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## **SECTION THIRTEEN**

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# **GUIDELINES FOR INVESTING IN THE NIGERIAN ECONOMY**

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## FOREWORD

This is a documentation of the current state of infrastructure in Nigeria; her investment potentials for Small and Medium Scale Enterprises) Development and the capacity available for management of assets within the economy. This compilation is in partial fulfillment of the mandate of the Nigerian Investment Promotion Commission (NIPC) to collect, collate, analyse and dissemination up-to-date information on investment potentials of the Country, amongst several other functions it has to perform.

The inventory of industrial estates which is included as part of infrastructural facilities available in Nigeria was originally compiled by the Federal Ministry of Industry in March 1994, which has been updated by the NPC. It is pertinent, however, to mention that because of the political and economic travails which the country went through under the military era, there has not been any newly created industrial estate since that date. Nevertheless, the existing ones have attained various stages of development as indicated since they were created.

The information on minerals and agricultural raw materials available on state by state basis was also an original compilation of the Raw Materials Research and Development Council which has been slightly modified and incorporated into the table in order to present a comprehensive data on investment potentials of the States to prospective investors. Supplement on investment potentials of various state compiled by the states themselves during the last days of the military Administration is also used.

This is a documentation of the current state of infrastructure in Nigeria; her investment potentials for Small and Medium Scale Enterprises) Development and the capacity available for management of assets within the economy. This compilation is in partial fulfillment of the mandate of the Nigerian Investment Promotion Commission (NIPC) to collect, collate, analyse and disseminate up-to-date information on investment potentials of the Country, amongst several other functions it has to perform.

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as much information as possible, it is recognised that there are quite a few details that may still need to be provided. These detail will be readily furnished by the NIPC. It is intended that the publication will be up-dated as necessary from time to time with the NIPC working in collaboration with relevant agencies. In this regard, the views and suggestions of users of the booklet are welcome.

It is my sincere hope that this document will meet the intended purpose of providing adequate information and guidance to would-be investors. It is in that same spirit that I recommend this document.

**CHIEF FELIX OHIWEREI**

**Chairman, NIPC**

## **1.0 CURRENT STATE OF INFRASTRUCTURE**

Infrastructure includes all facilities that support economic and social activities. The deficiency in availability and quality of infrastructure often compels industrial enterprises to engage in ancillary investment. This un-duly increase investment as well as overhead costs which subsequently have dire consequences for the gestation period of investment, competitiveness of their products and the repayment of loans. Of particular importance in this regard, are energy supply electricity and petroleum products; water; transportation, telecommunications and industrial estates/layouts.

The Nigerian economy has been badly battered and virtually brought to a state of coma in the last fifteen years or so. The abuses and neglect to which virtually all the sectors of the economy were subjected before the dawn of a new era, signified by the inauguration of a democratically elected government are quite monumental and may be unprecedented in the history of Nigeria. The aspect of the effects of the criminal abuse and neglect of the nation's economy, which can hardly go unnoticed, is the disturbing state of our infrastructural facilities.

The importance of basic infrastructural facilities to the socio-economic development of any nation cannot be over emphasized. The well being of the people and their contributions to the national economy will depend to a large extent on the availability and quality of relevant infrastructure. It is against this background and in order to achieve the policy objectives of government in respect of provision and maintenance of basic infrastructural facilities, that the Federal Government of Nigeria has assigned responsibilities to various Ministries and other Agencies. Although the challenges posed by the long term neglect leading to almost total decay is enormous, the present Administration is however determined to reverse the ugly trend, which it inherited.

## **2.0 STATE OF INFRASTRUCTURAL DEVELOPMENT IN NIGERIA**

Economic infrastructure produces services that are vital to development. Infrastructural inadequacies have continued to be one of the factors that make Nigeria a high cost environment for business thereby making domestic products uncompetitive. Domestic industries are forced to absorb various direct and indirect costs that are imposed on them by the environment in which they operate.

### **3.1 ELECTRICITY**

The development of electricity infrastructure in Nigeria started in the early 1950s when the then Electricity Corporation of Nigeria (ECN) was created. In 1977, the National Electric Power Authority (NEPA) took over the responsibility of ECN.

Today, it is saddled with the responsibility of generation, transmission and distribution.

The country has 32 identified potential sites for hydroelectricity generation from dam with an estimated capacity of 9,405 MW. Currently only about 10 percent of the country's estimated hydroelectric power potentials is been utilised.

### **3.2 CURRENT STATUS OF ELECTRIC POWER GENERATION**

Nigeria has three hydro and five thermal power stations. The combined installed capacity of the eight stations is 5,876MW. This has dropped to 5,400 MW in recent years. Today, only 1,600MW of the total installed capacity is available to 30% of consumers of electricity. This is far below the estimated national demand of 2,470MW. The inability to generate at full or optimal capacity is as a result of the state of disrepair and gross negligence of all the eight existing generating plants. The plants are now undergoing massive rehabilitation, refurbishment and turn-around maintenance.

### **3.4 ELECTRIC POWER TRANSMISSION**

The national grid is characterized by its vulnerability to vandalism, age, rickety line and incomplete loop. Its power transformers and circuit have either broken down or operating at less than full capacity. The grid suffers from vandalism of its towers, insulators and parts as well as the supply of substandard materials. The grid is virtually non-existent in some parts of the country like the north eastern, north western and south eastern Nigeria.

### **3.4 CURRENT STATUS OF ELECTRIC POWER DISTRIBUTION**

Distribution of power is the point of contact with the public and industries. It is the bane of power delivery in Nigeria. The mode of distribution and marketing of power is over-centralised and fraught with serious malpractices, bills are irregular, and erroneously or arbitrarily estimated. Incidents of non-technical losses occasioned by illegal connection, use of substandard

materials or outright consumer theft, contribute significantly to undermine the system.

### **3.5 RURAL ELECTRIFICATION**

Nation-wide rural electrification scheme designed to augment the programmes of NEPA has suffered tremendous setbacks arising from lack of funds and political will. The programme to electrify a significant part of the Local Government headquarters and villages and connect these to the national grid is yet to get halfway.

### **3.6 CURRENT OPERATORS IN THE SECTOR**

Currently, the National Electric Power Authority is the only government agency statutorily responsible for the generation, transmission and distribution of power in the country. However, there are a plethora of rural electrification schemes nation-wide

The deregulation of the sector has resulted in the emergence of some independent power producers (IPP) now operating in Nigeria. eg:

- (i) Mobil Nigeria Limited set to generate power from natural gas and provide 350MW of power in Bonny, Rivers State.
- (ii) Enron Limited — set to generate power from natural gas and provide 540MW of power to Lagos. etc.

## **4.0 TRANSPORTATION**

### **4.1 Road**

Although, considerable resources were devoted to road development especially in the period of the oil boom, the conditions of these roads do not justify the huge investment made on them. The poor condition of these roads can be attributed to bad maintenance policies among others.

The above notwithstanding, there has been significant progress in road development for the past five years now. All the thirty-six state headquarters and major towns in those states are linked with well developed network of roads and, in some cases with dual carriage motor ways.

Top on the agenda of the present administration is road rehabilitation, construction and maintenance programme. The priority accorded the road sub sector is based on the established fact that over 80% of the nation's commercial activities, especially

the movement of goods and services depend largely on road transportation. The action programme of government has been directed towards the improvement of road network so that motorists and commuters can be relieved of the agonizing experiences, which they have been enduring over the years. Under the programme, 2,500 kilometres of road will be rehabilitated annually for the next four years, 1,300 kilometres will be constructed, 1,230 kilometres will be dualised while 24 bridges and modern services like telephone, rest stations medical facilities and 24 hours rescue services will be provided.

#### 4.2 Railway

The railway system of about 3,500 kilometres has been receiving attention in recent time in order to boost road transportation.

#### 4.3 Seaports

The Nigerian Ports Authority (NPA) has made remarkable progress since its inception in April, 1955. From a modest beginning, today NPA controls major ports excluding oil terminals with a cargo handling. Facilities at the ports include 93 general cargo berths, 3 RORO berths, 7 bulk solid berths, 11 bulk liquid cargo berths, 63 buoy berths in addition to a large number of private jetties. Cargo storage facilities are composed of 63 transit sheds, 22 back sheds, 4 acorn sheds and 40 warehouses all with a total storage area of over 460,459 square metres. Also available at the ports is a fleet of cargo handling plants and equipment. Characteristics of the various major ports are as indicated below:

Generally, firms operating in EPZ, are subject to special regulatory and fiscal regimes which allow them freedom of operation at competitive cost. The Nigeria Premier

S/No	Ports	Location	Maximum Depth of berth	Quay Length (Metres)
1.	Apapa port	Lagos	24.59	2045
2.	Tin Can Island Port	Lagos	11.5	2045
3.	RORO port	Lagos	11.5	2045
4.	Container Terminal	Lagos	10.5	1005
5.	Port Harcourt	Port Harcourt	7.8	1877
6.	Delta Ports	Warri	11.5	2506
7.	Calabar Port	Calabar	11.0	1137
8.	Federal Lighter Terminal	Onne	4.7	1185



#### **4.4 AIRPORTS**

The significance of the aviation industry in the development of trade, investment and tourism cannot be overemphasized in the 21st Century. To this end, it is fully being utilised in the country. Air traffic and utilization are generally dense with most of the cities and larger towns connected to Lagos and Abuja by an extensive network of domestic flights. Lagos, Kano, Abuja and Port Harcourt are the main International Airports. Several private airlines service all routes.

#### **5.0 EXPORT PROCESSING ZONES**

Export Processing Zones (EPZ) by definition are clearly delineated and fenced industrial estates within national customs territories, whose purpose is to attract export-oriented industries. The berthing of EPZ is located at Calabar, Cross River State and it is serviced by:

- Modern and well equipped seaport and inter-national airport.
- Good road network linking Calabar to all the other parts of the country.

#### **5.1 FACILITIES WITHIN THE ZONE**

- Serviced Plots
- Uninterrupted Power and Water Supply
- Modern and efficient Telecommunication system
- Excellent internal road network
- Standard Prebuilt factories
- Modern Catering and Recreational facilities
- Banking Services
- Customs Services
- Warehouses.

#### **5.3 INCENTIVES IN THE ZONE**

- Legislative provision pertaining to taxes, levies, duties and foreign exchange do not apply within the zone.
- Tax holiday
- Repatriation of foreign capital investment in the EPZ at any time with capital appreciation on the investment
- Unrestricted remittance of profits and dividends earned by investors in the zone
- No import or export licences required
- Rent free land during construction of factory space

- 100 percent foreign ownership of enterprises in the EPZ allowable
- "One-Stop" approvals
- Sale of up to 25 percent of production permitted in the domestic market.

