년대 이후 조성된 산업단지는 전무
- 36개 주정부가 나름대로의 계획에 의거해 산업단지를 조성하기 때문에 전체적인 산업단지 파악은 어려우나 주로 주요 도시인 Lagos, Port Harcourt, Kaduna, Kano, Enugu 등에 산업단지가 조성되어 있음. 이들 산업단지에는 품목별 구분 없이 모든 제조업체가 입주해 있으나 분야별로 정리하면 다음과 같음

분야별	산업단지
REFINERY AND PETRO CHEMICALS	KADUNA, WARRI, PORT HARCOURT, EMEME
IRON AND STEEL	AJAKUTA, WARRI, OSHOGBO, KATSINA, JOS
FERTILIZER	ONNE, PORT HARCOURT, KADUNA, MINNA, KANO
LIQUIFIED NATURAL GAS	BONNY
ALUMINIUM SMELTER	KOT ABASI, PORT HARCOURT

### 2. 자유무역지대

남동부 Calabar 지역에 Calabar Export Processing Zone이라는 나이지리아 최초의 자유무역지대가 있으며 동 자유무역 지대는 1999년에

거의 완료되었으나 최근 일부 사회간접자본이 본격적으로 갖춰지면서 외국계 기업들의 입주가 늘어나기 시작함

## ■ Calabar Export Processing Zone 개황

### ● 위치 및 면적

- Calabar Export Processing Zone은 나이지리아 남동부의 Cross River State의 역사적인 도시 Calabar 시로부터 7km 지점에 위치하며 총 면적은 약 300헥타르임
- 참고로 Calabar 공항에는 현재 국제 및 국내선 총 4편이 운항하고 있으며 내륙은 물론 인근 아프리카 국가들과 연결되어 있어 물류 및 경제적인 중심거점이 될 것으로 예상됨

### <주요 노선 취항 현황>

항공사	운항노선
ADC Airline	하루 3편 국내선을 운항하며 인근 가나, 라이베리아, 시에라리온 및 기니 항공과 연결
Nigerian Airway	국내선 운항, 카메룬 및 가봉과 국제선 연결
Concord Airline	국내선 운항, 적도 기니와 국제선 연결

### ● 입주업체에 대한 인센티브

- 100% 외국자본 투자 및 소유권 인정
- 생산제품의 25%를 내수시장 판매 허용
- 신청서 발급 및 승인 등 행정절차를 위한 One-Stop 지원 서비스
- 수출입 허가 불요
- 원자재의 면세 수입
- 자본, 이윤 및 지분의 무제한 과실송금 허용

- 일정기간 과세 면제 및 노동쟁의 불허
- 연방정부, 주정부, 지방자치단체 각종 조세 및 관세로부터의 면제
- 공장건설 기간 중 공장부지 임대료 면제

● 자유무역지대 내 설비 및 시설 현황

- 단지 내 최상의 도로망
- 무제한 급수 및 송전
- 통신 통신시설
- 표준형 공장건설 제공가능
- 금융기관/세관/창고
- 각종 음식점 및 위락시설

● 입주유치 업종 현황

- 제과 및 식품제조업
- 목제품 및 수공업품
- 석유화학제품/플라스틱 및 고무제품/화장품 및 기타 화학제품
- 철강 및 기계류
- 섬유류/기성복/피혁제품
- 전기 및 전자제품
- 교육기자재 및 스포츠 장비 생산
- 의료장비 및 의료기기/의약품 제조업

■ Calabar 수출가공지대 투자 시 장점

- 저렴하고 숙련된 양질의 노동력 활용 가능
- 원유는 물론 Limestone, Timber, Oil Palm, Rubber, Cocoa, Livestock 등 풍부한 자원 활용 가능

- 가공지대내 생산 제품의 25% 내수시장 판매 보장
- 가공지대 내 생산품의 대 유럽 및 미국 수출 시 쿼타 미적용
- 가공지대 내 생산품은 EU 및 로메 협정 체결국간 특혜관세 적용  
주)로메협정:EC 9개국과 ACP(아프리카·카리브해·태평양지역)개도국  
46개국 간 체결된 무역협정
- 가공지대 내 생산품은 ECOWAS (서부 아프리카 경제공동체)  
회원국 수출 시 할인관세 적용
- 유럽(5~7시간 비행시간) 및 미국(10시간 비행시간)까지 일일  
생활권
- 양질의 시설이 완비된 첨단 항구 이용 가능
- 인근 서부 아프리카는 물론 동부 및 남부 아프리카도 4시간 이  
내 항공수송 가능
- Calabar시로부터 나이지리아 전국에 이어지는 도로망 활용

#### ■ 자유무역지대 입주 절차

- 투자신청 및 투자신청서 접수
- 표준 공장건물 및 산업단지 검사
- 투자신청서 제출
- 투자신청서 심사 및 승인
- 회사설립 등록 신청



- 공장구매 또는 건설

- 표준공장 구입 시: 승인 3개월 이내 공장판매가격의 10%를 계약금으로 납입. 납입 후 5개월 이내 전액 납부
- 표준공장 임대 시: 1년간 임대료를 선금으로 지급
- 표준공장 리스임대: 승인 즉시 40% 임대료 지불, 최초 5년 내에 30% 임대료 지불, 10년째 나머지 30% 지불
- 완비된 공장부지 임대: 승인 후 40% 선금 지급 및 공장 건설, 최초 5년 30% 지급, 10년째 나머지 30% 지불

- 투자 자본금 송금

- 투자 지출금 평가

- 생산 전 사전 생산시설 검사

- 25% 내수판매 면허 획득

- 소요기간: 투자승인 신청서 제출 후 1달

※ **공단관리기관(Nigerian Export Processing Zones Authority, NEPZA)**

지난 1992년 제정된 Nigerian Export Processing Zones Authority (NEPZA) 설립법 제62호에 의해 수출가공지대 관리를 위해 설립된 관리공단 NEPZA가 단지 내 입주업체의 모든 행정절차를 전담하고 있으며, 공단 본부는 수도 아부자(ABUJA)에 있고 라고스(LAGOS)에는 연락사무소 소재

- 주소: 4<sup>TH</sup> Fl., Radio House Herbert Macaulay Way(South) P.M.B. 037, Garki, Abuja, NIGERIA
- 전화: (234-09) 2343060
- 팩스: (234-09) 2343061

## V. 조세 제도

### 1. 나이지리아 조세 제도

- 나이지리아 조세 제도는 매우 복잡한데 연방정부세, 주정부세, 지방정부세, 계약세(자본이익세, 부가세, 교육세, 인지세), 개인 소득세, 법인세 등으로 대별할 수 있음

#### ■ 연방정부세(Federal Government Tax)

- Companies Income Tax(법인소득세)
- Withholding Tax on Companies(원천세)
- Petroleum Profit Tax(석유세)
- Value Added Tax(VAT)(부가가치세)
- Education Tax(교육세)
- Capital Gain Tax(재산세)
- Stamp Duties Involving Corporate Entry(인지세)
- Personal Income Tax(개인소득세)
- 군인, 경찰, 수도 Abuja 거주민, 외국기관, 외국인 대상

#### ■ 주정부세(State Government Tax)

- Personal Income Tax(개인소득세)
- Capital Gain Tax(재산세)
- Stamp Duties(인지세)
- Pools Betting, Lotteries, Gaming and Casino Tax
- Road Tax(도로세)
- Business Premises Registration and Renewal Levy
- Development Levy (Individual Only)

- Naming of Street Registration Fee in State Capital
- Right of Occupation Fees in State Capital
- Rates in markets where state finances are involved

#### ■ 지방정부세 (Local Government Tax)

- Shops and KIOKS Rates
- Tenement Rates
- On and Off Liquor License
- Slaughter Slab Fees
- Marriage, Birth and Death Registrarion Fees
- Naming of Street Registration Fee
- Right of Occupancy Fees
- Market/Motor Park Fees
- Domestic Animal License
- Bicycle, Truck, Canoe, Wheelbarrow and Cart Fees
- Cattle Tax
- Merriment and Road Closure Fees
- Radio/TV License and Vehicle Radio License
- Wrong Parking Charges
- Public Convenience, Sewage and Refuse Disposal Fees
- Customary, Burial Ground and Religious Places Permits
- Signboard/Advertisement Permit

## 2. Transaction Tax

#### ■ 원천세

- 개인 및 법인의 모든 계약 시 과세되며 세율은 다음과 같음

구분	개인	법인
DIVIDEND, INTEREST&RENT	10%	10%
ROYALTIES	15%	15%
COMMISSION, CONSULTANCY	5%	10%
CONSTRUCTION	5%	5%
CONTRACT OF SUPPLIES	5%	5%
DIRECTOR'S FEES	10%	10%

자료원: The Chartered Institute of Taxation of Nigeria(2006)

- 재산세: 지분과 주식을 제외한 기타 재산에 대해 10% 부과
- 부가세: 재화 및 용역 거래 시 5% 부과
- 교육세: 모든 법인의 순익에 대해 2% 부과
- 인지세: 사안별 인증 시 부과하며 금액은 미미함
- 개인소득세: 국내 나이지리아인, 외국거주 나이지리아인, 나이지리아 거주외국인에 대해 부과되며 급여, 수당, 퇴직금, 기타 이윤, 보너스, 상여금, 보상금, 권리금 등에 대해 모두 부과
- 법인소득세: 법인의 소득에 대해 부과하며 1996년 이래 세율은 30%임
- Dividends and other Company Distributing: 주식배당에 따른 과세로서 세율은 10%
- 나이지리아 정부는 재정적자 폭 축소를 위해 부가세 등의 과세 강화 및 국세청의 대기업체 및 개인에 대한 조세가 강화되고 있으며 세원 확대를 위해 1999년 1월 1일부터 25%를 환급해주

