



U.S. Department of State FY 2001 Country Commercial Guide: Nigeria

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CHAPTER I: EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Nigeria's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. government agencies.

After 15 years of unbroken military dictatorship, the civilian government has taken a number of positive steps to address the structural and institutional flaws in the Nigerian economy. For example, the government established panels to review all contracts awarded by previous governments, all sales of government properties, and parastatal budgets. The government has also shown more transparency in contracting and procurement. Petitions from aggrieved individuals and groups have inundated the human rights panel set up by the civilian government. President Obasanjo has promised that those indicted on charges of official corruption will be prosecuted.

Nigerian economic performance was moderate for 1999 registering a growth rate of 2.7 percent, a marginal increase of 0.3 percent. With a population growth rate of 2.8 percent, the economy is just treading water. In late 1998, the inflation rate began inching upward, due partly to new deficit spending by the government. This trend accelerated in the first half of 1999 with most annual inflation estimates running at 12-15 percent. The recently released CBN annual report gives the inflation rate as 6.6 percent as at December 1999.

The dual exchange rates were abolished in the 1999 budget and this remains the case. In the year 2000 budget the Inter Bank Foreign Exchange Market (IFEM) replaced the autonomous foreign exchange market. Under IFEM, banks, oil companies and the CBN (Central Bank of Nigeria) can buy or sell their foreign exchange at a market determined rate. Companies can hold domiciliary accounts in private banks, and account holders have unfettered use of the funds.

Representing 41 percent of GDP, food production has not been able to keep pace with Nigeria's burgeoning population estimated to be growing at 3 percent annually. The manufacturing sector recorded a marginal 1.1 percent growth rate during 1999, up 0.8 percent from 1998. Nigeria's manufacturing capacity utilization rose from 34 percent in 1998 to 36 percent in 1999. This low utilization and the high cost of production due to failed infrastructure make many imports not only attractive

but almost a necessity.

The petroleum sector continued to dominate the Nigerian economy. Its 25 billion barrels of estimated reserves place it seventh in the world ranking of producers. As oil exploration moves further off-shore into new blocks, anticipated oil finds should raise estimated reserves another 15 million barrels. The gas industry even has a brighter outlook. Nigeria may have more than 3.4 trillion cubic meters of reachable gas with additional reserves estimates at 25 trillion cubic meters. At present most of the gas is currently flared as associated gas to oil exploration but should soon be captured to supply the West African Pipeline and to fire up rehabilitated power generating facilities. The increase in the market price for oil in 2000 (almost double from 14 dollars to 25 dollars a barrel) was welcome indeed to the GON which derives substantial revenues from production agreements. Problems continue, though, for the producers as a solution to the conflict in the Delta region remains elusive.

Following fifteen years of unbroken military dictatorship, the tenure of the democratically-elected government of President Obasanjo so far has been very welcoming to foreign investors offering opportunities that could make Nigeria our major market in Sub-Saharan Africa. The Africa Growth and Opportunity Act, passed by the Congress of the United States in mid-2000, should spur even more interest in Nigeria especially in the area of textile production, from thread to garments. The ongoing efforts of the new administration to correct the nation's infrastructure degradation, diversify the economy and create a more business friendly environment will be difficult. But Nigeria is one of the few nations in the world blessed with major mineral wealth, an entrepreneurial population and a productive agrobases, all powered by the proceeds of the petroleum sector. If the new government is able to overcome the habit of years of mis-management and redirect its energies toward good governance the rewards will be impressive.

Commercial Environment

Prospects for sustainable economic growth are mixed. The recent recovery in oil prices is providing the GON with a large windfall of revenue with which to rebuild Nigeria's shattered socio-economic infrastructure. The excess revenue should narrow Nigeria's overall deficit from \$2.8bn and \$3.6bn in 1998 and 1999, respectively to less than \$1 billion in the year 2000. Recently, Nigeria began exporting Liquefied Natural Gas (LNG), an increasingly important sector which at some point may surpass oil as the nation's main revenue source.

The Obasanjo government speaks of a "private-sector" led economy and "market oriented" economy but thus far, has done little to create a solid enabling environment. The government has made some real if relatively modest inroads in its anti-corruption campaign and in injecting transparency and accountability into economic decision-making. After months of delay, the privatization program shows signs of life and real promise. Foreign exchange markets were greatly liberated, and, by announcing an end to fertilizer subsidies and the deregulation of downstream petroleum prices, the GON moved to end or reduce two costly subsidies.

Business performance is uneven, as some are prospering but many manufacturers are operating well below capacity, delaying investments and laying off workers. Unemployment is estimated at 25

percent with major underemployment. The Obasanjo government's Year 2000 Budget has placed priority on reducing unemployment and has allocated 10 billion Naira (USD 100 million) to poverty alleviation. Though the guidelines on implementation are not yet clear, the GON says it will create 200,000 jobs within its first year in office throughout the country. Should the government succeed in implementing these economic policies, a sustainable level of growth and development and a substantial eradication of poverty could be achieved.

When one considers the fact that Nigeria has suffered from years of mismanagement, it is doubtful the good intentions of the Obasanjo government will be obvious for some time. But this government is receiving major support, both moral and financial, from the world's democracies. The United States has quadrupled its bilateral assistance to Nigeria in an attempt to bolster the return to civilian rule. Numerous delegations of U.S. Government and private-sector officials have visited Nigeria to reopen channels of communication that had been closed for several years. The two governments enjoy cordial relations, with the U.S. continuing to encourage the maturation of democratic institutions and the stimulation of private sector-generated economic growth.

Economic activity is still plagued by generally poor infrastructure, including roads, inferior public transportation, gasoline and water shortages, electricity outages, widespread fraud and corruption, and public health crises. Movement of goods through major ports is frustratingly slow.

Against this backdrop, the Nigerian-American commercial relationship remains essentially strong. U.S. exports to Nigeria in 1999 were over \$800 million while U.S. imports from Nigeria, mostly oil, totaled \$6.5 billion.

Prospects for U.S. business in Nigeria are especially promising in the following sectors: oil & gas equipment, electrical power generating equipment, computer hardware and software, telecommunications equipment, automotive parts and accessories, construction and earth moving equipment and various agricultural and agribusiness products and equipment.

Major Business Opportunities

U.S. businesses should be aware that many genuine opportunities exist in Nigeria, even if the atmosphere does still seem inhospitable and certain extra screening steps must be taken. Nigerians are very positively disposed toward the United States and have a strong affinity for U.S. products. Nigeria has many honest businessmen and women who are eager to form partnerships with their American counterparts. Nigerian and U.S. authorities are working together to combat the fraud industry. Some U.S. companies are excluding Nigerians from their African commercial strategy based on alarmist, misleading and often incorrect information, and may miss out on good commercial opportunities as a consequence. If U.S. business travelers prepare prudently, a business trip to Nigeria can be an enjoyable and rewarding experience, more so now that the newly elected government of President Obasanjo attempts to improve the nation's commercial image.

The Embassy Commercial section has an array of products and services to assist the potential American exporter and investor. The may be categorized as market intelligence, trade contacts, and market promotion. A fuller description is available at the Commercial Service Web Site www.USATRADE.gov or at the Commercial Section/Nigeria's own Web Site www.focusnigeria.org.ng.

Embassy Assistance

American Embassy Lagos's Commercial, Agriculture and Economic sections stand ready to provide assistance to American businesses in Nigeria. However, due to the problem of advance fee fraud (known as 419 scams) and other kinds of fraud, business persons contemplating business relationships in Nigeria may wish to first contact the nearest U.S. Department of Commerce Export Assistance Center before providing any information, making financial commitments or traveling to Nigeria.

CHAPTER II: ECONOMIC TRENDS AND OUTLOOK

Nigeria continues to maintain its "Liberalization" policies. President Obasanjo's government's anti-corruption campaign aimed at injecting transparency and accountability into economic decision-making is yielding results. The IMF has approved a \$1 billion standby credit facility for Nigeria to enable the nation to pursue priority projects. Proper management of this facility could earn the country a clean bill of health and pave the way for debt rescheduling and reduction of Nigeria's estimated \$31 billion debt.

Prospects for sustainable economic growth are mixed. The recent recovery in oil prices is providing the GON with a large windfall of revenue with which to rebuild Nigeria's shattered socio-economic infrastructure. The excess revenue should narrow Nigeria's overall deficit from \$2.8bn and \$3.6bn in 1998 and 1999, respectively to less than \$1 billion in the year 2000. Recently, Nigeria began exporting Liquefied Natural Gas (LNG), an increasingly important sector which at some point may surpass oil as the nation's main revenue source. Nigeria's GDP growth rate of 2.7 percent is a marginal increase of 0.3 percent. However, it is well below what is needed to enrich a country of 110 million growing at an annual rate of 2.8 percent. Earnings from non-oil exports are negligible and unlikely to improve significantly due to their high costs of production.

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Tensions in the oil-rich Niger-Delta are likely to continue. Inter-ethnic clashes, religious riots and the rise of insecurity in the cities caused by high unemployment are other areas needing attention. The Obasanjo government's Year 2000 Budget has placed priority on reducing unemployment and has allocated 10 billion Naira (USD 100 million) to poverty alleviation. Though the guidelines on implementation are not yet clear, the GON says it will create 200,000 jobs within its first year in office throughout the country. Should the government succeed in implementing these economic policies, a sustainable level of growth and development and a substantial eradication of poverty could be achieved.

Manufacturing

The manufacturing sector recorded a marginal 1.1 percent growth rate during 1999 up 0.8 percent from 1998. Nigeria's manufacturing capacity utilization rose from 34 percent in 1998 to 36 percent in 1999. Growth in the sub-sector was further impaired by the low demand for local manufactured goods against cheaper imported products. This impact was felt more in the Textiles, footwear, leather, cement, and vehicle assembly industries. Other constraints on manufacturing include the poor state of social and economic infrastructure such as power generation and water supply.

Banking Sector

The Nigeria Deposit Insurance Corporation's (NDIC) Annual Report in 1996 put the total assets of Nigeria's 20 major banks at almost 497 billion Naira. (100.00 Naira to one U.S.) Dollar.) Nigerian banks' deposit base has increased with the mandatory new capitalization minimum requirement of N500 million for commercial and merchant banks. There are 90 banks in Nigeria. The number of commercial banks rose from 51 in 1998 to 57 following the conversion of 5 merchant banks and the licensing of one commercial bank in 1999. On the other hand, the number of merchant banks declined from 38 to 33. Mergers and acquisitions have not been common in the banking sector, although two mergers took place at the peak of the liquidation exercise in 1996.

In addition, there are 1,014 community banks (CBs). These community banks established in 1990 rose sharply to 66 in 1991, 879 in 1993 and peaked at 1,368 in 1996. By the end of December 1999, the number of community banks fell to 1,014. The main objectives in setting up the CBs included the mobilization of rural savings, promotion of rural development and the enhancement of micro enterprises, especially, in the rural areas.

In 1999 foreign banks began to make their mark in the Nigerian banking industry with the establishment of a South African bank in Lagos. More foreign banks have acquired licenses and are likely to begin operations before the end of the year 2000.

Interest rate deregulation in the sector is having a positive impact. Interests rates, which rose initially to 25 percent and 18 percent in 1995 and 1996 respectively, dropped far below the former official rate of 21 percent to current rate of 18-19 percent. Deposit rates on the other hand remain at 4-5 percent. In 1999 the GON divested from retail banking and released the funds of government parastatals to the banks. This trend has continued in the Year 2000 as budgetary allocations to states and local governments were released to banks. However, the 3 major banks (First Bank, Union Bank, and United Bank for Africa) control most of these funds (90 percent.) The assets of these 3 banks represent over 70 percent of total assets of banks in Nigeria. The action resulted in monetary

expansion thus increasing the liquidity of the banks.

Banks in operation have met the new statutory requirement of a minimum capital base of 500 million Naira for both commercial and merchant banks. Financial Reports published by several banks indicate that most banks have exceeded the capital requirement and achieved capital bases of one billion Naira or more.

Nigerian banks' financial services are improving and recently debit cards were introduced into the economy to help reduce the high cash-base system. Smart card Nigeria Plc and Gemcard Nigeria Limited – two electronic paycard marketing firms introduced debit cards into the financial system. Over 31 banks are participating in the marketing of “valucard” (product of Smartcard Nigeria Plc.) The new electronic pay system is a major step in reducing cash transactions in the Nigerian economy. Several retail outlets have been identified for the use of these paycards and are operating successfully.

Reform in the banking sector has meant a drop in the number of distressed banks, from 22 in 1998 to 10 by December 1999. New investors have acquired these banks and re-capitalization is going on.

External Sector

The pressure on Nigeria's balance of payments persisted in 1999. The overall deficit expanded from US\$2.26 billion to US\$3.54 billion. Nigeria's current account recorded a surplus of US\$458.0 million representing 0.4 percent of its gross domestic product (GDP.) This is against a deficit of \$4.3 billion or 11.6 percent of the GDP recorded in 1998. This improved performance was due to the increase in oil prices from an average of US\$12.5 per barrel to US\$18.0 per barrel. However, the capital account recorded a deficit of US\$3.63 billion representing 3.5 percent of the GDP. The overall deficit was financed largely through the Central Bank of Nigeria by “ways and means advances.” However, these deficits were not channeled to the real sector where multiplier effects would aid in jump-starting the economy. Nigeria's external reserves at the end of December 1999 stood at US\$5.45 billion compared with US\$7.1 billion in 1998.

Oil exports accounted for 98.4 percent of total exports in 1999 compared with 95 percent in 1998. Non-oil exports accounted for only 1.6 percent of total exports. Total imports showed an increase of 3.0 percent over the 1998 level. An overall analysis of imports showed that the value of imported items increased from their respective levels in 1998. These increases ranged from 1.3 percent for food and live animals to 28.7 percent for beverages and tobacco. In terms of relative shares to imports, manufactured goods ranked highest, accounting for US\$2.6 billion or 29.4 percent of total imports. Machinery and Transport followed closely at US\$2.43 billion or 23.4 percent and chemicals at 22.8 percent.

CHAPTER III: POLITICAL ENVIRONMENT

President Olusegun Obasanjo is facing daunting challenges as he attempts to consolidate democracy after 16 years of military rule. The country is plagued by numerous inter-ethnic and inter-religious disputes, a collapsed infrastructure, and a dysfunctional bureaucracy and judiciary. Additionally, a strained executive-legislative relationship has slowed progress on many fronts. Despite these obstacles, however, the new government has made limited progress in combating the debilitating corruption that was the hallmark of past military regimes and in returning a semblance of market discipline to a few sectors of the economy. Progress has also been made in restoring respect for basic human rights and addressing the chronic underdevelopment of the restive Niger delta region.

The United States has quadrupled its bilateral assistance to Nigeria in an attempt to bolster the return to civilian rule. Numerous delegations of U.S. Government and private-sector officials have visited Nigeria to reopen channels of communication that had been closed for several years. In 2000, Nigeria received a second national security waiver from the U.S. government for its failure to be certified as being cooperative in the fight against narcotics trafficking. The two governments enjoy cordial relations, with the U.S. continuing to encourage the maturation of democratic institutions and the stimulation of private sector-generated economic growth.

Nigeria witnessed an upsurge in ethnic and religious-based violence during the last year. Plans to expand the application of Sharia (Muslim) law in the northern state of Kaduna sparked violence between Christians and Muslims in February that resulted in over 1500 deaths. Several northern states have either begun implementing an expanded version of Sharia or have announced their intention to do so. This has raised fears among Christians in the north of imminent persecution, and as a result, some have returned to their ancestral homelands in the southeast and southwest. A mass exodus of ethnic Igbo Christians from the north could cause severe disruptions in business and trading, especially in the commercial hubs of Kano and Kaduna, as the Igbos constitute a large percentage of the trading and merchant class in these cities. In states where an expanded Sharia law is being enforced, the sale and consumption of alcohol has been banned, as has prostitution. Lastly, there are reports of banks being forbidden from charging interest on loans, as this practice reportedly contravenes Sharia tenets.

The government's relationship with organized labor has also been troublesome over the last year, especially over the issues of increased fuel prices and minimum wages. President Obasanjo's announcement on June 1 of a fifty percent increase in the price of fuel resulted in the Nigeria Labor Congress (NLC) initiating a "stay-at-home" strike which lasted for five days. The strike, which was observed by most private and public sector employees, brought the country to a standstill. After contentious negotiations, the President agreed to only a two-naira-per-liter (n/l) increase, a significant retrenchment from the 10 n/l increase announced on June 1. Fuel is now 22 n/l (approximately \$.22/l) as opposed to the pre-June 1 price of 20 n/l.

On May 1, President Obasanjo announced a new monthly minimum wage of 5,500 naira (approximately \$55) for state civil servants and 7,500 (approximately \$75) for those in the federal government; this was done without consulting the state governors who would have to pay for the increase from their state budgets. Consequently, disagreements over minimum wages have resulted in acrimonious debates between public sector employees and state officials, and between the federal and state governments. In late June and early July, civil servants in several states went on strike to

protest the refusal of the state governments to pay them more than the new 5,500 rate. NLC chapters in other states, however, were successful in negotiating increases in the minimum wage.