## **6.0 ONNE OIL AND GAS FREE ZONE**

The zone is meant to enable Nigeria to become a central logistic point for the oil and gas industry in West Africa. The zone takes the advantage of the existing Onne Port Complex, which is being patronised by regular Shipping services bringing cargo from all parts of the world.

The concept should be seen as primarily designed to stimulate import and export oriented activities in the nation's economy and to attract foreign direct investment for its economic growth.

### **6.1 INCENTIVES**

The incentives available to importers and exporters at the port are comparable to the most successful free zones in the world. They include:

- Free Corporate tax
- Free Import and Export duties for goods imported or exported from the Zone
- 100 percent repatriation of capital and profit free from foreign exchange regulation.
- 100 percent foreign ownership
- Free pre-shipment inspection of goods imported into the Zone
- Free expatriate quota in the heart of a buoyant oil and gas activity
- First class facilities
- An efficient oil services centre.

### **6.3 SERVICE AVAILABLE**

- Transit and Marine base services
- Shipping and air freight
- Clearing and forwarding
- Living Camp
- Drilling companies and rig suppliers
- Support vessels, barges and tugs
- Heavy lift facilities and services and tools

## **7.0 TELECOMMUNICATIONS**

Telecommunication services were introduced in Nigeria in the late 1880s. At independence, in the 1960, there were only 18,724 telephone lines developed and

managed buy the then Department of Post and Tele-communication (P&T). The Nigerian Telecommuni-cation Limited (NITEL) Plc was established in 1985 as a result of the merger of the Nigerian External Tele-communication (NET) and the Telecommunications Division of P & T. Its major objective was to harmonise the planning and coordination of the internal and ex-ternal telecommunications, which were under P & T and NET respectively.

The establishment of NITEL and the subsequent deregulation of the industry have brought about a significant development in the industry. A number of private companies have been licensed by the National Communication Commission (NCC) to undertake telecommunications services. They include M-Tel, MTN, Econet, Globacom, Interceluller. etc.

## **7.1 EXISITING INFRASTRCTURE IN THE TELECOM INDUSTRY**

### **(a) *Switching Network***

The national telecommunication network consists presently, of three parallel networks for Telephone, Cellular and Telex Switching, respectively. The fourth parallel network, Data and Packets Switching is in its implementation stage.

Integrated Service Digital Network (ISDN) Services have been introduced into the digital services.

### **(b) *Telephone Network***

The telephone network is structured into four levels:

International level Three (3) switching centres (Lagos, Enugu and Kaduna) all are digitalized

The nodes of the top network level are interconnected by a fully meshed network while the intermediate and local exchanaes form a start-shaped network.

### **(c) *Pay-Phone System***

The M-TEL Network is made up of 22,500 mobile cellular telephone lines with service stations located in Lagos, Abuja, Enugu and Jos. The first three are operational while the last station is in its implementation stage. There is only one (1) mobile switch in each station.

### **(e) *Telex/Gentex Network***

The telex Gentex network consists of a system of telex exchange and gentex

stations, which are limited at the local, national and international levels to provide telex/telegraphy services for national subscribers and the outside world. International telex transmission is carried out through Earth Stations stationed in Lagos, Enugu, Kaduna and Microwave radio to the West African Countries.

The Telex network is made up of 16 exchanges with two (2) being digital. The voice telegraph terminals consist of twenty one (21) exchanges. The total installed capacity is 15,000 lines with only 6,843 being connected.

Before the end of year 2000, this network would have been replaced by International Digital Network (IDN) services.

*(f) Transmission Network*

The transmission network consists of radio links in the UHF and Microwave range of frequency co-axial cable, optical fiber cable and satellite links.

Five satellite stations are in operation. These are sited in Lanlate, Kujama, Enugu, Kaduna, and Lagos. Enugu, Kaduna and Lagos Stations are digital and are used for international traffic. The other two are presently analogue exchange and used for data traffic and Very Small Aperture Terminal (V-SAT) hub respectively.

## STATE BY STATE INVENTORY OF INDUSTRIAL ESTATES IN NIGERIA

STATE: FCT, ABUJA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Idu	1981	Fed, Capital Development Authority. (FCDA)	897.hHa 1700 plot(s)	TR. E. W. Available but no telephone, no bank no Post Office, no Police Post.	680 of the 700 plots already allocated. Plot sizes vary from 0.25 ha to 2.5 ha
2. Gwagalada		.....		TR. F. W.	Partly Developed
3. Kuje		.....		TR. E. W.	Partly Developed

STATE: ABIA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Ogor Hill Industrial	1974	Ministry of Industry	25ha (34 plots)	TR. E. W. & T	Partly Developed
2. Opobo Rd. Layout (as Mechanic Village, Aba)	1993	Ministry of Industry	8 ha	ER	No development beside perimeter contour survey
3. Umuahia Evangel Layout Umuahia	1992	Ministry of Industry	125.4 ha	ER. W.	Development of Phase I (30 ha) is in progress. Phase II & III to cover 25 ha Each will follow.
4. Ubakala Workshop Layout	1992	-do-	14.3 ha	None except 1 TR crossing Layout NEPA Poles	Only Perimeter & Counter Survey done.
5. Uturu Ind. Layout, Uturu	1993	-do-	172.007 ha (214 plots)	TR. ER	Partly developed
6. Afikpu Ind. Layout		-do-	318.77 ha	E.W. Within reach	Survey work in Progress. Partly Development
Bende Rrd/Nkata	1993	Ministry of Industry	10.6 ha	TR. E.	Electricity within Reach
Afara Mechanic Village Aba	1993	Ministry of Industry	16.26 ha	ER	Partly developed
Mechanic Layout Inchl. Estate Aba	1974	-do-		W. E.	Partly developed

## STATE: BAUCHI

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Bauchi Indu.	1977		135 ha (6sq. km)	TR, E, W, & T	276 of the 300 plots have Layout been allocated. Plot sizes are 100m, 100m x 100m x 150m & 200m x 200m. Some of the Facilities are provided by tenants. Railway siding for easy transportation of goods/machinery available.
2. Ind Layout along Jos Road, Bauchi	1993	Ministry of Comm. And Industry	33.59 ha		At planning stage, Preliminary design completed and estimates for infrastructure provision already received
3. Gombe	1989	300 ha		Partly developed located here)	
4. Azare	1989		200 ha	ER	Partly developed
5. Misau	1989		100 ha	ER	Partly developed

## STATE: BAYELSA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Yenogoa Ind. Estate	1987	Min. Of Comm. & Industry	190 ha	ER, E, W,	Partly Developed
2. Sagbama Layout	1993	..	250 ha	ER, E.	Partly Developed

## STATE: BENUE

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Makurdi Ind. Layout along Makurdi Naka Road	1988	Ministry of Finance & Economic Dev. (Dept. Of Indu. And Commerce)	310 ha	TR	Partly Developed

## STATE: BORNO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Pompomari Indu. Layout (Light Ind. & Heavy Industrial) Maiduguri	1989	Min. Of Ind. & Commerce	118.20 ha of which 56.18 ha for light/ commerce & 62.02 ha. Is for heavy industries	TR, ER, W & E.	Partly developed. Fed. Govt. matching grant used to acquire this site physical occupancy rate in light Ind. Estate is 6/198 and is 40/104 in the heavy industrial lay out. Plot sizes are 50m x 60m x 90m respectively.
2. Baga Road (East & West) Ind. Layout Maiduguri (Also called Bolori Estate)	1976	Min. Of Lands Survey & Urban Planning	76.89 ha (190 acres)	TR, W.E.T.R.D.	Layout fully developed with medium and large-scale industries. All 195 plots have been allocated. Physical occupancy rate is 7/25 in the light industrial layout and 46/170 in the heavy industrial section. 70% of Baga Road layout has unofficially been converted for residential purpose. Plot sizes are 40m x 60m in the light industry section & 80m x 130m in the heavy industry.

## STATE: CROSS RIVER

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Northern Ind. Layout Calabar	1975	State Min. Of Comm. & Ind. /Min of Lands and Survey	452.53 ha (156 plots)	E. TR, ER, T. Petrol filling station. Police station & ITF Offices	Tenants provide some of the facilities (boreholes) Physical occupation is by 15 tenants only. Part of the area has been allocated to the Export Processing Zone (EPZ)
2. Southern Industrial Layout	1977	Ditto	144.76 ha	E.T, TR. & W	Physical occupation by only 3 firms, but all the plots have been allocated.
3. Akamkpa, Economic Relief Estate	1987	Ditto	3.25 ha (22) Plots	ER	This layout was established for cottage and small industries only to cushion the effects of SAP. But no allocation has been made and factory shade were not built
4. Ikom Ind. Layout	1984	Ditto	30.02 ha (27 plots)	E. & ER. & T	All plots allocated, by only 4 tenants are currently in operation. One these firms has an Allocation of 14 plots
5. Ogoja Ind. Layout	1992	Ditto	40.85 ha (51 plots)	E & ER	Only 16 plots allocated to date Physical occupation rate is about 6 percent i.e. Only 1 company.
6. Odukpani Industrial Layout	1992	State of Min. of	50.147 ha.	None	New Estate

## STATE: BAUCHI

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Bauchi Ind.	1977		135 ha (6sq. km)	T.R.E.W.&T	276 of the 300 plots have Layout been allocated. Plot sizes are 100m, 100m x 100m x 150m & 200m x 200m. Some of the Facilities are provided by tenants. Railway siding for easy transportation of goods/ machinery available.
2. Ind. Layout along Jos Road, Bauchi	1993	Ministry of Comm. and Industry	33.59 ha		At planning stage. Preliminary design completed and estimates for infrastructure provision already received
3. Gombe	1989	300 ha		Partly developed (located here)	
4. Azare	1989		200 ha	ER	Partly developed
5. Misau	1989		100 ha	ER	Partly developed

## STATE: BAYELSA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Yenogoa Ind. Estate	1987	Min. Of Comm. & Industry	190 ha	ER, E. W.	Partly Developed
2. Saghama Layout	1993	"	250 ha	ER, E.	Partly Developed

## STATE: BENUE

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Makurdi Ind. Layout along Makurdi Naka Road	1988	Ministry of Finance & Economic Dev. (Dept. Of Indu. and Commerce)	310 ha	TR	Partly Developed



## STATE: DELTA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Asaba	1992	Fed. Govt. Min Of Comm. & Ind	100 ha	TR.E.W.T.	Land compensation and surveys completed. Quotations for Infrastructural design being evaluated. Partly Developed.
2. Warri	1992	Min. Of Comm. & Industry	109 Plots	TR. E. W.T.	Partly Developed
3. Sapele	1992	Min. Of Comm. & Industry	411 ha.	TR. E. W. T	411 ha. Includes 180 ha. For proposed tyre factory, 100 ha for Ind. Estate and balance for housing estate. Partly developed
4. DSC Ind. Area	1982	Delta Steel Co.		TR. E. & W Within reach	
5. Edewor Ind. Area		Chief J. Edewor (Private)	1.6 sq.km	Facilities Provided by Occupants	Fully occupied by industrial/ oil-service companies, including Texaco, Edewor Vegetable Oil Coy etc

## STATE: EDO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Benin (Along Road) Upper Sakpoba	1989	Min of Comm Ind./Fed. Mi. of Ind. Funding	100 ha	W.E. & TR.	Within 1 Km of Site Partly Developed
2. Auchu Ind. Estate. Auchu	1989	Edo State Government	100 ha	E.W. & ER	Partly Developed
3. Esvoriaria Ind. Estate Benin	1994	Edo State Gov/ World Bank Funding under IDF Scheme	300 ha		Feasibility Study just completed. Awaiting funding from the World Bank assisted Infrastructure Development Fund.

