

The top half of the cover features a close-up, slightly draped view of the Nigerian national flag, showing the green and white stripes. The flag is set against a dark green background.

NIGERIA

DOING BUSINESS IN NIGERIA 2006



CANADIAN COUNCIL ON AFRICA

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Canadian Council on Africa

A growing organization representing over 125 Canadian companies, educational institutions, and economic development NGOs – working closely with federal and provincial government agencies – the Canadian Council on Africa (CCAfrica) illustrates that doing business in Africa is a real option for Canadians. Africa is not an easy market, but compared to other developing parts of the world it may not be as tough as you think.

CCAfrica undertakes a number of initiatives to improve the environment for Canadians doing business in Africa:

Our bilingual Website (www.ccafrica.ca) includes daily news from Africa, business event calendar, CCAfrica reports and publications, links, and our membership list.

Events, including conferences, seminars, roundtables, and hosting of African and IFI delegations in Canada.

Publications and reports, including our newsletter, business guides, briefing notes, and major research reports.

Advocacy, including working with Canadian government agencies, African diplomatic corps, multilateral organizations, etc. to improve the policy and financing environment for doing business in Africa.

Market Intelligence, including intra-member communications, relationships with African business organizations, multilateral institutions, and government agencies.

Members of CCAfrica can contact our offices for assistance when using this guide and its listed government resources, programs, and services. We work closely with these organizations and departments to improve support for our members.

Call Toll Free 1-888-852-9461

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Letter from the President

This guide serves as a navigation tool for those looking to enter or further engage in the Nigerian marketplace. It joins our series of CCAfrica business guides.

We are proud to continue and expand CCAfrica involvement with Nigeria. This guide is the result of collaboration with the Corporate Council on Africa from the United States, research done by International Trade Canada, collaboration with the Nigeria Economic Summit Group (NESG) - our first African Affiliated Member - and research done by our staff. It represents CCAfrica's most up-to-date analysis of Nigeria's business opportunities.

We hope that this guide serves as a starting point, stimulating business ideas and helping readers find niches within the vast Nigerian market. This guide is timely because Nigeria's leadership is actively pushing the country beyond its past and building a viable, more transparent economy. We expect these trends to continue, and encourage the Canadian business community to capitalize on the opportunities these efforts create.

At CCAfrica, we will strengthen and deepen our commitment to Nigeria and will continue our role as a bridge between the Canadian and Nigerian business communities.

A handwritten signature in black ink, appearing to read 'Lucien Bradet', written in a cursive style.

