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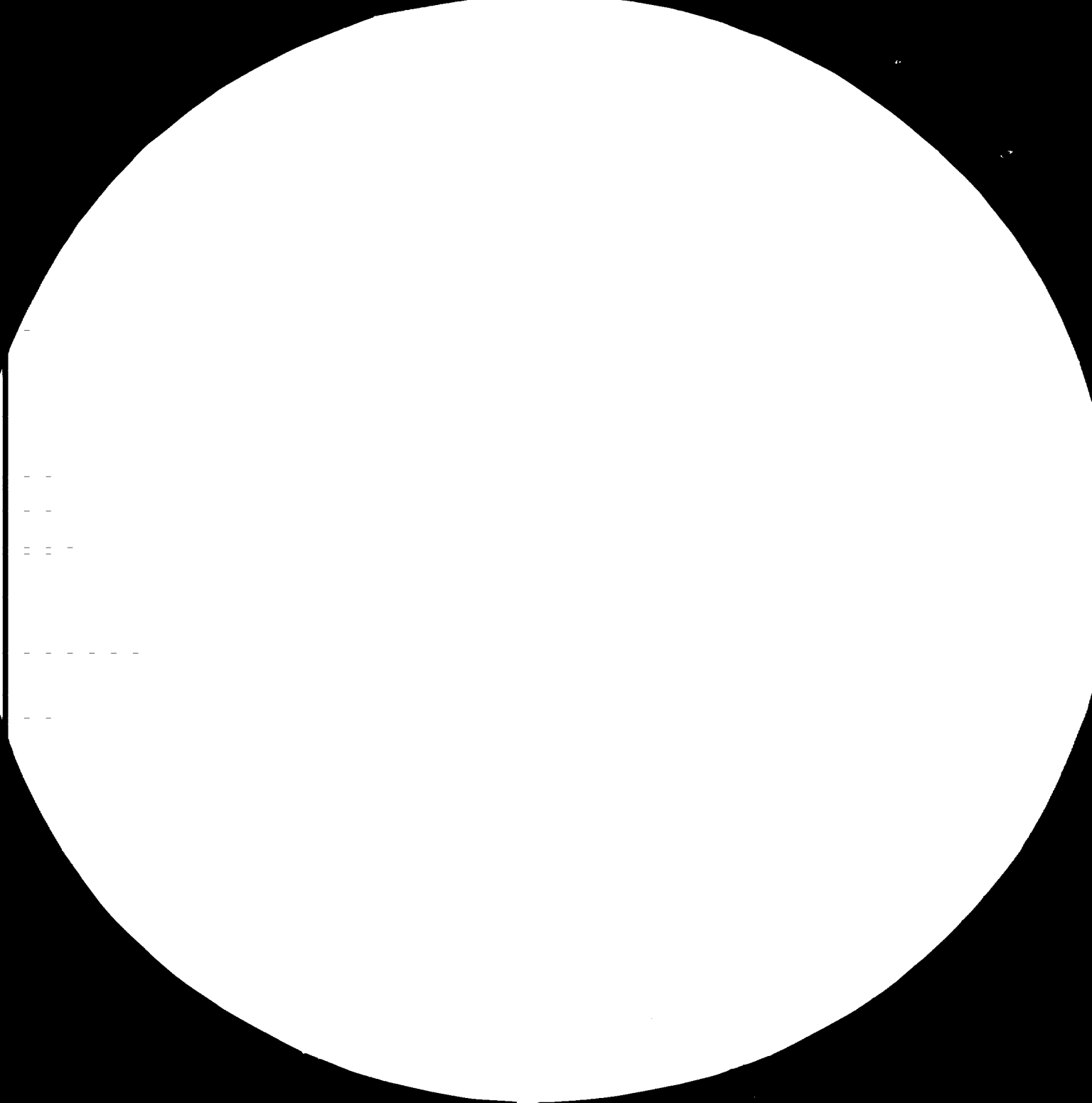
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May 1982

STRENGTHENING OF THE NIGERIAN INDUSTRIAL INVESTMENT
AND PROMOTION CENTRE

DP/NIR/75/066

NIGERIA

12 July 1982

Terminal Report

Prepared for the Government of Nigeria
by the United Nations Industrial Development Organization,
executing agency for the United Nations Development Programme

Based on the work of Mr. R. S. Sharma,
adviser on identification and promotion of
industrial investment projects

3047

United Nations Industrial Development Organization (UNIDO)
Vienna

This report has not been cleared with the United Nations Industrial Development Organization which does not, therefore, necessarily share the views presented.