## STATE: ENUGU

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Enene Industrial Layout. Airport Road	1972	Formerly East Central State Min. of Lands	30.4 ha (78 plots of which 63 are Indu. & 14 are Commercial)	TR.ER.T.W. RD E. & Security services	Not fully developed; Estimate 55% physical occupancy. All industries there are functional including ANAMCO. Easter Plastic etc.
2. Enene Industrial Layout Extension. Abakaliki Road, Enugu	1975	Ditto	123 Plots	TR.ER.T. E. & SS	Not fully developed 35% physical occupancy site for IDC permanent site, PRODA, RADUCHE & INTERCIL

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
3. Eastern Nigeria Ind. Estate 30 Zak Avenue Enugu	1964	Formerly Eastern Region Govt. Min of Ind. & Comm. Ind. Estate Mgt Board.	0.5ha	W.E.ETR. T Buik-up factory sheds	16 units accommodation all fully occupied and need expansion. Estate management is by the Newly created Ind. Estate Management Board.
4. Fed. Govt. Assisted Layout, Abakapa Nike Enugu	1993	Min. Of Ind. & comm		None	Acquisition being contested. N952.00 spend so far perimeter/ contour survey.
5. Orji River Industrial	1972	Min of Ind. & Comm.	118 plots	TR.ER.T.&E	Some facilities especially water Provided by tenants. Estimated physical occupancy of 45%. Land acquired by Min. Of Lands handed over to NASSI, which opened the earth road, now overgrown. No tenants as yet.

## STATE: IMO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Onitsha Road Layout (Or Action Area Ind. Layout) Owerri	1982	Owerri Capital Dev. Authority.	265ha (273 Plots)	TR.ER.E.&SS	Partly Developed
2. New Naze Ind. Layout Naze Aba Road, Owerri	1980/81	Min. Of Comm. & Industry	289ha	ER, E	Site covers area for dormant Sachharules Motorcycle Assembly plants, Integrated Aluminium Products Company & GOM Electrical Industry. Partly Developed
3. Naze Rd, North Layout	1982/83	Min. Of Comm & Ind./Fed. Min. Of Ind.	127.8 ha (124 plots)	ER, E	Site cover 45 ha Ara for 31 small scale Industries proposed by Fed. Min. of Ind. In 1979, now designated for electronics market,
4. Annike- Odu Ind. Layout	1993	Min of Com. & Ind.	26.076 ha	NONE	Erosion affecting the site, which Lies outside orlu urban & lacks Infrastructure
5. Okigwe In. Layout	1993	Owerri Capital Dev. Authority.		NONE	No development at site yet

## STATE: JIGAWA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Dute Ind. Estate Damasara Village Dutse	1993	Min of Comm & Industry	24 ha.	ER, W, E.	Partly developed. Designis for 127 units marked up of 78 factory shed in 3 different sizes 45 shops and Admin building.
2. Ringin	1993	..	5. ha		
3. Gumel	1993	..	5. ha		

## STATE: KADUNA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Kaduna North Ind/ Area Kaduna (TPO451)	1988	Min of Comm & Ind.	160 ha (400 acres) (63 Plots)	E.W.TR.T.RD.	Plot sizes vary from 1.6.6. Ha Estate populated by medium & heavy industries fully occupied.
2. Kaduna Ind. Area Western Bye-pass Kaduna (TPO 566)	1981	..	256 ha (640 acres) 120 plots	E. W. TR. RD	Few plots yet to be allocated
3. NNPC Refinery Ind. Layout Kaduna (TOP 542)	1978	..	48 ha (120 (5300 acres) 105 plots	E. ER	-do-
4. Abuja Rd. Junction. Inl. Area Kaduna (TPO 528)	1978	..	48 ha (120 acres) (140 plots)	E. ER	Plots vary from 1.6.6. Ha 36 plots allocated to date
5. Angwar Muazu Light Kaduna (TPO460)	1977	..	126 ha (315 acres (47) plots	W. E. ER. 40	Plots have been allocated
6. Mando Road, Light Ind. Layout Kaduna (TPO483 A.B. & D	1978/81	..	126 ha (315 acres (97 plots	ER	8 plots have been allocated
7. Kawo Light Ind. Layout (TPO461)	1977	Min of Comm & Industry	278 acres	ER W.E.T	All plots allocated

STATE-KADUNA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	LAND COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
State Ind. Estate, Kaduna	1977	-	-	E, W, T, J	Partly Developed
Group Light Ind. Estate, Kaduna	1977	-	5 Acres	E, W, T, J	Partly developed with water supply, sewerage & drainage (low)
Advanced Light Ind. Estate, Kaduna	1977	-	4 Acres 10 Acres	E, W, T, J	Partly developed

STATE-KANO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	LAND COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
Group Ind. Estate, Kano	1959	Min. of Comm. & Industry	10 Acres	E, W, T, J	Partly developed estate
State Ind. Estate, U. D. I., Kano	1970	-	50 Acres	E, W, T, J	Partly developed estate with water supply, sewerage & drainage
Group SME Estate, Kano	1970	-	20 Acres	E, W, T, J	Partly developed estate with water supply, sewerage & drainage. Some plots are occupied by small scale industries.
Advanced Ind. Estate, Kano	1969	-	10 Acres	E, W, T, J	Partly developed with water supply, sewerage & drainage
Advanced Ind. Estate, Kano Advanced SME Light Estate, Kano	1969	-	20 Acres	E, W, T, J	Partly developed with water supply, sewerage & drainage
Advanced SME Estate, Kano	1969	-	45 Acres	-	Partly developed with water supply
Advanced Ind. Estate, Kano	N.A.	-	-	-	-

**STATE: KATSINA**

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Katsina Ind. Estate	1988	Min. of Comm & Industry	14.18 acres	ER, W	21 plots, yet to be completed.
2. Funtua - Zaria Rd., Gusau Rd.	1989	"	7.2 acres		
3. Dutsinma Ind. Layout	1989	"	7.5 acres		
4. Daura Ind. Layout	1989	"	5.7 acres		
5. Malumfashi. Ind	1988	"	7.5 acres		
6. Okankia	1988	"	6.5 acres	ER,E,W	
7. Mani	1987	"	5.2 acres		

**STATE: KEBBI**

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Goru Bulasa Estate And Industry	1992	Min. of Comm.	1 sq. Km.	E, W, ER	84 plots of which 42 are 100 x 80m, and the other 42 are 140 x 100. Only 3 of the former plots have been allocated
2. Yauri	Proposed	"	10 ha.	}	
3. Zuru	"	"	10 ha.	} Proposed Estates }	

**STATE: KOGI**

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Lokoja Ind. Estate, Along Okene-Abuja Highway, Lokoja	1994	Min. Of lands	Over 100 ha		land surveyed but compensation yet to be paid. No further development and no evidence of FGN grant for Special Federal Industrial Layout.

## STATE: KWARA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Ilorin Ind. Estate	1984	Lands Dept.	62.0 ha.	-	-
2. TPO 141 - Pilgrims Centre Ilorin	1984	Lands Dept.	136.0 ha.	E, ER, W	Facilities provided by Allottees. 80 of the 136 plots, each of 1 ha, have been allocated.
3. TPO 158, Anise Road Ilorin	1984	-	174.0 ha.	E, T, ER, W	Facilities provided outside the estate by private arrangement of Industrialists.
4. Ilorin Ind. Estate, TPO 141, Asa Dum New yodi Rd. Ilorin	1984	-	30 ha.	E, TR, W, ED, F	Plot sizes are 1 ha each. 15 of the 20 plots have been allocated.
5. TPO 203 AFON Afo-Ogbondoko Rd. Ilorin	1987	-	54 ha.	-	Not developed as yet
6. Ormazan Ind. Estate	1985	-	112 ha.	-	Not developed as yet
7. Share Ind. Estate	1985	-	8 ha.	-	-
8. Bedie-Sanda Ind. Estate	1987	-	291 ha.	-	-
9. Lafagi Ind. Estate	1986	-	54 ha.	-	-
10. Jebba Ind. Estate	1984	-	209 ha.	-	-
11. Offa-Erimle Ind. Estate, Offa	1987	-	241 ha.	-	241 plots.
12. Ijagbo Ind. Estate	1979	-	77 ha.	E, T, ER, W, RD	2 industries currently on the site

## STATE: LAGOS

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Yaba Ind. Estate	1958	Min. Of Comm & Industry	1,112 ha.	E, T, TR, W, RD Restaurant Security Service, & Built-up Factory sheds (8)	For SME's. All 42 factory shed in 3 size lots (47.25, 57.99, and 118.8m <sup>2</sup> ) are allocated. 29 of the tenant-firms offer services while 14 are engaged in manufacturing.
2. Matori SME Estate Fatai Atere Way, Mushin	1975	-	2,079ha	E, T, TR, W, RD SS & Built-up Factory Sheds	For SMEs. All 32 factory sheds in 3 sizes (162.9m <sup>2</sup> , 313.2m <sup>2</sup> and 462.3m <sup>2</sup> ) are allocated.
3. Isolo SME Ind. Estate, Chereborrough way Isolo	1993	-	6,28ha	E, TR, T, W, RD SS & Built-up factory sheds	For SMEs. Only 10 of the 20 sheds, each of 12.3m x 6.15m, have been allocated. All existing tenant-firms are engaged in manufacturing

STATE: LAGOS (Cont.)