Lucien Bradet
President

I. BACKGROUND INFORMATION

Demographics ²

People

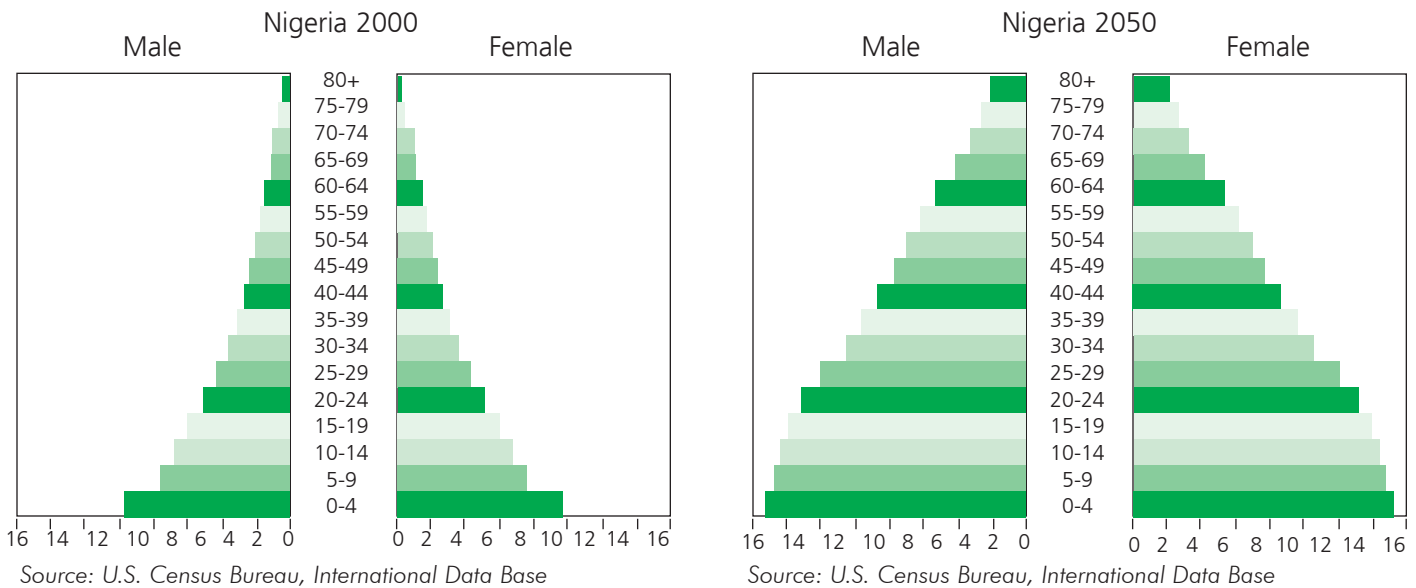
Population (2004)	129 million
Median Age (2004)	18.6 years
Birth Rate (2004)	40.7 births/per 1,000 population
Death Rate (2004)	17.2 deaths/per 1,000 population
Infant Mortality Rate, total (2004)	98.8 deaths/per 1,000 live births
Life Expectancy, total (2004)	47 years
People Living with HIV/AIDS (2003)	3.6 million
Ethnic Groups	250 ethnic groups. Hausa-Fulani, Igbo and Yoruba are the largest
Religion	Muslim 45%; Christian 45%; Indigenous beliefs 10%
Primary Languages	English (official), Hausa, Ibo, and Yoruba

Economy

GDP (2004)	\$125.7 billion
GDP Per Capita (2004)	\$1,000
Labour Force by Occupation (1999)	Agriculture 70%; Industry 10%; Services 20%
Labour Force (2004)	55.67 million
Budget (2004)	Revenues: \$11.78 billion
Expenditures:	11.47 billion
Major exports (2004)	Petroleum and petroleum products 95%, cocoa, and rubber
Proven Crude Reserves (2004)	35.2 billion barrels (Oil & Gas Journal)
Proven Gas Reserves (2004)	176 trillion cubic feet (Tcf) (Oil & Gas Journal)
Export Partners (2003)	US 38.3%, India 9.9%, Brazil 6.8%, Spain 6.2%, France 5.6%, Japan 4%
Imports (2004)	\$17.14 billion
Import Partners (2003)	US 15.5%, UK 9.5%, Germany 7.3%, China 7.1%, Italy 4.3%
External Debt (2004)	\$30.55 billion

² Central Intelligence Agency, World Fact Book: Nigeria, 2005.

Population breakdown



Major Urban Centres

Lagos

On the Gulf of Guinea with a metropolitan-area population estimated to be over 15 million, Lagos is sub-Saharan Africa's largest city. By 2025, it will be one of the five largest cities in the world. The city is a road and rail terminus, and Nigeria's major international air travel hub. Lagos is Nigeria's economic center and its chief port. Industries include railroad, motor vehicle assembly, food processing, and manufacturing of metal products, textiles, beverages, chemicals, and pharmaceuticals.

Many major international companies have offices on Victoria Island, which is part of the Lagos municipality. Several consulates and a number of other diplomatic missions also maintain a presence on the island. Ikeja, located on the mainland, is a sprawling industrial area that is the site of Lagos' international airport and the city's major sporting venues.