Violence in the Niger delta region abated somewhat during the year, although kidnappings of Nigerian and expatriate oil service workers for mostly mercenary reasons continued. The workers were usually released unharmed after the payment of ransoms. The Niger Delta Development Commission bill was enacted over President Obasanjo's veto in June. Candidates to chair the Niger Delta Development Commission, which is charged with developing the infrastructure of the long-neglected region and finding lasting solutions to the problems afflicting the area, are currently being vetted. Meanwhile, states of the delta region have started receiving increased disbursements from the federal government.

Formal venues for business-to-government and business-to-business dialogue are not well developed. Most leading business executives appear to develop individual channels of communication with the relevant government actors.

Relations between President Obasanjo and state executives have been mixed. Framing the federal-state relationship is the fact that most state governments are almost entirely dependent upon federal disbursements to fill their coffers. Under the current federal arrangement, the states pay all of their state-generated revenues (from VATs, import tariffs, oil operations, etc.) to the federal government, which in turn returns a percentage to the states according to a revenue-sharing formula. Several state executives have indicated a desire to revise this revenue-sharing formula so that they can retain a greater percentage of the revenue generated within their states.

The national government is composed of a presidential executive and a bi-cameral national legislature. Each of the 36 states has a governor and a unicameral legislature. In theory, an independent judiciary exists, but in reality the judicial branch has been rendered dysfunctional by years of neglect and corruption. President Obasanjo assumed office May 29, 1999; members of the national and state legislatures were sworn in on June 4. All serve four-year terms. Three different political parties are registered by the Independent National Electoral Commission (INEC); these parties, however, are more conglomerations of heavyweight personalities rather than mechanisms for interest articulation. Party discipline or discernable platforms have yet to be developed.

CHAPTER IV: MARKETING U.S. PRODUCTS AND SERVICES

As in most developing countries, personal ties and patience are key to successful business activity in Nigeria. The best way for U.S. manufacturers and suppliers to penetrate the Nigerian market is through the network services and programs of U.S. Export Assistance Centers in association with the Commercial Service at the American Embassy in Nigeria -CS Nigeria.

The Nigerian market offers significant opportunities for U.S. exporters but a clear road map and a well thought-out business strategy are required. CS Nigeria is on the ground in Nigeria to assist U.S. firms in maximizing their export potentials in this dynamic and diverse country. The first step is for you to contact the U.S. Export Assistance Center (EAC) nearest you to familiarize yourself with the U.S. Commercial Service's export promotion programs and to access important market reports. Contact information for the EACs and other key information on exporting are available by dialing

1-800-USA-TRADE or going to the Web Site “ www.usatrade.gov”.

The United States Commercial Service in Nigeria (CS Nigeria) offers a variety of products and services to facilitate U.S. exports, as outlined below in the Section “CS/Nigeria Products and Services”. CS Nigeria is also positioned to consider any legitimate request by a U.S. company for export assistance, negotiated on a fee or non-fee basis. CS Nigeria is located at the American Embassy in Lagos and maintains relations with business associations throughout Nigeria enabling it to respond to requests for assistance on a country-wide basis.

For your convenience visit our web site: www.focusnigeria.org.ng. Specific requests for these products/services or any other requests for export assistance should be addressed to USCS Nigeria/Head Office at any of the addresses below:

U.S. Mailing address:	Electronic address
	Office@Mail.Doc.Gov

The Commercial Service

8300 Lagos Place
Department of State
Washington, D.C. 20521-8300

Street Address in Nigeria:
#2, Walter Carrington Crescent
Victoria Island
P.O.Box 554, Lagos
Nigeria

Tel: 011-234-1-2610241, 2610050, 2610078
Fax: 011-234-1-2619856

CS Nigeria Products and Services

CS Nigeria products and services can attend to your company’s needs in exporting to Nigeria from addressing basic market inquiries, to identifying a qualified local partner, to organizing a highly sophisticated trade promotion event. These products and services, designed as progressive tools for use by your company as part of a market penetration strategy, include the following categories: Market Intelligence, Trade Contacts, and Market Promotion, described below:

I. Market Intelligence – CS Nigeria can orient U.S. exporters regarding market opportunities ranging from the general business environment to company and product specific market entry plans.

Complementary Products: CS Nigeria produces a number of market research reports on Nigeria, focusing on “best prospects”. They are available at no cost to the U.S. exporter from U.S. Export Assistance Centers or from the CS Nigeria Web Site: www.focusNigeria.org.ng. These include:

This Country Commercial Guide (CCG): A comprehensive report on the general business environment in Nigeria with an emphasis on market access, investment issues and general information on markets of opportunity.

Industry Sector Analysis (ISAs): Detailed reports analyzing market opportunities for best sectors for U.S. exports in Nigeria. ISAs contain market assessment and outlook supported by statistics; a review of competition and market shares; market access information; best sales prospects; and trade contacts.

International Market Insights (IMIs): Reports on specific market opportunities and major projects giving background and guidance on how to take advantage of the opportunity.

Fee-Based Products: The following reports can be developed for a U.S. exporter upon request for a fee. These are business confidential products tailored to the U.S. company’s product/service whose final results are not available to the public.

Market Profile Report: This report offers the U.S. exporter market information to evaluate the competitiveness of its product/service and its receptivity in the market in order to determine whether to further pursue market entry. The 4-6 page report highlights sector and product/service specific market outlook for the U.S. exporter in Nigeria and includes interviews with a limited sampling of importers, distributors, manufacturers, and end-users regarding the U.S. company’s product/service. Also, it includes information on product/service specific tariff and non-tariff barriers, as well as key information on current import volumes, leading importers of the product, product/service relevant trade shows, trade associations, and industry publications. Harmonized System number(s) must be provided. Available within 2-4 weeks of request. Fee: US\$450

Customized Market Analysis (CMA): A detailed report generated upon request examining the competitiveness of a specific U.S. product or service in the Nigerian market. The report covers key marketing facts such as sales potential, comparable products and their prices, distribution channels, and qualified purchasers. This report is confidential and is available only to the requesting U.S. company. Available within 60 days of request Fee: US\$5,000.

Customized Market Research: The U.S. client can also propose its own research design for CS Nigeria to perform. Scope of work, timing, and fees to be directly negotiated with CS Nigeria based on staff time required and incidental expenses.

II. Trade Contacts – CS Nigeria offers a menu of options for the U.S. exporter to identify potential business partners that meet its qualifications, from basic lists to pre-screened

and qualified companies. CS also offers important tools for active follow up with interested partners to assist in turning a contact into a business success.

Silver Key List (SK): A list of 5-15 specific contacts relevant to the requesting U.S. company's product/service. Includes contact information and a brief description of the Nigerian company. The U.S. Company is responsible for any follow-up contact with Nigerian counterparts. Available within 5-10 days of request. Fee: US\$150

Virtual Gold Key: CS Nigeria assists the U.S. company in formally presenting its product/service to Nigerian companies which meet the U.S. exporter's specifications (distributor, end user, licensee partner, etc) and company criteria. Presentations are made in the form of a telephone call, delivery of company literature with CS letter of introduction, and follow up telephone calls to solicit interest. If geographically viable, a CS representative visits the interested Nigerian company(ies) to ascertain their preparedness for the proposed business venture with the U.S. client. A detailed report is provided back to the U.S. exporter on all local companies contacted and their comments.

U.S. companies using the Virtual Gold Key can also take advantage of the following services at no additional cost: a one-hour U.S.-initiated phone teleconference meeting arranged by CS between the U.S. company and prospective Nigerian partner(s); in-country appointments arranged by CS based on Virtual Gold Key contacts already established. Also, for an additional cost-recovery based fee, CS Nigeria can arrange a videoconference meeting between the U.S. and Nigerian companies using a private studio. Available within 6 weeks of request. Fee: US\$525

Gold Key Service: CS Nigeria develops for visiting U.S. exporters a pre-screened set of 4 to 6 appointments with Nigerian companies which meet the U.S. company's specifications and which have expressed interest in a potential business arrangement with the visiting American firm. CS schedules 4 appointments per day and meetings are held at the Nigerian company's location or a convenient central location like a major hotel's business center. Available within 6 weeks of visit. Fee: US\$450 .

Trade Missions: Customized visits by groups of U.S. exporters for an intensive program of individual meetings with pre-screened local companies, business environment briefings, and ,normally, a representational event. Can also include plant tours and government meetings. Available within 3-4 months of confirmed request. Fee: Negotiated by Event; Range US\$1,350 - US\$2,500 per company.

Customized Trade Contact Services: The U.S. client can also propose its own trade contact activity for CS Nigeria to perform. Scope of work, timing, and fees to be directly negotiated with CS Nigeria based on staff time required and incidental expenses.

III. Trade Promotion– CS Nigeria organizes a wide range of promotional activities to assist U.S. companies in proactively promoting their U.S. products and services in Nigeria.

Trade Exhibits: With this set of services, a potential exporter may participate as an

exhibitor at a U.S. Pavilion within a large, established trade exhibit. Such participation includes distinctive décor, freight handling and customs expediting services, targeted announcements to the trade public, and a search for prospective clients. See current list on the Web Site or request from the Head Office in Lagos. Fee: Range between US\$2,000 – US\$3,000 per booth.

Company Promotion/Technical Presentation Event: A Promotional or Technical Presentation Event offers individual or groups of companies a high visibility venue, arranged by the Commercial Service (CS), to present its products or services to a tailored audience of Nigerian clients. The requesting company provides input regarding the desired venue and audience, which generally includes a 3-hour program initiated by an official of the American Embassy followed by a detailed company presentation and concluding with a question/answer session. Fee includes function room rental, presentation equipment, audience development costs, and light refreshments. Available within 1 month of request.

Fee: Range US\$1,000 – US\$2,250

Video Conference Promotion: CS Nigeria offers video conference programming for groups or individual companies. Group videoconferences generally consist of a 1-2 hour program with U.S. and Nigerian audiences focusing on a specific industry/service issue. For individual videoconferences, CS arranges the videoconference at a private site, confirms the Nigerian participant(s), and moderates the program if requested. Group videoconference available with 1-month lead time; individual videoconference available with 1 week lead time. Fee: To be determined by the actual cost of facilities and services required to implement; Range: US\$175 - US\$1,300 (with call originating in the United States).

Customized Trade Promotion Services: The U.S. client can also propose its own trade promotion activity for CS Nigeria to perform. Scope of work, timing, and fees to be directly negotiated with CS Nigeria based on staff time required and incidental expenses. Both aim to identify reputable and capable agents/distributors.

Marketing in Nigeria

Nigeria, the largest market in Sub-Saharan Africa, is still a cash-based economy. The Central Bank of Nigeria (CBN), in its annual report, revealed that only about 10 percent of the total money in circulation in Nigeria in 1999 was within the banking system. In Nigeria, most transactions are conducted and paid for in (Naira) cash. Credit instruments such as credit cards are in their early stages of development. Over the past six months, a consortium of over 30 banks have been testing in three major cities – Lagos, Port Harcourt and Abuja, a credit card system called “Smart Card”. Market analysts say that less than 20 percent of the Nigerian urban population use or know about the Internet. As a result, Nigeria is lagging behind several other African countries such as Ghana and South Africa that already are benefiting from the globalization of international trade through electronic commerce.

Some U.S. firms prefer an exclusive agent/distributor relationship. Many foreign manufactur-

ers and suppliers, however, appoint more than one agent/distributor to accommodate Nigeria's geographical size and ethnic complexities. In Nigeria's complicated environment, all relevant terms and conditions of such arrangements must be carefully delineated. U.S. firms interested in the Nigerian market are strongly advised to seek the assistance of experienced commercial lawyers preferably through CS Nigeria data base of service providers. Enforcement of international property rights remains a problem in Nigeria despite official pronouncements and existing copyright laws.

Principles governing agency and distribution are largely based on Nigerian case law established over many years. Key issues include: geographical area of representation, duration of the agreement and the conditions under which it can be canceled or revised, specific assignments, right to refuse orders, terms of payment, restraints after termination to solicit sales from previous customers, and restraints on the use of registered logos, company product or brand names and trademarks.

U.S. firms are permitted to package their products as they most prefer to secure the largest market share or to achieve the highest sales penetration for the products and services. In practice, brand names or trade marks are not allowed to be confusingly identical or so confusingly similar to a brand name or a label already on the market, as to be likely to lead to deception of the purchasing public.

There is a public policy restraint on the use of trademarks, names or labels that are scandalous or not entitled to protection in a court of justice or marks, which are contrary to law and morality. Commonly accepted names of chemical elements or compounds are not registered under the Nigerian Trademarks Act.

The Nigerian government requires firms intending to export food and drug products for sale in Nigeria to obtain a product license in that behalf from the National Agency For Food and Drug Administration and Control (NAFDAC) before such products can be brought into and sold in Nigeria. U.S. firms may appoint a Nigerian attorney or elect their Nigerian business associates to file an application for a NAFDaC license on their behalf.

This requirement does not exclude the importation of such reasonable quantities of the products to be exported as samples in connection with the application for a product license. The rule is, all drugs and chemical products should incorporate the common chemical or pharmaceutical name (s) of those products on the product label including the brand name.

U.S. firms are advised to register at the Trademarks Registry, all brand names and labels intended for use on products to be sold in Nigeria, to guard against product counterfeiting and the passing-off of sub-standard goods as and for the original goods, by competitors and unscrupulous elements.

Types of Companies

Apart from Nigerian government-owned enterprises, there are three forms of business recognized under the Allied Matters Act of 1990: companies, partnerships, and sole proprietorships. As foreign firms cannot operate through a branch office, potential U.S. manufacturers and suppliers must establish a place of business and incorporate within Nigeria in order to conduct business. According to the 1990 Act, establishment of a joint venture by itself is not sufficient

to constitute a legal entity. A foreign firm can only participate as a shareholder in a local company incorporated for the purpose of the joint venture. Nigeria's trade and investment promotion decree permits 100 percent ownership of firms locally incorporated and in Nigeria except businesses such as arms and ammunition, production military uniforms, etc contained in the so-called negative list.

The government of Nigeria buys products and services through a "tenders board" composed of senior government officials and may include local consultants or foreign firms with representatives in Nigeria. The Central Bank of Nigeria (CBN) does not buy products and services for the Nigerian government or its agencies. Inquiries and business proposals emanating purportedly from the CBN on behalf of the Nigerian government or any of its agencies should be disregarded.

Replacement of pre-shipment inspection (PSI) of imports with destination inspection (DI) effective April 1, 1999, has been reversed due to official corruption which flawed its implementation. However, port reforms announced by the Nigerian Government in its 1999 budget is continuing despite oppositions from those benefiting from the port inefficiencies.

The controversial port reform is an attempt to check official corruption at the ports, reduce continued diversion of Nigerian imports to Cotonou in Republic of Benin and shorten the time spent clearing imports through customs. Those who support the return of pre-shipment inspection argue that over 90 percent of imports cleared through the Nigerian Customs while the destination inspection lasted were undervalued. Additionally, there were allegations of falsification of import documents by Custom Agents and some security operatives at the ports. Over the past twenty one years, the reshipment inspection has been a major source of revenue for the Nigerian government.

Swede Control/Intertek (a joint venture between a U.S. firm and a Nigerian firm) is responsible for inspection of Nigerian imports originating from the United States. Intertek Services International, Ltd is located at:

3741 Red Blue Road

Passadena, Texas 77503

Tel: (713) 473-2082

Fax: (713) 473-2083

Telex: 6868554 ISIUW

Contact: Eamoan Cooney
Contract Manager

The inspection agents are required to verify the following:

- tallying of imported goods to ensure that the correct container and volume of goods march and are accounted for especially for import duty assessment.
- reconciliation of details on import manifest, bills of lading, tallying records, etc.
- ensuring that accurate payment of duties and other relevant charges for all goods released have been made.

The on-going port reforms is yielding positive dividends already, especially in terms of reduced number of security operatives (often accused of official corruption and bottlenecks resulting in long delays at the port), and the number of days its takes to process import duties and clear imports through customs and immigration. Currently, only the following agencies are permitted to operate under the supervision of the Nigerian Ports Authority:

- Nigerian Customs Service (NCS)
- The Port Police
- Nigerian Immigration Service
- Authorized licensed Customs Agents

The GON has directed that only the Federal Aviation Authority of Nigeria (FAAN), Customs, Immigration and Authorized licensed Customs Agent are authorized to inspect imports at the Nigerian airports.

In an attempt to check official corruption and long delays during clearing process at the ports, the Nigerian government appointed private auditing/accounting firms in 1998 to collect import and excise duties through some selected banks. Some of the banks include:

First Bank of Nigeria PLC

Afribank

Union Bank of Nigeria PLC

Universal Trust Bank

United Bank for Africa PLC

FSB International Bank

Diamond Bank Limited

The use of letter of credit for all imports valued more than \$1,000 was made compulsory by the Nigerian government in 1994. Therefore, U.S. suppliers are advised to ship through an irrevocable letter of credit confirmed by a U.S. or a major international bank (see Chapter VIII, Banking Section.)