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
4. Lagos Technology Incubator Centre, Agege	1993	Fed. Min. of Science & Tech./State Min	6 ha	E, TR, W, SS Built-up factory sheds	For SMEs. All 21 units in phase I are allocated but physical occupancy is 6/21 as at January, 1994. Shed dimensions vary.
5. Igando SME Estate	1993	of Comm. & Ind	6 ha.	Yet to be provided	Still being developed
6. Epe " "	1993	"	6 ha.	"	"
7. Imota " "	1993	"	26 ha.	"	"
8. Apapa Ind. Estate	1957	Min. of Physical Planning & Env. & New Towns Dev. Authority Min of comm. & Ind	100 ha	E, T, TR, W, ED, RD	Next to Apapa Port. Fully occupied by medium-large manufacturers & commercial enterprises including Flour Mills, CAPL, Christlieb, GM Motors etc.
9. Ikeja Ind. Estate	1959	"	180 ha	E, T, TR, W, ED, RD, ARE	Fully occupied by medium-large manufacturers including Guinness, Dunlop, Nig. Textile Mills, Nigente, etc.
10. Ilupeju Ind. Estate	1962	"	110 ha.	E, T, TR, W, ED.	Fully occupied by medium-large manufacturers like PZ, RD, ARE Nestle Foods, Sterling.
1. Ijora Ind. Estate	1965	"	160 ha.	E, T, TR, W	Fully occupied by medium-large enterprises.
2. Iganmu Ind. Estate.	1965	"	80 ha.	"	Fully occupied by medium-large enterprises e.g. Nigerian Breweries, Plc., Thomas Wyatt, etc.
3. Oshodi/Isolo Ind. Estate (Off Badagry Express Way)	1968	Min. of Comm. & Industry	140 ha.	E, T, TR, W, ED, RD, ARE	All 135 plots are allocated. Estate fully developed and associated with a residential estate. Existing tenants are mainly medium-large manufacturers including Afrprint Textiles, Aswani Textiles, Johnson Wax, etc.
4. Amuwo-Odofin	1969	Min. of Physical Planning & New Towns Dev. Auth.	200 ha.	E, TR, W.	Fully - developed.
5. Ogba Ind. Estate.	1969	"	150 ha	E, W, TR, ED, RD	Estate fully developed. All 95 plots allocated occupied by medium-large manufacturers including Guinness, West African Milk, Carnaud Metal Box etc.
6. Oregun Ind. Estate	1981	"	100 ha.	E, W, TR, T, RD	Estate is partly private but fully developed. All 14 plots allocated.

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
17. Agidingbi Ind Estate	1969	..	97 ha.	E, W, TR, T, RD.	Fully developed. Home to Cadbury, Daily Times and Nig. Bottling Coy.
18. Gbagada Ind. Scheme	1974	..	50 ha	E, TR, W, T, RD	Schemes with a residential estate. All 28 industrial plots allocated, as are all the 619 residential plots.
19. Koroda Ind Scheme	1971	..	1,582.27 ha.	E, ER, W, ARE	Estate partly occupied by medium-large enterprises, including PZ, steel rolling mill, fishing companies etc.
20. Sunlere	1981	..	20 ha.	E, W, TR, T	
21. Badiya	1958	..	15 ha.	E, T, TR, W, & RD	All 58 plots allocated. Largely commercial.
22. Motori Ind. Estate		Min. of Physical Planning & Towns Dev. Auth.	120 ha	E, T, TR, W, & RD.	Fully-developed occupied by medium-large enterprises
23. Oyediran/Yaba	1970	..	20 ha	E, W, T, TR, & RD, ARE	Fully-developed; associated with a residential scheme
24. Ilesamaja	1971	..	60 ha		
25. Lagos-South West	1972	..	317 ha		
26. Kirikiri	1981	..	30 ha.	E, W, TR	
27. Mosafejo-Aradagun Ind. Estate Badagry	1980	..	214.27 ha		Estate partly developed, but all 97 plots allocated
28. Abesan/Ipaja	1981	..	100 ha.	E, R, ARE	Ind. Estate associated with a residential estate. Partly developed.
29. Akowonjo	1976	..	50 ha.		Part of the area has been squatted upon. Existing tenants are largely small-scale enterprises.
30-34. The State Government proposes to establish other industrial estates at Oworonsoki, Oduragunsin, Gini, Agbowo, Ewu-elepe, Oko-Afro/Ifofibo.					

STATE: NASARAWA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Keffi	1993	State Government	35 ha	TR, Z, W, PFS	Partly Developed
2. Lafia	1987	..	60 ha	E, W, SS, TR	..
3. Karu	1993	..	44 ha	E, W, TR, SS	..



STATE: NIGER

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Minna Ind. Layout Phase I	1978		63 ha.	W, TR, E, T	35 Plots fully allocated.
2. Minna Ind. Layout Phase II	1988		150.255 ha.	W, TR, E, T	88 plots, partly developed. All 31 plots of 130 x 138m allocated are 15 plots of 100 x 100m.
3. Bida	1984	Federal Govt assisted	170 ha	E, ER	Being developed, 102 plots
4. Suleja	1989		80 ha.		Planning for 39 plots. Only compensation for land has been paid
5. Kontagora	1984	Fed. Govt Asst.	150 ha	E, ER.	Being developed into 50 plots

STATE: OGUN

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Sango-Ota Ind. Estate Idi-iroko Road, Ota	1980	Ogun State Housing Corporation	60 879 ha. 4 (208 plots)	E, T, IR, SS, ARE	185 of the 232 plots allocated are partly occupied by medium & large establishments like Nestle, Honda Manufacturing, Intersadme, etc. associated with a residential estate. Plot sizes are 0.5 ha & 1 ha.
2. Abeokuta (Lagos-Abeokuta) Road	Pre 1976	"	887.082 ha. (140 plots)	ER, E, W	Partly occupied by medium manufacturers of Paints, Ceramics, Iron roofing sheets. Plot sizes are 0.5 ha & 1 ha.
3. Ikangba, Ijebu Ode	1979	"	341.20 ha (64 plots)	E, T, ER, TR, W, SS	Partly developed. Only 7 of the plots at Ikangba have been allocated. Home to Gateway Pharmaceutical Coy.
4. Itanrin, Ijebu-Ode	1979	"	877 ha. (561 plots)	-	Not yet developed
5. Apojc, Ijebu Igbo	1979	"	240.246 ha.	-	Not yet developed

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED PROVIDED	STATE OF DEVELOPMENT
6. Ifo Ind. Estate	1980		340.30 ha.	E, ER	8 of the 47 plots at Ifo have been allocated
7. Sagamu Ind Estate	1979		212.679		17 Industrial plots to be available
8. Odogbolu	1979		380.201 ha		15 industrial plots available
9. OPIC Estate Aghara	1979	Open State Property and Invest. Co. (OPIC)	160 ha	E, I-P	Partly occupied by large manufacturing establishments
10. OPIC Estate, Abeokuta along Lagos-Sokoto Expressway	1991		63.5 ha.	SS	Layout in progress
11. New OPIC Estate, along Lagos-Ibadan Expressway	1993	Open State Property & Invest. Co.	1000 ha	T, TR, E, W, SS	Fully Developed.
12. Abeokuta Ind. Estate Ajebe Road	1987	Min. of Lands Survey & Town Planning	254.58 (350 Plots)	ER, E	97 of the 350 plots have been allocated and partly developed
13. Aghara Estate Ltd	1973	Private		E, W, TR, ED, ARE, Club House	Partly dev. & occupied by medium large manufacturing establishments like Lever brothers Glaxo, CMB, Toyo glass, Demex etc. Associated with a residential scheme. Perhaps Nigeria's best planned private industrial estate

STATE: ONDO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED PROVIDED	STATE OF DEVELOPMENT
1. Ondo - SME Estate off Oluji Rd. Ondo	1986	Min. of Comm & Industry	10.379 ha	None as yet	47 plots to be available
2. Ado Ekiti SME Estate, Ikere Rd. Ado Ekiti	1989		11.407 ha.	None as yet	38 plots to be available
3. Owo-SME Estate Beamin Owo Road, Owo	1989		10.52 ha		43 plots to be available
4. Ondo Ind Estate, Ondo	1978	Ondo State Housing Corp.	34.773 ha	E, W, ER	Partly developed. 10 of the 45 plots have been allocated, 3 firms on site.
5. Ondo Road Ind Estate	1988		42.10 ha.	E, ER.	Partly developed. 19 of the 72 plots have been allocated. 1 firm on site.

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED PROVIDED	STATE OF DEVELOPMENT
6. Owo Light Ind. Estate, Owo-Ikere Junction, Owo	1989	Min. of Lands	13.3 ha	E, ER	All 8 plots already allocated, 2 firms on site.
7. Akure Ind. Lay-out, Ilesha Road, Akure	1976	"	28.90 ha.	E, ER, 2 Industries located	13 of the 44 plots have been allocated, 2 firms on site.
8. State Ind. Lay out, Ialesha Rd. Akure	1980	"	327.52	E, ER	16 of the 313 plots have been allocated, 9 firms on site.

STATE: OSUN

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED PROVIDED	STATE OF DEVELOPMENT
1. Oshogbo SME Estate	1992	Min. of Comm & Industry	29 ha.	ER	Yet to take off
2. Ilesha - SME Estate	1992	"	30 ha.		Not yet executed
3. Oshogbo - Iwo Road Trade Fair Complex		Min. of Lands	175 ha.		Land just acquired
4. Ajaka Estate Oshogbo Road, Ilesha	1970s	Osun State	81.1 ha.	ER	108 Plots still under construction
5. Oroki Estate, Ilobu	1976	Osun State Property Dev. Corp.	36.54 ha.	E, W, TR, T	21 plots
6. Ede-Akoda Ind. Estate	19802	"	42.35 ha.		
7. Moremi Ind. Estate, Ile Ife	1970	" "	3 ha	E, ER	
8. Okinu via Oshogbo	1993	"	Under preparation		

STATE: OYO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED PROVIDED	STATE OF DEVELOPMENT
1. Ogbomosho SME Estate		Min. of Comm & Industry	20.30 ha	E, W, TR, SS	Partly completed, 35 plots proposed
2. Shaki SME Estate		"	240 ha		Land acquired
3. Oyo SME Estate		"	23.46 ha.		Land acquired, 39 plots proposed

STATE: OYO (Cont.)

