

# Foreign Agricultural Investment

## Country Profile

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### Nigeria



REGION	sub-Saharan Africa
INCOME GROUP	Lower middle
POPULATION	158 million
TOTAL AREA	923 768 km <sup>2</sup>
CAPITAL	Abuja
LARGEST CITY	Lagos
GNI PER CAPITA	US\$1 190
OFFICIAL LANGUAGE	English
MAJOR EXPORTS	oil, minerals, cocoa, rubber.
MAJOR IMPORTS	manufactured goods, machinery/transport equipment, chemicals, food and live animals.



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## Acronyms

ACGSF	Agricultural Credit Guarantee Scheme Fund
AGOA	United States' Africa Growth and Opportunity Act
CAC	Corporate Affairs Commission
CAMA	Companies and Allied Matters Act
ECOWAS	Economic Community of West African States
FDI	Foreign Direct Investment
FEPA	Federal Environmental Protection Agency
GDP	gross domestic product
HDI	Human Development Index
ICSID	International Centre for Settlement of Investment Disputes
JTB	Joint Tax Board
NAFDAC	National Agency for Food and Drug Administration and Control
Naira	Nigerian currency
NALDA	National Agricultural Land Development Authority
NEEDS	National Economic Empowerment and Development Strategy
NEPZA	Nigeria Export Processing Zones Authority
NIPC	Nigerian Investment Promotion Commission
OSIC	One Stop Investment Centre
SEC	Security and Exchange Commission
TIN	Taxpayer Identification Number
UEMOA	West African Economic and Monetary Union
UNCITRAL	United Nations Commission on International Trade Law
VAT	Value Added Tax

# 1 General information

## 1.1 Foreign Direct Investment (FDI) in Nigeria

Nigeria was the largest recipient of Foreign Direct Investment (FDI) in Africa for 2007 and 2008.<sup>1</sup> Recent figures report inflows at US\$8.6 billion for 2009. FDI in Nigeria has been significantly affected by the development of the oil sector, its world price and government policies in this sector.<sup>2</sup>

### FDI inflows and stock annual data (Total US\$ millions)

	Year								
	1990	1994	1997	2000	2005	2006	2007	2008	2009
<b>FDI inflows</b>	1 003	2 287	1 642	1 310	4 978	4 898	6 087	8 249	8 650
<b>FDI stock</b>	8 539	14 985	20 089	23 786	26 345	31 243	37 330	45 578	54 228

Source: UNCTAD stat

As the largest exporter of oil and with the biggest natural gas reserves in Africa, most of the FDI into Nigeria has gone into the oil and gas sectors, although more recently in telecommunications and manufacturing as well. The most important sources of FDI have traditionally been the host countries of the oil majors. The United States is the largest foreign investor in Nigeria, concentrated mainly in petroleum/mining and wholesale trade. Other significant sources of FDI include the Netherlands, France and Italy. Chinese firms are also becoming involved in the oil sector.<sup>3</sup>

Oil and gas currently represent 95 percent of foreign exchange earnings and 80 percent of budgetary revenues.<sup>4</sup> Consequently, Nigeria faces the task of diversifying and reforming its petroleum-based economy. Through the National Economic Empowerment and Development Strategy (NEEDS) adopted in 2003, the government is explicitly seeking FDI by committing to remove barriers in the non-oil sectors, with focus on manufacturing and agro-allied industries.<sup>5</sup> NEEDS was initially planned for 2003–2007 but was revised under the current administration that took office in mid-2007. In addition to the original focus of privatization, good governance, macroeconomic stability, anti-corruption, and public service reforms, the new government modified NEEDS to incorporate the late President Yar'Adua's "Seven Point Agenda," which focused on power and energy, food security and agriculture, wealth creation and employment, mass transportation, land reform, security and education.<sup>6</sup>

In 1995, the government enacted the Nigerian Investment Promotion Commission (NIPC) Act (Decree No. 16) and the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act (Decree No. 17), which together constitute the basis of Nigeria's investment policy. The NIPC Act established the Nigerian Investment Promotion Commission (NIPC), opened almost all sectors to foreign participation and allowed 100 percent foreign ownership, with few exceptions.<sup>7</sup>

<sup>1</sup> UNCTAD, *World Investment Report 2009*, p46: [http://www.unctad.org/en/docs/wir2009\\_en.pdf](http://www.unctad.org/en/docs/wir2009_en.pdf)

<sup>2</sup> UNCTAD, *Investment Policy Review (2009)*, FDI trends: [http://www.unctad.org/en/docs/diaepcb20081\\_en.pdf](http://www.unctad.org/en/docs/diaepcb20081_en.pdf)

<sup>3</sup> UNCTAD, *Investment Policy Review (2009)*: [http://www.unctad.org/en/docs/diaepcb20081\\_en.pdf](http://www.unctad.org/en/docs/diaepcb20081_en.pdf)

<sup>4</sup> CIA, *World Factbook*, Nigeria: <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>

<sup>5</sup> UNCTAD, *Investment Policy Review (2009)*: [http://www.unctad.org/en/docs/diaepcb20081\\_en.pdf](http://www.unctad.org/en/docs/diaepcb20081_en.pdf)

<sup>6</sup> US Dept. of State, *Investment Climate Statement 2011*, Nigeria: <http://www.state.gov/e/eb/rls/othr/ics/2011/157337.htm>

<sup>7</sup> UNCTAD, *Investment Policy Review (2009)*: [http://www.unctad.org/en/docs/diaepcb20081\\_en.pdf](http://www.unctad.org/en/docs/diaepcb20081_en.pdf)

In the Doing Business 2011 summary data for Nigeria, the overall Ease of Doing Business status ranks the country 137th out of 183 economies. The table below lists the rankings by each topic and the following displays the enterprise surveys results for perceived constraints to firm investment.

### Doing Business (DB) rankings by topics

Topic rankings	DB 2010 rank	DB 2011 rank	Change in rank
Starting a business	109	110	↓-1
Dealing with construction permits	165	167	-2
Registering property	178	179	-1
Getting credit	87	89	↓-2
Protecting investors	57	59	-2
Paying taxes	131	134	↓-3
Trading across borders	146	146	No change
Enforcing contracts	97	97	No change
Closing a business	95	99	↓-4

Source: World Bank, Doing Business: <http://www.doingbusiness.org/data/exploreeconomies/nigeria>

### Top 10 business environment constraints for firms

Business environment constraints	Percentage of firms
Electricity	63.60
Access to finance	15.60
Transportation	7.50
Access to land	2.90
Tax rates	2.20
Crime, theft and disorder	2.10
Corruption	1.90
Customs and trade regulations	1.30
Practices informal sector	1.10
Political instability	0.70

Source: Enterprise Surveys: <http://www.enterprisesurveys.org/Graphing-Tool>

## 1.2 Agriculture sector and FDI

The agriculture sector employs about two-thirds of the workforce, providing livelihood for about 90 percent of the rural population<sup>8</sup> and was the leading contributor to GDP in 2009 at 37.2 percent.<sup>9</sup> Once the mainstay of the economy (accounting for over 60 percent of GDP and 90 percent of exports at the time of independence), agriculture has been neglected in favour of the oil sector.<sup>10</sup> However, oil wealth and a rich natural-resource base have not been converted into improved living standards and over 54 percent (2004) of the population continues to live below the national poverty line.<sup>11</sup>

<sup>8</sup> IFAD Rural Poverty Portal, Nigeria: <http://www.ruralpovertyportal.org/web/guest/country/home/tags/nigeria>

<sup>9</sup> African Economic Outlook, Nigeria: <http://www.africaneconomicoutlook.org/en/countries/west-africa/nigeria/>