던 관세 환급금 제도를 폐지하고 담배 및 주류에 대한 이행관세를 부활시켜 현재까지 시행하고 있음

● 이와는 별도로 주요 산업부흥을 위해 세금우대 정책을 쓰고 있는데 그 내용은 다음과 같음

- 석유 및 가스 개발 관련 기업체에 대한 세금 우대조치 지속 추진
- 외국과의 이중과세방지협정 추진을 통한 외국기업 투자 유치 강화
- 천연가스 개발 사업자에 대한 세금 우대
- 광물개발 사업자에 대한 세금 우대
- 1999년 1월 1일 총 37개 품목 군에 대한 수입관세 상향 조정(3개 품목은 관세인하) 및 3개 품목에 대한 소비세 부활
- 2004년부터 국내 제조 산업과 관련된 기계류, 플랜트, 부품에 대한 관세 감면 및 한시적 면세제도 시행

## VI. 노무 관리

### 1. 임금

#### ■ 임금 수준

- 나이지리아 연방정부는 인플레이션에 대한 영향으로 50명 이상의 근로자를 채용하는 기업을 기준으로 월평균 최저임금을 7,500나이라로 보장하고 있음
- 사무직의 경우 평균 400~700달러 수준이며, 노동법에 따라 노동조합의 구성이 보장됨

#### ■ 퇴직금

- 퇴직금에 대한 법적인 규정이 없으며 관례상 근속연수 1년에 월급여의 100%를 지급하고 있으나 의무사항은 아님

### 2. 노동 조건

#### ■ 노동 시간

- 법으로 규정된 바는 없으나 통상 1일 9시간, 주 45시간임
- 초과근로수당은 고용주와의 계약에 따라 지급하는 것이 관례임

#### ■ 휴가

- 노동법에는 최소 휴가기간에 대해 명시된 것은 없으며, 보통 근무일수로 12일을 관례상 주고 있음
- 고용주와의 계약에 따라 휴가일수를 협상할 수 있으며 무급 또는 유급 휴가를 결정할 수 있음

### 3. 사회보장제도

- 나이지리아는 사회보장 및 건강보험제도가 전무함
- 개별 보험회사를 통해 각종 보험에 가입하고 있으며, 현지 진출 지상사의 경우 International SOS를 통해 사고발생 시 남아프리카공화국 또는 가까운 유럽으로 긴급 후송할 수 있는 서비스에 가입하고 있음

## **VII. 기타 정보**

### **1. 투자관련 등록기관**

#### **■ NIPC(Nigeria Investment Promotion Commission)**

##### **<Head Office>**

- 주 소: Plot 1181 Aguiyi Ironsi Street Maitama District  
P.M.B. 381 Garki Abuja, Nigeria.
- 전 화: (234-9) 413-4380/1403/4112/0582
- 팩 스: (234-9) 413-4112
- 이 메 일: info@nipc-nigeria.org, infodesk@nipc-nigeria.org  
nipc@nipc-nigeria.org

##### **<North-east Zonal Office, Maiduguri>**

- 주 소: No. 1 Bosco Line, Kirikasama Area (Opp. State  
Secretariat) Maiduguri, Borno State
- 전 화: (234-76) 235504

##### **<North-west Zonal Office, Maiduguri>**

- 주 소: 3rd Floor, African Alliance Building, No. 1F  
Sani Abatcha Way Bompai-Kano
- 전 화: (234-64)641312
- 팩 스: (234-64) 64628

##### **<North-central Zonal Office, Jos>**

- 주 소: No. 60 Murtala Muhammed Way, Tere House, Opp.  
Strabud Bus Stop
- 전 화: (234-73) 458488
- 팩 스: (234-73) 458487



#### <South-east Zonal Office, Enugu>

- 주 소: NCFC Building, No. 5 Onitsha Road, Enugu
- 전 화: (234-42) 255079
- 팩 스: (234-42) 255506

#### <South-west Zonal Office, Enugu>

- 주 소: Former Nigerian Tobacco Company(NTC) Building  
Leaf Road, Iyaganku, Ibadan

### ■ Securities & Exchange Commission

#### <Head Office>

- 주 소: TOWER 421 Constitution Avenue Central Business  
District, P.M.B. 315 Garki -Abuja.
- 전 화: (234-9) 2346272~5
- 팩 스: (234-9) 2346276
- 이 메 일: sec@sec.gov.ng

#### <Lagos Office>

- 주 소: UBA Building (3rd Fl.) 57, Marina, P.M.B. 12638  
Marina-Lagos
- 전 화: (234-1) 2661552, 2663210
- 팩 스: (234-1) 2644538, 2644541
- 텔레텍스: 23623 SEC.NG.
- 이 메 일: sec1zo@sec.gov.ng

#### <Kano Office>

- 주 소: African Alliance House (4th Floor), F1, Sani Abacha  
Way/Airport Road, Opposite KLM Airlines, Kano.
- 전 화: (234-64) 314105, 312606
- 이 메 일: seckzo@sec.gov.ng

### <Port Harcourt>

- 주 소: First Bank Building, 22/24 Aba/Port Harcourt Road, Port Harcourt
- 전 화: (234-84) 575939, 575940
- 이 메 일: secphzo@sec.gov.ng

## 2. 각 산업 및 품목별 승인기관

### ■ Oil & Gas Sector: Department of Petroleum Resources(DPR)

- 주 소: Plot 622, Eket Close Area 8, Garki, P.M.B. 399
- 전 화: (234-9) 2349982, 2349988

### ■ Food & Drug Manufacture : National Agency for Food and Drug Administration and Control (NAFDAC) Food and Drug Manufacturing

- 주 소: Moshod Abiola Road, Area 2 P.M.B. 5023 Garki, Abuja
- 전 화: (234-9) 2346383, 2346405, 2346402
- 홈페이지: [www.nafdacnigeria](http://www.nafdacnigeria)

### ■ Manufacturing : Standards Organisation of Nigeria (SON)

- 주 소: 13/14, Victoria Arobieke Street Off Admiral Way Northern Business District Lekki Peninsula, Lagos
- 전 화: (234-9) 2708231~4

### ■ Telecommunication : Nigerian Communication Commission

- 주 소: Plot 72, Ahmadu Bello Way, Central Business District, Benue Plaza Abuja, Federal Capital Territory

- 전 화: (234-9) 2340330
- 팩 스: (234-9) 2344589
- 홈페이지: [www.ncc.gov.ng](http://www.ncc.gov.ng)

■ Agriculture: Federal Ministry of Agriculture

- 주 소: FCT Secretariat, Area 11, Garki, Abuja
- 전 화: (234-9) 2341931, 2342331, 2341458

■ Environmental Impact Assessment Certification (for all Industries) Ministry of Environment Manufacturing

- 주 소: Federal Secretariat Complex (7&9 Floor) Shehu Shagari Way, Maitama P.M.B. 468, Garki, Abuja
- 전 화: (234-9) 523431, 5234932, 5234932

■ Solid Minerals: Ministry of Solid Minerals Development

- 주 소: Federal Secretariat Complex, Shehu Shagari Way, Maitama P.M.B 107, Garki Abuja
- 전 화: (234-9) 5235830, 5236517

■ Power & Steel: Ministry of Power and Steel

- 주 소: Federal Secretariat Complex,, Shehu Shagari Way, Maitama P.M.B. 278, Garki, Abuja
- 전 화: (234-9) 5237064~6

## 국가 개요

- 국 명: 나이지리아 연방공화국  
(Federal Republic of Nigeria)
- 면 적: 923,768km<sup>2</sup> (한반도의 4.2배)
- 수 도: 아부자(Abuja, 1991.12월 Lagos에서 Abuja로 이전)
- 주요도시: 라고스(1천6백만명, 2010년까지 2천만명으로 증가 예상) 아부자(3백만), Ibadan, Kano, Kaduna, Port Harcourt
- 인 구: 1억4천만명 (2006년 추정)
- 민족구성: 총 374개 종족 존재. 하우사(Hausa), 이보(Igbo), 요루바(Yoruba) 족이 전체의 40%를 차지함
- 언 어: 영어(공용어), Hausa어, Yoruba어, Ibo어 등 각종 토착어  
※ 문맹률: 41.3% (2007년 추정)
- 종교: 기독교(35%, 남부), 회교(40%, 북부), 원시종교  
※ 헌법상 국교 지정 금지
- 정부형태: 삼중구조  
(연방정부, 36개 주(州)정부, 774개 지방행정정부)
- 국가원수: 우마루 무사 야라두아(Umaru Musa Yar'Adua)
- 화폐단위: 나이라(Naira, NGN 또는 N으로 표기)
- 환 율: NGN 127.37/US\$ 1 (2007.7월 기준)
- 기 후: 남부-고온다습, 북부-고온건조(건기 11월~3월, 우기 5월~10월)  
※ 하마탄 현상(사하라 모래바람) 12월~2월
- 시 차: GMT + 1 (한국보다 8시간 늦음)
- 석유정제소: 4개, 나이지리아 석유공사(NNPC)가 운영

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## <부록> 투자 법령 및 관련 자료

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## **FOREIGN INVESTMENT REQUIREMENTS AND PROTECTIONS**

### **Principal Laws on Foreign Investments**

The principal laws regulating foreign investments in Nigerian are:

- a. the Nigerian Investment Promotion Commission Act No.16 of 1995; and
- b. the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act No.17 of 1995.

### **Basic Functions and Powers of NIPC As Prescribed by Act 16 of 1995**

The Nigerian Investment Promotion Commission (NIPC) is an Agency of the Federal Government with perpetual succession and a common seal, which is specially established, among other things, to:

- (a) co-ordinate, monitor, encourage and provide necessary assistance and guidance for the establishment and operation of enterprises in Nigeria ;
- (b) initiate and support measures which shall enhance the investment climate in Nigeria for both Nigerian and non-Nigerian investors;
- (c) promote investments in and outside Nigeria through effective promotional means;
- (d) collect, collate, analyse and disseminate information about investment opportunities and sources of investment capital and advise on request, the availability, chance or suitability of partners in joint-venture projects;
- (e) register and keep records of all enterprises to which the NIPC Act legislation applies;
- (f) identify specific projects and invite interested investors for participation in those projects;
- (g) initiate, organise and participate in promotional activities such as exhibitions, conferences and seminars for the stimulation of investments;

- (h) maintain liaison between investors and Ministries, government departments and agencies, institutional lenders and other authorities concerned with investments;
- (i) provide and disseminate up-to-date information on incentives available to investors;
- (j) assist incoming and existing investors by providing support services;
- (k) evaluate the impact of the Commission on investment in Nigeria and recommend appropriate remedies and additional incentives;
- (1) advise the Federal Government on policy matters, including fiscal measures designed to promote the industrialisation of Nigeria or the general development of the economy; and
- (m) perform such other functions as are supplementary or incidental to the attainment of the objectives of NIPC Act.