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Eleyede Extension Ind. Estate	1973	Ibadan Local Govt. Council	617.06 ha	E. T. SS, MW, ARE	All 104 plots allocated. About 70 percent of allottees have moved in.
2. Lagos Road Scheme	1972	-	23.1 ha.	E. T. TR.	Partly developed but all 67 plots allocated. 25-30 percent of allottees have moved in.
3. Iwo Road Ind. Scheme, Mountain, Ibadan	1975	-	566.39 ha	E. TR.	10 percent of the 59 plots already allocated. 6 firms already operating including Evade Butonnes, Triplex Safety Glass, etc.
4. Onwode Ind. Estate	1973	Oyo State Property Corporation (OSPC). All OSPC Estates are associated with residential schemes	289.82 ha	E. TR, W. RE, ED, ARE, SS, FS, Schools, Banks, Clinic, Recreational Club	23 of the 76 plots have been allocated
5. Olufadatan Ind. Estate, New Ife Rd., Ibadan	1987	O. S. P. C.	200.13 ha	E. T. R. R. O. E. D. ARE, SS, Clinics, Schools, Banks etc.	All 22 plots allocated
6. Iwo Road Estate Eji-Olu, Ibadan	1989	O. S. P. C.	200.13 ha	E. F. R. SS, W	86 Plots partly developed
7. Ogbomoso Ind. Estate		O. S. P. C.	223.15 ha		Not yet developed. 43 plots proposed
8. Oba-Ota Kekere (Phase I)	1992	Min. of Lands	129.7 ha	At design stage	90 plots planned

STATE: PLATEAU

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Naraguta light Ind. Estate	1989	Municipal Authority	30 ha	TR, E, W	Partly Developed
2. Anglo Jos medium & large Ind. Estate, Jos	1989	-Jitto-	198 ha.	TR, E, W	Extension of existing industrial area occupied by Jos Steel Rolling mill, Jos International Brewery & NASCO Group.

STATE: RIVERS

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Ahoada Ind. Estate	1987	Min. of Comm. & Ind.	250 ha	ER, E.W, Central workshop & Scientific laboratory completed	Water lines passing through the estate can be tapped. 3 Pilot factories for manufacturing pins, chalk, & candles have been equipped and commissioned.
2. Trans-Antad (Phase I & II) Ind. Layout	1960	Min. of Lands	2,500 acres for phase I	TR, W, T, E, & RD	Phase I fully developed and occupied while Phase II is still under-developed
3. Alesa - Elome (Onne) Layout	1993	Min. of Ind. & Comm./Fed. Min. of Lands funding	67.05 ha.	NONE	Still under-developed
4. Isiokpo Layout	1993	-do-	250 ha.	NONE	-do-

STATE: SOKOTO

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Kalambiana Ind. Layout Heavy	1961	Min. of Comm. & Ind.	135 ha	E, T, W, TR, SS	Fully-developed. 64 plots allocated to medium-large establishments including Sokoto Cement Co.
2. Light Ind. Area. Phase I Canteen Area, Sokoto	1971	--	70 ha.	E, ER, W, T, SS	Fully-developed.
3. Light Ind. Area Phas II Sokoto	1976	--	80 ha.	E, ER, W, RD, T, SS	Fully-developed. The Phosphate Beneficiation Project is located in this estate
4. Bye-Pass Light Ind. Layout, sokoto.	1988	--	18 ha.	Non as yet	Yet to be developed

STATE: TARABA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Jalingo Ind. Layout Jauro-Yinu Village Jalingo.	1992	Min. of Comm & Industry	25 ha.	ER	Site acquired, compensation paid, and earth roads being opened up.  Partly Developed.

STATE: YOBE

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Potiskum Road Ind. ) Layout (A&B	1993	Min. of Comm & Industry	117.3 ha. Divided into 2 parts by the Trunk A road.  Of these, site A = 75.8 ha for high tech ind. & site B = 41.5 ha. For SSI, the IDC & the RMRDC office.	E. W. TR	NEPA HT electricity line running through Maiduguri to Potiskum passes by the estate. Federal Government funds were used to acquire the site B layout for SMEs.

STATE: ZAMFARA

LOCATION OF INDUSTRIAL ESTATE	YEAR ESTABLISHED	SPONSOR	AREA COVERED	FACILITIES PROVIDED	STATE OF DEVELOPMENT
1. Gausau Light Ind. Area	1975	Min. of Comm & Industries	68 ha.	E. T. W. TR, SS.	68 Plots Fully Developed
2. Special Fed. Ind. Layout Gausau	1992/93	"	75ha	E. T. ER, TR, W, WW	26 plots Partly developed

## INVESTMENT POTENTIALS FOR SMALL AND MEDIUM ENTERPRISES (SMEs) IN NIGERIA

### INTRODUCTION

The advent of SMEs in Nigeria was necessitated by the need to stimulate the establishment and growth of industries, in order to launch the country's industrial development. Governments the world over as well as development experts recognize the critical role SMEs play as the main engine of growth and a major factor in promoting private sector development and partnership. SMEs are indeed the bases that provide the necessary impetus for the transformation of most industrialized economies. Thus, SMEs serve as pivots for industrialization.

SMEs therefore, represent the most vital and dynamic sector of growth especially for developing nations like Nigeria. This is because, they have proved to be among other things:

- (1) Vehicle for employment generation thereby increasing the purchasing power of citizens and also contributes significantly to improved living standards.
- (2) Major drive for the development of a broad based entrepreneurial culture with equitable and sustainable diversification and dispersal of industries in all facets of the economy.
- (3) Means of producing a core trained manpower for utilization in major industries. This is particularly of importance because our educational system lays more emphasis on paper qualification to the detriment of the development of technical skills.
- (4) Source of linkage and support services to major industries. Where these services are not available the major industries cannot operate effectively because they will have to import all of their requirements which will be too cumbersome and thereby disrupt production process.

Hence, the rapid growth of the SMEs is of critical importance not only to promote the development of locally owned industries but equally for socio-economic development, through generation of employment and income on a much wider scale and the extension of industrial production over a diversified base.

### DEFINITION/CLASSIFICATION

SMEs refer to those enterprises whose total investment is limited to amount not in the large scale category and therefore do not have economies of scale in their

own right. These investments are usually characterized by:

- (i) Low set-up capital
- (ii) Short gestation period
- (iii) Small labour force
- (v) Use of simple technology etc.

Thus, according to the National Council on Industry SMEs are those enterprises in which total capital (working capital inclusive) falls within N1 million to N150 million mark with a labour force of between 11 to 100 people.

**Classification:** Industrial enterprises in Nigeria are categorized according to their level of investment as depicted thus:

CATEGORY	TOTAL INVESTMENT (INCLUDING WC) LESS LAND	LABOUR FORCE
Cottage	Not more than N1 million	Not more than 10
Small	Above N1 million but not exceeding N40 million	11 — 35
Medium	Above N40 million but not exceeding N150 million	35 — 100
Large	Above N150 million	Over 100

Source: *National Council on Industry, 1996*

### GOVERNMENT INVOLVEMENT WITH SMEs

Government concern with the development of SMEs was prompted by the critical role they play in industrialization. More so, the failure of other developmental policies (such as import substitution industrialization) to bolster the country to the required level of advancement, forced governments to refocus its policies to look inwards.

Meanwhile, government involvement in this sector is mainly in terms of favourable policy formulation and establishment of support institutions. Nigeria's industrial policy since the 1980s has been directed at using the oil wealth to develop the industrial and manufacturing base of the economy. Specifically, the objectives of this policy is to achieve among others:

- (i) Maximization of local value-added
- (ii) Steady growth of technological and material self-reliance
- (iii) Industrial dispersal
- (iv) Promotion of export promotion industries;
- (v) Employment generation



These attributes, the government realized could best be achieved through the development of SMEs. There-fore the strategy of promoting the SMEs by government was aimed at opening up the vast rural areas of the country and creating remunerative employment opportunities. In addition the strategy is also intended at using the SMEs to serve as a springboard by which indigenous entrepreneurs should be able to undertake venture in the large-scale subsector eventually and attract foreign direct investment through partnerships.

Accordingly in order to make the strategy successful to achieve the desired objectives the government established an umbrella organization for the small-scale industries with all the attendant advantages. This is called Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

Banks have also established a scheme called Small and Medium Industries Equity Investment Scheme (SMIEIS) to take up equity in SMEs.

The Bank of Industry is also established to grant credit to industries.

Meanwhile, research institutions such as the Raw Materials Research and Development Council have been commissioned to provide valuable information on opportunities in the sector.

Inspite of all these government efforts, the sector is yet to realize the desired result due mainly to the inability of the local entrepreneurs to take advantage of the opportunities provided and some other inherent problem of the macro-economic environment of the recent past. Notwithstanding this limitation however current level of activities in the sector is still commendable although there is room for improvement in order to reach the desired level of development.

## **POTENTIAL AREAS OF INVESTMENT FOR SMEs**

Investment opportunities for SMEs in Nigeria are to say the least tremendous. Virtually all sectors of the economy offer a need either in terms of finished goods or input to processes of raw materials to bigger industries and other support services to these industries. Therefore opportunities exist in every sector especially the priority sector that attract government incentives. These include:

### **(i) Agro-allied Industries**

Production of products which assist in farming and processing of farm produce such as farm implements and simple technology for storage and preservation.

(b) Food processing industries to convert the farm produce into semi-processed and finished goods.

(c) Industries for leather processing and production of leather products  
Specifically, projects for which studies have been conducted on their viability include:

- (a) Production of puffed cereal biscuits
- (b) Fish and meat smoking
- (c) Cassava processing br production of garri
- (d) Reconstituted pasteurized milk
- (e) Pasta production
- (f) Small-scale tanning
- (g) Fibre processing
- (h) Bee keeping cum honey
- (i) Mineral water production
- (j) Desiccated coconut etc.
- (k) Mini sugar plant

**(2) Chemical Petrochemical and Pharmaceutical Industries:**

Most of the raw materials input in this field is by products of petroleum, which is the major product of this country, and some natural minerals widely available.

Therefore, opportunities exist for:

- (a) Fertilizer production
- (b) Rubber, plastic and wood products
- (c) Pharmaceuticals

***Some specific area of investment in high demand include:***

- (a) Production of infusion solution
- (b) Oxygen Production
- (c) Production of Industrial glues and adhe-sives
- (d) Production of rodenticides
- (e) Ophthalmic lenses
- (f) Ethylalcohol
- (g) Phosphoric acid
- (h) Glycerin recovery
- (i) Polyester resin
- (j) Intravenous fluids etc.