<sup>10</sup> UNCTAD, Investment Policy Review (2009): [http://www.unctad.org/en/docs/diaepcb20081\\_en.pdf](http://www.unctad.org/en/docs/diaepcb20081_en.pdf)

<sup>11</sup> World Bank data, Nigeria: <http://data.worldbank.org/country/nigeria>

Nigeria has a total land area of 910 770 km<sup>2</sup>. Only about 30 percent of the land is currently cultivated, despite an estimated 80 percent considered suitable for crop and livestock production.<sup>12</sup> Nigeria's agricultural production principally serves domestic consumption needs.<sup>13</sup> The country has good agricultural land covering a wide range of agro-ecological zones and allowing for diverse crop and livestock production.<sup>14</sup>

Nigeria produces agricultural commodities in three major agro-ecological zones: i) the dry northern savannah where sorghum, millet, cowpeas and cattle production prevail; ii) the central moist savannah region (Middle Belt) where maize, cassava and yam are cultivated; and iii) the southern humid subtropics where cassava, maize, oil palm, yam and banana/plantain are grown. Nigeria is the world's largest producer of cassava, yams and cowpeas. Farmers also take advantage of riverine areas (often called fadama) throughout the country to cultivate horticultural products under seasonal irrigation and increasingly producing rice in improved fadama fields.<sup>15</sup> Small-scale farms dominate rural landholdings, with average farm size ranging from 0.5 ha in the humid south to 4 ha in the more arid north.<sup>16</sup>

Despite its considerable agricultural resources, Nigeria is a net importer of food and agricultural products in general.<sup>17</sup> Agriculture value added in 2007 was US\$53.7 billion, an increase from the 2004 value of US\$29.4 billion. The average growth rate for 2004–2007 was 7 percent.<sup>18</sup> Main agricultural commodities in terms of value are yam, cassava, citrus fruit, groundnuts with shell, and taro.<sup>19</sup>

The value of agricultural exports decreased each year from US\$654 million in 2005 to US\$591 million in 2007, but increased close to 45 percent in 2008 to US\$856 million. The main agricultural exports in terms of value are cocoa beans, sesame seed, natural dried rubber, cocoa butter and cigarettes.

The value of agricultural imports in 2008 was US\$3 400 million, an increase from the 2005 value of US\$2 619 million, but a decline from the previous year of US\$6 072 million. The average growth rate of imports from 2005 to 2008 was 27.2 percent. The main agricultural imports in terms of value are wheat, palm oil, raw centrifugal sugar, whole dried milk and refined sugar.<sup>20</sup>

The agricultural sector has been one of the least attractive sectors for FDI in Nigeria. Through 1970 to 2001 the sector comprised only 1.7 percent of the total FDI.<sup>21</sup>

## Infrastructure<sup>22</sup>

**Electricity:** Nigeria has three hydroelectric power stations and five thermal stations. Of 5 610 mW installed capacity, Nigeria has sustained a 3 000 mW generation since 2002.

<sup>12</sup> FAO, Country Profiles – Nigeria: <http://www.fao.org/countryprofiles/index.asp?lang=en&ISO3=NGA>

<sup>13</sup> USAID, Land Tenure and Property Rights Portal, Nigeria Country Profile: <http://usaidlandtenure.net/usaidltp/products/country-profiles/nigeria>

<sup>14</sup> IFAD Rural Poverty Portal, Nigeria: <http://www.ruralpovertyportal.org/web/guest/country/geography/tags/nigeria>

<sup>15</sup> USAID, Land Tenure and Property Rights Portal, Nigeria Country Profile: <http://usaidlandtenure.net/usaidltp/products/country-profiles/nigeria>

<sup>16</sup> FAO Country Briefs, Nigeria: <http://www.fao.org/countries/55528/en/nga/>

<sup>17</sup> USAID, Nigeria AgCLIR Report (2009): <http://www.bizclir.com/cs/countries/africa/nigeria>

<sup>18</sup> World dataBank, World Development indicator: <http://databank.worldbank.org/ddp/home.do?Step=12&id=4&CNO=2>

<sup>19</sup> FAOSTAT: <http://faostat.fao.org/site/339/default.aspx>

<sup>20</sup> FAOSTAT: <http://faostat.fao.org/>

<sup>21</sup> FDI and Economic Growth: Evidence from Nigeria, African Economic Research Consortium Research Paper 2007: [http://www.aercafrica.org/documents/RP\\_165.pdf](http://www.aercafrica.org/documents/RP_165.pdf)

<sup>22</sup> NIPC, Investor's Guide to Nigeria: <http://www.nipc.gov.ng/guide.html>

Roads: Of the total road network of 193 200 km, 28 980 km are paved (2004).<sup>23</sup>

Railways: Span a total 3 798 km through two main lines (southwest to northeast; southeast to northwest), interlinked and terminating at Lagos, Port Harcourt, Kaura Namoda, Maiduguri and Nguru. Over 2.5 million passengers and 1 million metric tonnes of freight are serviced annually. The current available services are inadequate, so that with an eventual privatization in mind, the government is executing rehabilitation by upgrading old tracks, modernizing electrical and semi-automatic block signalling, and pursuing acquisition of modern locomotives.

Main ports: The major ports in Nigeria are: Apapa and Tin Can Island (Lagos State); Port Harcourt (Rivers State); Onne (specialized port for oil and gas, Rivers State); Warri (Delta State); Calabar (Cross River State); and Roro (Rivers State).

Air transport: Nigeria has over 70 airports, five of which are international. The main 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).

#### **Additional information on FDI in general and in Nigeria's agriculture sector:**

UNCTAD Stat <http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>

UNCTAD World Investment Reports <http://www.unctad.org/wir>

UNCTAD Country Factsheet [http://www.unctad.org/sections/dite\\_dir/docs/wir10\\_fs\\_ng\\_en.pdf](http://www.unctad.org/sections/dite_dir/docs/wir10_fs_ng_en.pdf)

UNCTAD Country Profile [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_ng\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_ng_en.pdf)

UNCTAD Investment Policy Review (2009) [http://www.unctad.org/en/docs/diaepcb20081\\_en.pdf](http://www.unctad.org/en/docs/diaepcb20081_en.pdf)

USAID Agriculture Enabling Environment (AgCLIR) Report (2009)  
<http://www.bizclir.com/cs/countries/africa/nigeria>

Nigeria Investment Promotion Commission (NIPC) website and FDI statistics (1999–2006)  
<http://www.nipc.gov.ng/>; <http://www.nipc.gov.ng/important%20document/FDI%20Data.doc>

Commonwealth / Ministry of Agriculture, Investment Guide to the Nigerian Agriculture Sector (2010)  
[http://www.commonwealthministers.com/special\\_reports/investment\\_guide\\_to\\_the\\_nigerian\\_agriculture\\_sector/](http://www.commonwealthministers.com/special_reports/investment_guide_to_the_nigerian_agriculture_sector/)

U.S. Dept. of State 2011 Investment Climate Statement – Nigeria  
<http://www.state.gov/e/eeb/rls/othr/ics/2011/157337.htm>

Corporate Nigeria <http://www.corporate-nigeria.com/index>

World Bank Private Sector at a Glance [http://devdata.worldbank.org/PSD/nga\\_psd.pdf](http://devdata.worldbank.org/PSD/nga_psd.pdf)

World Bank Investing Across Borders <http://iab.worldbank.org/Data/Explore%20Economies/Nigeria>

World Bank Business Environment Snapshot  
<http://rru.worldbank.org/BESnapshots/Nigeria/default.aspx>

Enterprise Surveys Snapshot Report (2007)  
<http://www.enterprisesurveys.org/ExploreEconomies/?economyid=143&year=2007>

<sup>23</sup> CIA World Factbook, Nigeria: <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>



## 2 Information on specific areas

### 2.1 Legal and regulatory framework<sup>24</sup>

Nigeria has a complex, three-tiered legal system composed of English common law, Islamic law and Nigerian customary law. Most business transactions are governed by "common law," as modified by statutes to meet local demands and conditions.<sup>25</sup> The principal laws regulating foreign investment are the Nigerian Investment Promotion Commission Decree No. 16, and the Foreign Exchange (Monitoring and Miscellaneous Provisions) Decree No. 17, both from 1995, supplemented by laws on company formation, labour, tax and other relevant legislation.