## **Investment Features of the Acts 16 & 17 of 1995**

### **Deregulation of Equity Structure in Nigeria Enterprises**

Effectively, the Nigerian Investment Promotion Commission (NIPC) Act No. 16 of 1995 has abolished any restrictions, in respect of the limits of foreign shareholding, in Nigeria registered/domiciled enterprises. However, certain business/enterprises are exempted from free and unrestrained participation by any person or group of persons irrespective of their nationality. These are:

- Production of arms and ammunition;
- Production of and dealing in narcotic drugs and psychotropic substances;
- Manufacture of military/paramilitary wears and accoutrements;
- Participation in coastal and inland shipping.

### **Provisions Relating to Investments**

Notable amongst the provisions relating to investments are the following:

- A non-Nigerian may invest and participate in the operation of any enterprise in Nigeria;
- An enterprise, in which foreign participation is permitted, shall after its incorporation or registration, be registered with the NIPC;
- A foreign enterprise may buy the shares of any Nigerian enterprise in any convertible foreign currency.
- A foreign investor in an approved enterprise is guaranteed unconditional transferability of funds through an authorised dealer, in freely convertible currency, be it:
  - (a) dividends or profit (net of taxes) attributable to the investment;
  - (b) payments in respect of loan servicing where a foreign loan has been obtained.
- The remittance of proceeds (net of all taxes) and other obligations in the event of sale or liquidation of the enterprise or any interest attributable to the investment;
- Total repatriation of capital should the investor choose to relocate elsewhere.

### **Investment Protection Assurance**

- No enterprise shall be nationalised or expropriated by any Government of the Federation, and
- No person who owns, whether wholly or in part, the capital of any enterprise shall be compelled by law to surrender his interest in the capital to any other persons.
- There will be no acquisition of an enterprise by the Federal Government unless the acquisition is in the national interest or for a public purpose under a law which makes provision for:
  - (a) payment of fair and adequate compensation, and
  - (b) a right of access to the courts for the determination of the investor's interest of right and the amount of compensation to which he is entitled.
- Compensation shall be paid without undue delay, and authorisation given for its repatriation in convertible currency where applicable.



## **Investment Promotion and Protection Agreements (IPPA)**

Apart from the investment guarantee assurances of the NIPC Act countries are welcome to execute and enter into bilateral Investment Promotion and Protection Agreements (IPPA) with the Nigerian government.

## **CHECKLIST OF STEPS FOR ESTABLISHING NEW COMPANIES IN NIGERIA WITH FOREIGN SHAREHOLDING**

### **Stage A**

- i. Establish partners/shareholders and their respective percentage shareholdings in the proposed company;
- ii. Establish name, initial authorised share capital and main objects of proposed company;
- iii. EXCEPT in instances where the proposed company will be 100% owned by non-resident shareholders - Prepare Joint-Venture Agreement between prospective shareholders. The Joint Venture may specify; inter-alia, mode of subscription by parties, manner of Board Composition, mutually protective quorum for meetings, specific actions, which would necessitate shareholders approval by special or other resolutions;
- iv. Prepare Memorandum and Articles of Association, incorporating the spirit and intents of the Joint-Venture Agreement;
- v. Foreign Shareholder may grant a Power of Attorney to its Solicitors in Nigeria, enabling them to act as its Agents in executing incorporation and other statutory documents pending the registration with NIPC (i.e. formal legal status for foreign branch/subsidiary operations);
- vi. Conduct a search as to the availability of the proposed company name and, if available, reserve the name with the CAC and obtain registration forms;
- vii. Submission of stamped Memorandum and Article of Association together with registration forms for verification and assessment;

- viii. Effect payment of stamp duties, CAC filing fees and process and conclude registration of the company as a legal entity.

#### Stage B

Prepare Deeds of Sub-Lease/Assignment, as may be appropriate, to reflect firm commitment on the part of the newly registered company, to acquire business premises for its proposed operations.

#### Stage C

Prepare and submit simultaneous applications to the NIPC (on prescribed NIPC Application Forms) for the following: -

- Registration (Business Permit Certificate);
- Expatriate Quota (NIPC facilitates with Federal Ministry of Internal Affairs).

The application to the NIPC should be accompanied with the following documents: -

- Original copy of the duly completed NIPC Form;
- Original copy of the treasury receipt for the purchase of NIPC Form;
- A copy of the Certificate of Incorporation of the applicant company (minimum share capital acceptable is 10million Naira);
- A copy of the Tax Clearance Certificate of the applicant company;
- A copy of Certificate of Capital Importation;
- Certified True Copies of CAC Form 02 & 07;
- A copy of the Memorandum and Articles of Association;
- A copy of treasury receipt as evidence of payment of stamp duties on the authorised share capital of the company as at date of application;
- A copy of the Joint-Venture Agreement - UNLESS 100% foreign ownership is applicable;
- A Copy of Feasibility Report and Project Implementation Programme of a company for its proposed business;

- A copy of Deed(s) of Sub-Lease/Agreement evidencing firm commitment to acquire requisite business premises for the company's operation;
- Copies of information brochure on foreign shareholder (if available) as testimony of international expertise and credibility of the foreign partner in the proposed line of business;

In case of application for Expatriate Quota Position, and in addition to the above

- Evidence of non-availability of expertise in the country;
- A copy of training programme or personnel policy of the company, incorporating management succession schedule for qualified Nigerians;
- Particulars of names, addresses, nationalities and occupations of the proposed directors of the company;
- Job title designations of expatriate quota positions required, and the academic and working experience required for the occupants of such positions;

#### Stage D

Application for Incentives: Aside from approving statutory incentives under its purview, the Commission negotiates additional specific incentives on behalf of companies.

- i. Pioneer Status: under the Industrial Development (Income Tax Relief) Act 22 of 1971 certain manufacturing and service activities/products were prescribed Pioneers Activities. This list has, however, been expanded in 1988 and 2004. This status ascribes 5 years tax holiday period on such approvals.

#### Basic Requirements

- a. the company's activity/product must be listed among the prescribed activities;
- b. a minimum of 10million share capital for foreign or joint venture company and one million for local company

- c. apply within the first year of commencement of operation

The application form should be accompanied with

- Original copy of the duly completed NIPC Form;
- Original copy of the treasury receipt for the purchase of NIPC Form;
- A copy of the Tax Clearance Certificate of the applicant company;
- A copy of the Memorandum and Articles of Association;
- Evidence of acquisition and installation of plant and machinery;
- Operational Licenses for applicable activity;
- A copy of the Joint-Venture Agreement - UNLESS 100% foreign ownership is applicable.

ii. Application for Technical Agreement

This is a form of technical co-operation agreement in which a party will agree to offer technical services to a company for the payment of a fee. Details and terms of such agreements are normally worked out between the parties involved but such agreements should be registered with the National Office for Technological Acquisition and Promotion (NOTAP).

## PRESCRIBED FEES BY NIPC

S/ N	SERVICES	FEES
i.	Procurement of Form	<del>₦</del> 25,000.00
ii.	Process fees	<del>₦</del> 25,000.00
iii.	Grant of Establishment Quota (per slot)	<del>₦</del> 10,000.00
iv.	Renewal of Quota position (per slot)	<del>₦</del> 1,000.00
v.	Additional Quota (per slot)	<del>₦</del> 2,000.00
vi.	Stay of Action	<del>₦</del> 5,000.00
vii.	Grant of Business Permit	<del>₦</del> 25,000.00
viii.	Amendment of Business Permit	<del>₦</del> 25,000.00
ix.	Re-grading of Quota (per slot)	<del>₦</del> 10,000.00
x.	Appeal Processing fee	<del>₦</del> 50,000.00
xi.	Restoration of Lapsed quota	<del>₦</del> 1,000.00
xii.	Upgrading of Quota to P.U.R (per slot)	\$10,000.00
xiii.	Re-designation of P.U.R. (per slot)	\$10,000.00
xiv.	De-tagging/Extension of Quota (per slot)	<del>₦</del> 10,000.00
xv.	Re-validation of lapsed Quota (per slot)	<del>₦</del> 10,000.00
xvi.	Penalty for late submission of renewal of private license	<del>₦</del> 150,000.00
xvii.	Application for Pioneer Status	<del>₦</del> 20,000.00
xviii.	Collection of Approval letter and Certificate	<del>₦</del> 30,000.00
xix.	Application for extension of Pioneer Status	-
xx.	On Approval of Pioneer Status Extension	<del>₦</del> 50,000.00
xxi.	Processing Fees (Verification visits)	<del>₦</del> 50,000.00

**SOME PRESCRIBED FEES BY CORPORATE AFFAIRS  
COMMISSION (CAC)**

<b>S/ N</b>	<b>SERVICES</b>	<b>FEES</b>
i.	Registration of public companies whose share capital does not exceed ₦1m  Exceeds ₦1m	N20,000.00  N30,000.00 for the first N1m and thereafter, N20,000.00 for every N1m of part thereof
ii.	Registration of private company whose share capital does not exceed N1m  Exceeds N1m	N10,000.00  N10,000.00 for the first N1m and N10,000.00 for every N1m of part thereof
iii.	Registration of company not having a share capital	N20,000.00
iv.	Filing of notice of exemption by foreign companies	N30,000.00
v.	Certified True Copy of: i. Memorandum and Articles of Association ii. Certificate of incorporation iii. CO2, CO6 and CO7	N3,000.00 N6,000.00 N2,000.00 (each)
vi.	A set of Company Incorporation Form	N500.00
vii.	Same Day Incorporation (excluding filling fees)	N50,000.00
viii.	Filling of Annual Returns	N1,000.00

## GENERAL INCENTIVES

The Nigerian Government has put in place a number of investment incentives for the stimulation of private sector investment from within and outside the country. While some of these incentives cover all sectors, others are limited to some specific sectors. The nature and application of these incentives have been considerably simplified. The incentives include:

(i)	COMPANIES	INCOME	TAX
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The Companies Income Tax Act has been amended in order to encourage potential and existing investors and entrepreneurs. The current rate in all sectors, except for petroleum, is 30 percent.