**(3) Mechanical Engineering and Metals Industries:**

Opportunities abound for:

- a. Metal fabrication
- b. Production of machine tools
- c. Spare parts fabrication
- d. Foundries and forges

***Specific areas of investment include***

- (a) Maintenance and repair shop
- (b) Metal coating shop such as chromium plating
- (c) Metallic Stearate
- (d) Copper salts
- (e) Zinc chloride, sulphate, cyanide and nitrate
- (f) Sodium / potassium citrate and iodides
- (g) Calcium carbide
- (h) Sodium sulphide

**(4) Building and Construction Sector Opportunities in this sector include among others:**

- (a) Cement production
- (b) Production of non-metallic building materials
- (c) Electrical fittings

***Specific areas of investment include:***

- (a) Manufacture of village silos
- (b) Production of wall/floor tiles with cement base
- (c) Production of sanitary ware
- (d) Production of straw board
- (e) Abrasive wheels
- (f) Copper wire, soldering wire
- (g) Switches, plugs sockets and other electrical accessories
- (h) Hot dip galvanizing
- (i) Silica gel

**OTHER AREAS**

The following investment potentials available to SMEs also fall within the list of pioneer industries products, which attract incentive of tax holiday for a period of five years. These include:

- Manufacture of paper pulp
- Manufacture of yarn and man-made fibers
- Manufacture of nets from local raw materials
- Manufacture of gas cylinders
- Rubber plantation and processing
- Gum/Arabic plantation and processing
- Vehicle parts manufacture
- Oil palm plantation and processing
- Book printing
- Specific areas of investment include:

Nineteen (19) Domestic Earth Stations (DOMSAT) are located in some states capitals, these are operated by three leased INTERSAT transponders for national T.V coverage. Presently, 110 IMMARSAT terminals are operational in the country.

**(g) Internet System**

NITEL has installed 5,500 ports to provide internet services. The Point of Presence (POP) are:

Lagos	3000 ports	
Abuja	1000 ports	
<b>Kaduna, Enugu and Bauchi</b>		<b>5000 ports each.</b>

**(h) Private Network (BIZNET)**

NITEL operates a Domestic Satellite - based private Network for business community, (BIZNET). This is aimed primarily for Voice and Data transfer. The network is made up of fourteen (14) terminals with one hundred and seven (107) circuits utilizing 36 MHz Leased INTELSAT transponders.

**(i) Frequency Monitoring System**

- (i) Fixed International Monitoring stations in Lagos, Ogoja, Azare and Gusau
- (ii) A mobile monitoring system of three mobile stations in the Lagos area. Each of the fixed stations, when fully operational, will contain:
  - (i) Radio receivers capable of receiving signals from low frequency to superhigh frequency

- (ii) Spectrum Analyser
- (iii) Field strength measuring equipment
- (iv) Direction finding equipment
- (v) High quality receiving antennas etc.

## 7.2 REGULATORY BODIES

### A. *The Ministry of Communication*

The Ministry of Communication is responsible for the management of the Radio Frequency Spectrum from Nigeria. In the discharge of this responsibility, the Ministry ensures that the spectrum available to Nigeria is put to the best possible use.

The Ministry also discharges the following responsibilities:

Coordinating, as the national administration, all matters relating to the International Telecommunications Union (ITU) preparation of guiding principles and recommendation of the functioning of national and international meetings concerning the international consultative committee bodies of the ITU;

Co-ordination and negotiation of all matters relating to harmful interferences that are referred to the Ministry for solution;

Ensuring the establishment of adequate maritime, aeronautical and space services to the region.

### B. *Nigerian Communication Commission (NCC)*

The Commission was established in 1992, with the following as its functions among others:

Licensing telecommunication operators and facilitating private sector participation and investment in the telecommunication sector of the Nigerian economy;

Establishing and supervising technical and operational standards and practices for network operators, overseeing the quality of services provided by the operators and setting terms for the inter-connection of different carriers' network;

Ensuring that the interest of the consumer of telecommunication services is protected by promoting competitive pricing of such services and combating the abuse of markets power;

Mediating between operators, carriers and consumers;  
Reporting and giving assistance to the Ministry of communication in respect of its regulatory functions.

### ***C National Frequency Management Board (NFMB)***

In order to streamline the management of radio frequencies, the government is proposing the establishment of a Board to be known as the National Frequency Management Board (NFMB). It would be responsible for the planning, coordination, allocation, assignment, registration and monitoring of the radio frequency spectrum in the country.

To facilitate the operation of the Board when constituted, relevant portions of the law establishing the NEC and the NCC, relating to radio frequency spectrum management would be reviewed accordingly.

## **8.0 LAND**

Land is available for all purposes and the method of acquisition is simple and straight forward. All lands in Nigeria belong to the Federal Government and the authority over their administrations vested on the state governments which are 36 in number, in addition to the Federal Capital Territory. Land, whether for industrial or other purposes, can be leased from the State Government at prevailing rates in the respective states. The land lease is for a term of 99 years unless a company stipulates a shorter duration.

In some cases, there are various concession and incentives with respect to land granted to investors by State Government.

## **9.0 INDUSTRIAL ESTATES/LAYOUTS**

The provision of industrial infrastructural facilities in Nigeria can be closely linked to the establishment of Industrial Estates. Since 1958 when the first Industrial Estate was established in Yaba, Lagos State, successive Nigerian Government at the Federal and State levels have made bold efforts to build industrial layouts/estates in different locations throughout the country. These initiatives were undertaken with a view to facilitating the establishment of manufacturing outfits whether large, medium or small-scale and thereby promoting rapid industrial development.

By building industrial layouts/estates where land ownership is unencumbered along with supporting infrastructural facilities such as good access roads, electricity and

water among others, it is believed that some of the major problems facing business start-ups will be eliminated. However, after four decades of this policy, it would appear that achievements have fallen far short of expectation, especially outside the major industrial centres of Lagos, Kaduna-Kano axis and port Harcourt-Aba Area. Current Government policy is more in favour of developing industrial estates for promoting small scale manufacturing enterprises in both urban and rural areas. Stated below, on a state by state basis, is the list of industrial estates in Nigeria. Abbreviations representing facilities and services provided in the estates are as follows:

**Services**

PFS	=	Petrol Filling Station
PS	=	Police Station
SS	=	Security Service
RST	=	Restaurant
RD	=	Refuse Disposal
ARE	=	Associated Residential Estate

**Facilities**

E	=	Electricity
ER	=	Earth Roads
TR	=	Tarred Roads
W	=	Water
T	=	Telephone

- \* Large scale mechanized farming
- \* Cattle ranching and piggery of not less than 500 herds
- \* Re-refining or recycling of waste oil
- \* Large scale inland fishing farms
- \* Manufacture of flat sheets
- \* Manufacture of alum, enzymes, concentrates, welding electrodes, nails, iron rods and ropes.
- \* Production of coal briquettes

**Key Advantages**

Meanwhile the other advantages for investing in the SME sectors are

(1) Market: Demand for these products are not met even at the home market with a population of about 120 million people while opportunities for export

to other African regional markets are offered by Nigeria's strategic location with access through both land and sea to other countries.

- (2) Availability of raw material inputs for these industries as well as trained and trainable workforce.
- (3) Provision of government incentives in terms of tax holidays and development of industrial estates.
- (4) Availability of credit facilities from Banks and other development finance institutions specifically designed for the sector.

### **ROLE OF NIPC IN PROMOTING SMEs**

1. **Identification of Local Entrepreneurs Actively Involved in the Sector and Promoting their Activities.**

This involves the establishment of contact with business and industrial association to which local entrepreneurs belong. The Commission maintains close contact with these bodies to boost their activities through local investors for investment missions and facility visit.

2. **Match-making with Prospective foreign Investors**

One of the mandates of the Commission is to co-ordinate match-making activity between the local entrepreneurs and their foreign counterparts. The Commission invites members of the SMEs to hold discussions with their foreign counterparts whenever a foreign trade delegation visits the country. Plans are also underway to embark on foreign trade missions to some targeted countries to boost the activities of the SMEs.

3. **Provision of Information**

As an Investment Promotion Agency, the Commission provides information on opportunities and potentials available in the country with a view to promoting the activities of SMEs. This data is effectively disseminated at available avenues such as trade fairs, exhibitions, investment missions and other promotional activities.

### **ANALYSIS OF SOME SELECTED PROJECTS THAT CAN BE TAKEN UP IMMEDIATELY.**

These are projects for which studies have been conducted by Raw Materials Research and Development Council (RMRDC), resulting in a detailed analysis of investment prospect and requirements including costs, process, market etc.



## **(1) FRUIT JUICE AND CONCENTRATE PRODUCTION PLANT**

### **Introduction**

The availability of abundant fruit varieties in Nigeria coupled with the seasonal nature of these fruits make it desirable to process them into user-friendly products. Meanwhile natural fruitjuices and squashes are preferred to the carbonated drinks by individuals due to health reason. Also fruits are among the vital ingredients for the healthy growth and sustenance of the individual. In addition, production of fruit juices is made easier with the advent of basic technology for it. Thus, it is a very viable project.

**Market:** The country's population of about 120 million people provides a ready market for fruit consumption, conservatively put at about 10,000 tonnes of juice per annum. Access to ECOWAS and other African market is also guaranteed.

**Raw Materials:** Major raw materials for making juice include fruits, sweeteners/sugar, citric acid and probably preservatives. In Nigeria, fruits are available in the following quantities:

<b>FRUITS</b>	<b>TONNES/ANNUM</b>
Citrus	7,500,000
Mango	3,000,000
Tomatoes	32,000,000
Guava	8,000,000
Pawpaw	7,000,000
Pineapple	5,000,000

### **HYDRATED LIME PRODUCTION PLANT**

**Product:** Hydrated Lime Uses:

- As industrial raw material for production of caustic soda, controlling of acidity, precipitated calcium carbonate production and cement, fertilizer and rayon. Also for production of calcium hydrochloride bleach, citric acid, phosphate chemicals, glycerin and polypropylene oxide.
- In building industry, it is used in the manufacture of cement
- In metallurgical industry, it is an input in the production of non-ferrous metal such as copper, zinc, lead, gold, silver and uranium.

**Market:** National demand alone is put at 101,000mt/a while current supply is about 35,000/A, the remaining 65.000MT/A demand is largely unattended to. Also access to ECOWAS and other African markets.

**Raw Materials:** Limestone for which deposits (quantified and unquantified) exist in about 12 States of the Federation.

### **PRECIPITATED SILICA PLANT**

**Product:** Precipitated silica is essential filler, which impacts elasticity, resistivity, and flexibility to rubber products.

**Uses:** It is mostly used in rubber reinforcement, for tyre making, footwear, brakes, hoses, radiator, etc. Its gel is used as vehicle, carriers in pesticide formulation.