Advertising plays a significant role in marketing products and services in the Nigerian market. However, due to limited communications links, especially in heavily-populated rural areas, advertising strategies by U.S. firms should put emphasis on “below-the-line advertisements” (sales promotions including gifts and discounts.) Agents and distributors of foreign suppliers and manufacturers usually expect promotional support such as subsidies and brochures to participate in trade shows.

The Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) publishes an annual directory of trade shows in Nigeria. However, Nigeria's international trade fairs may not be very effective in promoting highly specialized, technical products due to their emphasis on "general" products. Although a visit by a non-exhibiting U.S. exporter to an international Nigerian trade fair can help identify a potential agent or distributor, it is not required to penetrate the Nigerian market. Specialized trade shows such as the CTO exhibition organized by CS Nigeria for computers, telecommunications and office equipment are strongly recommended for market access and expansion.

CS Nigeria has concluded arrangements to introduce a monthly news letter to promote its service and product offerings as well as create awareness especially for new-to-market U.S.-origin products and services in Nigeria. The news letter and CS Nigeria quarterly, Focusnigeria, are important promotional vehicles available to U.S. exporters wishing to penetrate and/or grow their businesses in Nigeria.

The Manufacturers Association of Nigeria (MAN) publishes a journal entitled "WHO MAKES WHAT," which reports on developments and opportunities in various sectors and provides commentary on the Nigerian economy. Additionally, it is an important source of information on the Nigerian market, and a useful medium in which to advertise products and services to the trade. Inquiries regarding the journal may be directed to:

The Manufacturers Association of Nigeria

72 Obafemi Awolowo Way, Ikeja

Lagos, Nigeria

Tel: (234-1) 266-0756, 266-8992, 266-8985

Business magazines and newspapers distributed or published in Nigeria that may be of use to U.S. manufacturers and suppliers include:

African Technical Review of Business and Technology. This is a publication to consult or to consider as an advertising medium. This monthly magazine, with a circulation of 25,000, is an excellent source of information regarding technological development in African markets, and has a representative in the U.S. to help with inquiries from American businesses.

African Technical Review of Business and Technology

Through Mercury Airfreight Anthill Ltd.

323 Randolph Avenue

NJ 07001

Tel: (908) 396-9555

Fax: (908) 396-1492

Federal Government Press:

News Agency of Nigeria (NAN) is the government's voice for news and opinion media in Nigeria. Others include:

New Nigerian

Daily Times

Abuja Times

West Africa Magazine

State Government Press:

Daily Star (Enugu)

Sketch (Ibadan)

Triumph (Kano)

Nigerian Standard (Jos)

Chronicle (Calabar)

Observer (Benin City)

Tide (Port Harcourt)

Ambassador (Umuahia)

Independent Publications:

The Guardian (Nigeria's Foremost Business Daily)

This Day (Dynamic And Nationwide)

Vanguard (Lagos Daily)

Champion (Daily, Pro-Eastern Nigeria)

He Diet (Daily, Pro-Business)

The Post Express (Daily, Pro-Business)

Business Concord (Weekly, Pro-Business)

Sunray (Daily, Eastern, Partly American-Owned)

The Democrat (Daily, Northern Islamic, Pro-Government)

Tribune (Ibadan Daily)

The Weekly Magazines And Newspapers:

Policy Magazine (Pro-Business)

Business Standard (Weekly Pro-Business)

Newswatch (Weekly Magazine)

Business Times (Pro-Business)

The Week (Weekly Magazine)

The News (Weekly Magazine)

The Source (Weekly Magazine)

CHAPTER V: LEADING SECTORS FOR US EXPORTS AND INVESTMENTS

Best Prospects, Non-Agricultural Sectors:

1. A) Rank of Sector: 1
- B) Name of Sector: Oil and Gas Machinery
- C) 3 Letter ITA Industry Sector Code: OGM

	1999	2000	2001			
D) Total Marketing Size						
(in \$ millions)	550	575	700			
E) Total Local Production	-0-	-0-	-0-			
F) Total Exports	-0-	-0-	-0-			
G) Total Imports	550	575	700			
H) Imports from US	320	350	415			
I) Exchange Rates \$1 = Naira				90	105	110

NOTE:

- 1) The above statistics are unofficial estimates.

COMMENTS

Oil and gas machinery is ranked number one because it is unrivaled, either as a source of national income or investment opportunities. Business observers believe that the oil and gas sector offers consistent opportunities for marketing essential production equipment. Drilling equipment appears to hold the most promise for U.S. exporters, with total sales in this sub-sector projected to exceed \$400 million in 2001 and to increase in the next four years. This is mainly due to the increase in activity experienced in the offshore deep-sea region lease of oil blocks.

- 2 - A) Rank of Sector: 2

B) Name of Sector: Computers, Software and Peripherals

C) 3 Letter ITA Industry Sector Code: CPT

	1999	2000	2001
D) Total Market Size (in \$ millions)	350	450	910
E) Total Local Production	-0-	-0-	-0-
F) Total Exports	-0-	-0-	-0-
G) Total Imports	350	450	910
H) Imports from US	250	318	636
I) Exchange Rates \$1=Naira	90	105	110

COMMENTS

Nigeria focuses on electronic business as it plans a national information technology policy before the end of 2000. Leading suppliers and major end-users of information and communications technology and equipment in Nigeria such as banks, insurance firms and oil companies have initiated programs or are in the process of initiating programs including electronic payment systems aimed at facilitating full takeoff of e-commerce in Nigeria.

Industry sources say the size of this market will double by the end of 2001. This is predicated on the number of new companies that have emerged in the industry over the last 12 months plus the on-going campaign for public awareness by leading industry associations and the Nigerian government via the Ministry of Science and Technology. Nigeria's computer sector has witnessed tremendous expansion resulting in millions of dollars in imports from around the world. This growth rate is due to the continuing surge in the demand for computer and communications equipment and accessories especially Internet services, e-mail, networking, voice mail and other value added services. Additionally, the Nigerian government seems to be gradually responding to private-sector calls for promotion of information technology awareness across the country, particularly among government officials including schools, colleges and universities.

The United States is Nigeria's chief supplier of computer hardware and software, accounting for well over 80 percent of its annual imports. A substantial quantity of Nigeria's imports in this sector come as accompanied baggage through the airport and usually are not reflected in import statistics.

As the Nigerian government pushes economic reforms and more educated young Nigerians venture into business, the demand for information technology and equipment, particularly computers, is expected to rise. Micro-and mini-computers and state-of-the-art printers represent the best sales opportunities and will account for the bulk of imports in this sector over the short and medium term.

U.S. suppliers will continue to face aggressive competition from European and Asian companies, but U.S.-origin equipment is generally considered superior. However, end-users prefer suppliers who, in addition to prompt delivery of products, are able to provide timely after-sales support, including spare parts at competitive prices. Stiff competition in this sector is expected from European and Asian countries who now export computer parts and peripherals for local assembly of PCs in Nigeria. Experts predict that this trend will likely continue over the next 3-5 years.

U.S. firms interested in this market should review CS Nigeria's operations program – NUSA. The agent/distributor service provided by CS Nigeria remains the most reliable option to penetrate this sector, while market-share expansion can be achieved through local representatives' participation in CS Nigeria's trade events such as the CTO exhibitions and seminars, e-Week, and CTO Leadership Forum.

3 - A) Rank of Sector: 3

B) Name of Sector: Telecommunications Equipment

C) 3-Letter ITA Industry Sector Code: TEL

	1998	1999	2000
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D) Total Market Size

(in \$ millions)	300	405	1,215
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E) Total Local Production	-0-	-0-	-0-
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F) Total Exports	-0-	-0-	-0-
------------------	-----	-----	-----

G) Total Imports	300	405	1,215
------------------	-----	-----	-------

H) Imports from US	40	122	244
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I) Exchange Rates \$1=Naira	90	105	110
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COMMENTS

The future of telecommunications in Nigeria is wireless. Factors responsible for this prediction include global trends in technology and equipment, Nigeria's topography and size, Nigeria's telecommunications policy directives and cost, and the Nigerian government national telecommunications commitment over the next 5 – 7 years.

Nigeria is pursuing an ambitious telecommunications expansion program expected to improve the national teledensity currently at 0.4 percent. Nigeria intends to increase its mobile and wire lines from current 700,000 to over 4 million functional telephone lines within the next 2 years. 20 percent

of these lines are expected to be installed in rural communities in compliance with ITU and the Nigerian government directives on universal access obligation.

The Nigerian government has said that it is committed to installing about 2 million mainlines and 1.2 million digital mobile lines before the end of 2002. Within this time frame, 4 digital mobile operators and a second network carrier will be licensed which may include the Nigerian Telecommunications Limited (NITEL)—Nigeria's current PTT and M-Tel which is the current national cellular network provider. Nigeria is reviewing its telecommunications policy to be made public before the end of September and plans to conclude the licensing process for the four digital mobile operators before December 31, 2000.

Deregulation and partial privatization have changed the market picture for Nigeria's growing telecommunications sector. The market reforms started some years ago (in 1993) have unleashed private-sector-led innovations that are generating demand for various telecommunications equipment and accessories. Topping the list of equipment are digital and mobile phone sets, cellular, transmission and switching equipment, 220V PABX and voice mail facilities. Services such as internet café, voice mail, prepaid calling cards are exploding in Nigeria.

The Nigerian Communications Commission (NCC), the agency responsible for Nigeria's telecom regulation, has been reconstituted. NCC now has a board of directors and commissioners. The Nigerian government has declared publicly that NCC is the only agency in Nigeria responsible for telecommunications including licensing and regulatory matters. NCC's independence, long overdue, is designed to encourage core foreign investors to participate in Nigeria's current telecommunications initiatives.

NCC is reviewing licenses and permits awarded during the past military regimes with a view to ensuring that they comply with official policy guidelines and legal framework. Over 200 operating licenses and permits have been approved by NCC for various telecommunications services across the country, including about 35 internet service providers. This has generated a pent-up demand for telecommunications equipment, accessories, consulting and technical partnerships.

The replacement of Nigeria's outdated telecommunications infrastructure through both multilateral and Nigerian funding still is a priority program of the Nigerian government.

Currently, Nigeria has about 700,000 telephone lines for its highly mobile population estimated at 120 million. Nigerian Telecommunications Limited (NITEL), the nation's sole carrier until 1993, has approved eight private firms to be connected to its switching system in order to provide services to different Nigerian zones. Seven of these firms, VGC Communications, Mobitel, Multilinks, Intercellular, EM-Telecommunications, Spar Communications and GSM Celia have begun operation in Lagos area. Two of these private operators – Intercellular and Multilinks offer limited cellular phone services with 1000 lines each in Lagos area.

European firms, particularly from Germany, dominate this market that is expected to witness rapid expansion over the next 1 – 5. Adaptability of European equipment to local conditions, especially electricity voltage, gives it an advantage over U.S.-origin equipment. However, suppliers from the U.S. are increasing their market share by appointing more agents/distributors and entering into new technical agreements especially with newly licensed private telecommunications operators.

Over the next 1-2 years, imports of telecommunications equipment and accessories from the U.S. are expected to double due to the growing adoption of state-of-art digital technology in Nigeria which

gives U.S. firms competitive advantage. Additionally, the restriction which adoption of GSM as a national technology standard had had on U.S. export of CDMA and other U.S.-origin technology and equipment over the past one and half years, has been removed by the Nigerian government's decision to allow firms choose the technology and equipment best suited for their operations and marketing strategies—as long as the technology and equipment met NCC test approval.

This is the time to come to Nigeria—to seize the opportunities and to meet the challenges. Nigeria is a strategic gateway to the West African (ECOWAS-Economic Community of West African States) markets and offers U.S. firms a tremendous growth opportunity that may be difficult to equal or exceed elsewhere. Interest U.S. firms should take advantage of CS Nigeria's NUSA program to enter this market – the largest and most robust in sub-Saharan Africa.

4 - A) Rank of Sector: 4

B) Name of Sector: Automotive Parts and Accessories

C) 3 Letter ITA Industry Sector Code: APS

	1999	2000	2001
D) Total Market Size			
(in \$ millions)	500	500	550
E) Total Local Production		100	120 150
F) Total Exports	15	15	15
G) Total Imports	385	365	385
H) Imports from US	80	80	120
I) Exchange Rates \$1=Naira	90	105	110

COMMENTS

The Federal Government of Nigeria's fiscal policy continues to recognize the importation of used vehicles as a temporary solution to transportation problems in Nigerian. GON has relaxed its ban on used cars which account for more than 90 percent of automobiles imported into Nigeria in the last four/five years and it is expected that demand in this sector will grow in subsequent years. The low value of Nigeria's currency against the US dollar, from 22 Naira in 1994 to 105 in January 2000, has continued to make new automobiles costly. Also GON plans to reduce import duties on automobiles as well as encourage foreign investors to establish automobile manufacturing industries in Nigeria.

U.S.-origin automobiles are becoming popular among Nigeria's elite especially in the four-wheel drive, sport utility vehicle (SUV), heavy duty trucks as well as some luxury cars. Most of the commuter buses in Nigeria are over ten to fifteen years old and new U.S.-origin buses or fairly used ones would be in high demand especially for mini-buses (20-30 passenger capacity) to handle municipal transportation needs.

5. A) Rank of Sector: 5

B) Name of Sector: Medical equipment

C) 3-Letter ITA Industry Sector Code: MED

	1999	2000	2001
D) Total Market Size			
(in \$ millions)	600	570	600
E) Total Local Production			
(in \$ millions)	170	170	170
F) Total Exports			
(in \$ millions)	20	20	20
G) Total Imports			
(in \$ millions)	450	400	450
H) Imports from US			
(in \$ millions)	20	15	20
I) Exchange Rates \$1=Naira	90	105	110

* Above figures are estimates

COMMENTS

Nigeria still depends on imports for most of its medical equipment needs. Local production is limited to peripheral items such as hospital beds and gurneys.

Health care in Nigeria has been denied the critical attention due to it for several decades. Successive governments have neglected the primary, secondary and tertiary health services in spite of the vol-

ume of information available to them on the state of health care at all levels. Several policies have been formulated without a corresponding infusion of funds. The program has consisted mainly of lofty speeches and data that do not translate to better health service. Just as in former years the health sector has remained almost stagnant. The vision of Health for All by the Year 2000, remains a plan.

In 1999, there was little visible improvement in this sector. Even the imports in drugs/pharmaceuticals were faulted as it was reported that most of the products imported had expired or were shortly to expire. The rehabilitation of old installations as well as expansion and completion of abandoned projects were not executed, as the Petroleum (Special) Trust Fund (PTF), the institution supervising these projects was itself disbanded for mismanagement. The PTF has been reconstituted with a different term of reference.

However, the GON maintains that Primary Health Care remains its priority. The government also states that secondary and tertiary health care will be strengthened via effective and well coordinated referred systems. The federal government will not be solely responsible for primary health, but will support the states in an effort to bring the primary health care closer to the people. The GON also restated its commitment to the resuscitation of the health care delivery system through systematic funding and mobilization in line with the Bamako Initiative Program, a series of reforms in response to the deterioration of public health systems in developing countries. Regrettably, this commitment is not reflected in the government's budget allocation to health which is \$88,807,864. This is only about 3.74 per cent of the total national budget and falls far below the World Health Organization's minimum recommendation of 15% of the total annual allocation.

This notwithstanding, the 1998 – 2000 National Rolling Plan objectives which include the completion of Teaching Hospital projects at Ahmadu Bello University, Zaria, University of Nigeria, Nssukka, and Ado Bayero University, Kano; rehabilitation of Ibadan Teaching Hospital and the equipment of several health centers and primary health care centers are still pending. Also pending is commencement and completion of work on a program to establish seven health centers of excellence in addition to the rehabilitation of 733 health institutions nationwide; and the provision for 27 health centers in this year's budget.

The National Health Insurance Scheme (NHIS), first proposed about 30 years ago has finally become a reality this year although there are still gray areas over who should administer the scheme. The NHIS is aimed at generating resources for health care delivery as well as providing access to quality health care delivery

After years of ignoring the fact, HIV/AIDS has been identified as a growing problem in Nigeria. The GON has expressed concern about this looming menace as it could have a devastating impact on Nigeria's growth and poverty alleviation efforts if it remains unchecked.

Other categories that have been give high priority include the intensification of non-curative components of primary health care like Sanitation Health Education, national preventive campaigns against childhood diseases and free compulsory immunization programs.

Despite the return of Nigeria to democratic rule, the economy has been stagnant and inflation rate is on the rise. There is no doubt about the increasing demand for medical services and equipment such as analytical and examination instruments, ultra sound scans, anesthesia equipment, mortuary and laboratory equipment. In addition to government this year, the private sector participation as in previous years will account for much of Nigeria's imports. The national currency the Naira is still

falling, consequently limiting the purchasing power of the average Nigerian. As in the previous years, it is envisaged that refurbished and used medical equipment will remain in high demand.