Preface

I have great pleasure in submitting this report about the investment promotion activity carried out under project NIR/75/066.

I have enjoyed my stay though I had more than the normal quota of day-to-day problems and frustrations. Inadequate support facilities from the counterpart office was the most disturbing element of my sojourn in Nigeria. However, I have several positive points to report about my work and experience at the Investment Centre. Some of these may be mentioned here. First, Nigeria has undoubtedly vast industrial potential and the Government is determined to exploit it by pursuing a pragmatic investment promotion policy. It was professionally a very rewarding experience to have closely studied the Government efforts to inform and attract the potential investors about the country's plan and prospects. Secondly, Mr. Lawal who heads the Centre gave me freedom to work and provided many opportunities to meet various investor groups. This enabled me to study in depth the problems and prospects of industrial development and in carrying out my activities. Thirdly, the most pleasant and fruitful experience was of meeting several investors, local as well as from overseas, who visit this Centre every day. Discussion with them was very enlightening not only for knowing their requirements but also about the problems they face and the inadequacies of the Government system to cope up with them. I have made my observations on these aspects in this report and hope the concerned authorities will find it useful.

I take this opportunity to thank all my colleagues with whom I had worked. In particular, I must express my special thanks to Mr. Lawal who is a very pleasant person to work with gave me full co-operation during my stay; Mrs. Okungbowa, Deputy Secretary at the Centre had very promptly helped me on many occasions; Mr. F. Bauman at the UNDP has been most co-operative throughout my stay.

R. S. Sharma

CONTENTS

- I. Objectives and Logic of Project
- II. Activities Carried out and Output Produced
- III. Achievement of Immediate Objectives
- IV. Utilization of Project Results
- V. Findings and Recommendations

APPENDICES

1. Job Description
- 1.1. Circular
2. Outline of Project Profile
3. Outline of Project Profile (Revised)
4. Industrial Profile Study of Nigeria
5. Fourth National Development Plan
Private Sector Projects to be Promoted by Ministry
of Industries
6. Fourth National Development Plan: Industries with
Government Participation
7. Projects Identified
8. Classification of Information collected
9. Economy and Fourth Plan
10. Studies for the Fourth Plan
11. Food Production in Nigeria, 1980 and 1985
12. Outline of Investment Promotion Project

I. OBJECTIVES AND LOGIC OF PROJECT

Background

1. In 1966 the Government of Nigeria established within the Federal Ministry of Industries an Industrial Investment Information and Promotion Centre. The principal function of the Centre is to promote investment in the industrial sector by providing assistance and information to Nigerian as well as overseas investors desirous of setting up industries in Nigeria. For any investor, the Centre is the first place of visit. It aims to provide information and advice on:

- priority sectors,
- investment opportunities in Nigeria,
- Government strategies, policies, procedures, incentives and facilities,
- sources of finance,
- prospective partners for joint-ventures,
- suppliers of machinery and raw materials,
- feasibility studies.

Since the Centre is in constant touch with the investors and foreign delegations it is in a position to know of their reaction about the existing facilities and procedures and get these suitably modified.

2. At the request of the Government of Nigeria, the UNIDO in 1980 fielded the current project with a view to strengthen the Investment Centre. The project originally consisted of 3 experts with their responsibilities defined as follows:-

(a) Chief Technical Adviser.

- to help in devising a suitable organisation structure for the Centre and to co-ordinate the activities of the project.

1. It is referred to as Centre throughout this report.

(b) Information Expert.

- to assist in collecting necessary information and in establishing a data Bank.

(c) Investment Promotion Expert.

- to train local staff in identifying opportunities and investors and in preparing project profiles. (see J.D. Appendix 1).

Development Objective:

3. Stimulation and promotion of investment in the Industrial Sector of Nigeria which will be instrumental in the mobilization of internal and external resources for the establishment of new industrial enterprises and/or the expansion and modernization of existing ones.