**Market:** So long as there is demand for tyre and other allied rubber products, the demand for precipitated silica is insatiable. Therefore, it is a product with great market potential.

**Raw Materials:** For production capacity of 40MT/A

- (a) Sodium silicate 120MT at 7000/Ton
- (b) Sulphuric Acid 18MT at 5000/MT
- (c) Packaging Material

Meanwhile detail report on the following listed projects are available either at the Nigerian Investment Promotion Commission (NIPC) or Raw Materials Research and Development Council.

### **FOOD AND BEVERAGES:**

- (1) Industrial Starch production plant
- (2) Starch Derivatives Production
- (3) Cashew- nut shell liquid) CNSL)
- (4) 200HA Integrated palm oil palm kernel oil production
- (5) Pectin from fruit juices
- (6) Commercial food mixers (baking powder, custard, jellies, ice cream)
- (7) Banana Powder (flavour) production
- (8) Soya milk production
- (9) Mini Sugar plant
- (10) Potato processing etc.

## **NON-METALLIC**

- (1) Kaolin processing
- (2) Industrial mineral grinding plant
- (3) Flooring tiles, roof tiles (marble granite)
- (4) Plaster of Paris (P.O.P)
- (5) Gemstone cutting and polishing
- (6) Bentonite processing plant
- (7) Lead zinc smelting
- (8) Mini cement plant
- (9) Refractory and insulating bricks plant
- (10) Phosphate rock benefaction plant etc.

## **CHEMICAL AND PHARMACEUTICAL**

1. Gum Arabic
2. Banum compounds
3. Basic dyes
4. Aluminium sulphate
5. Mini fertilizer blending plant
6. Sealing wax
7. Absorbent cotton
8. Magnesium sulphate
9. Paint driers
10. Essential oils etc.

## **RUBBER, PLASTIC PAPER**

- (1) Laboratory glass were
- (2) Wood preservative plant base on copper and arsenic (Paris Green)
- (3) Welding electrodes manufacturing plant
- (4) Corrugated fiber board
- (5) Surgical gloves production factory etc.

## **PROJECTS BEING PROMOTED**

NIPC and UNIDO are currently promoting 75 projects under UNIDO NIPC partnership programme. The list is as follows:

## INVESTMENT POTENTIALS OF ALL THE STATES AND THE FEDERAL CAPITAL TERRITORY, ABUJA

STATES	MINERAL RESOURCES	AGRICULTURE AND AGRO-ALLIED	OIL AND GAS	INDUSTRIAL POTENTIAL
Anio	Brine, Iron-ore, lignite, Kaolin, clay	Cowpeas, Soybeans groundnuts Rice and maize, yam cassava Cocoyam oil palm, raffia palm Cocoa rubber, cashew coconuts Kolanuts grapes lemons mangoes Pawpaws and guava	Petroleum, gas	Obuaku city project ceramic, brewing Cosmetics, textiles, plastics garment, shoe Making and glass petroleum and gas industries sugarcane, plantain banana, Oranges
Abuja	Marble, kaoline, clay, tin Tantalite, lead zinc	Yam cassava fruits maize beans and vegetables		Food processing and manufacturing Industries
Abuja	Baryetes, salt (evaporates) Trona calcium laterites, Ilmenites (titaniumiron Oxide) minerals, marble Gypsum, clay minerals	Guinea-corn sugarcane, yam Cassava maize, millet rice milk Cheese cotton seed groundnuts Cowpeas, cotton livestock		Agriculture Processing industries, sugar plant.
Atwa-Ibom	Clay, glass, sand beutonite	Coconut, Cocoa fishing rubber Raffia palm coffee, oil palm	Crude oil and Natural gas	Agricultural Processing and manufacturing and fishing, aluminium smelting company, Kot-Abasi
Anambra	Kaolin, limestone Marble, etc.	Rice, yam, Cassava	Crude-oil Reserves	Manufacturing and industrial activities
Bauchi	Limestone, columbite, Iron-ore tin, kaolin Tantalite, wolframite	Sugarcane, maize, groundnuts millet	Crude oil (under survey)	Spring water bottling, tourism, limestone Dairy production steyr motor assembly Plant Nigeria asbestos guinea corn, cotton Rice limited Yankari Natural water company and Arewa ceramic industry.
Bayelsa		Plantain banana cassava, yam cocoyam		Petrochemical and fishing industries
Benue	Wolframite, tin Columbite, tantalite, Kaolin, gypsum	Yam, rice, maize sorghum, beni Seed, cocoyam, potatoes, millet, Beans, cassava, pawpea, Groundnut, oil palm, orange mango, cashew, kolanut etc.	Crude oil And gas  Crude oil Reserve And gas	Food canning and processing, cement Industry and allied products
Borno	Diatomite, gypsum, Iron Ore, Feldspar, mangretite, Potash, trona, limestone Clay	Millet, wheat, gum Arabic, hides And skin and onions		Soda ash, plant cottage industries Borno State wire industry's Ltd. Shoe industry and Leather manufacturing
Cruss River	Limestone, baryte, Uranium bentonite	Rubber, cocoa, oil palm plantain, Banana, yam, cassava, maize, rice Fruits, fresh vegetable, melon Garden egg fish, etc.		Agriculture, fishing and tourism
Delta	Lignite, gypsum, tar Sand, silica	Palm oil, kernel, cassava, yam Tubers, rubber and timber	Crude oil reserve and gass	Petrochemical and allied industry, plastic Rubber processing, palm oil processing Glass industry and wood processing
Ebonyi	Salt, limestone, lead zinc brine, gypsum	Yam, rice cassava, maize, soya Bean, melon and fish		Mining, food processing and preservation, Canning of food drinks
Edo	Oil, gypsum, tar sand, Lignite, marble, silica sand	Cassava, yam, gari, plantain, Rubber, cocoyam and timber		Food processing, rubber processing, Cement factory and wood processing
Ekiti	Tantalite, Quartz Kaolin Sand, clay, gold, Feldspar, granite, mica	Cocoa, Iroko, mahogany, timber Gmelina trees etc. palm produce Yam, cocoyam, plantain, cassava, Ko	Oil and gas Reserves	Wood processing industry, paper and paper Production, food and canning industries
Enugu	Coal, clay, limestone Silica, iron-ore, lead/zinc, Kaolin and barytes	Oil palm, cassava, rice, maize, Palm wine, yam cashew		Motor assembly manufacturing, ceramic Pottery, coal mining, cement and building Materials, steel and aluminium.

# INVESTMENT POTENTIAL OF ALL THE STATES AND THE FEDERAL CAPITAL TERRITORY, ABUJA

STATES	MINERAL RESOURCES	AGRICULTURE AND AGRO-ALLIED	OIL AND GAS	INDUSTRIAL POTENTIAL
Abuja	None	None	None	None
Adamawa	None	None	None	None
Anambra	None	None	None	None
Bayelsa	None	None	None	None
Benue	None	None	None	None
Borno	None	None	None	None
Cross River	None	None	None	None
Delta	None	None	None	None
Ebonyi	None	None	None	None
Edo	None	None	None	None
Ekiti	None	None	None	None
Imo	None	None	None	None
Kaduna	None	None	None	None
Kano	None	None	None	None
Katsina	None	None	None	None
Kebele	None	None	None	None
Kogi	None	None	None	None
Kwara	None	None	None	None
Lagos	None	None	None	None
Niger	None	None	None	None
Nigeria	None	None	None	None
Ogun	None	None	None	None
Ondo	None	None	None	None
Osun	None	None	None	None
Plateau	None	None	None	None
Rivers	None	None	None	None
Sokoto	None	None	None	None
Taraba	None	None	None	None
Yobe	None	None	None	None
Zamfara	None	None	None	None

## INVESTMENT POTENTIALS OF ALL THE STATES AND THE FEDERAL CAPITAL TERRITORY, ABUJA

STATES	MINERAL RESOURCES	AGRICULTURE AND AGRO-ALLIED	OIL AND GAS	INDUSTRIAL POTENTIAL
Niger	Glass, silicon stone Gold, iron-ore and Limestone	Corn rice yam sheanut		Power generation, cottage industries
Ogun	Limestone, chalk, Phosphate, clay kaolin Tar-sand	Rice maize beans poultry Cassava yam plantain banana Palm produce rubber cocoa Sugarcane		Wood processing and agricultural Processing
Ondo	Bitumen (tar-sand) Quartz limestone Kaolin iron-ore Columbite clay	Mahogany gmelina braka Yams, plantain rubber, palm Produce Kolanut cashew and Coffee, Cocoa and timber	Crude-oil	Food processing industries and Manufacturing industries and wood Processing
Osun	Gold, clay limestone Granite, talc	Cocoa kolanut rice maize Millet plantain and yam		Manufacturing industries, food Processing industries and kaolin Federal Government Steel mill
Oyo	Dolomite, silimanite Kaolin and granite Marble, iron-ore clay Gemstone	Cocoa palm produce cassava maize yam cashew and kolanut		Palm produce and food processing Solid minerals exploration
Rivers	Silica sand granite Clay	Palm oil, fish, cassava, plantain, banana, fruits and vegetables	Crude oil And Natural	Oil industries refinery and petrochemical Companies, fertilizer company (NAFCO) West African glass industry and flour mills gas etc.
Sokoto	Gold kaolin gypsum Salt marble lignite Felds and limestone Phosphate etc	Rice, wheat, millet, guinea corn, maize, potatoes, cassava groundnuts, beans etc		Sokoto Cement Industry, soft drink Factory furma factory burnt bricks Industry, cotton ginery manufacturing And food industry.
Taraba	Baryte bauxite Iron-ore	Rice, guinea corn, yam Cassava coconut Bamburants banana Benzseed tobacco coffee and Citrus fruits		Rice and brine, graphite flour mill (food Processing) soap making industry, Livestock and animal feed
Yobe	Potash, gum Arabic Gypsum limestone Trona glass sand Diatomite espomite Clay shale, marble Granite rock and Kaolin	Cotton, groundnut millet Maize guinea-corn, wheat, Beans and beni-seed		Manufacturing and food processing Industries
Zamfara	Gold mica	Rice, maize, guinea-corn Wheat, beans		Burnt brick manufacturing, food Processing.

## **ASSET MANAGEMENT IN NIGERIA**

### **INTRODUCTION**

The Nigerian asset management industry has under-gone considerable transformation over the past ten years. From a situation where custodial and fund management roles were being performed by the same institution hence creating glaring lapses vis-a-vis global best practices the past five years have witnessed the establishment of a number of world class investment vehicles by well-trained and dynamic fund managers. In order to put the Nigerian asset management industry in proper perspective, it is important to provide an overview of the key elements of the asset management industry in Nigeria.