6 - A) Rank of Sector: 6

B) Name of Sector: Aviation/Avionics

C) 3-Letter ITA Industry Sector Code: AVS/AIR/APG

	1999	2000	2001
D) Total Market Size	250	300	1000
E) Total Local Production	-	-	-
F) Total Exports	-	-	-
G) Total Imports	250	300	1000
H) Imports from US	150	180	600
I) Exchange Rates \$1=Naira	90	105	110

COMMENTS

Nigeria's aviation industry has been plagued with drastic reduction of operational aircraft. Stringent safety regulations and monitoring the operation of airlines in Nigeria has resulted in some of the operators looking for serviceable aircraft and spare parts to ensure compliance with required checks on their aircraft. Grounded planes will need replacement of engines, component parts and navigational equipment from U.S. sources. Some airline operators will also need to purchase used but reliable aircraft to replenish their fleet and the U.S. aviation market will be the first choice. Privatization of the national carrier (Nigerian Airways) is expected to be finalized during this year.

Nigeria's Federal Aviation Authority hopes to improve navigational aids at all the local and international airports between 1999 and 2000 with provision of instrument landing systems of U.S. origin. Aviation sources expect a growth in this sector in the next few years.

8 - A) Rank of Sector: 7

B) Name of Sector: Construction Equipment

C) 3 Letter ITA Industry Sector Code: CON
1999 2000 2001

D) Total Market Size

(in \$ millions) 180 200 300

E) Total Local Production 50 80 80

F) Total Exports 10 10 20

G) Total Imports 120 110 200

H) Imports from US 75 80 100

I) Exchange Rates \$1=Naira 90 105 110

COMMENTS

Construction equipment is another essential sector likely to grow in 2001. Existing dilapidating infrastructures will be repaired or replaced while homes for Nigeria's increasing population would continue to be built by the government as well as private entrepreneurs. Import of construction machinery for roads is anticipated though U.S. exporters will continue to face stiff competition from well-established European suppliers. It is expected too that various state governments would be interested in prefabricated homes to increase residential accommodation for their citizens. The attendance of high-powered Nigerian teams at trade events such as "The International Builders' Show" and "International Hardware Industry Week" has established new trade links with U.S. companies in the construction industry. These links may result in increased exports of construction and building equipment to Nigeria.

Best Prospects, Agricultural Sectors:

Background

Despite the rapid growth of Nigeria's oil industry since the 1970's, Nigeria is still predominantly agrarian, with approximately 70 percent of the populace engaged in agricultural production at subsistence level. The sector accounted for 41 percent of Nigeria's total Gross Domestic Product in 1999, up from 25 percent in the 1980's. Nigeria enjoys a wide range of climatic variations from the tropical rainforest at the coast to the Sahel zone of the north which makes it possible to produce a wide range of agricultural commodities. Only about one tenth of total available arable land is being

cultivated.

The majority of Nigeria's cash and food crops, are produced on small, labor-intensive farms using slash-and-burn cultivation techniques. Although farmers recognize the value of fertilizer, particularly on crops such as corn, cotton, rice, and sorghum, utilization is limited by high cost and poor capitalization levels. A major effort to promote large-scale mechanized agriculture in the 1970's and the early 1980's failed largely due to high input costs, poor on-farm productivity and lack of support from the government of Nigeria. At present, only a relatively few large-scale farming ventures operate profitably.

Growth in food production over the past decade has not been able to keep pace with Nigeria's burgeoning population, which is estimated to be growing at 3 percent annually. The slow growth in agricultural production is attributed to poor implementation of policies by successive Governments. Additionally, poor soils, inadequate input supply, low levels of agricultural technology, high interest rates, limited mechanization, and periodic shortages of farm labor during prime production periods combine to limit agricultural output.

The decline in agricultural production in Nigeria began in the early 1970's with the advent of oil boom and led to the neglect of Nigeria's agricultural sector. Agricultural production and export levels plummeted, particularly in the cocoa, oil palm, and peanut sectors where Nigeria was once a world leader. The country moved from being a large net exporter of agricultural produce at the time of independence to being a sizeable importer. Successive Nigerian governments have failed to achieve a diversification of the economy away from its dependence on the capital-intensive oil sector.

Nigeria's agricultural policies in the past focused on subsidizing farm inputs. For several years, the GON implemented a subsidy program on fertilizer. In practice, the subsidy program enriched a few middlemen who diverted the product from official channels to the black market for quick profit and resulted fertilizer shortages. Current agricultural policies have shifted emphasis to the creation of a supportive environment for the private sector. This is designed to achieve increased agricultural production, promote food self-sufficiency, and increase farm income. Agricultural extension services through the Agricultural Development Projects (ADPs) and the Fadama development activities are being strengthened while existing dams and irrigation facilities are being rehabilitated.

Despite the resolve of President Obasanjo to reverse the declining trend in agricultural production, the short to medium term outlooks appear mixed and will depend to a great extent on the improvement of the extension system, availability of fertilizer at affordable prices, and the level of adoption improved planting seed varieties by farmers. Nigeria's dependence on rain-fed agriculture poses a threat to her fragile food supply situation. However, Nigeria's overall food supply situation is reported to be within safe limits. Some sectors of the population remain vulnerable, suffering from malnutrition.

Nigeria's total food and agricultural imports are valued at approximately \$1.6 billion per year. Major agricultural imports are wheat, sugar, milk powder, tallow, tobacco and consumer-ready food products. Wheat is the leading U.S. agricultural export commodity to Nigeria. Of the \$200 million indicated as total official U.S. agricultural exports in 1999, wheat accounted for \$136.5 million. Since the lifting of the wheat import ban in 1993, imports have risen steadily. Nigeria's overall

wheat imports during marketing year 1999/2000 is estimated at 1.5 million tons, with the United States supplying more than 80 percent. Other important U.S. agricultural exports to Nigeria include tallow, planting seeds, tobacco, and consumer-ready products.

The United States has also become an increasingly important export destination for Nigerian agricultural exports. Approximately 20 percent of total value of Nigeria's agricultural exports is destined for the United States market. Key Nigerian export commodities to the United States include cocoa, rubber, hides and skins, spices and forest products.

Best Prospects

No.	Code	Sector Description
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1		Wheat
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2		Dairy
---	--	-------

3		Rice
---	--	------

4		Wines and Spirits
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1. A) Rank of Sector N/A

B) Name of Sector WHEAT

C) PS&D - NI0011

	1999	2000	2001
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D) Total Market Size

(in \$ millions)	1,520	1,500	1,645
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E) Total Local Production	20	40	45
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F) Total Exports	0	0	0
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G) Total Imports	1,500	1,460	1,600
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H) Imports from US	1,200	1,200	1,300
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I) Exchange Rates \$1=Naira	90	105	110
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COMMENTS

Nigeria is the leading destination in Sub-Saharan Africa for U.S. wheat, accounting for some seventy percent of all U.S. shipments to the region and the sixth largest market in the world for U.S. wheat in 1999/2000. U.S. wheat has a controlling share of about 80 percent of the total wheat imports to

Nigeria. However, competition from Argentina Australia and Canada is growing.

Nigeria is principally a market for Hard Red Winter (HRW) wheat, the bulk of which is milled for the production of bread. On average, about 95% of all U.S. wheat shipped to Nigeria is HRW, although a growing volume of SRW for biscuits is also evident.

2. A) Rank of Sector: N/A

B) Name of Sector: DAIRY

C) PS&D Commodity Heading - NI 3028

	1999	2000	2001
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D) Total Market Size

(in volume MT)	350,000	360,000	360,000
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E) Total Local Production	68,500	69,000	69,500
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F) Total Exports	-0-	-0-	-0-
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G) Total Imports	281,500	291,000	291,000
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H) Imports from US	18,500	20,500	21,000
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I) Exchange Rates

USD 1=Naira	90	105	110
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COMMENTS

Approximately 80 percent of total dairy products consumed in Nigeria is imported. Nigeria's dairy product market is dominated by the EU, and the U.S. share of the market remains small. Freight costs from the U.S. are well above those from the EU. However, U.S. dairy products are making determined inroads into the Nigerian market based on quality.

3. A) Rank of Sector: N/A

B) Name of Sector: Rice

C) PSD Commodity Heading : NI0011

	1999	2000	2001
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D) Total Market Size

(in 1,000MT)	2650	2700	2900
--------------	------	------	------

E) Total Local Production	1850	1850	1900
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32				
F) Total Exports	-0-	-0-	-0-	
G) Total Imports	800	850	1,000	
H) Imports from US	0.30	0.50	1	

I) Exchange Rates

USD 1=Naira	90	105	110
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COMMENTS

Nigeria's rice market is highly competitive and prices sensitive. Uncle Ben's rice has been re-launched back into the Nigerian market, however, the bulk of Nigeria's rice imports comes from Southeast Asia because such imports enjoy a much lower landed cost compared to U.S. rice.

4 - A) Rank of Sector N/A

B) Name of Sector : Wines and Spirits

C) PS&D Commodity Heading - N/A (Only FAS estimates)

1999	2000	2001
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D) Total Market Size

(in 1,000cases of 12 x 70 cl)	4000	4000	4010
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E) Total Local Production	2900	2950	3000
---------------------------	------	------	------

F) Total Exports	300	300	300
------------------	-----	-----	-----

G) Total Imports	1000	1050	1150
------------------	------	------	------

H) Imports from US	200	205	225
--------------------	-----	-----	-----

I) Exchange Rates

USD 1=Naira	90	105	110
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COMMENTS

Importers complain of high landed costs on wines imported from the United States. Overall, the importation of wines and spirits is stagnating due to high foreign exchange cost.

CHAPTER VI: TRADE REGULATIONS AND STANDARDS

Tariffs And Import Taxes

Nigeria established a new tariff structure on March 1, 1995. Under the new structure, import taxes ranging from 5-60 percent are levied on imported goods. This new tariff structure is to be reviewed after seven years.

Import duties must be collected by the Nigerian Customs Service in association with government-appointed accounting/auditing firms and be paid to the federal treasury through the selected banks listed below:

First Bank Of Nigeria Plc

Afribank

Union Bank Of Nigeria Plc

Universal Trust Bank

United Bank For Africa Plc

FSB International Bank

Diamond Bank

For information on taxes on specific goods contact:

Federal Ministry of Finance

Federal Secretariat

Phase I

Abuja

Tel: (234-9) 234-0932, 234-0936, 234-0903

Customs Valuation

The Nigerian Customs and Excise Tariff uses the Customs Cooperation Council Nomenclature (CCCN). Duties are either specific or ad valorem, depending on the commodity, and are payable in Naira upon entry. Import tariff is non-preferential and applies equally to all countries. In addition, all imported goods must be insured by a local insurance company.

A special duty may be imposed on imported goods if the government feels that such goods are being dumped or unfairly subsidized, thus threatening established or potential domestic industries.

Duties previously paid on abandoned, reexported, damaged, or destroyed goods may be refunded. However a claim must be made before the goods leave customs custody. A destruction certificate must be obtained from a customs officer to obtain a refund of duties paid for goods that were subsequently destroyed.

Upon presentation of a customs certificate attesting to the landing of goods in another country, duties paid on such goods in Nigeria will be refunded.

Overpaid duties may be refunded upon application to customs within 12 months of importation. Nigeria is a signatory to the United Nations International Convention to Facilitate the Importation of Commercial Samples and Advertising Material.

Samples of commercial value may be imported duty free under bond. In practice, however, customs officials exercise considerable discretion in rejecting requests for duty free admission even in cases involving samples or patterns.

Import Licenses

Nigeria ceased issuing import licenses for importation of goods in 1986 when the Structural Adjustment Program was established. Importers are now required to open an irrevocable letter of credit after receipt of an approved revised Form "M" processed through their banks.

Export Control

The Nigerian Government prohibits the exportation of the following items:

1. Raw hides and skin.
2. Timber (whether processed or not) and wood in the rough, excluding furniture component, railway slippers, floor and ceiling tiles, doors, windows and pallets.

3. Raw palm kernels.
4. Unprocessed rubber and rubber lumps.

Import/Export Documentation

According to a 23-point “Guidelines for Imports into Nigeria,” effective April 1, 1996 all imports into Nigeria must carry a Clean Report of Finding (CRF) and an Import Duty Report (IDR) to be cleared through customs. Previously, imports valued less than USD 1,000 and imports classified as personal effects were exempted from reshipment inspections. Designated accounting firms and banks will work with customs as duty collection agents.

The guidelines stipulate that all imports regardless of value, whether containerized or not, including accompanied personal effects, shall be subject to reshipment inspection. However, personal effects will be imported under zero duty as certified by the reshipment inspection agents. Consequently, from April 1, 1996, any good imported without an IDR will be confiscated and the importer prosecuted while the shipping line will be liable to a fine not exceeding the value of the import.

Note: The provision regarding pre-inspection for personal, accompanied items, seen as unworkable, has since been rescinded.

Among other relevant points contained in the guidelines for importers:

- Form “A” will continue to be used with respect to import service (Invisible Trade).
- Modified Form “M” in sextuplicate should be used for all imports into Nigeria. The form is obtainable from all offices of the inspection agents, Nigerian embassies, local banks branches of Nigerian banks overseas and their correspondent banks. Three copies are to be sent to the reshipment inspection agents and one each to the importer’s bank, the Nigerian Customs Service and the National Maritime Authority (NMA).
- Letters of credit or cash payments remain mandatory for imports into Nigeria. Checks from customer’s bank must be cleared before the original IDR and shipment documents are released to the importer.

The guidelines’ key provision is that all goods imported into Nigeria must be accompanied by an IDR issued by the reshipment inspection agents. Goods without IDRs will not be released by the Nigerian Customs. Shippers/Carriers should ensure that cargoes/containers carried by them are

pasted with a hologram or mark issued by the reshipment inspection agents. Once the guidelines' conditions are met, Nigerian Customs is supposed to release goods to importers within 48 hours.

Observers have noted little success to date in reducing red tape and corruption. To try to cut delays in the import clearing process, a Central Clearing System (CCS) has been introduced to replace the "long-room" method which most importers associate with corrupt practices. CCS is a computerized system which enables clearing agents and importers to process their papers at one spot with minimum delay.

Imports from the U.S. are inspected by:

Intertek Services International

3741 Red Bluff Road

Houston, Texas 77503

Attn: Ms. Susan Finchum

Tel: (713)-475-2082

Fax: (713)-475-2083

To claim any goods at Nigerian ports, the following documents must be presented to officials of the Customs and Excise Department:

1. Bill of lading.
2. Bill of entry
3. Approved revised Form "M"
4. Marine insurance policy (issued by a Nigerian insurance firm.)
5. Certificate of quality from the exporting country for (food and drugs.)
6. Evidence of payment of VAT.
7. Approved product quality and release certificate from the Standard Organization of Nigeria (SON).

Following is a detailed list of current regulations and paperwork requirements governing imports into Nigeria, effective April 1, 1996. They apply for all imports and collection of import duties in

Nigeria:

1. Modified form "M" shall be used for all imports into Nigeria, and shall be in sextuplicate of which three copies shall be sent to the Reshipment Inspection Agents and one each to the importer's bank, the Nigeria Customs Service and NMA.
2. Form 'A' shall continue to be used for imports of services (invisible trade).
3. Modified Form 'M' is obtainable from all the offices of the inspection Agents, Nigerian embassies, local banks, branches of Nigerian banks overseas and their correspondent banks
4. The completed Modified Form M originating from abroad will be returned through the appropriate Reshipment Inspection Agents abroad to any of the designated banks or any bank of importer's choice in Nigeria.
5. Letters of Credit or Cash Payments, will be made mandatory for imports into Nigeria.
6. All containerized and non-containerized goods, irrespective of value, are subject to reshipment inspection.
7. Issuance of Clean Report of Finding (CFR) and Import Duty Report (IDR) is mandatory for all imports, including accompanied personal effects.
8. All imports into Nigeria must be accompanied with the relevant IDRs. Imports for which IDRs are not produced will be confiscated, the importer prosecuted and the shipping lines/carriers will be liable to a fine not exceeding the value of the goods.
9. Pre-shipment Inspection Agents (PIAs) must forward a copy of the Import Duty Report (IDR) directly to the importer's local bank or the bank to which the form 'M' was originally sent, another copy to the designated bank, and a third copy to the Nigeria Customs Service.
10. It should be the duty of the importer's bank or the bank to which the form 'M' was sent to issue a certified check for the amount stated on the IDR to the customer who shall pay such check to any of the designated banks.
11. Carriers of cargoes in excess of the declaration on the manifest will continue to be penalized.