#### 2.1.1 Major laws and regulations affecting foreign investment

##### **Nigerian Investment Promotion Commission (NIPC) Act, Decree No. 16, 1995**

<http://www.nigeria-law.org/Nigerian%20Investment%20Promotion%20Commission%20Act.htm>

The NIPC Act was enacted to encourage, coordinate and monitor enterprise establishment and operations. The Act lays out Nigeria's current investment framework: 100 percent foreign ownership is allowed in almost all industries, and investors can repatriate all profits and dividends. The Act also established the Nigerian Investment Promotion Commission (NIPC) as the one-stop government agency to promote, facilitate and monitor all investments in Nigeria. The NIPC provides numerous services, including the grant of business entry permits, licences, authorizations and incentives.<sup>26</sup>

##### **Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, Decree No. 17, 1995**

[http://www.nigeria-law.org/Foreign%20Exchange%20\(Monitoring%20and%20Miscellaneous%20Provisions\)%20Act.htm](http://www.nigeria-law.org/Foreign%20Exchange%20(Monitoring%20and%20Miscellaneous%20Provisions)%20Act.htm)

The Act establishes the Autonomous Foreign Exchange Market and provides for the monitoring and supervision of transactions conducted in the Nigerian market. Under its provisions, foreign investors are guaranteed repatriation of their profits and dividends, net of taxes, through an authorized dealer in freely convertible currency. All restrictions on importation of foreign capital are thus abolished.

#### **Other relevant laws**

##### **Companies and Allied Matters Act, 1990**

<http://www.nigeria-law.org/CompaniesAndAlliedMattersAct.htm>

The Act governs business incorporation and charges the Corporate Affairs Commission (CAC) with its enforcement. Part II Chapter 3 deals specifically with foreign companies that are required to register and be incorporated locally as a company. The CAC has statutory responsibility for registration of companies, business names and incorporated trustees.

##### **Nigeria Export Processing Zones (EPZ) Act No. 63, 1992**

<http://www.nepza.gov.ng/downloads/act.pdf>

The Act establishes the Nigeria Export Processing Zones Authority (NEPZA), delineating its role and power to grant licences for activities in the EPZs.

<sup>24</sup> This section provides information on laws and regulations recognized during the preparation of this paper and does not provide a comprehensive list of laws and regulations related to agricultural investment in Nigeria.

<sup>25</sup> US Dept. of State, Investment Climate Statement 2011, Nigeria: <http://www.state.gov/e/eb/rls/othr/ics/2011/157337.htm>

<sup>26</sup> NIPC, Homepage: <http://www.nipc.gov.ng/index.html>

**Investments and Securities Decree No. 45, 1999**

[http://www.nigeria-](http://www.nigeria-law.org/Investments%20and%20Securities%20Decree%20No%2045%20of%201999.htm)

[law.org/Investments%20and%20Securities%20Decree%20No%2045%20of%201999.htm](http://www.nigeria-law.org/Investments%20and%20Securities%20Decree%20No%2045%20of%201999.htm)

The Decree establishes the Security and Exchange Commission (SEC), its powers and functions. Provides regulations on registration for security exchange, capital trade points, capital market operators, etc., and mergers, takeovers and acquisitions.

**Industrial Promotion Act, Decree No. 181, 1990**

<http://www.babalakinandco.com/resources/lawsnigeria/LAWS/90181industrial%20promotion%20act.htm>

This Act promotes the local production of goods in Nigeria by prohibiting their importation for 8 years and ensures that the goods produced are of high quality so as to allow for competitive pricing.

**Labour Act Chapter 198, 1990**

<http://www.nigeria-law.org/LabourAct.htm>

This delineates general provisions for the protection of wages, employment contracts, terms and conditions of employment, and those governing employer-employee relationships.

**Companies Income Tax Act, No. 28, 1979**

<http://www.usig.org/countryinfo/laws/Nigeria/NigCITA%5Beng%5D.pdf>

First enacted in 1961, the latest amendment was made on April 2007.<sup>27</sup> The Act consolidates provisions on company income tax in Nigeria.

**Land Use Act, 1978**

<http://www.nigeria-law.org/Land%20Use%20Act.htm>

The Land Use Act was enacted to promote the following strategies: the vesting of proprietary rights in land in the state; the granting of usufruct rights of occupancy in land to individuals/entities; and the use of an administrative system rather than market forces in the allocation of rights.<sup>28</sup> The Act further defines rights and duties of occupants, and regulates the determination and payment of rents, the revocation of rights, compensation and other matters.

## 2.1.2 Agriculture and related laws / regulations

**National Agricultural Land Development Authority Decree No. 92, 1992**

<http://faolex.fao.org/docs/texts/nig18385.doc>

This Decree established the National Agricultural Land Development Authority (NALDA). The objectives of the Authority shall be to: provide strategic public support for land development; promote and support optimum utilization of Nigeria's rural land resources for accelerated production of food and fibre; encourage and support economic-sized farm holdings and promote consolidation of scattered fragment holdings; encourage the evolution of economic-sized rural settlements; provide gainful employment opportunities for rural people, raise rural incomes and improve on the general

<sup>27</sup> Nigeria Federal Inland Revenue Service: <http://www.firs.gov.ng/companies-income-tax.aspx>

<sup>28</sup> FAO, Gender and Land Rights Database, Nigeria Country Report: <http://www.fao.org/gender/landrights/report/>

living standards in rural areas; expand productive capacity in agriculture and regain export capability in traditional and non-traditional crops; etc.

### **Pesticide Registration Regulations, 2005**

[http://www.nafdac.gov.ng/index.php?option=com\\_docman&task=doc\\_download&gid=12&Itemid=83](http://www.nafdac.gov.ng/index.php?option=com_docman&task=doc_download&gid=12&Itemid=83)

These Regulations prohibit the manufacture, formulation, importation, exportation, advertisement, sale or distribution of pesticides in Nigeria unless the pesticides have been registered in accordance with the provisions of these Regulations. They also set out procedures and requirements for the application for registration and specify documents that shall accompany the application. These documents are principally related to safety of the product and its potential impact on the environment. The National Agency for Food and Drug Administration and Control (NAFDAC) shall decide on an application and, upon registration, issue a registration certificate.

### **National Agency for Food and Drug Administration and Control (NAFDAC) Decree, 1993**

<http://faolex.fao.org/docs/pdf/nig48230.pdf> amended by National Agency for Food and Drug Administration and Control (Amendment) Decree 1999 (No. 19 of 1999)  
<http://faolex.fao.org/docs/pdf/nig48231.pdf>

This Decree establishes the National Agency for Food and Drug Administration and Control (NAFDAC), with the mandate to regulate and control quality standards for foods, drugs, cosmetics, medical devices, chemicals, detergents and packaged water that are imported, manufactured locally and distributed in Nigeria.<sup>29</sup>

### **Federal Environmental Protection Agency (FEPA) Act, 1988**

<http://faolex.fao.org/docs/texts/nig18376.doc> amended by Federal Environmental Protection Agency Decree 1992 <http://faolex.fao.org/docs/texts/nig18401.doc> further amended by Federal Environmental Protection Agency Decree 1999 <http://faolex.fao.org/docs/pdf/nig34263.pdf>

This establishes the Federal Environmental Protection Agency (FEPA) and specifies the powers and functions necessary for the effective implementation of the Act. The Agency has responsibility for the protection and development of the environment, including environmental research and technology and will advise the government on environmental policies as well as cooperating with state ministries, local councils and research agencies on matters relating to environmental protection.