## (ii) PIONEER STATUS

The grant of Pioneer Status to an industry is aimed at enabling the industry concerned to make a reasonable level of profit within its formative years. The profit so made is expected to be ploughed back into the business.

Pioneer status takes the form of five-years tax holiday to qualified or (eligible) industries anywhere in the Federation and seven-year tax holiday in respect of industries located in economically disadvantaged local government area of the Federation. At the moment, there is a list of 69 approved industries declared pioneer industries, which can benefit from tax holiday.

To qualify, a joint venture company or a wholly foreign-owned company must have incurred a capital expenditure of not less than five million Naira whilst that of qualified indigenous company should not be less than ₦150,000.00. In addition, an application in respect of Pioneer Status must be submitted within one year the applicant company starts

commercial production otherwise the application will be time-barred.

### **(iii) TAX RELIEF FOR RESEARCH AND DEVELOPMENT**

Industrial establishments are expected to engage in Research and Development (R&D) for the improvement of their processes and products. Up to 120 per-cent of expenses on (R&D) are tax deductible, provided that such R&D activities are carried out in Nigeria and are connected with the business from which income or profits is derived. Also, for the purpose of R&D on Local raw materials, 140 per-cent of expenses are allowed. Where the research is long-term, it will be regarded as a capital expenditure and will be written off against profit. The result of such research could be patented and protected in accordance with internationally accepted Industrial Property Rights.

### **(iv) CAPITAL ALLOWANCES**

The current rates applicable in respect of capital allowances are:

S/N	Qualifying Expenditure in Respect of: -	Initial Allowance (%)	Annual Allowance (%)
i)	Building Expenditure	5	10 per Annum
li)	Industrial Building Expenditure	15	10
lii)	Mining	20	0
Iv)	Plant excluding furniture and fittings	20	10



v)	Furniture and Fittings	15	10
Vi)	Motor Vehicle Expenditure	25	20
Vii)	Plantation equipment expenditure	20	33
Viii)	Housing Estate Expenditure	20	10
Ix)	Ranching and Plantation Expenditure	25	15
x)	Research and Development Expenditure	25	12
Xi)	Public Transportation Motor Vehicle	30	-

The amount of capital allowance to be enjoyed in any year of assessment is restricted in Nigeria to 75% of assessable profit in case of manufacturing companies and 66% in case of others, except such companies in agro-allied industries that are not affected by this restriction. If leased assets are used in agro-allied ventures, the full (100%) capital allowance claimed will be granted. Moreover, where the leased assets are agricultural plants and equipment, there will be an additional investment allowance of 10% on such expenditure.

#### **(v) IN-PLANT TRAINING**

This is applicable to industrial establishments that have set up inplant training facilities. Such industries enjoy a two percent tax concession for a period of five years.

**(vi) INVESTMENT IN INFRASTRUCTURE**

This is a form of incentive granted to industries that provide facilities that ordinarily, should have been provided by government. Such facilities include access roads, pipe borne water and electricity. Twenty percent (20%) of the cost of providing these infrastructural facilities, where they do not exist, is tax deductible.

**(vii) INVESTMENT IN ECONOMICALLY DISADVANTAGED AREAS**

Without prejudice to the provision of the pioneer status enabling law, a pioneer industry sited in economically disadvantaged Local Government Area is entitled to 100% tax holiday for seven years and an additional 5% capital depreciation allowance over and above the initial capital depreciation allowance.

**(viii) LABOUR INTENSIVE MODE OF PRODUCTION**

Industries with high labour/capital ratio are entitled to tax concessions. These are industries with plants, equipment and machinery, which essentially are operated with minimal automation. Where there is automation, such automation should not be more than one process in the course of production. The rate is graduated in such a way that an industry employing 1,000 persons or more will enjoy 15 percent tax concession, while an industry employing 200 will enjoy 7 percent and those employing 100 will enjoy 6 percent and so on.

**(ix) LOCAL VALUE ADDED**

10% tax concession for five (5) years. This applies essentially to engineering industries, where some finished

imported products serves as inputs. The concession is aimed at encouraging local fabrication rather than the mere assembly of completely knocked down parts.

**(x) RE-INVESTMENT ALLOWANCE**

This incentive is granted to companies engaged in manufacturing which incur qualifying capital expenditure for the purposes of approved expansion, etc. the incentive is in the form of a generalized allowance of capital expenditure incurred by companies for the following: -

- Expansion of production capacity
- Modernization of production facilities
- Diversification into related products

**(xi) MINIMUM LOCAL RAW MATERIALS UTILIZATION**

A tax credit of 20% is granted for five years to industries that attain the minimum level of local raw material sourcing and utilization. The minimum levels of local raw materials sourcing and utilization by sectors are: -

Agro-allied	-	70%
Engineering	-	60%
Chemicals	-	60%
Petrochemicals	-	70%

## **BANKING AND FINANCE**

### **THE STRUCTURE OF THE NIGERIAN FINANCIAL SYSTEM**

#### **INTRODUCTION**

The Nigerian financial system comprises of bank and non-bank financial institutions which are regulated by the Federal Ministry of Finance (FMF), Central Bank of Nigeria (CBN), Nigeria Deposit Insurance Corporation (NDIC), Securities and Exchange Commission (SEC), National Insurance Commission (NAICOM), Federal Mortgage Bank of Nigeria (FMBN), and the National Board for Community Banks.

#### **Regulatory Authorities**

##### **The Federal Ministry of Finance (FMF)**

The Federal Ministry of Finance advises the Federal Government on its fiscal operation and co-operates with CBN on monetary matters.

##### **The Central Bank of Nigeria (CBN)**

The CBN is the apex regulatory authority of the financial system. It was established by the Central Bank of Nigeria Act of 1958 and commenced operations on 1st July 1959. Among its primary functions, the Bank promotes monetary stability and a sound financial system, and acts as banker and financial adviser to the Federal Government, as well as banker of last resort to the banks. The Bank also encourages the growth and development of financial institutions. Enabling laws made in 1991 gave the Bank more flexibility in regulating and overseeing the banking sector and licensing finance companies, which hitherto operated outside any regulatory framework.

##### **The Nigerian Deposit Insurance Corporation (NDIC)**

The NDIC complements the regulatory and supervisory role of the CBN. It is however autonomous of the CBN and reports to Federal Ministry of Finance. NDIC effectively took off in 1989 and was set up to provide deposit insurance and related services for banks in order to promote confidence in the banking industry. The NDIC is empowered to examine the books and affairs of insured banks and other deposit taking financial institutions. Licensed banks are mandated to pay 15/16 of 1 per cent of their total deposit liabilities as insurance premium to the NDIC. A depositor's claim is limited to a maximum of N50, 000.00 in the event of a bank failure.

The Nigerian Deposit Insurance Corporation (NDIC) has concluded plans to hike the insured deposit of banks to N200, 000.

### **The Securities and Exchange Commissions (SEC)**

This is formerly called the Capital Issues Commission, the SEC was established by the SEC Act of 27th September 1979, which was further strengthened by the SEC Decree of 1988. It is the apex regulatory organ of the capital market. The Commission approves and regulates mergers and acquisitions and authorises the establishment of unit trusts. In the course of deregulation of the capital market, the function of price determination has been transferred to the issuing houses. The SEC maintains surveillance over the market to enhance efficiency. It issues guidelines on the establishment of Stock Exchanges in furtherance of the deregulation of the capital market. Following the enactment of the Nigerian Investment Promotion Commission Decree and the Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree in 1995, SEC released guidelines on foreign investment in the Nigerian capital market.

### **Debt Management Office (DMO)**

The Federal Government of Nigeria took a major step in addressing the debt problems recently by establishing an

autonomous Debt Management Office (DMO). The creation of the DMO consolidates debt management functions in a single agency, thereby ensuring proper coordination. The DMO centralizes and coordinates the country's debt recording and management activities, including debt service forecasts; debt service payments; and advising on debt negotiations as well as new borrowings.

### **National Insurance Commission (NAICOM)**

The National Insurance Commission (NAICOM) replaced the Nigerian Insurance Supervisory Board (NISB). The NAICOM is charged with effective administration, supervision, regulation and control of the business of insurance in Nigeria. Its specific functions include the establishment of standards for the conduct of insurance business, protection of insurance policy holders and establishment of a bureau to which complaints may be submitted against insurance companies and their intermediaries by members of the public. NAICOM ensures adequate capitalization and reserve, good management, high technical expertise and judicious fund placement in the insurance industry.

### **The Federal Mortgage Bank of Nigeria (FMBN)**

The FMBN took over the assets and liabilities of the Nigerian Building Society. The FMBN provides banking and advisory services, and undertakes research activities pertaining to housing. Following the adoption of the National Housing Policy in 1990, FMBN is empowered to licence and regulate primary mortgage institutions in Nigeria and act as the apex regulatory body for the Mortgage Finance Industry. The financing function of the Federal Mortgage Bank of Nigeria was carved out and transferred to the Federal Mortgage Finance, while the FMBN retains its regulatory role. FMBN is under the control of the Central Bank of Nigeria.

### **Financial Services Co-ordinating Committee (FSCC)**

The Committee was established in 1998 and charged with the primary responsibility to promote safe, sound and efficient financial sector in the country. Its membership is drawn from the key regulatory and supervisory institutions in the nations financial system, namely, Central bank of Nigeria (CBN), Security and Exchange Commission (SEC), National Insurance Commission (NAICOM), Corporate Affairs Commission (CAC) and the Federal Ministry of Finance. This committee chaired by the Ministry of Finance co-ordinates the activities of all regulatory institutions in the financial system.