12. Goods imported through neighboring countries must be accompanied by relevant IDRs.
13. Importers shall pay a CISS Administrative charge of one percent of FOB value of all imports assessed based on the average autonomous rate of exchange at the previous week as submitted by the Central Bank of Nigeria.
14. All imports are assessed for duty at the average autonomous rate of exchange of the previous week as submitted to the agents by the Central Bank of Nigeria.
15. Payments for Customs Duties and CISS Administration charge shall be based on the Import Duty Report (IDR) without any amendment. However, the Nigerian Customs Service (NCS) may, with the permission of the Minister of Finance, assess additional duties if it is found that the duty on the IDR is not correct. In no circumstances must the duty assessed by the Nigeria Customs Service be less than what is on the IDR.
16. The issuance of the check by the customer's bank and the payment thereof into the designated bank must be done and cleared before the original IDR and shipping documents are released to the importer.
17. The checks for import duties must be paid to the designated banks and customs must ensure that the checks are cleared before goods are released to the importers.
18. All the designated banks must open branch offices at the ports where custom duties should be paid.
19. Where country checks are used for payment of customs duty, such checks must be deposited with the Central Bank of Nigeria nearest to the importer and must be cleared before goods are released.
20. It must be stressed that all goods imported into Nigeria must be accompanied by IDR issued by the Reshipment Inspection Agents. The Nigeria Customs Service or any other body shall not issue IDRs, and must not release any good without IDR.
21. Shippers/Carriers should ensure that cargoes/containers carried by them are pasted with a Hologram or Mark issued by the Reshipment Inspection Agents.

22. Where the guidelines are satisfactorily implemented by importers, the Nigeria Customs Service must release the goods to such importers within 48 hours.

Temporary Entry

Duties are not waived for “temporarily imported” goods.

Labeling And Marking Requirements

Shippers must ensure that Import Duty Report (IDR) numbers are always quoted on the shipping manifests for all import shipments into the country before such manifests are submitted to the Nigeria Customs Service. For air cargo, the airline must ensure that the IDR number for the relevant goods being carried is always stated on the air-way bill.

All imports of food, drugs, cosmetics and items such as pesticides must be accompanied by a Certificate of Analysis from the manufacturer and country where the goods were manufactured.

Certain animal products, plants, seeds, and soils imported into the country must be accompanied by Sanitation Certificates from the exporters. The U.S. Department of Agriculture may issue these certificates for American exporters.

All items entering the country must be labeled in metric terms exclusively. Products with dual or multi-markings will be confiscated or refused entry.

Prohibited Imports

- Live or day-old chicks
- Maize, sorghum, millet and wheat flour.
- Vegetable oils, excluding linseed and castor oils used as industrial raw materials.
- Gypsum
- Mosquito repellent coils
- Domestic articles and wares made of plastic materials
- Retreaded/used tires
- Matches made with white phosphorous

- Pistols disguised in any form
- Gaming machines.
- Weapons of any description

Standards

The Nigerian Standard Organization (NSO) has now been changed to Standards Organization of Nigeria (SON). SON was established by Decree No. 56 of 1971 with the following principal functions:

To organize tests and do everything necessary to ensure compliance with Standards designated and approved by the Standards Council.

To undertake investigations as necessary into the quality of facilities, materials and products in Nigeria, and establish quality assurance system including certification of factories, products and laboratories.

To ensure reference Standards for calibration and verification of measures and measuring instruments.

To compile an inventory of products requiring Standardization.

To compile Nigerian Standards Specifications.

To foster interests in the recommendation and maintenance of acceptable standards by industry and the public.

To develop methods for testing of materials, supplies, and equipment.

To register and regulate standards marks and specifications.

To undertake preparation and distribution of Standards samples.

To establish and maintain such number of laboratories or other institutions as may be necessary for the performance of its functions under the Decree.

To complete and publish general scientific or other data:

- (1) Resulting from the performance of its functions under this Decree or from other sources when such data are of importance to scientific or manufacturing interests or to the general public and are not available elsewhere. To advise departments of the Government of the Federation or a State on specific problems relative to Standards specifications.
- (2) To coordinate all activities relative to its functions throughout Nigeria and to cooperate with corresponding national or international organizations in such fields of activity as it considers necessary with a view to securing uniformity in Standards specifications, etc.

SON is also charged with the responsibility of issuing patents, trademarks and copyrights. Another standard body is the National Agency for Food and Drugs Administration and Control (NAFDAC). NAFDAC provides testing and certification of imported and domestically produced food, drug, cosmetic, medical, water and chemical products.

Free Trade Zones/Warehouses

The Federal Government is planning a new Export Processing Zone (EPZ) for Port Harcourt in the Rivers States of Eastern Nigeria to attract foreign investments, increase exports and subsequent foreign exchange earnings. Nigeria's premier EPZ, in Calabar, is in its final stages of completion. Many international companies are interested in operating in the EPZ. Nigerian businessmen are urged to encourage their foreign counterparts to invest in business and industrial ventures, particularly the Calabar EPZ, to make the country's exports cheaper and more competitive in the international market.

Investors in the Calabar Export Processing Zone (EPZ) have to pay \$500,000 (about N42,500 million) as minimum capital investment before commencing business in the zone. The EPZ presently awaits final work on structures like a 10.5 megawatt power plant, fire station, police post, factories, water plant, road network, 7.5 km fencing and the administrative buildings.

The Federal Government has approved two private refineries to process 300,000 barrels of crude per day: Messrs Brass Refinery Limited, granted 200,000 barrels of stream per day (bpsd), and Messrs Qua Petroleum Refinery Limited, to process the balance of 100,000 bpsd.

Messrs Brass was granted the right to have its processing plant at Brass, Rivers State, and Messrs Qua at Ibeno, Akwa Ibom State. The approval is in line with the Federal Government policy to encourage Nigerians to participate actively in the various aspects of the petroleum industry. Also approved is a package of incentives to encourage investment in the oil and gas downstream sector of the economy.

The four publicly-owned refineries are located in Onne, Port Harcourt, Warri and Kaduna. They have been down for much of the last three years for sundry problems. Due to the refineries' inability to meet domestic demand fully, the government has had to import refined petroleum products.

Special Import Provisions

All imports to Nigeria must be accompanied by Import Duty Report (IDR). Importers must ensure that the correct duties specified in the IDRs are paid through the banks selected by government.

The Nigerian Customs Service (NCS) has ordered its national network to impound all containerized cargoes or imports valued at more than USD 1,000 which enter Nigeria without an Import Duty Report (IDR). IDR, a requirement to clear imports through customs, is issued by government-selected inspection agents for all imports valued at more than USD 1,000 and all containerized imports regardless of their origin. An IDR is used to determine the value of an import duty to be paid on an import based on its Custom Insurance Freight (CIF) value.

All unaccompanied goods, irrespective of value except personal effects and imports by diplomatic, consular and international organizations, are subject to reshipment inspection and must be accompanied by Inspection Duty Report (IDR).

The duty on used vehicles is based on current market value as ascertained at the port of export and not based on ex-factory price of new vehicles. Such cars must be covered by IDR.

There are no restrictions on imports except for those included in the import prohibition list. Importers no longer are required to attach certificate of incorporation and tax clearance certificate to the Modified Form 'M'.

For names and addresses of selected, authorized Reshipment Inspection Agents worldwide, see Chapter IV.

Membership In World Bodies

Nigeria is a member of the British Commonwealth, the United Nations and several of its affiliated organizations, the World Bank, and the African Development Bank. It is party to several international commodity arrangements, including the Organization of Petroleum Exporting Countries (OPEC), the International Cocoa Organization, the International Cotton Advisory Committee, the International Institute for Cotton, the West African Groundnut Council, and the International Tin Council.

Treaties and agreements in force between the United States and Nigeria relating to consular matters, aviation, mutual security, economic and technical cooperation, extradition, property, and trademarks, were concluded originally between the United States and the United Kingdom, and were recognized by Nigeria following independence in 1960.

Nigeria is a signatory to the Lome Convention, which provides certain exports duty-free entry into the European Union (EU), and is also a member of the General Agreement on Tariffs and Trade (GATT), requiring a nondiscriminatory import tariff. There have been frequent complaints, however, that Nigeria does not fully meet its obligations under such agreements.

Nigeria is a member of the Economic Community of West African States (ECOWAS), allowing free movement of people, goods and services within the region.

CHAPTER VII: INVESTMENT CLIMATE STATEMENT

Nigeria is Africa's most populous nation and the region's largest supplier of oil to the United States. It offers a low cost labor pool, abundant natural resources, and the largest domestic market in Sub-Saharan Africa. On the other hand, inadequate infrastructure, corruption, and inconsistent regulations mean that considerable time, money and managerial effort are needed for a firm to begin operating and earn profits in Nigeria. Nigeria's basic infrastructure is extensive but inadequate for a population of over 100 million. Problems that complicate doing business in Nigeria include crumbling roads and bridges, erratic telephone service, recurring shortages of fuel, water, electricity and social unrest in some parts of the country.

After 15 years of unbroken military dictatorship, Nigeria's third democracy was inaugurated on May 29, 1999. The new civilian government has taken a number of positive steps to address the structural and institutional flaws in the Nigerian economy. For example, the government established panels to review all contracts awarded by previous governments, all sales of government properties, and parastatal budgets. The government has also shown more transparency in contracting and procurement. Petitions from aggrieved individuals and groups have inundated the human rights panel set up by the civilian government. President Obasanjo has promised that those indicted on charges of official corruption will be prosecuted.

The dual exchange rates were abolished in the 1999 budget and this remains the case. In the year 2000 budget the Inter Bank Foreign Exchange Market (IFEM) replaced the autonomous foreign exchange market. Under IFEM, banks, oil companies and the CBN (Central Bank of Nigeria) can buy or sell their foreign exchange at a market determined rate. Companies can hold domiciliary accounts in private banks, and account holders have unfettered use of the funds. Foreign investors may bring capital into the country to finance investments, and remit dividends without prior finance ministry approval. In late 1998, the inflation rate began inching upward, due partly to new deficit spending by the government. This trend accelerated in the first half of 1999 with most annual inflation estimates running at 12-15 percent. The recently released CBN annual report gives the inflation rate as 6.6 percent as at December 1999.

The privatization of major parastatals, including telecommunications and electricity (Nitel and Nepa respectively), has been a declared government objective since 1997. The 1998 budget promised privatization with 40 percent equity for the government, 20 percent equity for Nigerian citizens, and unrestricted sale of the remaining 40 percent. Invitations to invest were to be made to specific investors with relevant expertise. In 1999, the government repealed and amended eleven decrees that inhibited competition or conferred monopoly powers on public enterprises in the petroleum, telecommunications power and mineral sectors. President Obasanjo has promised a transparent privatization program after evaluating, and if necessary, rehabilitating the parastatals' assets. Although several private telecom companies began operating successfully in 1998, privatization of the telecommunication sector, which was slated for the first quarter of 2000, has not happened. The government's telecom policy released in October 1999 was recently revised by a Telecommunications Sector Reform Implementation Committee (TSRIC), set up in February of this year.

The revised telecom policy draft reported in the newspapers gives the NCC (Nigerian Communications Commission) powers to issue licenses to both existing and prospective telecom operators in different telecommunications services. The policy also scrapped the stipulation of a standard technology for cellular services and is silent on the introduction of a second carrier to compete with Nitel. However it does allow an operator to provide an unrestricted number of licensed services.

The introduction of GSM technology to Nigeria has been delayed by confusion surrounding the licensing process. The NCC revoked 5 previously issued licenses and suspended the original privatization exercise. The government has begun a new licensing round under the guidance of a World Bank affiliate.

Investment incentives:

As stated in the December 1986 circular "industrial policy of Nigeria," the Nigerian government maintains a system of incentives to foster the development of particular industries, to encourage firms to locate in economically disadvantaged areas, to promote research and development in Nigeria, and to favor the use of domestic labor and raw materials. The industrial development (income tax relief) act of 1971 provides incentives to "pioneer" industries deemed beneficial to Nigeria's economic development. Companies given "pioneer" status may enjoy a non-renewable tax holiday of five years, or seven years if the pioneer industry is located in an economically disadvantaged area. The 1998 budget created more incentives for the gas sector under the pioneer industries incentives

program. These incentives range from tax holidays for oilfield development to allowances for capital investments and tax deductible interest on loans.

Portfolio investment:

In 1995, Nigeria promulgated the Nigerian Investment Promotion Commission (NIPC) decree to replace the Enterprises Promotion Act. This decree liberalized the foreign investment regime, allowing 100 percent foreign ownership of firms outside the petroleum sector. Investment in the petroleum sector is still limited to existing joint venture agreement or production sharing contracts with the Nigerian government. A foreign enterprise may now buy shares in any Nigerian firm except those on the “negative list” which include firms producing firearms, ammunition, narcotics, military and paramilitary apparel. The investment promotion commission registers foreign companies after incorporation under the companies and allied matters decree of 1990. The NIPC decree also abolishes the expatriate quota system (except in the oil sector) and prohibits any nationalization or expropriation of a foreign enterprise by the Nigerian government except for such cases determined to be in the national interest. The NIPC decree guarantees foreign investors the unrestricted transfer of dividends or profits (net of a 10 percent withholding tax) and capital repatriation in the case of a liquidation. Usually, remittances or money transfers take less than two weeks due to the introduction of electronic banking in the country. Since early 1999, when the Nigerian investment promotion commission commenced operation, final approved status is no longer required.

Investment disputes:

Nigeria is a member of various international organizations with bodies specifically set up to resolve disputes between member states and foreign investors. An example is the United Nations Convention on International Trade Law (UNITRAL)

Shortly after independence in 1960, Nigeria joined the United Nations and ratified all United Nations resolutions. Nigeria ratified the ICSID treaty no. 8359 on August 23, 1965. The Nigerian government legalized the enforcement of ICSID awards within Nigeria through the ICSID decree no. 49 of 1967, which was re-codified as one of the laws of the federation of Nigeria 1990 (chapter 189.) However, enforcement of judgments in Nigerian courts is painstakingly slow. Several factors undermine effective enforcement: available court facilities can barely cope with the large number of cases; judgments are hand written by judges because the courts are not computerized; court sessions adjourn due to power outages; under prior military rule administrators and top military officers flagrantly disobeyed court orders. In some instances decrees were promulgated and backdated to circumvent court rulings (e.g. the failed banks tribunal decree under which several bank chiefs were detained without trial despite court injunctions against their continued detention.) There has been considerable change since the advent of democracy. The failed bank decree has been amended to accommodate trial without continued detention. Also, the application of the rule of law has improved. People are more vocal and seek redress without fear of reprisal. There have been no investment disputes since the 1997 case involving Ashland oil company and the Nigerian government which led to the cancellation of their production sharing contract by then petroleum minister, Dan Teeter.

Legal system:

The Nigerian legal system is fashioned after English common law but modified by statutes to meet local demands and conditions. At the apex of the judicial system is the Supreme Court consisting of 15 justices, including the chief justice of the federation. The Supreme Court has original and appellate jurisdiction in certain constitutional civil and criminal matters prescribed in the constitution. In addition, there are federal and states' courts of appeal and customary courts of appeal at the state level. The federal high court has jurisdiction over revenue matters, admiralty and banking. It also has jurisdiction over foreign exchange, other currency and monetary or fiscal matters and suits to which the federal government or any of its agencies is party.

Bankruptcy law: Nigeria has a written bankruptcy law that is seldom applied. Industry sources state that bankruptcy cases are rarely successfully prosecuted. Even in cases where creditors have obtained judgment against prosecuted firms, claims could not be made. The Nigerian bankruptcy law states that where a company is declared bankrupt through a court judgment, no person is allowed to transact business with such an organization. However, several such businesses are known to have continued to flourish well after such court judgments. Industry watchers and financial analysts have continually called for a repeal of the current and the evocation of a new law.

Government procurement:

Nigeria, though a member of the World Trade Organization (WTO), generally does not use an open-tender system for awarding government contracts. Competing for government contracts continues to be complicated by corruption and the lack of transparency in decision-making. Under the current civilian administration, tenders are now advertised and interested companies local/foreign can apply. On his inauguration president Obasanjo pledged to run an open and competitive system. He set up several panels to probe past government activities.

Lack of intellectual property protection

Nigeria is a member of the World Intellectual Property Organization (WIPO) and a signatory to the Universal Copyright Convention (UCC), the Berne convention, and the Paris Convention (Lisbon text). Nigeria, therefore, is a party to most of the major international agreements on Intellectual Property Rights (IPR). Cases involving copyright infringement of non-Nigerian materials have been successfully prosecuted in Nigeria. In 1997, there were sporadic reports of raids in Lagos on video stores renting pirated tapes. However, enforcement of existing laws remains weak, particularly in the patent and trademark areas.

Despite active participation in international conventions and the apparent interest of the government in IPR issues, its efforts have been ineffectual in curtailing the widespread production and sale of pirated tapes, videos, computer software, and books in Nigeria. Recently, a local Microsoft agent with the aid of law enforcement officers recovered several pirated Microsoft software during raids on the premises of private computer companies dealing in computer accessories. The patents and design decree of 1970 governs registration of patents. The Nigerian standards organization is responsible for issuing patents, trademarks, and copyrights. Once conferred, a patent gives the patentee the exclusive right to make, import, sell, or use a product or to apply a patented process. The trade-

marks act of 1965 governs the registration of trademarks. Registering a trademark gives its holder the exclusive right to use the registered mark for a specific product or class of products. IPR lawyers are currently pressing the GON to review the present copyright law to make it more effective.