### **Environmental Impact Assessment Decree No. 86, 1992**

<http://faolex.fao.org/docs/texts/nig18378.doc>

This sets out the procedures and methods to enable the prior consideration of environmental impact assessment on certain public or private projects. The Decree also gives specific powers to FEPA to facilitate environmental assessment on the projects.

### **Forest Law and Forest Regulations, 1956**

<http://faolex.fao.org/docs/pdf/nig3330.pdf>; <http://faolex.fao.org/docs/pdf/nig3331.pdf>

This Law and Regulations are for the preservation and control of Nigeria's forests.

### **Water Resources Decree No. 101, 1993**

<http://faolex.fao.org/docs/texts/nig4832.doc>

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<sup>29</sup> NAFDAC: <http://www.nafdacnigeria.org/>

The Decree grants the government full right to use and control Nigeria's surface and groundwater for the purpose of coordinating distribution, use and protection. The government has authority over water shared by more than one state (and controls the country's dams); otherwise, each state has authority to regulate the water resources within its boundaries. Nigeria's 2004 National Water Resources Policy sets out additional principles to manage Nigeria's water resources.<sup>30</sup>

**For more information and additional laws:**

FAO FAOLEX <http://faolex.fao.org/>

Laws of the Federation of Nigeria <http://www.nigeria-law.org/LFNMainPage.htm>

World Bank Doing Business Law Library <http://www.doingbusiness.org/Law-library/nigeria>

Lexadin Law Guide <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxwenig.htm>

## 2.2 Registration and approval procedures

The Companies and Allied Matters Act (CAMA) requires foreign companies to be incorporated locally with the CAC and register with the NIPC. Certain exemptions apply when the foreign companies are invited for specific projects by the federal government or a donor country or international organization. In these cases the company must apply for exemption to the National Council of Ministers.<sup>31</sup> Another exception is for enterprises operating in a Free Zone, where company registration is through the NEPZA.<sup>32</sup>

The One Stop Investment Centre (OSIC), a unit within the NIPC and operational since 2006, is an investment facilitation mechanism that brings relevant government agencies together in one location, coordinated and streamlined to provide efficient and transparent services to investors. Currently, 26 agencies have a presence within OSIC, including the CAC, immigration and customs departments, and several ministries.<sup>33</sup>

### 2.2.1 Business incorporation

Business incorporation is carried out by and at the CAC, with head office in Abuja and additional offices in 32 of Nigeria's 36 states. CAC is responsible for administering the CAMA, and thus for the incorporation, registration, management and termination of companies. Since 2003, companies can use an online system for incorporation as well as an e-payment regime (an electronic payment via internet), which have decreased the average duration of the incorporation process to 3 days.<sup>34</sup> Once registration is complete, CAC issues a Certificate of Incorporation.

The requirements for business incorporation in Nigeria are: search for availability of name; payment of appropriate stamp duty fee at the Federal Inland Revenue Service (FIRS); submission of the

<sup>30</sup> USAID, *Land Tenure and Property Rights Portal, Nigeria Country Profile*: <http://usaidlandtenure.net/usaidltp/products/country-profiles/nigeria>

<sup>31</sup> NIPC Investor's guide to Nigeria, *Procedure for Incorporating a business enterprise*: <http://www.nipc.gov.ng/guide.html>

<sup>32</sup> NEPZA, *Setting Up*: [http://www.nepza.gov.ng/index.php?option=com\\_content&task=view&id=15&Itemid=28](http://www.nepza.gov.ng/index.php?option=com_content&task=view&id=15&Itemid=28)

<sup>33</sup> NIPC, OSIC: <http://www.nipc.gov.ng/onestop.html>. For more information on OSIC, consult the following guide: [http://www.nipc.gov.ng/important document/OSIC AT A GLANCE 2010 VERSION.doc](http://www.nipc.gov.ng/important%20document/OSIC%20AT%20A%20GLANCE%202010%20VERSION.doc)

<sup>34</sup> *Corporate Nigeria*, *Doing business in Nigeria*: [http://www.corporate-nigeria.com/index/fdi/doing\\_business\\_in\\_nigeria.html](http://www.corporate-nigeria.com/index/fdi/doing_business_in_nigeria.html)

Memorandum and Articles of Association together with statutory forms for verification and assessment; and payment of statutory fees.<sup>35</sup>

For more information on procedures and the online system, consult the CAC website and web pages <http://www.cacnigeria.org>

<http://www.cacnigeria.org/downloads.html> (Download forms)

<http://www.cac.gov.ng/Pages/Cacservices.htm> (CAC Services)

## 2.2.2 Business registration / permit

Once incorporated, foreign companies may register as a foreign enterprise with the NIPC for other investment approvals and incentives.<sup>36</sup> Through the OSIC, new investors can process all necessary investment approvals and registrations, including company certification, tax registration and any fiscal incentives for which they qualify.<sup>37</sup>

Simultaneous applications must be prepared and submitted to the NIPC (on prescribed NIPC Application Forms) for the following:

- i. Registration (Business Permit Certificate issued upon registration);
- ii. Expatriate Quota (NIPC facilitates with Federal Ministry of Internal Affairs).

Applications for business registration are made by obtaining and completing NIPC Form 1. Consult the following NIPC guidelines for the additional documents needed to accompany registration and expatriate quota applications (and applicable fees):

<http://www.nipc.gov.ng/important document/FOREIGN INVESTMENT REQUIREMENTS AND PROTECTIONS.doc>

Final approvals/licences required by an investor to set up an enterprise are given by the respective agencies/ministries depending on the sector to be invested.<sup>38</sup>

Companies locating in Nigeria's Export Processing Zones do not need to register with the NIPC. For them, investment approval and licensing is governed by the NEPZA, which grants all the requisite permits and approvals for operators within the zones. Application is also through prescribed forms and supporting documents and information. Within 5 working days of receiving applications, the NEPZA notifies applicants in writing of approval or otherwise.<sup>39</sup>

### For more information on business procedures see:

Corporate Affairs Commission (CAC) Online External Users' Guide

<http://www.cacnigeria.org/Pages/CAC%20Online%20External%20Users%20Guide.pdf>

Investors' Guide at the OSIC

<http://www.nipc.gov.ng/important document/OSICInvestorGuide.doc>

OSIC fees <http://www.nipc.gov.ng/OSIC-fees-at-a-glance.doc>

<sup>35</sup> Relevant CAC fees are specified here: <http://www.cac.gov.ng/Pages/fee1.htm>

<sup>36</sup> NIPC Investor's guide to Nigeria, Procedure for Incorporating a business enterprise: <http://www.nipc.gov.ng/guide.html>

<sup>37</sup> OSIC, Our services: <http://www.nipc.gov.ng/oueservices.html>

<sup>38</sup> For more information, consult the NIPC FAQs: <http://www.nipc.gov.ng/faq.html>

<sup>39</sup> NEPZA, Setting Up: [http://www.nepza.gov.ng/index.php?option=com\\_content&task=view&id=15&Itemid=28](http://www.nepza.gov.ng/index.php?option=com_content&task=view&id=15&Itemid=28)

## 2.3 Tax schemes

Under current Nigerian law, taxation is enforced by the three tiers of government: Federal, State and Local. Each has its sphere delineated in the Taxes and Levies (Approved list for Collection) Decree No. 21 of 1998.<sup>40</sup> The taxes and levies for collection by the federal government, approved and published by the Joint Tax Board (JTB), are: Companies Income Tax; Withholding Tax on Companies; Petroleum Profit Tax; Value Added Tax (VAT); Education Tax; Capital Gains Tax; and Stamp Duties involving a corporate entity.