## **THE MONEY MARKET AND ITS INSTITUTIONS**

This is a market for short-term debt instruments. The major function of the money market is to facilitate the raising of short-term funds from the surplus sectors to the deficit sectors of the economy. The deficit units, which could be public or private, obtain funds from the market to bridge budgetary gaps by either engaging in inter-bank taking or trading in short-term securities such as Treasury Bills, Treasury Certificates, Call Money, Certificates of Deposit (CD), and Commercial Papers (CP). With the commencement of Open Market Operations (OMO) by the CBN, the scope of the money market has been expanded. The number of participants in the market also increased with the establishment of five discount houses. Money market institutions constitute the hub of the financial system. These institutions include discount houses, commercial and merchant banks, and special purpose banks, like the Nigerian Agricultural Co-operative and Rural Development and Community banks.

### **Discount Houses**

A discount house is a special, non-bank financial institution intervenes in mobilizing funds for investments in securities

in response to the liquidity of the system. It does this by providing discount/rediscounting facilities in government short-term securities. In the process of shifting the financial system from direct market-based monetary control, discount houses were established to serve as financial intermediaries between the CBN, licensed banks and other financial institutions. Some of the discount houses currently in operation in Nigeria include First Securities Discount House Limited, Express Discount House Limited, Associated Discount House Limited, Kakawa Discount House Limited and Consolidated Discount House Limited.

### **Universal Banking**

CBN has approved the introduction of Universal Banking in Nigeria. Since the release of the guidelines, more than ten banks have converted to universal banking status. Thus, such banks operate Commercial and Merchant functions.

### **Commercial and Merchant Banks**

Commercial and Merchant Banks operate under the legal framework of the Banks and other Financial Institutions (BOFI) Act 25 of 1991 (as amended).

Commercial banks perform three major functions, namely, acceptance of deposits, granting of loans and the operation of the payment and settlement mechanism. Since the Government commenced active deregulation of the economy in September 1986, the commercial banking sector has continued to witness rapid growth, especially in terms of the number of institutions and product innovations in the market.



Merchant banks take deposit and cater for the needs of corporate and institutional customers by way of providing medium and long-term loan financing and engaging in activities such as equipment leasing, loan syndication, debt factoring and project advisers to clients sourcing funds in the market. The first merchant bank in Nigeria, Nigerian Acceptance Limited (NAL), started operations in 1960.

Currently, there is a general banking operation. With this banks performs multiple operations whether commercial or merchant operation

### **Community Banks**

A community bank in Nigeria is a self-sustaining financial institution owned and managed within a community to provide financial services to that community. The National Board for Community Banks (NBCB) processes applications for the establishment of community banks. The first community bank commenced operation in December 1990. Since then, NBCB has issued provisional licences to 1,366 community banks and are expected to be issued final licences by the CBN after operating for two years.

### **PROCEDURES FOR ESTABLISHING A BANK IN NIGERIA**

1. Any person desiring to undertake banking business in Nigeria shall apply in writing to the Governor for the grant of a licence and shall accompany the application with the following:
  - A feasibility report of the proposed bank;

- A draft copy of the memorandum and articles of association of the proposed bank;
  - A list of the shareholders, directors and principal officers of the proposed bank and their particulars;
  - The prescribed application fee and
  - Other information, documents and reports as the bank may, from time to time, specify
2. After the applicant has provided all such information, documents and reports as the bank may require the shareholders of the proposed bank to deposit with the bank a sum equal to the minimum paid-up capital that may be applicable.
  3. Upon the payment of the 25billion Naira paid-up capital, the Governor may issue a license with or without conditions or refuse to issue a licence and the Governor need not give any reason for the refusal.
  4. Where an application for a licence is granted, the bank shall give written notice of that fact to the applicant and the licence fee shall be paid.

Please for more information, visit Central Bank of Nigeria Website: [www.cenbank.org](http://www.cenbank.org)

## **THE CAPITAL MARKET**

The Nigerian Capital Market is a channel for mobilising long-term funds. The main institutions in the market include the Securities and Exchange Commission (SEC), which is at the apex and serves as the regulatory authority of the market, the Nigerian Stock Exchange (NSE), the issuing houses and the stock-broking firms. To encourage small as well as large-scale enterprises gain access to public listing, the NSF operates the main exchange for relatively large enterprises

and the Second-Securities Market (SSM), where listing requirements are less stringent, for small and medium scale enterprises.

Given its operations both in the primary and secondary markets, the **Nigerian Capital Market** has recorded phenomenal growth in the first twenty years of its formal existence. The equity market capitalisation of N1.70 billion and listed equities of 92 in 1980, have risen to N472.9 billion and 196 listed equities at the end of 2000. 21 new issues valued at N16.71 billion were raised from the market to fund various expansion and developmental projects in the country in the year 2000.

**Unit Trusts Scheme** also operates on the market for the purpose of mobilising the financial resources of small and big savers and managing such funds to achieve maximum returns with minimum risk. Currently, there are 14 Unit Trust operations in the market.

#### **Major Participant in the Nigerian Capital Market**

- The Securities and Exchange Commission (SEC), which is responsible for the overall regulation of the entire market.
- The Nigerian Stock Exchange (NSE), a self-regulatory organization in NCM that supervises the operations of the formal quoted market.
- Market Operators, this consists of the Issuing Houses (Merchant Banks and Stock broking firms), Stockbrokers, Trustees, Registrars, etc.
- Investors, Insurance Companies, Pension Fund, Unit Trusts (Institutional Investors) and Individuals.
- The Central Bank of Nigeria (CBN).
- The Federal Ministry of Finance

## **How to Access the Nigerian Capital Market**

When a company or government wants to use the Capital Market to raise long-term funds, it must consult an issuing house or stockbroker. These specialists provide the company/government with financial advisory services. It is their duty to study the company's performance over the years in order to determine its financial needs. More so, they do not only advise on the best option, they undertake total financial restructuring of the company before introducing the facility to the company.

The issuing house and the stockbroker liaise with the other parties – Registrars, Trustees, Auditors, Reporting Accountant, and Solicitors etc. to produce a marketing document known as the **PROSPECTUS**. The Prospectus is the document the public relies on for making investment decision. Necessary approvals from SEC and other bodies are obtained. If the financial option involves listing on the Stock Exchange, the brokers to the issues ensures that all necessary approval with the Exchange are also obtained since only stockbrokers can introduce issues to the Exchange.

On the completion of the offer, the proceeds of the issue are handed over to the company for executing the proposed business programme on long-term investment and the securities is listed on the Daily Official list of the Exchange.

For individuals wishing to invest in the Capital Market in form of buying shares, what they need do is to consult a Stock broking firm and register with the broking firm. For more information on investing in the Nigerian Capital Market contact: [www.nigerianstockexchange.com](http://www.nigerianstockexchange.com)

## **DEVELOPMENT FINANCE INSTITUTIONS (DFIs)**

Specialised banks or development finance institutions (DFIs) were established to contribute to the development of specific sectors of the economy. In order to enhance their operations and make their efforts felt in the economy, most of the former DFIs in the country have been merged and restructured. The DFIs from the merger and restructuring are the Bank of Industry (BOI) and the Nigerian Agricultural Co-operative and Rural Development Bank (NACRDB). The two banks provide soft loans to industrialists and those engaged in agro-allied ventures. Other existing DFI's are Federal Mortgage Bank (FMB), Urban Development Bank (UDB) and Education Bank (EB) to cater for the sectors reflected in their names.

## **OTHER FINANCIAL INSTITUTIONS AND FUNDS**

There are other institutions and funds within the financial system that play important intermediating roles. The institutions include:

### **Insurance Companies**

There are many insurance companies, consisting of life and non-life as well as those, which engage in both activities, and reinsurance firms. They mobilize relatively long-term funds and act as financial intermediaries. Their investments are mainly in government securities and mortgage industry. The Nigerian insurance industry has grown tremendously over the years. The funds were sourced mainly through reduction in outgoing and other assets which together account for 80.8 per cent of total funds. The National Insurance Commission was established to provide insurance cover for insurance companies. In addition, the Commission

is expected to assist the government in achieving its economic and social objectives in the field of insurance and re-insurance. All registered insurance companies in Nigeria are required to reinsure 20% of premium collected with the National Insurance Commission.

The potential investors in insurance business should contact Nigerian Insurance Commission (NAICOM) for the licensing procedures.

### **Finance Companies**

Finance companies are institutions that specialise in short-term, non-bank financial intermediation. They mobilise funds from the investing public in form of borrowing and provide, among others, facilities for Local Purchase Order (LPO) and project financing, equipment leasing and debt factoring. The BOFI Act brought finance companies under the direct control and supervision of the CBN.

### **Bureaux de Change**

In order to broaden the foreign exchange market and improve access to foreign exchange, especially for small users, bureaux de change have been authorised since 1989. A total of 240-bureau de changes have been licensed and they are supervised by CBN.

### **Exchange Control Regulations**

Unconditional repatriation of Capital, profit and dividends is allowed, while technical fees and royalties on imported technical services and technologies are payable. Repatriation

of proceeds from disposal of assets is allowed. Foreign Exchange transactions are carried out at the Autonomous Foreign Exchange Market.

### **Primary Mortgage Institutions (PMIs)**

Primary mortgage institutions operate within the framework of Act No. 53 of 1989. PMIs mobilize savings for the development of the housing sector. Their total assets/liabilities rose to N7248.2 million in 1999. In reaction to distress in the sector, the Federal Mortgage Bank of Nigeria tightened its surveillance of the institutions by issuing "clean bill of health" to 116 mortgage institutions. The share capital requirement for new primary mortgage institutions has been raised to N20 million.

### **Nigerian Social Insurance Trust Fund (NSITF)**

The main objective of the Fund is to adopt a more comprehensive social security scheme for Nigerian private sector employees. The scheme was established to replace the defunct National Provident Fund (NPF) as a compulsory pension scheme for non-pensionable public servants and employees in the organised private sector. Nigerian private sector employees are required to contribute 2.5 percent, while their employers are to contribute 5 per cent of the gross monthly emolument to NSTIF. Workers in enterprises employing more than 25 persons are to be automatically registered by their employers.