→ Immediate Objectives

4. The immediate objective of the project is to strengthen the Nigerian Industrial Investment and Promotion Centre which is designed to stimulate the flow of foreign/private capital into Nigeria and to encourage Nigerians to take a more active part in industry. Specifically the project aims at:

- (a) Establishment of an Industrial Data Bank;
- (b) Promotion among the capital exporting countries of a wider knowledge and understanding of laws, policies, procedures and conditions pertaining to investment in Nigeria and opportunities offered by the country;
- (c) Advice and assistance to Nigerian entrepreneurs including those engaged in medium and small-scale industries, in their efforts to attract foreign private capital and/or advanced technical know-how.

Logic of Project

5. Though the Centre has a heavy responsibility to promote investment in Nigeria, it is not well equipped to carry out the task assigned to it. Firstly, its staff is inadequate. Secondly, the Centre officials need technical

assistance and guidance in the methods of investment promotion. Hence to strengthen the Centre in its professional activities, the current project was approved.

Placement

6. The Centre is headed by a senior officer with the designation of Assistant Director (referred to as AD hereafter) who reports to Director in the Federal Ministry of Industries. The Centre is an independent division of the Ministry. The other staff of the Centre consist of one Deputy Secretary and three Principal Assistant Secretaries. The AD has largely been the counterpart officer of my project though I had occasionally met other officers as well.

7. After my briefing in Vienna on 2 and 3 March I arrived in Lagos on 5 March 1964. The two other experts on the project had already been in Lagos. The CIA introduced me to the acting Resident Representative and AD of the Centre. The facilities at the Centre were under strain. It took me nearly two weeks to get office accommodation and several months to have other secretarial facilities. The AD is a pleasant and helpful person and is perhaps the only official in the Centre who is fully involved in investment promotion activities. The other staff members officiate in his absence according to their seniority, are generally busy with their own work and occasionally get involved in professional work on an ad hoc basis when called to do so. This is a reflection of the inadequacy of staff and other facilities.

8. On my arrival, I found that CIA has been in the duty station for about two months. His main problem was of housing. He had come with his wife and was staying in the Government Guest House. He needed a separate house badly. He pleaded with UNDP to get him one of the UN houses which were lying vacant for varying lengths of time but was given a flat 'no'. The Government could oblige him neither. He also discovered that his main duty i.e. "to advise on the structure of the Centre" was no longer

relevant since the organisational set-up of the Centre was already finalised. In view of this situation, he resigned and left the country by end of March, 1981. Since he was also an investment promotion expert like me, some of his duties were entrusted to me as and when such a necessity arose.

9. Another aspect of the project which was a new development may be mentioned here. The original project document as drafted and signed had a heavy input of investment promotion activity as reflected in 33 man-months for two experts. It was visualised that to help the investment promotion activity, information on various aspects will have to be collected and a system for such collection of data would need to be established. Hence a short-term information expert was provided for 6 months to assist the other two experts in gathering information. The investment experts would know best what information is essential for investment promotion and the information expert was to devise a system for collecting such information. This was considered to be an integrated approach to the entire project. The information activity though essential was to be a supplementary activity of the project. However, this logical approach to the entire project was considerably watered down by the decision of the Centre to conduct an Industrial Survey and to make it part of the project and to use the Information Expert exclusively for the Survey. This decision was objected to by the Information Expert himself, the CTA and the Resident Representative from time to time but only very mildly so that the Centre continued to use the UNIDO expert for the Survey work and at the request of the Centre, the term of the Information Expert was extended. Thus the UN unwillingly allowed the survey activity to dominate the entire project. The confusion was worse confounded because the terms 'survey' 'data bank', 'investment information' were indiscriminately used to mean the same thing without much effort to spell out what is what.