Nigeria's recent statutes include the copyright act of 1988 (amended in 1992); the national film and video censors board act of 1993 (which reinforced the measures of the copyright act); and the Nigerian film policy law of 1993 (which encouraged the development of the Nigerian film industry). IPR problems in Nigeria increased with the government's 1981 nationalization of the film industry (including distribution), although this policy has been officially abandoned. Motion Picture Association (MPA) member companies were not paid the contractual compensation that was promised by the Nigerian government. Moreover, the companies were unable to repatriate their assets from Nigeria. Therefore, there has been no trade in recent years between MPA member companies and Nigeria. The estimated accumulated losses to MPA member companies exceed \$25 million.

Nigerian companies, including filmmakers, formed the Proteus Entertainment Agency to protect copyright laws in the music, video, and other industries. The copyright decree of 1988, based on WIPO standards and U.S. copyright law, currently makes counterfeiting, exporting, importing, reproducing, exhibiting, performing, or selling any work without the permission of the copyright owner a criminal offense. Progress on enforcing the 1988 law has been slow. The expense and time necessary to pursue a copyright infringement case to its conclusion deter prosecuting such cases.

Attorneys active in IPR issues have formed the industrial property law interest group (IPLIG) to educate and lobby on industrial IPR issues. They have sponsored several copyright conferences throughout Nigeria and credit themselves for including an IPR course at the Lagos law school. In the past, few companies have secured trademark or patent protection in Nigeria because it was generally considered ineffective. Nigeria is considered to be Africa's largest market for pirated products. Losses from poor IPR protection, though difficult to estimate, are substantial. Most of the sound recordings and videotapes sold in Nigeria are pirated. Satellite signal piracy is also common. The manufacture and sale of counterfeit pharmaceuticals and auto parts are emerging problems.

Investment Regulations:

In 1995, Nigeria promulgated the Nigerian investment promotion commission (NIPC) decree, which liberalized the foreign investment regime (see para 6.) In 1999 Nigeria fully deregulated the foreign exchange market. The dual exchange rate (official and AFEM) were scrapped and replaced with the inter bank foreign exchange market (IFEM.) Since January 2000 IFEM operates daily and rates are market determined. Current IFEM rates are about 103 naira to a dollar. Under IFEM banks, including the CBN, can buy or sell their foreign exchange. In addition, oil companies are now allowed to sell their foreign exchange outside the CBN. However, the CBN still manages the foreign exchange market through its open market operations and prudential guidelines for banks. Essentially, banks must meet their reserve requirements and have proper documentation of foreign exchange transactions in order to be eligible to participate in IFEM. Nigeria's private sector has access to various credit instruments operated by banks in the economy. In addition the capital market has generated more credit recently than banks. Now, the private sector is turning to the capital market to raise funds due to very high lending rates by the banks. Also, there is a tendency for banks in Nigeria to concentrate on short term lending. However, the Nigerian capital market is not deep. Most trading is in shares (rights and warrants), debt instruments (bonds) and government securities (treasury

bills.) Financial derivatives such as futures and options are lacking in the market. For instance, market operators have lobbied for years for a commodity exchange. To date there has been no enabling act.

Nigeria has been notified that its measures for agreement on trade-related investment, and local content requirements in the economy in general, are inconsistent with its WTO obligations. Proper notification allows developing-country WTO members to maintain such measures for a five-year transitional period. Nigeria, therefore, should have eliminated these measures before January 1, 2000. Nigeria still imposes bans on a number of goods. In addition, the WTO valuation agreement has not yet been implemented in the country. Nigeria still uses Brussels definition of value (BDV.) However, Nigerian customs officials state that a new valuation scheme which will replace BDA is imminent. The external trade department of the Nigeria commerce ministry is receiving technical assistance from the WTO secretariat to facilitate this process which will include training for local staff.

The following measures apply to foreign firms established or wishing to establish businesses in the country:

Performance requirements:

Technology transfer requirements: the legal authority in Nigeria is the National Office for Technology Acquisition and Promotion (NOTAP). NOTAP is charged with monitoring on a continual basis, transfer of foreign technology. NOTAP implements this measure through registering contracts and agreements dealing with transfer of foreign technology. NOTAP ensures that a foreign investor issues:

- A) a license to use trademarks and patented inventions;
 - B) supply of technical expertise in the form of preparation of plans, diagrams, operating manuals or any other form of technical assistance of any description whatsoever;
 - C) supply of detailed engineering drawings;
 - D) supply of machinery and plant and;
 - E) provision of operating staff or managerial assistance and the training of Nigerian personnel.
- Compliance with these measures ensures that foreign investors in technical, management and consultancy services can remit fees outside Nigeria.

The Nigeria Deposit Insurance Corporation's (NDIC) annual report in 1996 put the total assets of Nigeria's 20 major banks at almost 497 billion naira. (100.00 naira to one U.S. dollar) Nigerian banks' deposit base has increased with the mandatory new capitalization minimum requirement of n500 million for commercial and merchant banks. There are 90 banks in Nigeria. The number of commercial banks rose from 51 in 1998 to 57 following the conversion of 5 merchant banks and the licensing of one commercial bank in 1999. On the other hand, the number of merchant banks declined from 38 to 33. Mergers and acquisitions have not been common in the banking sector, although two mergers took place at the peak of the liquidation exercise in 1996. In the real sector, especially in manufacturing, many overseas investors divested during the military rule. A few management buyouts took place. At present, the reverse is occurring as some foreign investors have returned to their previous companies and have re-occupied senior management positions.

Foreign trade zone:

The establishment of a Nigerian Export Processing Zone Authority (NEPZA) in 1992 was an additional effort to attract foreign investment. The first and only zone is in eastern Nigeria in the port city of Calabar. After 5 years and \$50 million in investment, the zone is essentially non-operational. Although the government reports that 16 firms have provisional authority to operate there, only 6 firms have begun test production runs, and no exports have been generated. The export free zone at Onne is only for oil and gas products.

Political violence:

Tensions in the Niger-Delta region continue to worsen. Decades of neglect by previous governments and dislocations caused by energy projects have aggravated socio-economic unrest. Violent inter-ethnic strife, sabotage of pipelines/installations, and kidnapping of Nigerian and expatriate oil workers are on the rise. In 1999 during communal fighting in Warri, over 400 people lost their lives. President Obasanjo's administration announced a 13 percent revenue allocation to the oil producing areas from the federation account. In addition, the Niger delta development commission bill forwarded by the executive to the national assembly was passed into law in may 2000. Niger-Delta indigenes remain highly skeptical of government promises, and continue to seek direct payments from the oil companies.

Labor:

A. The right of association: Nigerian workers, except members of the armed forces and employees designated essential by the government, may join trade unions and strike. Essential employees include firefighters, police, employees of the central bank, the security printers (printers of currency, passports, and government forms), and customs and excise staff. Nigeria has signed and ratified the International Labor Organization's (ILO) convention on freedom of association. However, prior (military) rulers recognized a single central labor body, the Nigerian Labor Congress (NLC), thereby delegitimizing other unions. Under Nigerian law, any non-agricultural enterprise that employs more than 50 persons must recognize trade unions and pay or deduct dues for union members. In the past, the government has threatened to withdraw the dues check off provision and make union dues voluntary if unions pursue strikes. The Abubakar administration accepted an ILO fact-finding mission and took other steps to correct the abuses that led to ILO censure during the Abacha regime.

B. The right to organize and bargain collectively. Collective bargaining is common in many sectors of the economy. Nigerian law protects workers from retaliation by employers for labor activity through an independent arm of the judiciary, the Nigerian industrial court. Trade unionists have complained, however, that the judicial system's slow handling of labor cases constitutes a denial of redress. The government retains broad authority over labor matters, and can intervene forcefully in disputes it feels challenge political or economic objectives. In 1996, for example, the Abacha regime banned the university lecturers' union to force an end to their strike, and in 1994 it dismissed the executive councils of the NLC and the two leading petroleum sector unions. The government replaced the leadership of these unions with government-appointed "sole administrators." the Abubakar administration returned these bodies to direct union control in 1998. The Obasanjo government has in the last one year taken bold steps to reactivate several labor parastatals that have been inactive for years. The government has reconstituted the boards of the national social insurance trust fund, the industrial arbitration panel and the national industrial court.

C. Prohibition of forced or compulsory labor: the 1974 labor decree and the 1979 constitution prohibit forced or compulsory labor. While this prohibition is generally observed, forced labor has been “employed” in some community clean-up projects.

D. Minimum age for employment of children: Nigeria’s 1974 labor decree prohibits employment of children under 15 years of age in commerce and industry and restricts other child labor to home-based agricultural or domestic work. The law further stipulates that no person under the age of 16 may be employed for more than eight hours per day. The decree allows the apprenticeship of youths under specific conditions. Primary education is compulsory in Nigeria, though rarely enforced. Actual enrollment is declining due to the continuing deterioration of public schools. Increasing poverty and the need to supplement meager family incomes have also forced more children into the employment market.

E. Acceptable conditions of work: Nigeria’s 1974 labor decree established a 40-hour workweek, prescribed 2 to 4 weeks of annual leave, set a minimum wage, and stipulated that workers are to be paid extra for hours worked over the legal limit. The decree states that workers who work on Sundays and legal holidays must be paid a full day’s wage in addition to their normal pay. There is no law prohibiting excessive compulsory overtime. In May, the federal government approved a new national minimum wage for both federal and state employees. Under the approved wage, federal workers are to receive a minimum monthly wage (salary and allowance) of n7, 500.00 (USD 75) while state employees would receive n5,500 as a minimum monthly wage. The new wage review has, however, set many state governments and their employees on a collision course. While some states claim that they cannot afford the stipulated n5,500, labor unions and state workers insist their wages should be the same as those of federal workers. The Abubakar regime carried out the last minimum wage review in 1998. The 1974 decree contains general health and safety provisions. Employers must compensate injured workers and dependent survivors of those killed in industrial accidents but enforcement of these laws by the ministry of labor is largely ineffective.

F. Rights in sectors with US investment: worker rights in petroleum, chemicals and related products, primary and fabricated metals, machinery, electric and electronic equipment, transportation equipment, and other manufacturing sectors are not significantly different from those in other major sectors of the economy.

VIII. TRADE AND PROJECT FINANCING

Banking System

Nigeria operates a fairly open banking system. There are over 90 banks in Nigeria in three categories: Commercial, Merchant, Industrial or Development Banks. Apart from these categories, there exist many finance houses, mortgage and community banks. From August 1995 to date, the number of finance houses, commercial banks, mortgage and community banks has drastically declined due to “distress” in the financial sector.

The Central Bank of Nigeria (CBN) is at the apex of the banking system. The CBN is primarily

responsible for formulating and monitoring the banking system to ensure that operators comply with monetary, credit, and foreign exchange guidelines.

Foreign Exchange Controls Affecting Trading

In 1995, Nigeria adopted a policy of “guided deregulation” of the foreign exchange market. Although there exists an official rate of 22 Naira to \$1, available only to the government, all individuals, organizations and enterprises must source their foreign exchange needs from the Autonomous Foreign Exchange Market (AFEM). The prevailing AFEM rate is about 100 Naira to \$1.

At the inception of this democratic government in May 1999, the parallel official rate of Naira 22 to \$1 was abolished to avoid official abuse of securing dollar from the government and selling same to Banks at the Autonomous Foreign Exchange Market (AFEM) rate of about Naira100 to \$1. The government also settled a lot of the local debts thus resulting to excess liquid cash in the economy and consequently the free fall of the Naira in the AFEM.

All applications for foreign exchange must be channeled through selected banks to the CBN. Applications must state total amount required, end user’s name, the name of the correspondent bank, CBN intervention sales number and date. All applications must be received by the CBN within 48 hours after the intervention notice is given.

The CBN will release the forex (in theory) within three working days from the date of intervention. In practice, however, it can take up to three weeks. Banks are not permitted to charge any spread on the CBN selling rate of intervention funds, but are allowed normal transaction charges and commissions as prescribed by the bankers’ tariff. All banks are required to advise, on a daily basis, their autonomous buying and selling rates to the CBN’s Director of Foreign Operations.

CBN funds are not transferable and such funds cannot be used for inter-bank operations in the AFEM. Any breach of regulation will be subject to stiff penalties. CBN guidelines stipulate that foreign exchange sold to end-user during intervention, which is not used within 21 days, will be returned to the CBN together with the accrued interest.

Transactions through Bureaux de Changes are permitted but are limited to \$2,500 (per transaction), with a profit margin of 2.0 percent.

Repatriated non-oil export proceeds and other inflows except inter-bank foreign exchange deals (IFEM), must be held in Domiciliary Accounts maintained with authorized banks in Nigeria. Two types of Domiciliary Accounts exist: Non-oil Exports and Ordinary Domiciliary Accounts. Holders of Domiciliary Accounts are allowed access to them and can withdraw funds at the autonomous exchange rate, with three percent interest paid on the account. Domiciliary account holders receive funds in convertible currencies only if they wish to transfer money abroad. Additionally foreign oil

companies and representatives of multinationals are encouraged to supply or feed the AFEM by selling their foreign currencies directly to the AFEM.

General Financing Availability

Local financing can be obtained through any of the commercial, merchant or industrial banks. To a limited extent, insurance companies, building and property development companies, pension funds and other institutional investments can also provide financing.

The National Economic Recovery Fund (NERFUND), established in 1989, provides loans to small and medium scale fully-owned Nigerian Enterprises engaged in manufacturing. These loans are provided at rates lower than prevailing commercial rates.

The Small Scale Enterprises Scheme (SME), established by the CBN, is another source of financing for small enterprises. Under this scheme, the CBN makes available loans, channeled through selected banks to small enterprises, such as farmers, at a rate lower than prevailing commercial rates.

How To Finance Exports/Methods Of Payment

Managed by the CBN, export loans are obtainable through licensed banks in Nigeria for the importation of raw materials, spare parts and capital equipment.

Method of Payment is either through confirmed irrevocable letters of credit, bills for collection, open account or any other internationally-accepted payment mode. Whatever the mode adopted, the proceeds must be repatriated within 90 days from the date of shipment of the consignment. U.S. exporters are advised to ship goods only on sighting confirmed and irrevocable letters of credit. The preferred method of quoting is "CIF."

U.S. firms also are advised that fraudulent business practices involving bogus financial documents through non-existent banks are common. Independent verification of the legitimacy of transactions is recommended. U.S. firms should consult with their international banker for document verification. In addition, several new banks in the country have been declared "distressed" by the CBN. Most of the distressed banks were sold or liquidated. Some of the sold banks have since re-emerged under new names and new managements. It is therefore necessary to approach with caution any export proposals from Nigerian banks.

Inquiries on banks channeled through Commerce Department Export Assistance Centers are encouraged.

Bilateral, Multilateral And Local Export Funding

With the return of democracy to Nigeria there are a number of United States Government agencies which make available financing for feasibility studies (TDA – Trade and Development Agency); Trade financing for importing American products and services (EXIM BANK – Export-Import Bank); and investment funding (OPIC – Overseas Private Investment Corporation).

Nigerian Banks Offering United States Export Credit Facilities From Eximbank

1. Citibank Nigeria
2. Diamond Bank
3. Guaranty Trust Bank
4. Investment Banking & Trust
5. NAL Merchant Bank
6. United Bank for Africa
7. First City Merchant Bank
8. First Bank of Nigeria
9. FSB International Bank
10. Nigerian-American Merchant Bank
- 11 Zenith International Bank
12. Nigerian Intercontinental Merchant Bank
13. Union Bank of Nigeria
14. Chartered Bank
15. Allstates Trust Bank
16. Eco International Bank

The African Development Bank (ADB) grants export stimulation loans to finance certain operations of exporting companies. The ADB channels these loans through the CBN to the Nigerian Export-Import Bank (NEXIM), NERFUND, and licensed exporting banks.

The Nigerian Export-Import Bank (NEXIM) became operational in January, 1991. NEXIM provides the following export financing facilities:

1) Rediscounting and Refinancing Facility (RRF)

This facility is designed to assist banks in providing pre and post shipment finance in local currency in support of non-oil exports. RRF enables exporters to have access to the in-

creased/expanded export portfolios of local banks at the preferential rate.

2) Foreign Input Facility (FIF)

FIF provides the export sector with immediate foreign exchange requirements needed for raw material imports, packaging materials and capital equipment (used for production of goods for export). This facility is made available and repayable in foreign currency.

3) Stock Facility

This facility is made available in local currency and enables manufacturers of exportable goods to procure adequate local materials (which may be seasonal) needed to keep their production at optimal levels particularly during the periods of scarcity.

4) Export Credit Guarantee Facility (ECGF)

Export Credit Guarantee Facility is not yet operational but when functional will be operated as a guarantee given by NEXIM to banks in respect of credit given by them (the banks) to exporters.

Nigerian Banks With Correspondent U.S. Banking Arrangements

Citibank

Commerce House

1, Idowu Taylor Street

Victoria Island, Lagos

P.O. Box 6391, Lagos

Tel: (234-1) 262-2000-9; 262-2024-32

Fax: (234-1) 261-8916

U.S. Affiliate: Citibank

Nigerian-American Merchant Bank Ltd.