The Nigerian financial System has undergone some remarkable changes in recent times. Some of these developments include the promulgation of the Failed Banks (Recovery of Debt) and Financial Malpractice in Banks Decree No. 18 of 1994. This is to facilitate the prosecution of

those who contributed to the failure of banks and to recover the debt owed to the failed banks. Another major development was the inauguration of a Financial Services Regulatory Coordinating Committee (FSRCC) by the CBN in 1994. The aim is to coordinate and standardize the regulatory policies of all financial institutions in the system with a view to evolving coherence and comprehensiveness. The CBN also granted forbearance to finance companies operating in Nigeria whereby they were given a maximum of four years to amortize their classified assets portfolio against their current profits.



## **PRIORITY AREAS OF INDUSTRIAL INVESTMENT**

### **AGRICULTURE**

The main policy here is sufficiency in food production and surplus for use as industrial raw materials for export. The priority areas include: -

- i) all aspects of direct agricultural production, but in particular, rehabilitation of groundnut, cotton, cocoa and oil palm production, fish production and forestry;
- ii) investment in processing of agricultural produce and storage facilities;
- iii) investment in processing of agricultural input supply and distribution;
- iv) agricultural mechanization e.g. adoption and use of farm equipment (such as bulldozers, tractors, etc) including the provision of land clearing and land preparation services;
- (v) agricultural support activities including research and funding of research activities;
- vi) water resources development, especially for irrigation and flood control infrastructures along river basins;
- vii) development of earth dams and construction of wash bores and tube wells;
- viii) development and fabrication of appropriate small-scale and mechanised technologies for both on-farm processing (e.g. threshing) and secondary processing of agricultural produce for consumption or storage.

### **MANUFACTURING INDUSTRIES**

The priority areas of industrial investment which are favoured in the administration of government industrial incentives are those described here-below:

- (i) Industries which can either immediately or in a few years time source their raw materials locally e.g. in the agro and agro-allied sub-sectors for which there are abundant natural resources in Nigeria, including food preparations, e.g. fruit drinks, cereal milling, feed mills and vegetable oil processing;

(ii) Industries which support food production programmes through local manufacture of chemicals, equipment and light commercial vehicles in particular, and chemical as well as petrochemical based manufacturing industries in general;

(iii) Industries with multiplier effect such as flat sheet mills and machine tools industry including foundries and engineering industries for spare parts production;

(iv) Basic industries and petrochemical and liquidified natural gas projects in which the government welcomes foreign partners;

(v) Processing of local agricultural produce and minerals into industrial raw materials as manufactured intermediate goods required by existing industries in Nigeria;

(vi) Investment in research institutes particularly in the area of adaptive research and commercialization of local inventions;

(vii) There are nine (9) priority sub-systems that possess the ability to stimulate the laying of a favourable industrial base and provide a catalyst to industrialization in Nigeria. These pilot sub-systems are: -

- foundry and forges;
- metal fabrication;
- pharmaceutical;
- food processing;
- leather and leather products;
- textiles and wearing apparels
- non-metallic building materials - bricks, ceramics and glass.

The Government of Nigeria welcomes investors' participation not only in these but also in the following project areas: -

- gemstone cutting and polishing;
- gold processing;
- mineral beneficiation plants for gypsum talc, kaolin, marble, dolomite, baryte;
- mini-sugar production plants;
- cement production;

- lead and zinc;
- refractory bricks;
- processing of salt from sea water;
- sodium tripolophosphate production;
- small/ medium scale plant for sheet metal production;
- long fibre pulp/kraft paper production;
- bottled mineral water;
- mining of industrial minerals;
- telecommunications.

## **EXPORT MANUFACTURING**

In recent studies by the Federal Ministry of Industry, activities identified in respect of export market potential include:

- (a) Agricultural produce processing, food and beverages;
- (b) Textiles: yarn /textiles, apparel, leather and products of leather (including footwear of rubber and plastics);
- (c) Wood: furniture;
- (d) Paper, paper products;
- (e) Iron and steel, non-ferrous metals;
- (f) Fabricated metal products, and
- (g) Consumer durables.

It is recommended that industries in Nigeria should specialize in these sectors in which it is found that Nigeria has comparative advantage relative to the operation of such industries in other countries.

## **MINING AND MINERAL EXTRACTION (NON-OIL)**

There are tremendous opportunities in this sector also, and government has invested heavily in the generation of vital information on minerals? Outstanding among these are coal, gypsum, barytes, kaolin and talc. Nigeria has one of the best quality coal deposits in the world with the lowest sulphur content. The names, location, quantity and possible industrial exploitation of some solid minerals are as follows: -

- (i) **Barytes** : 41,000 and 70,000 tonnes of which are found in Benue and Plateau State respectively, are used as inert

volume and weight filler in drilling mud, rubber, glass, paper, etc. or as extender in the plant industry, and as chemicals in the manufacture of glass, heavy printing paper and plastics;

(ii) **Coal** : 82.2 million tonnes, 189 million tonnes and 32 million tonnes of which are found in Enugu, Benue and Plateau States, respectively. It is used as fuel and in industrial production of tar, gas and non edible oils;

(iii) **Diatomite**: 200,000 tonnes of which are found in Borno State; is used in making insect control powder, bond for furnace brick walls and mineral fillers and filters;

(iv) **Lignite**: 71million tonnes of which are found in Delta State; is used in industrial production of tar, gas, oils and (nitrate) fertilizer;

(v) **Columbite**: 14,223 tonnes of which are found in Plateau State; is used in forming alloys that are useful in nuclear, aerospace and gas turbine engineering;

(vi) **Iron Ore**: 30.48 million tonnes, 182.5 million tonnes and 45.72 million tonnes of which are found in Agbaja in Plateau State, Okene in Kogi State and Enugu State, respectively, is used for making steel, transformer and motor cars, ferrous sulphate from waster liqueur of the steel picking process or by the direct reaction, metals for electrical shielding, electro-magnetic devices, electric bells, electric fan cage, equipment rack, instrument body, engineering works, hydrated salt, iron oxide pigments, various salts of iron and ferrites and chemicals;

(vii) **Tin**: 10,546 tonnes of which are found in Plateau State; is employed in plating, production of tin oxide used in paint, paper and ink industries, production of tin oxide resistors, electric lead wires.

## **NIGERIA EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE**

The Extractive Industry Transparency Initiative (EITI) in Nigeria is the Nigerian subset of a global initiative aimed at following due process and achieving transparency in payments by Extractive Industry (EI) companies to governments and government linked entities.

President Olusegun Obasanjo launched the EITI in Nigeria in February 2004. The National Stakeholders Working Group (NSWG) comprising of 27 individuals from civil society, media, government, indigenous, national and multinational companies, steers the implementation. The EITI Nigeria Secretariat in the Presidency has day to day responsibility for implementation.

EITI Nigeria consists of an Independent Audit of Revenues and Payments in Nigeria's Extractive Industry; and the publication of all information and data on the extractive industries through a grass-root based communication strategy and through the engagement of rural communities and regional civil society groups.

EITI Nigeria is laying the foundations for an open and transparent extractives sector that will make the needed changes irreversible. In line with the reform efforts embarked upon by the present administration, EITI Nigeria has quickly moved from rhetoric to implementation.

### **Audit of the Oil Sector**

Already a consultant with EITI experience had been appointed through open international tender to prepare the terms of reference for a full audit of the oil sector. It will also advise on developing a communications strategy and a bill to give EITI legal backing.

### **EITI Bill**

With the passage of the EITI bill, it is now mandatory for annual revenue/tax audits to be undertaken in the extractive industries sector. Oil companies are now legally required to disclose all payments. The recently established Oil Revenue Monitoring Unit has also been made independent of the Federal Ministry of Finance.

### **Engaging Civil Society**

The process of preparation and consensus building is important. The Government of Nigeria has been clear that EITI in Nigeria is for the benefit of the Nigerian people not the international community. They are consequently seeking to build a wide consensus behind EITI and have co-opted a range of organisations, including the media, labour and NGOs, on to the EITI steering group. The dialogue is being extended to other civil society organisations, including some from the [Publish What You Pay](#) campaign.

### **ELECTRIC POWER PRODUCTION**

Nigeria has 6,000MW of installed generating capacity, however, the country is presently generating about 3,000 MW because most facilities are inadequate. The country has proven gas reserves and around 8,000MW of hydro development has been planned. Nigeria has plans to increase access to electricity throughout the country to 85% by 2010. This would call for 16 new power plants, approximately 15,000km of transmission lines, as well as distribution facilities. At present only 10% of rural households and 40 % of the country's total population have access to electricity.

The Nigerian government is in the process of privatising existing facilities. The Nigerian Electricity Power sector is being reformed to attract investment, improve efficiency, and encourage private sector participation. The National Electric Power Authority (NEPA) the national Power Holding Company has been unbundled into 18 firms. The 18 offshoots include six generation companies, one Transmission Company and 11 distribution companies to be privatized or concessioned as the case may be. Two generation companies and three distribution companies will be privatized between February and December 2006.

A regulatory body which will among other things provide a conducive environment for long term development of the

sector and supervise the sector as well as private sector participation in Transysco is scheduled to commence in December 2005.

Although there is already an element of private participation in the operations of the electricity sector, such as the independent power projects (IPP), Revenue Cycle Management (RCM), the involvement of private sector will now be driven faster with the incorporation of the holding company.

Investors are therefore invited to invest in the following areas of the power sector:

- Generation
- Solar Energy Development
- Cables and Wires Manufacturing
- Electrical Meters
- Transformers
- Electrical Construction, etc.

## **FINANCIAL SECTOR**

The Nigerian financial system has undergone some remarkable changes in recent times. Some of these developments include the promulgation of the Failed Banks (Recovery of Debt) and Financial Malpractice in Banks Decree No. 18 of 1994. This is to facilitate the prosecution of those who contributed to the failure of banks and to recover the debt owed to the failed banks. Another major development was the inauguration of a Financial Services Regulatory Coordinating Committee (FSRCC) by the CBN in 1994. The aim is to coordinate and standardize the regulatory policies of all financial institutions in the system with a view to evolving coherence and comprehensiveness. The CBN also granted forbearance to finance companies operating in Nigeria whereby they were given a maximum of four years to amortize their classified assets portfolio against their current profits.

The Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree established an autonomous foreign exchange market. The Decree empowers the Central Bank of Nigeria, with the approval of the Finance Minister, to issue guidelines to regulate the procedures for transactions in the market as well as other matters, which may enhance the effective operation of the market. The decree provides for any convertible foreign currency to be traded in the market. It also allows an individual, resident in or outside Nigeria, to invest in any security in Nigeria.