10. It may be emphasized that information is an important input in the investment promotion activity since without adequate and reliable information, investment promotion efforts may not bring the desired results. In Nigeria, statistical data about industries is very inadequate and there is a strong case for establishing a Division of Industrial Statistics within the Ministry of Industries. This Division could collect all the relevant statistics for the industry sector. Part of this information could be used by the Investment Centre as well. However, it is too big a responsibility for the Centre to conduct the Industrial Survey for which the Centre is not at all equipped. Such surveys are normally conducted in other countries by the Central Statistics Office staffed by competent statisticians. In Nigeria too, the Federal Office of Statistics conducts annually an industrial survey. But due to inadequate coverage of the survey and due to delay in the availability of its results the Centre decided to conduct the Industry Survey by itself. Since the Centre has no technical staff (not even a single statistician) and other facilities to handle the Survey, it hired a private consultancy firm to supervise the survey work and process its data. Over and above this arrangement, the UNIDO Information Expert was utilized for the survey on full time basis. Consequently, original task of the information activity as visualised in the Project Document could not be achieved, rather even not started. This was clearly brought out in the tripartite review meeting of the project.

11. A lot of useful and relevant data is available in the various wings of the Ministry of Industry and other ministries. But these are not systematically collected. Hence the information activity of this project was to develop a system of regular flow of this information to the Centre to enable it to effectively carry out the investment promotion activity. Since this was not done, I had to collect such information for my requirements.

II ACTIVITIES CARRIED OUT AND OUTPUT PRODUCED

12. The major activities carried out by me are listed below:-
- (a) Studied the plan documents, collected relevant data and information from various wings of the Ministry of Industries, Federal Office of Statistics, Central Bank of Nigeria, Chambers of Commerce and Manufacturers' Association.
 - (b) Attended meetings within the Federal Ministry of Industries held to discuss various aspects of investment promotion and industrial development plans and policies,
 - (c) Advised on preparing project profiles to be given to consultancy firms by the Ministry,
 - (d) Assessed project proposals referred from time to time,
 - (e) Identified industrial projects for investment promotion,
 - (f) Prepared project profiles for selected industries,
 - (g) Identified investors in broad industry areas and for specific projects,
 - (h) Participated in discussions with foreign delegations visiting Nigeria to assess the market and to set up projects,
 - (i) The most important day to day activity in the latter months of my assignment has been to advise the visiting investors about investment opportunities, market prospects of various industries and the Government priorities and policies.

13. The major output items are given below:

(a) A model project profile (see Appendix 2) and later revised (Appendix 3).

(b) Project Profiles for projects of

- Rice Farming and Rice Milling

- Yeast manufacture

- Sulphuric Acid

- Aluminium Sulphate

- Bakery

- Sugar

- Toothpaste

- Toothbrush

(c) Comments on Industrial Profile Study of Nigeria by Skoup & Co. (100 Profiles see Appendix 4)

(d) Classification of Industrial projects to be promoted in private sector by Ministry of Industries in 4th Plan (Appendix 5)

(e) Classification of Industries with Government participation during the Fourth Plan period. (Appendix 6)

(f) Projects identified with interested investors for each project (Appendix 7)

(g) Collected information on an ad-hoc basis about demand, capacities, costs, prices for several selected industries and about general industrial conditions in Nigeria. An alphabetical list of important heads of information collected is given in Appendix 8.

14. Though the above activities were completed, it was not possible to carry out day-to-day work according to any precise work schedule mainly because of two essential handicaps. First, no counterpart staff was available. Secondly, transport facility was irregular and undependable and for long periods almost non-existent. However, the positive factor was the helpful attitude of the AD which enabled me to carry out the above mentioned activities. Some of the problems encountered by me are discussed later on.

III ACHIEVEMENT OF IMMEDIATE OBJECTIVES

15. There has been only partial progress towards achieving three immediate objectives as stated in the Project Document. However, steps have been taken to gather data through the Industrial Survey. When results of this survey become available, progress in the investment promotion field could be faster.

16. Advice and assistance of general nature is being rendered to the visiting investors about the existing laws, policies, priorities, procedures and facilities affecting investment in Nigeria.

However, most of the investors and visiting overseas missions need

information about specific investment opportunities in detail with particular reference to existing capacities, pipeline projects, availability of raw materials, local production, price and cost data, imports etc. This information is vital for investors in

taking decisions about investments and the Centre is very ill-equipped in this task. It had carried out this activity only on an ad hoc basis. It is hoped that the steps initiated during this period will be vigorously followed up in the coming months.