Boston House

10/12, McCarthy Street

Onikan, Lagos

P.M.B. 12759, Lagos

Tel: (234-1) 260-0360-9; 260-1080-4

Fax: (234-1) 263-7588; 263-1712

U.S. Affiliate: Bank of Boston, U.S.A.

CHAPTER IX: BUSINESS TRAVEL

The Department of State issues necessary warnings to U.S. citizens on travel to Nigeria. Violent crime, practiced by persons in police and military uniforms, as well as by ordinary criminals, is an acute problem. Harassment and shakedowns of foreigners and Nigerians alike by uniformed personnel and others occur frequently throughout the country. The most important precaution for business visitors is to be met on arrival at the airport by a known and trusted associate, or other person whose identity can be verified.

Nigerian business, charity and other scams target foreigners worldwide and pose dangers of financial loss and even physical harm. Persons contemplating business deals are strongly urged to check with the U.S. Department of State, the U.S. Department of Commerce, or the U.S. Secret Service before providing any information, making any financial commitments or traveling to Nigeria. Under no circumstances should American citizens travel to Nigeria without a valid visa. Invitation to enter Nigeria without a visa is normally indicative of illegal activity.

U.S. business representatives need not, however, drop Nigeria from countries to visit. It is simply necessary to take certain precautions, such as being met at the airport by a trusted associate. U.S. citizens wishing to travel to Nigeria can apply for a visa through the Nigerian Embassy in Washington, D.C. or the Nigerian Consulate in New York City. Travelers should always obtain the "Consular Sheet" before traveling to any country abroad.

The U.S. Department of State and Nigerian authorities require a yellow fever shot of all travelers arriving in Nigeria. They also recommend a cholera shot for travelers arriving from an infected area, and meningitis inoculation for those traveling in the countryside, especially in the North.

Language

English is the official language of Nigeria, although it is a second language for many Nigerians who also speak one of several indigenous languages, such as Yoruba, Hausa and Ibo. Business travelers will find that most government officials and business people speak English well.

Business Customs

Business establishments and government offices generally open from 8:00 a.m. to 4:00 p.m., Monday through Friday, with offices closed for lunch from 1:00-2:00 p.m. Many government offices and businesses hold staff meetings on Monday and Friday mornings, sometimes making it difficult to see people at those times. In the Muslim north, all establishments close at 1:00 p.m. on Friday.

Business appointments preferably are made through personal calls or hand-delivered messages, since the telephone/fax system is unreliable and the mail is slow. Nigerians are not known for punctuality. Visitors should make their contacts well before departure from the United States. Important documents or correspondence should be sent via reputable courier, such as DHL or UPS, and show a Private Mail Bag (PMB) or Post Office Box (P.O. Box) as well as street address.

Business visitors should be appropriately dressed. Casual dress may convey a casual attitude, especially to European-trained Nigerians. Titles should be used, particularly the honorific titles of traditional leaders. Company representatives should be flexible in business dealings and able to make decisions on contractual matters without lengthy referral to their home offices. In Nigeria, important business is conducted face-to-face. No worthwhile transactions can be completed quickly or impersonally. Follow-up visits are common.

The Nigerian currency is the Naira, which is divided into 100 rarely-used kobo coins. As the largest bank note in circulation is currently worth about \$.50, it is often necessary to handle and carry around large wads of cash.

Accommodations

Hotels in major Nigerian cities are adequate. Business, 5-star or deluxe hotels of U.S. or European standard should not be expected, however. Accommodation reservations must be made well in advance. Hotels demand an advance cash deposit at the time of booking for the entire period being reserved. Some hotels require a deposit to cover meals as well. Tipping is optional, as most hotels have a 5 percent valued added tax (VAT) and 10 percent service charge, but staff expects gratuities nevertheless.

Air conditioning and hot water are often a problem in hotels, in addition to the frequent breakdown of elevators. Few hotels have working smoke detectors, and emergency exits are often sealed. Telephone service is erratic, often making contact even within the hotel difficult, as well as creating obstacles to confirming or changing onward reservations. Room laundry service is usually offered.

The Central Bank of Nigeria has embarked on strict enforcement of directives that foreign visitors to Nigeria must pay for hotel accommodations in foreign currency.

Transportation

Taxi service is available in Lagos and most other urban areas, but cabs are not recommended as they are old, often unreliable, and occasionally unsafe. If taxis are used, fares should be negotiated in advance, particularly to and from airports.

Cars with drivers are also available for hire through hotels and car rental agents, and use of those services is a highly recommended alternative. Congested airport facilities in Lagos often lead to

long delays, and airline reservations may not be honored due to overbooking, especially on domestic flights. Domestic airline schedules are fairly reliable and lack of aviation fuel can delay or cancel flights. Travelers on international flights should arrive at the airport at least two hours before scheduled departure. Air accidents in recent years have increased concern about maintenance standards on domestic airlines.

Road Conditions

Nigerian roads are in poor shape, causing damage to vehicles and contributing to hazardous traffic conditions. Deep ruts and potholes abound. Roads flood in torrential rainstorms. There are no traffic lights or stop signs. Motorists seldom yield right-of-way. Traffic congestion in built up areas often causes gridlock. Failure to promptly remove disabled vehicles, corpses and other obstacles from the roadway further contributes to traffic congestion and compounds unsafe driving practices. Street lighting is insufficient and often out of order, making night driving all the more risky.

Holidays

Holidays falling on Saturdays are observed on Saturdays, and Sunday holidays on Sundays.

The Muslim holidays of Eid-El-Fitri and Eid-El-Kabir are usually celebrated for two consecutive work days. No permanent dates exist for these Muslim holidays-- they are observed as announced by the Ministry of Internal Affairs.

January 1	New Year's Day
	Eid-El-Fitri*
	Good Friday
	Easter Monday
May 1	Workers Day
	Eid-El-Kabir*
	Eid-El-Malud*
October 1	Nigerian National Day
December 25	Christmas Day
December 26	Boxing Day

Climate

Although Nigeria lies within the tropics, its climate varies considerably from north to south. Temperatures range from 75-90 degrees F in the south and from 65-100 degrees F in the north. The south is humid throughout the year, while the north is humid from May until October. There are two rainy seasons in the south, March-July and September-November, and one in the north,

April-October. The dry season in the north is usually dusty from Saharan winds called the Harmattan. Rainfall varies from 150 inches a year on the coast to 25 inches or less in the far northern regions of the country.

Medical Considerations

A number of infectious diseases are prevalent in Nigeria. Untreated water, ice and peeled fruits and raw vegetables should be avoided. Visitors can be turned back at the port of entry if their yellow fever immunization is not current. Regular use of malaria suppressants is strongly recommended. Vaccinations for cholera, typhoid, tetanus, meningitis and protection against hepatitis are also strongly suggested. Visitors should consult their physician or local health authorities about the current inoculations recommended and required before a visit to Nigeria.

Medical facilities are available in Nigeria, but in practice foreign business visitors normally restrict themselves to private clinics, available in large urban areas. Many common household medicines and some prescription drugs are locally available, but the business traveler should carry an ample supply of any special medications required.

Safety

Most U.S. citizens who travel to Nigeria do so without incident. However, a major development in the past few years is the fraudulent business scams that target foreigners, including a significant number of U.S. citizens. Those not familiar with doing business in Nigeria should not respond to unsolicited offers. These are usually both fraudulent and illegal and could involve situations that potentially violate both Nigerian and U.S. law. Nigerian authorities can treat fraud “victims” as accomplices in crime.

In some cases, victims have been subjected to extortion and in extreme cases to bodily harm. Nigerian police may not always inform U.S. authorities of an American citizen in distress and victims may not always have the opportunity to communicate for assistance since they may be sequestered under highly controlled conditions.

The most common form of Nigerian fraudulent business schemes, the advance fee fraud, popularly known as “419”, involves an offer to transfer large sums of money with promises of commissions after up-front payments are made by the potential victim. Alleged contracts frequently invoke the authority of a Ministry or officer of the Nigerian Government and may even name a government official. Sophisticated forged documents may also be provided using government letterhead from the Federal Ministry of Justice, the Central Bank of Nigeria (CBN), the Nigerian National Petroleum Corporation (NNPC) and others, along with a variety of official-looking stamps and seals.

U.S. citizens should not be lured to Nigeria to pursue such offers. Before planning a trip to Nigeria, first-time business travelers should consult with their nearest U.S. Department of Commerce Export Assistance Office. Upon entry into Nigeria, U.S. citizens should immediately register with the American Citizens Division of the Consular Section at the U.S. Embassy in Lagos.

2, Eleke Crescent
 Victoria Island, Lagos, Nigeria
 Tel: (234-1) 261-0078
 Fax: (234-1) 261-2218

The Embassy's Abuja (Nigeria's new political capital) Office is available to provide certain emergency consular services. The office is located at:

9 Mambilla Street
 Maitama District
 Abuja
 Federal Capital Territory

Tel: (234)(9) 523-0960, 523-5839, 523-5857, 523-5227
 Fax: (234)(9) 523-0353

Travel advisory phone nos.: (202) 647-5225
 (202) 647-9225

CHAPTER X: APPENDICES

Appendix A - Country Data

Population (1994 Figures): 110 million

Population growth rate: 2.8 percent

Religions: Islam, Christianity, Animist

Government System: Based on a federal structure, Nigeria adopted a presidential system of government headed by a civilian President, with State Governors in 36 states.

Languages: English is Nigeria's official language, but over 250 distinct languages are spoken in the country.

Work week: Monday through Friday. (In Muslim areas and in the federal capital, many businesses close around noon on Fridays.) Many stores and businesses are open on Saturdays as well.

Appendix B - Domestic Economy

(\$ millions except where indicated)

	1999	2000	2001
GDP (\$ billion)	49.2	51.0 *	N/A
Per Capital GDP (\$)	260.0	N/A*	N/A
Population (m)	102.0	110.0*	113.0*
Inflation (%)	12	6.6	N/A
Unemployment (%)	3.9	3.0*	N/A*
Foreign Exchange			
■ Reserves (\$ billion)			
■ Average Exch. Rate			
7.7			
90.0			
4.3			
105.0			
5*			
110*			
Foreign Debt			
(\$ billions)	28.7	31	N/A
Debt Service Ratio			
- (as % of Export Revenue)			
23.6			
14.5			

N/A

U.S. Economic Assistance N/A N/A N/A

*Estimates

Appendix C - Trade

	1999	2000	2001
Total Country			
Exports (\$ billion)	9.1	10.88	N/A
Total Country			
Imports (\$ billion)	10.35	N/A	N/A
Imports from U.S.	0.8	N/A	N/A
Export to U.S.	6.5	N/A	N/A
U.S. Share of			
Imports	52%	N/A	N/A

*Estimates

Appendix D - Investment Statistics

Figures not available as at time of CCG preparation

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CHAPTER 11 - U.S. AND COUNTRY CONTACTS

Sources of information on doing business in Nigeria include the Nigerian-American Chamber of Commerce; the World Trade Center of Nigeria, a member of the World Trade Centers Association; and the Lagos Chamber of Commerce and Industry. These organizations, listed below, publish newsletters.

Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
(NACCIMA)

15A Ikorodu Road, Maryland

P.M.B. 12816

Lagos

Chief Kola Daisi

President

Mr. Lawrence O. Adekunle

Director General

Tel: (234-1) 496-4727

Fax: (234-1) 496-4737

Nigerian-American Chamber of Commerce

Marble House, 8th Floor

1, Kingsway Road, Ikoyi

G.P.O. Box 8508, Lagos

Chief (Mrs) Priscilla A. Kuye, President

Tel: (234-1) 269-2088

Fax: (234-1) 269-3041

World Trade Center of Nigeria

Western House (9th Floor)

8-10, Broad Street

P.O. Box 4466

Lagos, Nigeria

Attn: Mr. John Adeyemi Adeleke

Executive Director

Tel: (234-1) 263-5276

Fax: (234-1) 683-981

Lagos Chamber of Commerce & Industry

Commerce House (1st Floor)

1, Idowu Taylor Street, V/I.

P.O. Box 109

Lagos, Nigeria

Attn: Mr. Adekunle Olumide

Director General

Tel: (234-1) 610-391; 613-911; 613-917; 613-898;

613-906; 613-902

Fax: (234-1) 610-573

NIGERIAN EMBASSY AND MISSION IN UNITED STATES

Embassy of Federal Republic of Nigeria

1333 16th St., N.W.

Washington, D.C. 20036

Tel: 202-986-8400

Fax: 202-775-1385

Consulate General of Nigeria

828 2nd Avenue

New York, N.Y. 10017

Tel: 212-850-2200

Fax: 212-687-1476

Permanent Mission of Nigeria to the United Nations

757 Third Avenue, 20th Floor

New York, N.Y. 10017

Tel: 212-953-9130

64 Fax: 212-697-1970

U.S. EMBASSY TRADE PERSONNEL

ECONOMIC SECTION, U.S. DEPARTMENT OF STATE

Ms. Perlita Muruiri

FOREIGN AGRICULTURAL SERVICE

Mr. David Rosenbloom

THE COMMERCIAL SERVICE (CS)

Mr. Miguel Pardo de Zela

U.S. Embassy Mailing Address from the United States:

8300 Lagos Place

U.S. Department of State

Washington, D.C. 20521-8300

(use U.S.postage)

Street Address:

U.S. American Embassy

2 Eleke Crescent, Victoria Island

P.O. Box 554, Lagos

Nigeria

Tel: (234-1) 261-1414; 261-0078; 261-0097

Fax: (234-1) 261-2118

U.S. DEPARTMENT OF COMMERCE

Mr. Douglas Wallace
Office of Africa

HCHB,

14th & Constitution Avenue, N.W.

Washington, D.C. 20230

Tel: (202) 482-5149

Fax: (202) 482-5198

COUNTRY GOVERNMENT OFFICES

Federal Ministry of Agriculture & Rural Development
Block A, FCDA Secretariat Complex
Area II Garki
P.M.B. 135, Garki
Abuja

Tel: 234-9-3142622, 3146509, 3142914

Fax: 234-09-3140347, 3140945, 3144392

Minister: Sani Z. Daura

Tel: 234-09-3141931

Fax: 234-09-3141185

Federal Ministry of Aviation
Federal Secretariat Complex
Shehu Shagari Way, Central Area
P.M.B.5012, Wuse, Abuja

Tel: 234-09-523112, 5232052

Fax: 234-09-5237603
Minister: Mrs. Kema Chikwe
TeL: 234-09-5232112, 5232132

Federal Ministry of Commerce
Block H, Old Federal Secretariat
Garki Area 1
P.M.B. 88, Garki, Abuja
Tel: 234-09-2341662,2341491,2341541
Minister: Mustafa Bello
Tel: 234-9-234 1884

Federal Ministry of Communications
Block B (2nd & 3rd Floors)
Federal Secretariat
Shehu Shagari Way, Central Area
Abuja
Tel: 234-9-523-2836, 5237250, 5237135
Tel: 234-9-5232834
Minister: Mohammed Arzika

Federal Ministry of Culture and Tourism
Block H, Old Federal Secretariat
Garki Area I
P.M.B. 473, Garki, Abuja
Tel: 234-9-2342742, 2342727
Fax: 234-9-2342762
Minister: Alabo Tonye Graham Douglas

Federal Ministry of Defence
Ship House,
Olusegun Obasanjo Way,

Cebtral Business Area
P.M.B. 196, Garki, Abuja
Tel: 234-9-2340534
Fax: 234-9-2340714
Minister: T.Y. Danjuma

Federal Ministry of Education
Block 5A (3rd Floor)
Federal Secretariat Complex
Shehu Shagari Way, Central Area
P.M.B. 146, Garki, Abuja
Tel: 234-9-523-7488, 523-7489, 5237487
Minister: Prof. Tunde Adeniran

Federal Ministry of Environment
9th Floor, Federal Secretariat Towers,
Shehu Shagari Way, Central Area
P.M.B. 468, Garki, Abuja
Tel: 234-09- 52344932, 5234014, 5234931
Minister: Hassan Adamu
Tel/Fax: 234-09-5234014

Federal Ministry of Federal Capital Territory
Kapital Street, Off Obafemi Awolowo Street,
Garki Area 11
P.M.B. 24, Garki, Abuja
Tel: 234-09-3148135, 3141295
Fax: 234-09-3143859
Minister: Ibrahim Bunu
Tel: 234-09-3141295

Federal Ministry of Finance
Federal Ministry Finance Complex
Ahmadu Bello Way, Central Area
P.M.B. 14, Garki, Abuja
Tel: 234-09-234-6290-5 (6 Lines)

Minister: Adamu Ciroma
Tel: 234-9-234-6924

Federal Minister of Foreign Affairs
Maputo Street, Off Abidjan Street
Wuse Zone 3
P.M.B. 130, Garki, Abuja
Tel: 234-09- 5230185-9, 5230204-6
Minister: Sule Lamido

Federal Ministry of Health
Block 4A (3rd Floor)
Federal Secretariat Complex,
Shehu Shagari Way, Central Area
P.M.B. 083, Garki, Abuja
Tel: 234-9-523-8366, 523-8362
Fax: 234-9-523-4590
Minister: Tim Menakaya
Tel: 234-9-523-4587