### **REGULATION OF FOREIGN INVESTMENT**

Any funds that are imported into Nigeria from abroad for the purpose of making investment in Nigeria are governed by the foreign Exchange (Monitoring and Miscellaneous Provisions) Decree No. 17 of 1995 ("the Decree"). The Decree removes restrictions that were hitherto placed on foreign investments as follows:

### **PROCEDURE FOR BRINGING IN FOREIGN CAPITAL**

- \* The prospective investor identifies a suitable investment that meets the investor's objectives based on advice obtained from the investor's asset manager.
- \* The investor, in conjunction with the asset manager, nominates an authorized dealer for the transfer of funds.
- \* Funds are remitted from the investor's foreign account through the authorized dealer and the investor obtains the naira equivalent of the funds which is subsequently transferred to the asset manager or custodian, depending on the nature of the transaction.
- \* The authorized dealer issues a certificate of capital importation ("the CCI") to the investor, which provides evidence of the funds that have been brought into the country. The CCI allows the investor to:
  - \* Open foreign currency domiciliary account with any authorized dealer for investment purposes;
  - \* Open a special non resident naira account to which can be credited all receipts from capital inflows, proceeds from sales of securities, dividends and the interest;

- \* Make investments in Nigeria out of the balances in the naira account; and
- \* Remit capital, profits, capital gains, dividend
- \* And other income received through an authorized dealer subject to deductions of withholding tax.

## **IDENTIFYING A SUITABLE INVESTMENT**

Prior to making an investment, an investor needs to ensure that any investment made shall enable the investor meet present and future financial obligations. The objectives of an investor, which could include profit or wealth maximization, depends on various factor such as:

- Existing and future liabilities (eg. Indebtedness and responsibilities). Institutional investors tend to ensure that cash flows generated by the portfolio are able to cover regular payments and occasional lump sum payments. These include pension funds which seek to ensure that the income generated from their portfolio cover payments that are likely to fall due in the future as employees retire.
- Existing asset (e.g existing investments, income). Most-wealthy individual do not require additional income in the short-term and may wish to make investments that focus on capital appreciation.
- Investment horizon. The investment horizon refers to the length of time for which an investment is made. Investors with short-term horizons should invest in fairly liquid instruments that allow liquidation of invest-ments at short notice.
- Age. The age of the investor is closely connected to the investment horizon. Younger investors normally invest in portfolios that primarily have a long-term focus. On the other hand, pensioners may prefer income yielding portfolios that help augment their pensions.
- Risk tolerance/profile. Risk averse investors should avoid high risk investments, regardless of the anticipated high returns from such investments. Pension funds, for example tend to focus more on the safety of workers' monies.



## **CHOOSING AN IDEAL ASSET MIX**

The putting in place of an optimum asset mix in a portfolio is of great importance to an investor. Choosing an ideal asset mix depends on the (i) needs and objectives of the investor, (ii) relationship between the returns on the various classes of assets and (iii) regulatory and tax considerations. It is crucial to adequately diversify a portfolio such that the overall returns are not tied to the fortunes of a particular company, industry or sector. In addition, an ideally structured portfolio should seek to ensure that an investor is adequately protected against inflation and is tax efficient.

## **DISCRETIONARY VS NON-DISCRETIONARY ASSET MANAGEMENT**

Discretionary asset management involves the investor leaving the day-to-day investment decisions to the asset manager. This arrangement is normally under strict and clear-cut guidelines agreed to by the investor and the asset manager. It gives the asset manager freedom to make routine investments without recourse to the investor thus saving time and allowing greater flexibility. On the other hand, non-discretionary asset management involves the asset manager being given limited powers to manage the investor's funds.

## **TYPES OF INVESTMENTS**

There are various types of investments available to investors in Nigeria. Investments can be classified according to their lifespan, namely, investments in short-term instruments. Short-term investments usually have a lifetime of up to eighteen months; medium term investments eighteen months to three years; while long term investments range from three years upwards. Short term investments include money market instruments such as commercial paper and treasury bills while medium and long term investments include shares, bonds and property.

## **EQUITIES**

A share represents fractional ownership of a company. An owner of a share receives dividends, as earned and declared by the company. The life time of the share is continuous with the existence of the company. In Nigeria, trading in existing shares of public quoted companies (this market is known as the secondary market) are done on the trading floor of the Nigerian Stock Exchange ("The Exchange"), by licensed stockbrokers. Investments in the primary market (new shares that are offered by the issuing company) can be made through receiving agents (such as

banks, stock brokers, issuing houses etc), shares of top quality companies listed on the Exchange are fairly liquid and can be disposed of very easily. Shares provide capital appreciation and are usually bought by investors with a medium to long-term investment horizon.

### **BONDS AND DEBENTURES**

A bond represents a creditorship in a corporation. The holder of a bond receives interest which must be paid when it is due. The lifetime of a bond is limited to a specific maturity date when that obligation must be repaid. If a company is unable to pay interest or principal on the date prescribed on the trust deed, the trustees may through a court action compel the company to make payments. A debenture is an unsecured debt offering of a company. Some bonds are denominated in dollars (principal and interest), such as the dollars (principal and interest), such as the dollar denominated Nigerian Government par Bonds and Promissory Notes issued by the Nigerian Government.

### **TREASURY BILLS ("T-BILLS")**

This is a 91-day debt instrument issued by the Federal Government of Nigeria. T-bills offer investors access to a secure and highly liquid investment. T-bills are sold at a discount to their face value and provide yields in excess of the 4% p.a. -8%p.a. presently payable on bank savings accounts. Investors submit weekly bids through their brokers, and the T-bills are allotted by the Central Bank of Nigeria. The minimum investment in T-bills by an individual applicant is N10,000 (ten thousand Naira). At maturity, the proceeds of the investment are either rolled over or repaid to the investor, depending on the wishes of the investor. However, should the investor require liquidation of the investment before maturity, the T-bills can be discounted by the Central Name of Nigeria and the investor is repaid almost immediately treasury bills can be purchased, on behalf of investors by stock broking firms, banks and discount houses.

### **COMMERCIAL PAPER**

(CPs) CPs are short-term (normally 90 - 270 day) unsecured debt instrument usually issued by corporate entities to fund their working capital requirements. Investors are paid interest either upfront or at maturity of the investment.

## **BANK DEPOSITS**

Bank deposits are liquid investments, and are relatively safe (depending on the financial strength of the bank which is normally measured in terms of the bank's credit rating). The returns on bank deposits are normally lower than returns from commercial paper and treasury bills.

## **MANAGED FUNDS ("MF's")**

MFs consist of a pool of funds that are professionally managed by fund managers on behalf of unit holders. This non-discretionary type of fund management is more cost-effective as transaction costs tend to constitute a higher proportion of small investments. The use of MFs allows the fund manager concentrate its energy and resources to manage a large pool of funds instead of numerous small batches of funds. It is very important that MFs align and meet the needs of the investor. For example, some investment funds, concentrate mainly on capital appreciation and consequently, investors inquiring regular income (e.g. on a quarterly basis) should not be encouraged to invest in such funds. One of the investment funds offered by Denham Management Limited is the Nigeria Global Investment Fund ("the NGIF"). The NGIF is a N2 billion open-ended unit trust scheme operated by Denham Management and commercial Bank (Credit Lyonnais Nigeria) limited in conjunction with Credit Lyonnais Asset Management, Paris. The NGIF is registered with the Nigerian Securities and Exchange commission. The Fund's investment portfolio ("the Portfolio") is comprised mainly of investment grade Nigerian (Naira and foreign currency) corporate and government securities. The composition of the Portfolio enables the NGIF meet the requirements of institutional investors (such as insurance companies, pension and trust funds) and high net worth individuals alike by providing them with a combination of relatively safe investments, competitive returns and adequate liquidity. Furthermore, periodic reports are sent to investors on a monthly, quarterly, semi annual and annual basis to enable investors track the value of their investment(s).

## **PROPERTY**

Property Investments involve investment in property with a view to obtaining rental income and / or profit from an appreciation on the market value of the property. This type of investment is appropriate for investors with a long term focus as it is not as liquid as, say, shares.

## **TAXATION**

One of the clear signs of efficient asset management is a portfolio that minimises the tax burden on the investor as tax efficiency is of most importance. In Nigeria, Profits on various classes of investments are subject to different taxes, as set out below:

### **SHARES**

Dividends received are subject to withholding tax (currently 10%) regarded as franked investment income and are exempt from further tax. Furthermore by virtue of section two of the Finance (Miscellaneous Taxation Provisions) Decree No. 19 of 1998 the provisions of Section three of the Capital gains Act 1967 have been deleted, thereby removing stocks and shares from the list of chargeable assets liable to capital gains tax. Therefore, there is no capital gains tax on the disposal of stocks and shares.

### **UNIT TRUST SCHEMES**

Unit trust schemes are treated as limited liability companies and the income received by unit trust schemes, in respect of which no tax has been withheld, are subject to company income tax (currently 30%) in the hands of the unit holder. When dividend received by unit holders were redistributed, such dividends will be exempt from tax in the hands of the unit holder. The tax treatment of a unit trust is the same regardless of whether or not it distributes or reinvests the profits. In addition, gains derived by a unit holder on the disposal of an investment are not subject to capital against tax.

### **INTEREST**

Interest earned on treasury bills, commercial paper bank deposits etc are subject to personal income tax or company income tax (depending on the investor). When tax is withheld at source, this can be used to offset the final tax that is payable by the investor. In addition any amount of profits or gains arising from acquisition and disposal of short-term money instruments such as Federal government securities, treasury bills, treasury of savings certificates, debenture certificates or Treasury bond shall be subject to tax.

## **REPORTING**

Investors should be provided with timely and regular (e.g. monthly, quarterly and annually) reports on their investments. These reports should, ideally, show concise but informative details of transactions that have been undertaken on behalf of the investor, returns on the investor's investment and the investor's cash balance, as appropriate.

## **PERFORMANCE MANAGEMENT**

In order to ensure that the investor is being provided with top quality service, there should be market indices with which the investor can measure the performance of his portfolio. The Nigerian Stock Exchange all share index. Treasury bill rates, the performance of other investment fund, can be used as a benchmark for measuring performance. It is important that the investor's objective be considered when measuring the performance. In this regard, an investor's objectives should be reviewed regularly by the investor (preferably in conjunction with the asset manager) to ensure that the investor's portfolio structure is optimally tailored to meet those objectives.