### 2.3.1 Taxpayer Identification Number (TIN)

The FIRS is charged with issuing a Taxpayer Identification Number (TIN) to every company, enterprise and individual in collaboration with the State Boards of Internal Revenue and Local Government Councils.<sup>41</sup>

### 2.3.2 Major taxes relevant to FDI<sup>42</sup>

#### Personal Income Tax

The current law guiding the taxation of personal incomes is the Personal Income Tax Act (Cap P8 LFN 2004). Under the law, federal and states' tax boards are empowered to identify persons living in or earning income from Nigeria who are required to pay tax, and to assess incomes and tax their incomes using specified guidelines and rules. This law also guides the tax official in identifying the residence of potential taxpayers, as well as the sources and origins of their incomes for the purpose of taxing the income. There are two forms of taxes that are administered under the Act, namely (a) Pay-As-You-Earn (PAYE) i.e. taxes from employment, and (b) taxes from self-employed persons.

#### Companies Income Tax

The current Company Income Tax rate in all sectors is 30 percent. The tax is payable on profits accruing in, derived from, brought into or received from a trade, business or investment.

#### Value Added Tax (VAT)<sup>43</sup>

VAT is charged at a flat rate of 5 percent of net value added based on eligible transactions once consumed. No individual, business, organization or government agency is exempted from the tax. Only goods and services and specifically specified activities are exempted.

#### Capital Gains Tax

This Tax is chargeable at the rate of 10 percent on capital gains arising from the disposal of capital assets.

#### Withholding Tax<sup>44</sup>

Nigerian law subjects certain activities and services to Withholding Tax. During transactions, when a payment is due from one person to another, the person making the payment is expected to deduct tax at the applicable rate and remit it to the relevant tax authority. This should be done no later than 30 days after the deduction. It is an advance payment of tax at 10 percent to which individuals and organizations are entitled to demand a withholding tax credit note.

<sup>40</sup> Taxes and Levies (Approved list for Collection) Decree No. 21 of 1998: [http://www.nigeria-law.org/Taxes%20and%20Levies%20\(Appeared%20list%20for%20collection\)%20Decree%20No%2021%20of%201998.htm](http://www.nigeria-law.org/Taxes%20and%20Levies%20(Appeared%20list%20for%20collection)%20Decree%20No%2021%20of%201998.htm)

<sup>41</sup> Federal Inland Revenue Service (FIRS), About TIN: <http://www.firs.gov.ng/About-TIN.aspx>

<sup>42</sup> FIRS: <http://www.firs.gov.ng/Home.aspx>

<sup>43</sup> VAT was introduced by the VAT Act No. 102 of 1993 (now Cap V1, LFN, 2007) which replaced the Sales Tax.

<sup>44</sup> The provisions can be found in sections 68 to 72 of the Personal Income Tax Decree; Sections 60 to 64 of the Company Income Tax Act (as amended), and Section 51(a) of the Petroleum Profits Tax Act (as amended).



### Stamp Duties

The primary essence of duty stamping agreements and/or instruments is that such documents become valid, legal and admissible in any tribunal or court of record in Nigeria. Therefore, the duty stamping of instruments is actually in the best interest of the contractor or consultant in case of trouble.

### Education Tax

Set through Decree No. 7 of 1993 and commenced implementation in 1995, the Education Tax is imposed on companies registered in Nigeria that are liable to pay tax on their assessable profits as defined in Companies Income Tax Act or Petroleum Profits Tax Act as the case may be. The rate of the tax is 2 percent of the assessable profit. The assessment of the Education Tax and that of the Companies Income Tax are done concurrently.

### Nigerian Social Investment Trust Fund (NSITF) Tax

Governed by the NSITF Act, this tax requires everybody employed in a Nigerian incorporated company to contribute a certain percentage of their salary to the fund. The contribution is based on the assumption that the maximum basic salary in Nigeria is Naira 48 000 *per annum*. Expatriates are excluded from this requirement where they can show proof of a similar contribution in their home country. The rate is as follows: where the contributor is an employee, 2.5 percent of his salary is subject to a maximum of Naira 1 200 *per annum*; where the contributor is an employer, 5 percent of basic salary.<sup>45</sup>

#### For more information on taxes see:

How to Register as a Taxpayer <http://www.firs.gov.ng/Tax-Administration/How-to-register.aspx>

How to Pay Tax <http://www.firs.gov.ng/Tax-Administration/How-to-pay-tax.aspx>

FIRS Forms <http://www.firs.gov.ng/Resource-Center/All-Forms.aspx>

## 2.4 Land procedures

In 1978, Nigeria's military government issued the Land Use Act in an effort to impose land reform and establish a uniform land tenure system for the country. The Act guarantees all Nigerians the right to land but confers all proprietary rights in the state. Under the Land Use Act, land in each state, excluding federal land, is vested in individual state governors who are charged with land administration and allocation. Governors have principal authority over all urban land within their state, while local governments have authority over all non-urban land.<sup>46</sup>

The Land Use Act recognizes two types of occupancy rights: statutory occupancy rights and customary occupancy rights.<sup>47</sup>

### Statutory right of occupancy

Individuals and entities can obtain a statutory right of occupancy for urban and non-urban land. Statutory occupancy rights are granted by governors, with the assistance of a Land Use and

<sup>45</sup> NIPC, *Investor's Guide To Nigeria, Taxation*: <http://www.nipc.gov.ng/guide.html>

<sup>46</sup> FAO, *Gender and Land Rights Database, Nigeria Country Report*: <http://www.fao.org/gender/landrights/report/>

<sup>47</sup> USAID Land Tenure and Property Rights Portal, *Nigeria Country Profile*: <http://usaidlandtenure.net/usaidltp/products/country-profiles/nigeria/nigeria-country-profile/view?searchterm=nigeria>

Allocation Committee, for a definite term under leasehold. Conditions are set in the Certificate of Occupancy. Recipients of the certificate are obligated to pay the state for any un-exhausted improvements on the land (i.e. improvements with continuing value such as a building or irrigation system) at the time the recipient takes possession and must pay rent fixed by the state. Rights are transferable only with the authorization of the state governor.

At present, most of the land in Nigeria is for leasehold and rates are fixed at the governor's discretion. Land may be leased for as long as 99 years, though the length of leases in industrial estates varies from state to state. Foreign companies and individuals may acquire land and buildings; however, there are varying local constraints on the type of lease they may hold.

### **Customary right of occupancy**

Local governments may grant customary rights of occupancy to land in any non-urban area to any person or organization for agricultural, residential, and other purposes, including grazing and other customary purposes ancillary to agricultural use. The term for customary rights (which is contained in the application form and not the legislation) is 50 years, and may be renewed for a second 50-year term. Recipients of customary rights of occupancy must pay annual tax on the land and cannot transfer any portion of the rights absent approval of the governor (for sales of rights) or the local government (other transfers)

Individuals and entities can apply for statutory or customary rights of occupancy consistent with ceilings on urban and rural landholdings. However, Nigeria's informal land market is extensive in urban and many rural areas of the country, and most indigenous areas are still governed by customary land tenure.