Federal Ministry of Industry
Federal Secretariat
Area I, Garki
P.M.B. 85, Garki, Abuja
Tel: 234-09-2341367, 23411721, 2341570
Fax: 234-09-2341690, 2341919
Minister: Steve Akiga
Tel: 234-9-234 1690

Federal Ministry of Information
Radio House
Herbert Macaulay Way (South),
Garki Area 10
P.M.B. 247, Garki, Abuja

Minister: Prof. Jerry Gana
Tel: 234-9-234 6351

Federal Ministry of Internal Affairs
Block F, Old Federal Secretariat
Garki Area 1
P.M.B. 16, Garki, Abuja
Minister: S. M. Afolabi
Tel: 234-09-2341935, 2343369

Federal Ministry of Justice
Federal Secretariat Towers (5th & 10th Floors)
Shehu Shagari Way, Central Area
P.M.B 192, Garki, Abuja
Tel: 234-09-5235194
Fax: 234-09-5235208
Minister: Bola Ige
Tel: 234-09-523 5194

Federal Ministry of Employment, Labour & Productivity
Block 4A (2nd Floor)
Federal Secretariat Complex
Shehu Shagari Way, Central Area
P.M.B. 04, Garki, Abuja
Tel: 234-09-5235980, 5235994
Minister: Musa Gwadabe

Federal Ministry of Power and Steel
Annex 3 (3rd & 4th Floors)
Federal Secretariat Complex
Shehu Shagari Way, Central Area
P.M.B. 278, Garki, Abuja
Tel: 234-09-5239465, 5239462
Minister: Olusegun Agagu

Tel: 234-9-523 7064

Federal Ministry of Petroleum Resources

Federal Secretariat Complex (1st Floor)

Shehu Shagari Way, Central Area,

P.M.B. 449, Garki, Abuja

Tel: 234-09-5237571, 5237581

Fax: 234-09-5237332

Special Adviser to the President

Dr. Rilwan Lukman

Federal Ministry of Police Affairs

Federal Secretariat Complex (8th Floor)

Shehu Shagari Way, Central Area

P.M.B. 041, Garki, Abuja

Tel: 234-09-5230549

Fax: 234-09-5232450

Minister: David Jemibewon

Federal Ministry of Science and Technology

Federal Secretariat Towers 'B' (5th&9th Floors)

Shehu Shagari Way, Central Area,

P.M.B. 331, Garki, Abuja

Tel: 234-09-5233397

Fax: 234-09-5235204, 5233903

Minister: Ebitimo Banigo

Tel: 234-9-523 3397

Federal Ministry of Solid Minerals

Block 5 (5th Floor)

Federal Secretariat Complex

Shehu Shagari Way, Central Area

P.M.B. 107, Garki, Abuja

Tel: 234-09-523-9064

Minister: Kanu G. Agabi

Tel: 234-09-5235830

Federal Ministry of Sports and Social Development

Block 3 (1st Floor)New Secretariat
Shehu Shagari Way, Central Area
P.M.B. 287, Garki, Abuja
Tel: 234-09-5235903, 5235905, 5235907
Minister: Damisi Sango

Federal Ministry of Transport
Annex 3 (2nd Floor)
Federal Secretariat Complex
Shehu Shagari Way, Central Area
P.M.B. 336, Garki, Abuja
Tel: 234-09-5237051, 5238655
Minister: Ojo Maduekwe

Federal Ministry of Water Resources
Block A, Old Federal Secretariat
Garki Area 1
P.M.B. 159, Garki, Abuja
Tel: 234-09-234-2376, 2342180, 2342415
Minister: Muhammedu Bello Kaliel
Tel: 234-9-2342376

Federal Ministry of Works and Housing
Mabushi, Via Abuja
P.M.B. 111, Garki, Abuja
Tel: Tel: 09-5239637, 5239638
Minister: Tony Anenih

Federal Ministry of Women Affairs
And Youth Development
Annex 3, New Federal Secretariat
Shehu Shagari Way, Central Area
P.M.B. 229, Garki, Abuja
Tel: 234-09-5238864, 5238341
Fax: 234-09-5233644
Minister: Hajiya Aishatu M. Sani Ismail

National Planning Commission
Annex 3, Federal Secretariat Complex
Shehu Shagari Way, Maitama District
P.M.B. 230, Garki Abuja.
Tel: 234-09-5236628, 5232924
The Chief Economic Adviser to the President
Chief P.C. Asiodu

Special Ministries posted to the Presidency, Aso Rock, Abuja.

Ministry of Civil Service Matters
Minister: Alhaji Mohammed Bello Kirfi

Ministry of Cooperation and Integration in Africa
Minister: Chief Dapo Sarumi

Ministry of Economic Matters
Minister: Vincent Ogbulafor

Ministry of Special Projects
Minister: Dan Chuke

Ministry of Inter-govemental Affairs
Minister: Ibrahim Umar Kida

U.S. AFFILIATED NIGERIAN BANKS

Nigeria International Bank Limited
Commerce House
1, Idowu Taylor Street
Victoria Island, Lagos
P.O. Box 6391, Lagos
Tel: (234-1) 262-2000-9; 262-2024-32
Fax: (234-1) 618-916

U.S. Affiliate: Citibank

Nigerian-American Merchant Bank Limited
10/12 McCarthy Street
P.M.B. 12759
Lagos
Tel: (234-1) 260-1080-4; 260-0360-9
Fax: (234-1) 263-1712

U.S. Affiliate: Bank of Boston

World Bank Resident Mission
Plot 433 ECOWAS Road
Opposite ECOWAS Secretariat
Asokoro, Abuja
Mr. Trevor A. Byer
Resident Representative
Tel: (234-9) 234-5274, 234-5275, 234-5262
Fax: Abuja (234-9) 234-5267

International Finance Corporation
Plot PC 10, Engineering Close
Off Idowu Taylor Street
Victoria Island, Lagos
Attn: Mr. Mohan R. Wikramanayake
Tel: (234-1) 611-400; 612-081
Fax: (234-1) 261-7164

The Multilateral Development Bank Office
14th & Constitution Avenue
Washington, D.C. 2007
Tel: 202-482-3399
Fax: 202-482-5179

COUNTRY TRADE ASSOCIATION/CHAMBERS OF COMMERCE

NIGERIAN-AMERICAN CHAMBER OF COMMERCE

Chief (Mrs.) Priscilla Kuye

President

Marble House, 8th Floor

1, Kingsway Road, Falomo

Ikoyi, Lagos

Tel: 269-2088

Fax: 269-3041

LAGOS STATE CHAMBER OF COMMERCE & INDUSTRIES

Mr. Adekunle Olumide

Director General

Commerce House

1, Idowu Street, V/Island

P.O. Box 109, Lagos

Tel: 01-610-391; 613-911; 613-917

Fax: 01-610-573

NIGERIAN-SOUTH AFRICAN CHAMBER OF COMMERCE

80 Allen Avenue, Ikeja

P.O. Box 389

Shomolu, Lagos

Tel: 01-965-002; 965-009

Fax: 01-493-6758; 967-418

NIGERIAN-BRITISH CHAMBER OF COMMERCE

Ebani House, 4th Floor

149/153, Broad Street

Lagos

NIGERIAN-SOUTH AMERICAN CHAMBER OF COMMERCE

Lagos International Trade Fair Complex

Admin. Block, Badagry Expressway

Lagos

NIGERIAN-ASEAN CHAMBER OF COMMERCE

11 Awolowo Road

South West, Ikoyi

Lagos

Tel: 01-269-0428

Fax: 01-684-713

NIGERIAN-BRAZILIAN CHAMBER OF COMMERCE & INDUSTRY

Western House, 6th Floor

8/10 Broad Street

Lagos

Tel: 01-631-328

FRANCO-NIGERIAN CHAMBER OF COMMERCE

NISSCO House, 1st Floor

Plot 232A, Adeola Odeku Street

P.O. Box 70001, Victoria Island

Lagos. Tel: 01-618825, 610071

NIGERIAN-BELGIAN CHAMBER OF COMMERCE

12 Adeleke Adedoyin Street

Off Kofo Abayomi Road

Victoria Island, Lagos

P.O. Box 50190, Falomo

Ikoyi, Lagos

Tel: 619-230; 613-135

**NIGERIAN ASSOCIATION OF CHAMBERS OF COMMERCE, INDUSTRY,
MINES AND AGRICULTURE (NACCIMA)**

15A, Ikorodu Road, Maryland

P.M.B. 12816, Lagos

Tel: (234-1) 496-4727

Fax: (234-1) 496-4737

NIGERIAN-GERMAN BUSINESS COUNCIL

Eleke Crescent

Victoria Island

Lagos, Nigeria

Tel: (234-1) 619-751

NIGERIAN-JAPAN ASSOCIATION

Ebani House

149/153 Broad Street

P.O. Box 2508, Lagos

Tel: (234-1) 660-387, 661-744

NIGERIAN-NETHERLANDS CHAMBER OF COMMERCE

Regency Suites, Apartment 204

17, Ahmed Onibudo Street

Victoria Island, Lagos

P.O. Box 55042, Falomo

Ikoyi, Lagos

Tel: (234-1) 614-619

NIGERIAN-PORTUGUESE CHAMBER OF COMMERCE

73 Iwaya Road, Onike

P.O. Box 623, Yaba, Lagos

Tel: (234-1) 860-602

NIGERIAN-SOVIET TRADE COUNCIL

60 Old Yaba Road, Ebute-Metta

P.M.B. 1065, Apapa, Lagos

Tel: (234-1) 880-527

NIGERIAN-SWEDISH CHAMBER OF COMMERCE

Regency Suites, Suite 206

17 Ahmed Onibudo Street

Victoria Island

P.O. Box 4253, Lagos

Tel: (234-1) 613-396

(Each state in Nigeria has a Chamber of Commerce and Industry.
For more information, consult the U.S. Commercial Service
Nigeria, phone: 234-1-261-0050; 261-0078, Fax: 234-1-261-9856)

INTERNATIONAL ECONOMIC ORGANIZATIONS:**ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)**

6, King George V Road, Onikan

P.O. Box 2745, Lagos

Tel: 01-636-841; 636-064

EUROPEAN ECONOMIC COMMUNITY (EEC)

Committee Of Vice-Chancellors Building

Engineering Close, Off Idowu Taylor Street

Victoria Island, Lagos

Tel: 01- 617-852; 610-857; 617-248

WORLD BANK

Plot PC 10, Engineering Close

Victoria Island,

P.O. Box 127, Lagos

Tel: 01- 616-0016; 616-041; 616-196

TRADE ASSOCIATIONS:**COMPUTER VENDORS ASSOCIATION OF NIGERIA**

84 Opebi Road

Ikeja, Lagos

Tel: 01-965-750; 9620230

Fax: 01-962-657

COMPUTER ASSOCIATION OF NIGERIA

5, Akinhanmi Street

P.O. Box 4800

Surulere, Lagos

NIGERIAN SOCIETY OF ENGINEERS

National Engineering Centre

1, Engineering Close

P.O. Box 72667

78
Victoria Island, Lagos

Tel: 01-261-749; Fax: 01-261-7315

MANUFACTURERS ASSOCIATION OF NIGERIA

77, Obafemi Awolowo Way, Ikeja

P.O. Box 3835, Lagos

Tel: 01-4974240-3

Fax: 01-497-4247

NIGERIAN EXPORT PROMOTION COUNCIL

15 A&B Ladipo Oluwole Road, Apapa

P.M.B. 12776, Lagos

Tel: 803-001

NIGERIAN INSTITUTION OF STRUCTURAL ENGINEERS

64/66 Ojuelegba Road, Surulere

P.O. Box 7496, Lagos

Tel: 01-836622

NIGERIAN INSTITUTE OF BUILDING

1B, Market Street

Oyingbo, Ebute-Metta

P.O. Box 3191, Lagos

NIGERIAN INSURERS ASSOCIATION

NICON HOUSE, 1st Floor

5, Customs Street

P.O. Box 9551, Lagos

Tel: 01-264-0825

ASSOC. OF ADVERTISING PRACTITIONERS OF NIGERIA

47 Old Yaba Road

Yaba, Lagos

Tel: 01-860-672; 865-126

PHARMACEUTICAL SOCIETY OF NIGERIA

52A, Ikorodu Road

Lagos.

Tel: 01-862-907

ASSOCIATION OF NIGERIAN CO-OP EXPORTERS LTD.

17, Wharf Road

Apapa, Lagos

Tel: 01-870-347

NIGERIAN TEXTILE MANUFACTURERS ASSOCIATION

51 Remi Fani-Kayode Avenue

GRA, Ikeja, Lagos

Tel: 01-497-0499

CHAPTER 12 - MARKET RESEARCH

A variety of market research reports on various sectors and commercial topics relevant to the Nigerian market is available through the U.S. Department of Commerce District Offices and the widely available CD-ROM known as the National Trade Data Bank (NTDB), also available at the more than 75 Department of Commerce Export Assistance Centers located throughout the U.S.

Future industry sector market research for Nigeria may include such topics as:

- Transportation Services in Nigeria - Minibuses
- Environmental issues within the Oil & Gas Industry
- Building Materials Market in Nigeria
- Building & Construction Materials
- Internet Service & Equipment
- Customer Premises Equipment
- Medical Laboratory Equipment
- Dental Equipment

Private companies offering market research services are:

- CMW (COMMUNICATIONS WAYS & MEANS)
15, Biaduo Street,
S.W. Ikoyi
P.O. Box 75423, Victoria Island
Lagos, Nigeria
Tel: 234-1-2693165, 234-1-684864
Fax: 234-1-685752

Contact: Oluremi Sogbetun, Chief Executive Officer

- STRATEGIC ANALYSIS LIMITED

53A Akinola Crescent

Ikeja, Lagos Nigeria

Tel/Fax: 234-1-960521

Contact: Femi Akande, Managing Director

- DATAPRO LIMITED

Bata House

81/87 Broad Street

Lagos, Nigeria

Tel: 234-1-2661782, 234-1-2660191, 234-1-2644043

Fax: 234-1-2621008

Contact: Abimbola Adeseyoju, MD/CEO

- RESEARCH INTERNATIONAL

2, Sere Close, Ilupeju

P.O. Box 1360

Lagos. Nigeria

Tel. 234-1-493-7421

Fax 234-1-493-7421

Contact: Mr. Jimmy Adegbulugbe

AGUSTO & CO. LIMITED

UBA House (5th Floor), P.O. Box 56136, Ikoyi

57, Marina, Lagos

Tel: 234-1-264-3571-5

Fax 234-1-264-3576

e-mail: info@Agusto.com

website: www.Agusto.com

CHAPTER 13 - TRADE EVENT SCHEDULE

The following international trade exhibitions, named after the cities in Nigeria in which they take place, are general industrial trade fairs which reflect numerous sectors in the Nigerian market. These events attract buyers, traders, agents and distributors from throughout Central and West Africa.

They offer U.S. manufacturers which are already selling to the Nigerian market opportunities to promote and further expand sales of U.S. origin products and equipment. These trade events are held annually and foreign manufacturers, exporters and their agents and distributors are welcome to participate.

KADUNA International Trade Fair (February 2001)

ENUGU International Trade Fair (April 2001)

LAGOS International Trade Fair (November 2001)

CS Nigeria has scheduled the following local trade shows for FY 2001:

1. Event Name: CTO 2001
Date of Event: May 2001
Theme: Information Technology
Event Location: Lagos, Nigeria

2. Event Name: Beauty & Hair Product Fair
Date of Event: August 2001
Industry Theme: Hair Products and Cosmetics
Event Location: Lagos, Nigeria

In addition to promoting International Buyer Programs and the local trade shows, CS Nigeria encourages local associations to both organize and participate in specialized trade shows.

The following International Buyer Programs, in which CS Nigeria provisionally intends to participate, are approved by the Department of Commerce for FY'01

1. Event Name: Automotive Aftermarket Week
Date of Event: November 2-5, 2000
Industry Theme: Automotive, Automotive parts and accessories,
Lubricants etc
Event Location: Las Vegas, Nevada

2. Event Name: COMDEX/FALL 2000
Date of Event: November 2001
Industry Theme: Information Technology
Event Location: Las Vegas, Nevada

3. Event Name: International Builders' Show
Date of Event: February 9 – 12, 2001
Industry Theme: Building, Architecture & Construction Equipment etc
Event Location: Atlanta, GA

4. Event Name: Supercomm 2001
Date of Event: June 2001
Industry Theme: Telecommunication equipment
Event Location: Atlanta, Georgia

5. Event Name: Offshore Technology Conference
Date of Event: May 2001
Industry Theme: Oil & Gas
Event Location: Houston, TX

6. Event Name: International Franchise Expo
Date of Event: April 2001
Industry Theme: Franchising
Event Location: Chicago, IL

7. Event Name: BOBBIN WORLD
Date of Event: August 15 – 18, 2001
Industry Theme: Textile, Apparel Machinery
Event Location: Orlando, FL