However, a critical failure of the project has been that no staff member could be trained in these activities since no one was available for training.

IV UTILIZATION OF PROJECT RESULTS

17. The information gathered and the project profiles prepared by me are being used to disseminate information to the visiting investors. Though the information collected was inadequate and it related to only a few industries it has been of great help to investors who were interested in this information.

V. FINDINGS AND RECOMMENDATIONS

18. Major findings having significant bearing on the functioning of the project are briefly discussed below. Recommendations relevant to these findings are also offered side by side so that the two are read together for their meaningful understanding. For convenience, these are stated under appropriate heads.

Counterpart office and facilities

19. There is no doubt that Investment Centre will be called upon to play a very crucial role in the coming years by meeting the requirements of investors and guiding them in proper direction. For this purpose the Centre is opening overseas offices to assist the foreign investors by providing all the necessary information about industrial prospects in Nigeria. However, at present the Centre is understaffed and the infrastructure facilities (office space, secretaries, transport) are very inadequate. This has severely limited the capacity of the Centre to fully utilise my services. There was practically no staff member available for training throughout my stay in Nigeria. Other office facilities were inadequate and irregular. For instance, in spite of repeated reminders the Centre could not provide me a typist and when one finally was allotted during the last 3-4 months of my assignment, he had no typewriter. No transport was available for visiting factories for collecting information.

20. It is in the interest of the Centre that adequate arrangements are made for these facilities before the expert arrives in the field. The UNDP office must ensure that such an arrangement is made. Similarly, housing for the expert is the responsibility of the Government as per the Prococ. But in my case I had to stay in a hotel throughout the period of 15 months of my assignment. The Government in future should be more serious in ensuring this facility to avoid frustration of the experts.

21. In Nigeria, Government officers are transferred from one office to another one within the same Ministry or to other Ministries. This is the general administrative practice. There are

only a few Ministries where staff stays within the Ministry such as Ministry of Planning. Frequent transfers result in loss of experienced officers from the Centre. This is particularly disadvantageous to the Centre if an officer is transferred after gaining much experience or going on fellowship. The Centre should be considered as a technical office. There is already a provision for enlarging the staff of the Centre this year. It is suggested that some of the new staff members should be qualified in economics, industrial finance or engineering. They should be permanent staff members of the Centre not liable to transfer.

22. Currently the Centre is a composite unit where each staff member is involved in its every activity. This is partly because of the very inadequate personnel. However, it is necessary to lay down specific technical duties and functions of different officers and introduce professional specialisation in due course. The broad areas of activities of the Centre could be classified as information; facilities, incentives and procedures; investment opportunities, project profiles, feasibility studies and specific surveys; investors and joint-venture partners. These are only illustrative categories. The Centre could devise its own areas of specialisation according to its need and make suitable modifications in due course as experience is gained.

Industrial Potential

23. The Fourth Plan of Nigeria envisages massive investment in industries. The Government will be directly investing in industries to the tune of ₦6.2bn, mainly in steel, pulp and paper, sugar, petro-chemicals, fertilisers and machine tools. However, all other fields of investment are open to private sector and Government role would be largely promotional. For brief outline of plan, see Appendix 9.

24. From many points of view, Nigeria offers excellent prospects for industrial growth. Firstly, the size of its domestic market is very large. Nigeria's current population is about 90m., say

20 per cent of the entire African continent. Several neighbouring countries have small population which limits their market size and with that the possibilities of setting up economic industrial units. Nigeria could export industrial products to these countries. Further, ECOWAS, Economic Community of 16 West African States created in 1975, provides for a customs union and harmonisation of economic policies. This would bestow great economic advantage to Nigeria in extending its market frontiers. Thus the Nigerian industries could cater to a much wider market than what is indicated by its own size.

25. Secondly, Nigeria's annual imports amount to a staggering figure of about \$14bn. With emphasis on import substitution by increasing the local content in the manufacture of industrial products. The process of industrialisation will get a big boost in the coming years. Thirdly, unlike many other developing countries, Nigeria has relatively less constraint of foreign exchange. This gives greater freedom in planning for speedier industrialisation. Though the country is currently experiencing a sharp decline in oil income, it is hoped the situation is only a temporary one. The Government will cut down non-essential imports and programmes so that the core sector of the plan is not adversely affected. With drastic restriction and regulation of imports announced on 20 April 1982 and with emphasis on local made products, the industrial activity in the country should get a big boost in the coming years.