Obtaining and registering occupancy certificates require 14 steps and the process averages 6 to 9 months. The landholder must also pay a series of fees, including an annual rental fee or tax for the use of the land, paid to the local government. Furthermore, a state governor and local governments can revoke a right of occupancy for a public purpose or in the event of breach of any provision set in the certificate. Tenure security is thus low in Nigeria and land rights are transferred mostly in informal markets. Moreover, the Land Use Act of 1978 is incorporated into the 1999 Constitution, making it difficult to revise or replace.

## **2.5 Investment benefits and incentives**

The Nigerian Government has established a number of incentive packages to encourage private sector investment from locals and foreigners. The benefits available to investors include tax relief, other non-fiscal incentives and the repatriation of foreign capital at any time. Additional concessions are available in local raw material development, local value added, labour intensive or export oriented activities that involve significant training.<sup>48</sup>

For the purpose of promoting strategic or major investment, the NIPC may, in consultation with appropriate agencies/ministries, negotiate specific and additional incentives with investors.<sup>49</sup>

### **2.5.1 General incentives<sup>50</sup>**

While some incentives cover all sectors, others are limited to specific ones. General incentives are:

<sup>48</sup> UNCTAD, *Country Profile* (2006): [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_ng\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_ng_en.pdf)

<sup>49</sup> NIPC, *Investment Incentives*: <http://www.nipc.gov.ng/investment.html>

<sup>50</sup> NIPC, *Investment Incentives*: <http://www.nipc.gov.ng/investment.html>



**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 made is expected to be invested back into the business.

Pioneer Status is a tax holiday granted to qualified 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 Naira 5 million, while that of qualified local company should not be less than Naira 150 000. 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.

**Tax relief for Research & Development (R&D)**

Industrial establishments are expected to engage in R&D for the improvement of their processes and products. Up to 120 percent 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 are derived. For the purpose of R&D on local raw materials, 140 percent 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.

**Capital Allowances**

Different rates apply to different expenditures.<sup>51</sup> The amount of Capital Allowance to be enjoyed in any year of assessment is restricted to 75 percent of assessable profit in case of manufacturing companies and 66 percent in case of others, except for companies in agro-allied industries that are not affected by this restriction. If leased assets are used in agro-allied ventures, the full (100 percent) 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 percent on such expenditure.

**In-Plant Training**

This incentive is applicable to industrial establishments that have set up in-plant training facilities. Such industries enjoy a 2 percent tax concession for a period of 5 years.

**Investment in infrastructure**

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

**Investment in Economically Disadvantaged Areas**

A pioneer industry located in economically disadvantaged Local Government Area is entitled to 100 percent tax holiday for 7 years and an additional 5 percent capital depreciation allowance over and above the initial capital depreciation allowance.

**Labour Intensive Mode of Production**

Industries with high labour/capital ratio are entitled to tax concessions. These are industries with plants, equipment and machinery that essentially are operated with minimal automation. Where there

<sup>51</sup> For rates, see the appropriate section at: <http://www.nipc.gov.ng/investment.html>

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.

### **Local Value Added**

This is a 10 percent tax concession for 5 years. It applies essentially to engineering industries, where some finished imported products serve as inputs. The concession is aimed at encouraging local fabrication rather than the mere assembly of completely knocked down parts.

### **Re-Investment Allowance**

This is granted to companies engaged in manufacturing that 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; and diversification into related products.

### **Minimum Local Raw Materials Utilization**

A tax credit of 20 percent is granted for 5 years to industries that attain the minimum level of local raw material sourcing and utilization. The minimum levels by sectors are:

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

For sector-specific incentives, export incentives, EPZ benefits, and other, consult the following NIPC webpage: <http://www.nipc.gov.ng/investment.html>

## **2.5.2 Incentives for the agriculture sector<sup>52</sup>**

To stimulate investment in agricultural activities, the agricultural production and processing enjoys pioneer status eligibility as well as the following incentives:

- Companies in the agro-allied business enjoy unrestricted capital allowance, granted at 100 percent.
- Payments of minimum tax by companies that make small or no profits do not apply to agro-allied businesses.
- Agro-allied plants and equipment enjoy enhanced capital allowances of up to 50 percent.
- Processing of agricultural produce is a pioneer industry; consequently, it benefits from a 100 percent tax-free period for 5 years.
- All agricultural and agro-industrial machines and equipment enjoy 1 percent duty.
- The Agricultural Credit Guarantee Scheme Fund (ACGSF), administered by the Central Bank of Nigeria, guarantees up to 75 percent for all loans granted by commercial banks for agricultural production and processing.

<sup>52</sup> NIPC, *Investment Incentives*: <http://www.nipc.gov.ng/investment.html>

- The Interest Drawback Program Fund provides a 60 percent repayment of interest paid by those who borrow from banks under the ACGSF, and for the purpose of cassava production and processing.

### 2.5.3 Investment guarantees and settlement of disputes

The NIPC Act allows equal treatment and protection of foreign investment, contains provisions for capital assets depreciation allowance, and provides against nationalization, expropriation and compulsory purchase of company assets. Disputes between an investor and any government entities, which cannot be settled amicably or through civil courts, may be submitted to arbitration in accordance with Nigeria's Arbitration and Conciliation Act or within the framework of applicable bilateral or multilateral agreements on investment protection.<sup>53</sup>

The Arbitration and Conciliation Act of 1988: governs both domestic and international arbitrations in Nigeria; provides a unified and basic legal framework for fair and efficient resolution of commercial disputes; and recognizes international commercial arbitration. The Act thus provides for the application of the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules (or any other international arbitration rule acceptable to the parties), and makes the Convention on the Recognition and Enforcement of Arbitral Awards (New York Convention) applicable to contract enforcement, based on reciprocity.<sup>54</sup>

Nigeria is also a member of various international bodies set up to resolve disputes between member states and foreign investors. These include the Multilateral Investment Guarantee Agency (MIGA), the International Centre for Settlement of Investment Disputes (ICSID), and the above mentioned UNCITRAL.

## 2.6 Restrictions and requirements

Other than the petroleum sector, where investment is limited to existing joint ventures or production sharing agreements,<sup>55</sup> the NIPC Act No. 16 of 1995 has abolished any restrictions, in respect of the limits of foreign shareholding in Nigeria of registered/domiciled enterprises. However, certain business/enterprises are restricted by any person or group of persons irrespective of their nationality. These are:<sup>56</sup>

- 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.

<sup>53</sup> UNCTAD, *Country Profile* (2006): [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_ng\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_ng_en.pdf)

<sup>54</sup> US Dept. of State, 2010 Investment Climate Statement – Nigeria: <http://www.state.gov/e/eb/rls/othr/ics/2010/138123.htm>

<sup>55</sup> US Dept. of State, Investment Climate Statement 2011, Nigeria: <http://www.state.gov/e/eb/rls/othr/ics/2011/157337.htm>

<sup>56</sup> NIPC, *Investor's Guide to Nigeria, Foreign Investment Requirements and Protection*: <http://www.nipc.gov.ng/guide.html>

## 2.7 Investment opportunities

Nigeria's priority areas for investment, currently emphasized by the NIPC, are agriculture, manufacturing (industries and export), mining and mineral extraction (non-oil), electric power production and finance.<sup>57</sup>

According to the NIPC, ten reasons to invest in Nigeria are: abundant resources (mineral, agricultural, etc. most of which are yet to be fully exploited); large market (Nigeria is Africa's most populous nation and offers access to the growing West African sub-regional markets); political stability; free market economy; robust private sector; free flow of investment (liberalized exchange control and unrestricted movement of capital); attractive incentives; fast growing financial sector; skilled, low cost and abundant labour; and infrastructure (through ongoing development of physical and industrial infrastructure, including transportation, communications, electricity and water supply).<sup>58</sup>