Investment Opportunities in the Financial Sector exist in the following areas:

- Commercial banking
- Merchant Banking
- Discount House
- Development Banking
- Finance House
- Insurance
- Bureau de Change
- Primary Mortgage Institutions
- Micro-Finance Institutions, etc

### **PRIVATISATION & PRIVATISATION POLICY**

The Federal and State governments had in the past endeavoured to play an active catalytic role in the economy by initiating and acting as sizeable stakeholders in a number of core industries.

The 1997 Budget announced that all laws that inhibit competition in certain sectors of the Nigerian economy would be repealed. Accordingly, with effect from 1998, private sector investors are now free to join or compete with government-owned utility corporations.



The Public Enterprises Promotion and Commercialisation Act, authorises the partial privatisation of government enterprises in the following sectors:

- Telecommunications;
- Electricity (generation and distribution);
- Petroleum refining;
- Coal and bitumen production (mining, processing and export);
- Tourism generation (tour and travels and hospitality).

Within the context of the liberalization policy, both foreigners and nationals are free to participate and invest in the privatization of the public enterprises. In this regard, the Federal Government constituted the National Council on Privatisation under the chairmanship of the Vice President of the Federal Republic of Nigeria to oversee the privatization programme being implemented by the Bureau of Public Enterprises (BPE). The exercise is expected to accomplish in three phases as follows:

Phase I: This phase, which has already been concluded, had on its bill, Commercial and Merchant Banks and Cement plants that are already quoted on the Nigerian Stock Exchange.

Phase II: Enterprises billed on this stage are Hotels and Motor Vehicle plants.

Phase III: Included in phase three are NEPA, NITEL, NAFCON, Nigerian Airways, Petroleum Refineries.

The privatization of the Public Enterprises is one of the important elements of Nigeria's economic reforms through which the hitherto commanding heights of the economy are being transferred to the private sector. The key strategies of the privatization programme include:

- Market the right public enterprises to the right strategic investors with the appropriate financial resources and technical-cum-managerial competence at the right prices
- Utilize the best global practices
- Apply a wide range of sales methods e.g. core investor, public offer, concession etc as considered relevant to each enterprise
- Assure transparency in the application of the established procedures for privatising each enterprise

In this respect, the government of Nigeria has continued to improve the enabling environment for the success of the Privatization programme to the delight of the investors. Some of these efforts include:

- Crimes Commission Act
- Economic and Financial Crimes Commission Act
- Money Laundering (prohibition) Act
- Competition and Anti-Trust Bill
- Energy/Electricity Reform Bill
- Labour Reform Bill
- Extractive Industries Transparency Initiative
- Independent regulatory commission for each sector
- Port reforms
- Generous tax holidays
- Highly skilled local manpower
- Improved capacity building in the Bureau of Public Enterprises (BPE) for the effective management of the privatization processes
- Open, fair and just engagement of all relevant stakeholders for all enterprises, including labour and environmental issues, with the support of the World Bank and other agencies
- Guarantees from the World Bank, Multi-lateral Investment Guarantee Agency and Overseas Private Investment Corporation, and
- Political will and commitment at the highest level of government

In the past five years, over 25 public enterprises have been privatized in Banks, Insurance, Cement and Sugar manufacturing, Oil & Gas, Hospitality, Shipping, Vehicle assembly and media sectors of the economy. The following Table shows the Stock Market performance of some of these privatized enterprises:

## **INFRASTRUCTURE**

### **TRANSPORT**

Government realises that safe and efficient transportation systems are vital to the nation's continued economic development. It does not only play a key role in the nation's capacity to participate in the global economy, but also crucial in ensuring the well being of its communities and people. Government Policy Thrust is therefore directed at a revitalised, modernised, dynamic and sustainable transport sector through Public-Private Sector partnership.

Economic factors and national political considerations over the years, has led to the dominance of the public sector in providing investible resources for development of the sector. Thus, Government assumed responsibilities for the provision of infrastructural facilities, allocation of financial resources, institution of regulatory framework and operation and provision of transport services.

Government intends to privatise the transportation sector in line with the Transportation Master Plan without abdicating its responsibility of retaining the core values of social goals, which are not amenable to market forces. Government will seek greater involvement of the private sector in management and financing of transportation infrastructure-air, railway, roads, ports, inland waterways.

The National Transport Policy, which gave rise to the Transport Master Plan, adopts an inter-modal, integrated, holistic, reinforcing and organic system of approach for the development of the sector. The approach took into consideration the needs of the people- considering that about 85% of Nigerians live in the rural areas, the relevant response to their needs would be a Mass Transit System for example rail- and government is not shying away from this. Opportunities therefore abound for investors who wish to

engage in mass transportation business in any of the modes of transportation.

Nigeria's transportation network was potentially one of the best in Africa, featuring an extensive system of paved highways, railroads, airports, and ports

## **CAOSTAL, INLAND WATERWAYS & MARITIME TRANSPORT**

### **Maritime Services**

- i. Self-run Terminal
- ii. Ultra-modern Multipurpose Bulk terminal
- iii. Specialised Trans-shipment
- iv. Management and Maintenance of cargo handling plants equipment terminal on purely commercial basis
  1. Ship acquisition/Procurement
  2. Joint Venture with Nigerian indigenous shipping lines
  3. Ship building and repairs.

### **Inland Water Ways Transport**

- i. Investment in the rehabilitation and modernisation of the National Inland Waterways Authority (NIWA) dockyards in Warri and Lokoja.
- ii. Operation of ferries along the NIWA networks connecting creeks and rivers
- iii. Provision of navigational aids and communicational equipment
- iv. Purchase/Ownership of various categories of operational vessels

### **Coastal and Inland Shipping**

Nigeria is blessed with a coastline of about 870km and about 3,000 km of inland waterways. The country is equally blessed with enormous natural resources which economic value in terms of foreign earnings is directly related to the maritime component. Oil & Gas sector is presently the

predominant sector in Nigeria short sea trade and is estimated to constitute about 95% of coastal and inland shipping while fishing trawlers and break bulk carriers make up the remaining 5%. This presents enormous coastal trade opportunities for shipping companies in Nigeria.

In order to develop this viable operation, the Coastal and Inland Shipping (Cabotage) Act 2003 was enacted. The Act is part of the deliberate drive by government to create opportunities for increased Nigerian participation in all sectors of the economy.

### **Port Services**

The Nigerian Ports Authority (NPA) was established in 1984 to provide an integrated approach to national port administration. The major ports in Nigeria are: Apapa & Tin Can Island (Lagos State), Port Harcourt (Rivers State), Onne (specialised port for oil & gas, Rivers State), Warri (Delta State), Calabar (Cross River State), Roro (Rivers State).

The establishment of the rightful ownership of goods received at the ports brings into focus a number of procedures, documentation and the duty to safeguard the consignments until they are delivered to the owners. In consonance with its objectives, government has put in place, the following reforms to achieve high productivity and user-friendly environment to attract traffic to the seaports:

- ◆ Replacement and modernisation of obsolete port handling equipment: new cargo handling have been acquired and installed at all ports;
- ◆ Review of port tariffs and charges: prevailing tariffs and charges have been simplified to allow for flexibility and competitiveness in the sub-region while its policy of no charge for services not rendered is seriously being pursued;

- ◆ Computerisation of port operations: inline with the reform programme, all the ports are being computerised, with that of Apapa and Roro ports completed. In effect, the authority is sustaining its drive at ensuring clearance of cargo within 48hours of arrival.

### **Inland Container Depots**

In an effort to decongest major ports in the country, 5 (five) inland container depots have been opened for operations. These are situated in Kaduna (Kaduna State), Kano (Kano State), Aba (Abia State), Jos (Plateau State) and Ifo (Ogun State).

### **RAIL TRANSPORT**

The Nigerian rail network spans through a total 3,798km from Lagos in the south-west to Port Harcourt in the south-south, up to Kano in the north central zones of the country. This network service over 2.5million passengers and 1million metric tonnes of freight annually. This network also covers the Itakpe – Ajaokuta – Warri axis primarily servicing the iron ore and steel plants. The existing rail network is being proposed to be extended to Abuja and other industrial corridors – Lagos – Abuja, Abuja – Kaduna, Minna – Abuja, Aba – Uyo – Calabar East – West. Presently, the rail system has 3362 wagons, 600 coaches and 170 locomotives.

The facilities available have proven to be inadequate. With a view to enhancing its market value for eventual privatisation, government is executing rehabilitation and upgrading of old rail tracks, installation of modern electrical and semi-automatic block signalling. Acquisition of modern locomotive, coaches and wagon are also being pursued.

### **AVIATION**

The Nigerian aviation industry enjoyed growth from the oil boom period of the 1970s. During the period, the industry metamorphosized into a multi-faceted, profit driven sector of

the national economy. There was tremendous growth in number of operators, airports and passenger traffic. However the industry witnessed serious decline due mainly to growing cost, poor management, bad policies and unfriendly investment environment.

The Nigerian Civil Aviation Policy was developed in 1999. The policy was designed to promote the establishment of a safe, efficient, reliable, dynamic, customer-focused, market-driven, self-sustaining, high-tech industry, which would grow at an average minimum rate of 7% per annum, thereby making significant contribution to Nigeria's GDP.

Nigeria is dotted with over 70 airports, five of which are international and the others in the domestic category. The five international airports are: Murtala Mohammed Airport (Lagos), Nnamdi Azikiwe Airport (Abuja), Port Harcourt Airport (Port Harcourt), Mallam Aminu Kano Airport (Kano) and Enugu International Airport (Enugu).