26. To realise the above potential and to direct it in desirable lines of production the Government has specified priority industries within the overall plan¹. This would help the investors in choosing industries for investment. The priority industries are: agro-based and food processing industries, building materials,

1. See Nigerian Industrial Policy and Strategy: Guidelines to Investors 1980. Federal Republic of Nigeria, Lagos.

engineering and transport industries, chemical industries particularly related to petro-chemical products, electrical and electronics and household equipment. In order to attract investment in these product lines the Government has announced various incentives and facilities. These are intended to provide import of raw materials and machinery at very low or nil import duty rates. There is also provision for tax exemptions and easy repatriation of capital and profits.

27. The Centre's Role

The Investment Centre is allotted a key role in the realisation of the objective of industrialisation. It brings to the attention of investors the plan priorities, objectives, facilities and incentives. This is done through publicity, participating in trade fairs and exhibitions, sending delegations to other countries and meeting visiting investors and group delegations from abroad. A number of individual investors visit the Centre daily. They are provided with investment information. During my contact with several investors and through participation in meetings with overseas delegations I was most impressed by the amount of interest which these investors have shown in Nigeria. Most of the investors are convinced about Nigeria's potential, about seriousness of the Government in promoting industrial development of the country, and about favourable industrial climate generally prevailing in the country. However, on many occasions I have found that the Centre could have helped these investors more than what it has been able to do so far even with the limited resources currently at its command. Such findings and recommendations germane to industrial promotion activity are briefly stated below.

28. Most of the visiting investors need information on two main topics viz demand for the particular product and the current production capacity in the country. The Centre at present has practically no information on these topics. This is being collected through a nationwide Industrial Survey. It is a sincere

attempt by the Centre but after about one full year of operation the Centre has been able to collect less than 1,500 questionnaires out of estimated 10,000 units and here too all the collected questionnaires are not complete. Hopefully matters may improve in the coming months. However, lot of relevant information is already available within the various wings of the Ministry and other Ministries. I suggest that a system should be evolved by which the relevant data flows to the Centre every month and it is properly tabulated and published. With practically no facility I had been able to collect lot of useful information which was highly appreciated by several investors. A classified list of information thus collected is given in Appendix 8.

29. The Centre records a few items of information from every visitor. This is a good practice but no attempt is made to classify such information and draw meaningful conclusions. For instance, an analysis could show preference for industries and type of information needed. The Centre should consider preparing a monthly statement of visitors and discuss its implications.

30. I found discussion with visiting investors most rewarding. Though they come to seek guidance and information from the Centre, some of them are well informed about the prospects of individual product lines. They are able to spell out problems of individual industries, and provide demand and capacity data of specific products. The concerned officers at the Centre should try to collect such information from willing investors, evaluate it and use it for further work.

31. The Ministry of Industries has a large number of studies in form of project profiles and feasibility reports. In addition, it has commissioned several studies to local consultants for the Fourth National Development Plan. (for the list see Appendix 10). These are excellent source of information. Though the reports have been received by the Ministry, it is understood these are not released because Government has not taken any decision as to how and by whom these are used. It may be mentioned that with

passage of time these reports may become out of date. It is suggested that the reports should be made available to the Centre which should make brief summaries of these reports and distribute them to the investors.

32. A major objective of industrial plan is to promote the use of local resources. For this purpose, the Centre should endeavour to collect relevant data from the various offices. Actually a brief inventory of resources should be prepared so that the Centre could help the investors in setting industries utilising locally available resources. Information on major resources could be collected from offices of agriculture, forestry, fisheries, livestock, minerals, petroleum etc. It may appear a difficult task but with the co-operation of the other offices, such vital information could be collected with little effort. For instance, for preparing a project profile on rice farming and rice milling I was able to collect data about area and production of major crops for each state for a number of years. Similarly, production targets of various crops are very useful for those investors who are interested in agro-industries (see Appendix 11). Similar information should be collected from other offices. Actually, the Centre should try to get a techno-economic survey prepared for each state. This would provide all the vital information about the industrial potential of various states.