The agricultural potential of Nigeria is barely being tapped, which explains the inability of the country to meet increasing demands for agricultural produce. Investment is needed to enhance production, with a focus on the following priority areas:

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

Agricultural products include groundnuts, palm oil, cocoa, coconut, citrus fruits, maize, millet, cassava, yams and sugar cane. Nigeria also has a booming leather and textile industry, with industries located in Kano, Abeokuta, Kaduna, Onitsha and Lagos.<sup>59</sup>

## 2.8 Investment and trade agreements

Nigeria has joined a number of trade and other regional integration schemes. It is currently a member of the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA), and the World Trade Organization (WTO). It also benefits from the United States' Africa Growth and Opportunity Act (AGOA),<sup>60</sup> the Cotonou Economic Partnership Agreement

<sup>57</sup> NIPC, *Investor's Guide to Nigeria, Priority Areas of Industrial Investment*: <http://www.nipc.gov.ng/guide.html>

<sup>58</sup> NIPC, *Why Invest in Nigeria*: <http://www.nipc.gov.ng/whyng.html>

<sup>59</sup> NIPC, *Opportunities by Sector, Agriculture*: <http://www.nipc.gov.ng/opportunities.html>

<sup>60</sup> UNCTAD, *Country Profile (2006)*: [http://www.unctad.org/sections/dite\\_fdistat/docs/wid\\_cp\\_ng\\_en.pdf](http://www.unctad.org/sections/dite_fdistat/docs/wid_cp_ng_en.pdf)

(EPA) between the European Union and the African, Caribbean and Pacific states (ACP countries),<sup>61</sup> and the Lomé Convention.<sup>62</sup>

Nigeria has entered into several investments protection agreements, to safeguard foreign investments on a reciprocal basis, and double-taxation treaties with other countries.

### **Bilateral investment treaties (BIT)**

Algeria 2002; Bulgaria 1998; China 2001; Egypt 2000; Ethiopia 2004; Finland 2005; France 1990; Germany 2000; Italy 1990; Jamaica 2002; Republic of Korea 1998; Netherlands 1992; Romania 1998; Serbia 2002; Spain 2002; Sweden 2002; Switzerland 2001; Taiwan 1994; Turkey 1996; Uganda 2003; United Kingdom 1990.<sup>63</sup>

### **Double taxation treaties (DTT)**

Belgium 1989; Canada 1992; Czech Republic 1989; Denmark 1954; France 1990; Netherlands 1991; Norway 1955; Pakistan 1989; Philippines 1997; Poland 1999; Romania 1992; Slovakia 1989; Spain 2009; Sweden 2004; United Kingdom 1987.<sup>64</sup>

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<sup>61</sup> European Commission, Cotonou Agreement: [http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/index\\_en.htm](http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/index_en.htm)

<sup>62</sup> European Commission, Lomé Convention: [http://ec.europa.eu/europeaid/where/acp/overview/lo-me-convention/index\\_en.htm](http://ec.europa.eu/europeaid/where/acp/overview/lo-me-convention/index_en.htm)

<sup>63</sup> UNCTAD BIT database: [http://www.unctad.org/sections/dite\\_pccb/docs/bits\\_nigeria.pdf](http://www.unctad.org/sections/dite_pccb/docs/bits_nigeria.pdf)

<sup>64</sup> UNCTAD DTT database: [http://www.unctad.org/sections/dite\\_pccb/docs/dtt\\_Nigeria.PDF](http://www.unctad.org/sections/dite_pccb/docs/dtt_Nigeria.PDF)

## 2.9 Authorities and contact points

<p><i>Nigerian Investment Promotion Commission (NIPC)</i> Plot 1181 Aguiyi Ironsi Street, Maitama District PMB 381 Garki, Abuja Tel: +234 9 2904882 / 9 2904706 / 9 2904829 Fax: +234 9 4134112 / 4134306 Email: <a href="mailto:nipc@nipc.gov.ng">nipc@nipc.gov.ng</a>; <a href="mailto:osicinfodesk@nipc.gov.ng">osicinfodesk@nipc.gov.ng</a> Website: <a href="http://www.nipc.gov.ng">www.nipc.gov.ng</a></p>	<p><i>Corporate Affairs Commission (CAC)</i> Plot 420, Tigris Crescent, Off Aguiyi Ironsi Street Maitama, Abuja PMP 198, Garki, Abuja Tel: +234 9 4618800 / 19 Email: <a href="mailto:info@cac.gov.ng">info@cac.gov.ng</a>; <a href="mailto:cservice@cac.gov.ng">cservice@cac.gov.ng</a> Website: <a href="http://www.cac.gov.ng">http://www.cac.gov.ng</a></p>
<p><i>Ministry of Agriculture and Water Resources</i> FCDA Secretariat, PMB 135, Area 11, Garki, Abuja Tel: +234 9 3141931 Fax: +234 9 3142532</p>	<p><i>Ministry of Commerce and Industry</i> Block H, Old Federal Secretariat, Garki Area 1 PMB 88, Garki, Abuja Tel: +234 9 2341662</p>
<p><i>Bureau for Public Enterprises (BPE)</i> 1 Osun Crescent, Maitama Abuja, FCT Tel: +234 9 4134636 / 46 Fax: +234 9 4134657 Website: <a href="http://www.bpeng.org">http://www.bpeng.org</a></p>	<p><i>Ministry of Finance</i> Ahmadu Bello Way 41, Garki Tel: +234 9 2346290 / 95 Fax: +234 9 6270293 Email: <a href="mailto:info@fmf.gov.ng">info@fmf.gov.ng</a> Website: <a href="http://www.fmf.gov.ng/">http://www.fmf.gov.ng/</a></p>
<p><i>Ministry of Labour and Productivity</i> Block 4A ,2nd Floor Federal Secretariat Complex, Shehu Shagari Way PMB 04, Garki Tel: +234 9 5235973 / 9 5235980</p>	<p><i>Ministry of Environment</i> Shehu Shagari Way, Central Area Abuja 9th Floor Federal Secretariat Towers Tel: +234 9 5234014 / 9 5236309 Website: <a href="http://environment.gov.ng/">http://environment.gov.ng/</a></p>
<p><i>Lagos Chamber of Commerce and Industry (LCCI)</i> Commerce House, 1 Idowu Taylor St, Victoria Island PMB 109, Lagos Tel: + 234 1 7746617 Website: <a href="http://www.lagoschamber.com">http://www.lagoschamber.com</a></p>	<p><i>Federal Environmental Protection Agency (FEPA)</i> Independence Way, South Central Area PMB 265, Garki, Abuja, FCT Tel: + 234 9 234596 / 2342806 Fax: +234 9 234807</p>
<p><i>National Agency for Food and Drug Administration and Control (NAFDAC)</i> Wuse Zone 7 Abuja, FCT Plot 2032 Olusegun Obasanjo Way Tel: +234 9 5240996 Fax: +234 9 5240994 Website: <a href="http://www.nafdacnigeria.org">http://www.nafdacnigeria.org</a></p>	<p><i>Nigeria Export Processing Zones Authority (NEPZA)</i> Cadastral Zone A6 off Aguiyi Ironsi No. 2 Zambezi Crescent Tel: +234 9 4131598 / 9 7804077 Fax: +234 9 4131550 Email: <a href="mailto:info@nepza.gov.ng">info@nepza.gov.ng</a> Website: <a href="http://www.nepza.gov.ng/">http://www.nepza.gov.ng/</a></p>
<p><i>Federal Inland Revenue Service (FIRS)</i> Revenue House, Plot 522, Sokode Crescent Off Michael Okpara Street, Wuse Zone 5 Postal: PMB 33, Garki, Abuja Tel: +234 9 5236611 / 5236598 Fax: +234 9 5236612 Website: <a href="http://www.firs.gov.ng/">http://www.firs.gov.ng/</a></p>	<p><i>Nigeria Immigration Service</i> Old Federal Secretariat Complex, Area 1, PMB 38, Garki, Abuja Tel: +234 9 2341550 / 2341594 / 2347232 Fax: +234 9 2341594 / 2341550 Email: <a href="mailto:info@immigration.gov.ng">info@immigration.gov.ng</a> Website: <a href="http://www.immigration.gov.ng">www.immigration.gov.ng</a></p>
<p><i>Nigerian Export Promotion Council (NEPC)</i> No.40 Blantyre Street, Wuse II Abuja, FCT Tel: +234-09-4604201-2 Email: <a href="mailto:admin@nepc.gov.ng">admin@nepc.gov.ng</a>; <a href="mailto:info@nepc.gov.ng">info@nepc.gov.ng</a> Website: <a href="http://www.nepc.gov.ng/">http://www.nepc.gov.ng/</a></p>	