With the deregulation of the domestic airline industry, private sector initiative has intensified in the Nigerian civil aviation industry. The stage is now set for a vibrant and profitable aviation sector. Presently, there are over 29 airlines plying the domestic route in different service categories ranging from charter cargo service, oil-support service, charter passenger service and scheduled passenger service. Some of these airlines are: Easy Link Aviation; Chanchangi Airlines; Dormier Aviation Nigeria AIEP (DANA); Pan African Airlines; Aero Contractors Nig. Ltd.; Overland; Bristow Helicopters; Bellview Airlines; Skypower Express Airways; Afrijet; Savannah Airlines; Premium Air Shuttle; Associated Airlines; Chrome Air Service; Nigeria Airways; Fresh Air Ltd.; and Kabo Air. Others include King Air and Travels Ltd.; ADC Airlines Plc.; Wings Aviation; IRS Airlines; DASAB Airlines, Earth Airlines; Sosoliso Airlines and EAS Airlines. Others are Sky Executive Airlines, Falcon Airlines, Freedom Air Services, Nexus Aviation and Virgin Nigeria.



This has resulted in intense competition among the key airline operators in the industry, especially in the area of value-added services, customer care and safety facilities available.

Today, the Nigerian aviation industry needs improved funding, and more investment in technology to give the sector the capacity to profitably meet the needs of a fast growing market and fit into the global aviation industry of the 21<sup>st</sup> century. The new vista of democratic experience in Nigeria has created an investors haven.

### **National Carrier**

In line with government desires to make private sector participation as the pivot of Nigerian's economy re-engineering, a fully private sector carrier had been named as the official national carrier - Virgin Nigeria. Its inaugural flight was to London via the Heathrow Airport on June 28, 2005.

### **Regulatory Agency**

The Nigerian Civil Aviation Authority (NCAA), is responsible for regulating the methods of entry and conduct of air transport business, ensure the safety of aircraft operations, monitor aircraft operating environment and play advisory roles to the Aviation Ministry.

### **Airspace Management**

The Nigerian Airspace Management Agency (NAMA), was created vide Act No.48 of 1999 of the Federal Republic of Nigeria, to develop the Nigerian Airspace to a level consistent with the requirements of the ICAO Standards And Recommended Practices (SARPS). The Agency therefore is saddled with the provision of Air Traffic Management to ensure a safe, efficient, expeditious and economic flight operations.

In compliance with this mandate, the NAMA has set a vision on making the Nigerian Airspace rank among the safest airspaces in the Africa-Indian Ocean Region and indeed, the world over.

Nigerian Airspace Management Agency's implementation of the roles contained in the Act (decree) establishing it is guided by the following principles:

- Aircraft operating agencies and the flying public are our primary customers and must be given the highest quality service.
- Aviation equipment manufacturers and other related agencies are those we rely on for our operational equipment/services.

### **Bilateral Air Service Agreement (BASA)**

Nigeria has signed Bilateral Air Services s Agreement (BASA) with some friendly countries, while negotiation continues with some others. The Agreement is to regulate the operation of scheduled air services between and beyond their respective terminals. Some of the countries that the Agreement have been signed with are: United Arab Emirate, Niger Republic, Kenya, Yemen, United Kingdom, the Netherlands, and United States of America, among others.

The negotiation with the UK had led to the entrenchment of the dual designation clause, which subsequently designated Virgin International Airlines as the second UK carrier on the London-Lagos route.

### **ENERGY**

The overwhelming objective of the Electric Power Policy is to ensure that Nigeria has an Electricity Power Supply Industry (EPSI) that can meet the needs of its citizens in the 21<sup>st</sup> Century. This will require a fundamental reform at all levels of the industry. A technically and commercially efficient EPSI is critical for achieving Nigeria 's growth and development goals.

The priority is to create an efficient market structure with a clear regulatory framework, that encourages more competitive markets for electricity generation and sales (marketing), which at the same time, is able to attract private investors and ensure economically sound development of the system. The Private Sector Participation (PSP) is being encouraged through the following legal framework:

- Build-own-operate (BOO): The private agent retains the ownership of the facility and the right to operate it for an indefinite period of time.
- A similar arrangement is the Independent Power Producer (IPP), under which the private sector sells power to the government grid, without formal previous obligation to limit its profit or eventually surrender ownership of the facility.
- Build-operate-transfer (BOT): The private agent builds the facility and retains ownership and the right to exploit for a specified period of time, thus recovering construction, operating, and financial expenditure. At the end of the period, ownership reverts to the state at a symbolic cost.
- Build-transfer-operate (BTO): The private agent transfers ownership of the facility to the State after completing the construction stage, and operates it thereafter.
- Rehabilitate-operate transfer (ROT): Under this arrangement, government has also gone into negotiation with a number of private companies for the repairs and expansion of dilapidated power infrastructure.

This structural reform has resulted in the execution of Power Purchase Agreements (PPA) with some power producing and energy companies such as:

- i. Agip Nigeria Plc
- ii. America Energy Services (AES) for 270MW
- iii. Aggreko for 35MW Emergency Power
- iv. Geometric Renatech LLC for 15MW Emergency power.

This will ensure that the Nigerian electricity sector meets current and future electricity demands in an efficient and economically viable manner. The involvement of the private sector thus entails the need for adequate regulatory framework for the industry. To achieve this, the erstwhile National Electric Power Authority had been unbundled, giving rise to a new enterprise named Power Holding Company of Nigeria Plc (PHCN). The new structure has 11 (eleven) Distribution Business Units, 1 (one) Transmission Company (TransysCo) and 6 (six) Generating Companies. All these business units are semi-autonomous. The industry regulatory body is also being formed.

### **Electricity Generating & Supply Capacity Generation**

The generating plants include hydroelectricity and thermal: steam plant and open cycle gas turbines. Of about 6,000MW installed capacity, the nation achieved and has sustained a 3,000MW generation since June 2002.

The installed capacity is as follows:

#### **PHCN Facilities**

5 Thermal Power Stations	3,672MW	
3 Hydroelectric Power Stations	1,938 MW	
Total Installed capacity	5,610MW	(From 8 generating stations)

IPPA Facilities 896MW (2004)

### **Transmission & Dispatch**

Transmission Voltage levels of 330Kv Twenty-five sub-stations

Eighty-nine sub-stations of 132Kv

Length of Transmission Lines 5,000Km of 330Kv lines

6,000Km of 132Kv lines

Total Transformer Capacity 7,000 MVA

Frequency Control Policy 50Hz +/- 0.4%

Voltage Control policy 330Kv +5% and -15%  
132Kv +10% and -15%

National Control Centre Oshogbo, Osun State

Supplementary National Control Centre Shiroro, Niger State

### Distribution

The network facilitates the distribution of power to the industrial, commercial and residential consumers in Nigeria and in neighbouring Niger Republic.

Distribution Voltage Levels: 33KV, 11KV & 0.415KV

Length of Distribution Lines 37,173 Km of 33Kv lines  
29,055 Km of 11KV lines

70,799 Km of 415V lines

Total Transformer Capacity 14,400 MVA

Frequency Control 50Hz +/- 10%

### Profile of Power Stations

Name of Station	Commissioned Date	Installed Capacity (MW)	Number of Generating Units	Type
Kainji Power Station	1968	760	8	Hydro station
Jebba Power Station	1985	587	6 x 95MW	Hydro station
Shiroro Power Station	1989	600	4 x 150MW	Hydro station
Afam Power Station	1963	972	20	Thermal Station (gas)

					fired)
Egbin Station	Power	1984	1,320	6 x 220MW	Thermal Station (Steam turbine)
Delta Station	Power	1966	600	20	Thermal Station (gas fired)
Sapele Station	Power	1978	600	20	Thermal Station (gas fired)
Ijora Station	Power	1920s	60	-	Thermal Station (gas fired)

**Source: PHCN**

## **INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) SECTOR**

Government intends to create incentives to expand access to information and communication technology, which will facilitate accelerated development of the sector in order to short-circuit the longer span of development.

Government is encouraging local production of ICT equipment and materials (computers, telephones, televisions etc). Government also intends to encourage the development of payment systems, which will facilitate the growth of electronic commerce.

The Act setting up the Nigerian Communication Commission (NCC) and the National Telecommunication Policy approved in October 1999 set the strategies and guidelines for the modernisation, expansion and improvement of telecommunication network and services so that the industry's impact and the contribution to national development would be enhanced. This has to do with designing and implementing **network development**

**projects that would yield a minimum of 2 million lines by the year 2005.**

With the deregulation of the industry, NITEL PLC and M-TEL which are Government-owned, are being privatised to create a level- playing ground for the services providers and thereby ensuring the attainment of Government policy objectives.

With the liberalisation of the sector, comes the need for adequate regulation. The NCC was therefore established to promote and regulate operations within the sector. Since the auctioning of license for Global Mobile Communications System in 2001, the sector had witnessed tremendous growth both in number of service providers and subscribers. The table below detailed the progressive growth the sector had achieved.

<b>SERVICE CATEGORY</b>	<b>NUMBER OF OPERATIONS &amp; SERVICE PROVIDERS</b>						
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Mar. 2005</b>
National Carriers	1	1	1	2	2	2	2
Mobile (GSM) Telephony	1	1	3	3	4	4	4
Fixed Telephone	9	16	16	17	20**	24**	24**
Vsat Network	N/A	N/A	N/A	N/A	51	52*	52*
Internet Services	18	30	30	35	35	35*	35*
	<b>GROWTH IN FIXED AND MOBILE TELEPHONE LINES AND TELEDENSITY</b>						
Fixed:							
NITEL	450,172	497,019	540,662	555,466	555,466	524,596	525,000***
PTOs	23,144	56,35	59,65	146,53	333,06	515,17	568,925

		5	9	4	8	3	****
Sub-Total	473,316	553,374	600,321	702,000	888,534	1,039,769	1,093,925
Mobile	35,000	35,000	266,461	1,569,050	3,149,472	8,500,000	9,950,000
Total	508,316	588,374	866,782	2,271,050	4,038,006	9,539,769	11,043,925
Teledensity	0.42	0.49	0.72	1.89	3.36	7.77	9.2
GROWTH OF TELECOM INVESTMENTS IN NIGERIA							
	1999	2000	2001	2002	Jun 2003	Dec 2003	Sept. 2004
Amount In US\$'Million	50	150	1200	2100	2550	4000	6080

\* Confirmed, \*\* Include 3 fixed wireless access (FWA) operators, \*\*\* Estimates, \*\*\*\* Includes estimates for some companies  
PTOs: Private Telephone Operators