33. Another important area of work for the Centre is to evaluate the efficacy of the various incentives, facilities and their adequacy for investment promotion. As more industries get set up, it may be discovered that some of these facilities are not adequate to protect the local industries. In Nigeria, currently smuggling of industrial products is playing havoc with certain industries and is a serious problem to tackle with. It may have adverse impact on future investments if timely action is not taken. The Centre should make objective analysis of such problems and bring to the attention of higher authorities the need for corrective

action. This would of course require co-operation and consideration of other offices as well for a concerted action. If not immediately, the Centre would have to look into this aspect of investment in the not too distant future.

Need for future U. N. Assistance

34. The Centre will need to implement many of the suggestions offered above in the coming years. For this purpose it would most help if UNIDO assistance is made available. The current activity in area of investment promotion had to be stopped in May 1982 because of lack of available funds from UNDP for 1982. However, situation for 1983 is likely to improve. Hence the UNIDO assistance should be revived by initiating the project from beginning of 1983.

35. Ideally, the project should have the following activities:-

- (a) Assessment of industrial potential, evaluation of resources, demand estimates for local consumption as well as for exports for selected products at current levels as well as estimates for future.
- (b) Compilation of industrial data on capacity licensed, installed, utilised, current output, imports, capital sanctions. Most of this data could be collected from various Government offices.
- (c) Preparation of project profiles, pre-feasibility reports and data sheets for selected industries.
- (d) Evaluation of Government incentives, facilities, procedures, problems of industries so that the Centre may provide early signals for corrective action to the Minister.
- (e) Prepare list of investors, local as well as foreign, in order to provide information to investors seeking partners for financial or technical collaboration.

36. The personnel component to carry out the above activities should be as below:-

- (a) Chief Technical Officer or Team Leader. He should be an

economist with long experience in industrial planning and investment promotion fields. He should co-ordinate the activities of the project and should have an overall perspective to ensure that the project activities conform to the Centre's role in investment promotion and to the project's direct contribution in that endeavour. He should assess the requirements of the investors and help the Centre in effectively meeting their requests.

(b) Senior Investment Promotion Adviser. He should be an economist with experience in investment promotion techniques. His main job would be to assess industrial potential, to identify industrial opportunities and to evaluate the effectiveness of facilities and incentives provided by the Government.

(c) Short-term consultants (economists and engineers) to prepare specific project reports for selected products and for examining specific problems of industries that may surface from time to time.

37. The above project may be initiated after detailed discussions with the Government and should extend over a period of four years. However, in order to maintain continuity and to provide immediate assistance from January 1983 or earlier if funds are available, a proposal for a core project is given in Appendix 12.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO

25 April 1980

PROJECT IN THE FEDERAL REPUBLIC OF NIGERIA

JOB DESCRIPTION

DP/NIR/75/066/1:1-02/31.3.F

Post title

Adviser on Identification and Promotion of Industrial Investment Projects.

Duration

One year, with possibility of extension

Date required

As soon as possible

Duty station

Lagos, with possibility of travel within the country

Purpose of project

To assist the Nigerian Industrial Investment Information and Promotion Centre in the task of mobilizing internal and external resources for the establishment of new industrial enterprises and/or the expansion and modernization of existing ones.

Details

JD/153

The expert will be attached to the Nigerian Industrial Investment Information and Promotion Centre under the Federal Ministry of Industries. Under the co-ordination of the Chief Technical Adviser, the expert will specifically be expected to:

1. Identify investment opportunities available in the country.
2. Carry out industrial, economic and market surveys.
3. Prepare project profiles.
4. Assess joint-venture proposals submitted by foreign partners with regard to their conformity with the basic objectives of the established industrial policies.
5. Identify local entrepreneurs and foreign joint-venture partners through direct contacts and visits; collect information on prospective entrepreneurs both local and foreign.

Applications and communications regarding this Job Description should be sent to:

Project Recruitment Section, Industrial Operations Division
United Nations Industrial Development Organization, P.O. Box 310, Vienna, Austria

The expert will also be expected to prepare a final report, setting out the findings of his mission and his recommendations to the Government on further action which might be taken.