## Appendices

### Key social and economic indicators

<b>Population</b>	
Total population (millions) (2010)	158.3
Population growth (annual %) (2009)	2.3
Life expectancy at birth (years) (2010)	50
Rural population (%) (2010)	51
Rural population growth rate (annual %) (2009)	0.9
Employment in agriculture (% of total employment)	n.a.
Unemployment (% of total labour force)	n.a.
Proportion of undernourished in total population (%) (2005–2007)	6
Dietary energy consumption (cal/person/day) (2005–2007)	2 708
Mortality rate under 5 (per 1 000) (2009)	137.9
Mortality rate, infant (per 1 000 live births) (2009)	85.8
Adult literacy rate, ages 15 and above (%) (2009)	60.8
HDI value (2010)	0.423
HDI rank (out of 169) (2010)	142
<b>Land and input</b>	
Country area (1 000 ha) (2009)	92 377
Land area (1 000 ha) (2008)	91 077
Agricultural area (1 000 ha) (2008)	78 500
Arable land (1 000 ha) (2008)	37 500
Permanent crops (1 000 ha) (2008)	3 000
Pastures (1 000 ha) (2008)	38 000
Forest area (1 000 ha) (2010)	9 041
Agricultural irrigated land (1 000 ha) (2008)	293
Share in total water (%) use by:	
- Agricultural (2000)	53.4
- Industrial (2000)	15.1
- Domestic (2000)	31.5
Fertilizer consumption (tonnes) (2008)	497 697
Tractors (number per 1 000 ha of arable land) (2007)	0.7
<b>Economic</b>	
GDP (current US\$ billions) (2009)	173.0
GDP per capita (current US\$) (2009)	1 118
GDP growth (annual %) (2009)	5.6
GNI per capita, Atlas method (current US\$) (2009)	1 190
Inflation, consumer prices (annual %) (2009)	11.5
Agriculture, value added (% of GDP) (2007)	32.7
Value of agricultural exports (US\$ millions) (2008)	856
Share of agricultural exports (% of total exports) (2008)	1.0
Value of agricultural imports (US\$ millions) (2008)	3 400
Share of agricultural imports (% of total imports) (2008)	8.2
Crop production index (1999–2001=100) (2009)	134

Sources: FAO, World Bank, UNDP, UN Population Division



## Key agricultural production and trade data

Production of major agricultural commodities		
	Major crops (2008)	Value (international US\$1 000)
	Yams	7 144 701
	Cassava	4 657 169
	Millet	1 387 062
	Major crops (2008)	Quantity (tonnes)
	Cassava	44 582 000
	Yams	35 017 000
	Sorghum	9 318 000
	Yield (2008)	Yield (hg/ha)
	Cassava	118 004
	Sorghum	12 233
	Maize	19 570
	Sugar cane	196 420
	Millet	18 482
	Rice paddy	17 544
	Wheat	16 562
	Livestock (2008)	Number of live animals
	Chickens	175 000 000
	Goats	53 800 400
	Sheep	33 874 300
	Cattle	16 293 200
	Pigs	6 908 030
	Meat production (2008)	Quantity (tonnes)
	Cattle meat	293 800
	Goat meat	277 433
	Chicken meat	243 250
	Pig meat	217 602
Imports of major agricultural commodities (2008)		
	Commodity	Value (current US\$1 000)
	Wheat	671 205
	Palm oil	538 500
	Sugar, raw centrifugal	433 000
	Commodity	Quantity (tonnes)
	Sugar, raw centrifugal	1 139 600
	Wheat	1 132 180
	Palm oil	464 100
Exports of major agricultural commodities (2008)		
	Commodity	Value (current US\$1 000)
	Cocoa beans	491 923
	Sesame seed	68 000
	Rubber, natural dry	54 000
	Commodity	Quantity (tonnes)
	Cocoa beans	227 303
	Bran of wheat	121 369
	Sesame seed	85 000

Source: FAOSTAT



**For overviews of Nigeria:**

FAO Country Profile <http://www.fao.org/countryprofiles/index.asp?lang=en&ISO3=NGA>  
FAO Country Brief <http://www.fao.org/countries/55528/en/nga/>  
Nigeria Official Government Website <http://www.nigeria.gov.ng/>  
African Economic Outlook Country Profile  
<http://www.africaneconomicoutlook.org/en/countries/west-africa/nigeria/>  
IFAD Rural Poverty Portal <http://www.ruralpovertyportal.org/web/guest/country/home/tags/nigeria>  
World Bank Country Brief <http://go.worldbank.org/FIIOT240K0>  
CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/ni.html>  
US Dept. of State Background Note <http://www.state.gov/p/af/ci/ni/>

**For additional development data for Nigeria:**

FAO CountrySTAT <http://www.countrystat.org/nga/>  
UNDP Human Development Indicators <http://hdrstats.undp.org/en/countries/profiles/NGA.html>  
World Bank World Development Indicators <http://data.worldbank.org/country/nigeria>  
UN Millennium Development Goals Indicators <http://unstats.un.org/unsd/mdg/Data.aspx>  
World Bank Nigeria at a Glance [http://devdata.worldbank.org/AAG/nga\\_aag.pdf](http://devdata.worldbank.org/AAG/nga_aag.pdf)

**For additional statistics on agriculture and production:**

FAOSTAT for statistics on agricultural production, trade, food supply, prices, agricultural resources and other <http://faostat.fao.org/>  
World Bank Agriculture & Rural Development Statistics  
<http://data.worldbank.org/topic/agriculture-and-rural-development>  
USDA Agricultural Production, Supply and Distribution (PSD) database  
<http://www.fas.usda.gov/psdonline/psdQuery.aspx>  
FAO Rural Income Generating Activities (RIGA) database  
<http://www.fao.org/economic/riga/en/>

**For information on food security in Nigeria:**

FAO Food Security Statistics  
[http://www.fao.org/fileadmin/templates/ess/documents/food\\_security\\_statistics/country\\_profiles/eng/Nigeria\\_E.pdf](http://www.fao.org/fileadmin/templates/ess/documents/food_security_statistics/country_profiles/eng/Nigeria_E.pdf)  
IFPRI Food Security Portal for Nigeria <http://www.foodsecurityportal.org/nigeria>  
FAO Global Information and Early Warning System (GIEWS) on food and agriculture Country Brief  
<http://www.fao.org/giews/countrybrief/country.jsp?code=NGA>  
USAID Famine Early Warning Systems Network (FEWSNET)  
<http://www.fews.net/pages/country.aspx?gb=ng&l=en>