The Canadian Deputy High Commission is located on Victoria Island, in the Lagos municipality, and houses the Commercial Section (i.e., the Trade Commissioner Service for Nigeria). The mandate of the Commercial

Section is to promote Canada's economic interests in Nigeria and to support the efforts of Canadian companies that have selected Nigeria as a target market for their products, services, technologies, and investments.

Abuja

In 1979, the Nigerian government approved plans to move the country's administrative capital to a central location and chose Abuja for its location, climate, and small population. Construction took place throughout the 1980s, and Abuja became the official capital in 1991. With a fast growing population of roughly two million people, the city lies in the eastern corner of the country's Federal Capital Territory (FCT) and is home to people from all parts of the country. Although Lagos is still Nigeria's largest and most important commercial city, Abuja serves as more than the site of the Federal Government. Abuja hosts the National Assembly, the secretariat for the 15-member Economic Community of West African States (ECOWAS), Nigeria's Central Bank, the International Conference Center, Ecumenical Center, the National Mosque, and several major hotels. Extensive road networks and air carriers link Abuja with regional as well as international destinations.

Kano

Lying on the edge of the Sahel just south of the Niger border and about 500 miles north of Lagos, Kano is the industrial center of Northern Nigeria. With a population of nearly six million, it is among Nigeria's largest cities. Kano is also the trade and shipping center for an agricultural region producing mainly cotton, cattle, and groundnuts. Primary traded goods include peanut flour and oil, hides and leather goods, cotton textiles, steel furniture, processed meat, concrete blocks, soap, and shoes. Nearly 1,000 years old, Kano is the oldest city in West Africa. Its main attractions are the Old City and the Central Mosque, which attracts up to 50,000 worshippers during Friday prayer time. Although its population has grown in recent years, most regard Kano as slower-paced than Lagos.

Ibadan

Capital city of Oyo state, and roughly 100 miles from the Atlantic Coast, Ibadan has an estimated population of 1 to 1.5 million people. Commerce centers around agriculture, manufacturing, local crafts (weaving, spinning and dying, pottery making, and blacksmithing), and service industries. The University of Ibadan, which holds the largest book collection in Nigeria, is a prominent feature of the city.

Port Harcourt

Port Harcourt is a deepwater port on the Bonny River in the Niger River Delta. Sometimes referred to as the Garden City because of its parks and gardens, Port Harcourt is the capital of Rivers state and the operational headquarters of Nigeria's petroleum industry. Its exports include petroleum, palm products, cocoa, and groundnuts. The city's industries include timber processing, food, cement bagging, tobacco processing, and the production of rubber, glass, metal, paper products, petroleum products, paint, enamelware, bicycles, furniture, and soap.

Kaduna

The British founded Kaduna city in 1913, and it became the capital of Nigeria's northern region in 1917. Today, Kaduna is one of northern Nigeria's leading commercial and industrial centers. The city has cotton, ginger, textile, beverage, and furniture factories. It is also a rail and road junction and is the trade center for the surrounding agricultural area. A pipeline connects the city's major oil refinery and petrochemical plant to oilfields in the Niger River Delta. Training colleges for teachers, police, and the military and a technical institute are also located in the city.

Government

Federal

Nigeria's system is far more decentralized than other African countries. States enjoy significant autonomy, with the ability to set economic policies and other initiatives.

Nigeria is a federal republic with a democratically elected government consisting of three branches: the executive, bicameral legislature, and judiciary. The president and legislators serve four-year terms. The president must win a plurality of the total vote and at least one-fourth of the vote in at least two-thirds of the states.

The legislature is composed of an upper and lower chamber. The Senate, or upper chamber, contains 109 seats, comprised of three per state plus one seat for Abuja, the Federal Capital Territory. The House of Representatives, the lower chamber, has 360 seats. Like the US system, each representative stands for a specific district. Nigeria has universal suffrage for all citizens over 18 years old.

The Judiciary branch is multileveled, with a Supreme Court serving as the highest court of appeal. There are up to 15 associate





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