QUALIFICATIONS

Industrial economist with advanced degree in economics or business management with extensive experience in the field of investment promotion in developing countries.

LANGUAGE

English

BACKGROUND INFORMATION

In 1966 the Government established within the Federal Ministry of Industries an Investment Information and Promotion Centre. This Centre was to cater to the needs of potential local and foreign investors for information on the industrial sector in the country, as well as to attract investment in industrial ventures in the country. To this date the achievements of the Centre are very meagre. It produced an Industrial Directory in 1975 and at present is engaged in the process of up-dating it. Hence, there is a need for UNIDO assistance to strengthen the Centre's capability to carry out its functions.

The Centre is meant to provide assistance and information to potential foreign investors wishing to invest in the country. It is also supposed to supply investment information to national embassies, and consular offices abroad, as well as to International Investment Banks, and Investment Promotion Centres around the globe. The Centre is also expected to identify economically viable projects, which could be included in the priority areas of the Government's industrial development strategy.

CANDIDATES REQUESTED BY 30 JUNE 1980

Outline of Project ProfilePoints for Project Profile

- ✓ 1. Industry
- ✓ 2. Final Product By -- Products
- ✓ 3. Imports
- ✓ 4. Local Production
- ✓ 5. Demand
- ✓ 6. Disposal/use of final product Disposal/use of by-product
- ✓ 7. Price of Finished Product
 - (a) Import
 - (b) Retail
- ✓ 8. Raw materials -- source of availability, local or imports
9. Price of Raw material
- ✓ 10. Capacity of Plant/Shifts/Days in a year
 - in terms of final product
 - raw material
 - employment
11. Investment --
 - ✓ Land
 - ✓ Building
 - ✓ Machinery
 - Working Capital
12. Source of Machinery
13. Capital structure
- ✓ 14. Rate of Return
15. Government priority, Monocropping Status

Appendix 3Outline of Project Profile (Revised)Points for Project ProfileIndustry

1. Type
2. Products (final)
3. Uses of Products
4. Raw Materials - names
5. Raw Materials - sources
6. Raw materials - unit cost
7. Current Production/Imports (Final Product)
8. Problems of existing industries, if any
9. Market Scope
10. Government policy e.t.c.

Project

11. Technical Process
12. Plant Capacity Recommended
13. Equipment cost
14. Raw Material Requirements
15. Power Requirements
16. Manpower Requirements
17. Land Requirements
18. Final Product Price
19. Economic and Financial Prospects.

Industrial Profile Study of Nigeria, August 1931 Skoun & Co.List of Industrial ProfilesCLASSIFICATION OF INDUSTRIAL PROFILES

I.S.I.C. CODE	INDUSTRY	PROFILE NO.	INDUSTRIAL PROFILE
3111	Meat Products	1	Livestock Processing: Abattoirs.
		2	Piggery and Pork Processing.
		3	Poultry - Various Scales.
3112	Diary Product	4	Dairy Processing - Ice Cream, Milk.
3113	Fruit Canning and Preserving	5	Juice Processing (Tomatoes, Oranges).
		6	Dehydration of Vegetables.
3115	Vegetable Oil Milling	7	Vegetable Oil Refinery.
3116	Grain Mill Products	8	Cereal Flaking.
		9	Cereal Milling (Maize, Guinea Corn).
		10	Rice Milling.
3118	Sugar Factories and Refineries	11	Sugar Extraction and Sugar Cane Processing.
3119	Cocoa Chocolate and Sugar Confectionery	12	Cocoa Butter Manufacture.
3121	Miscellaneous Food Preparation	13	Fish Processing and Canning.
		14	Manufacture of Starch and Glucose.

I.S.I.C. CODE	INDUSTRY	PROFILE NO.	INDUSTRIAL PROFILE
3122	Animal Feeds	15	Animal Feeds Manufacture.
3134	Soft Drinks	16	Carbonated Beverages.
3211	Spinning, Weaving and Fishing Textiles	17	Cotton Yarn.
3212	Make-Up Textile Goods, except Wearing Apparel	18	Cotton Towels and Napkin Manufacture.
		19	Textile Manufacture - Mosquito Nets.
		20	Textile Mill - Medicated Gauze.
3220	Wearing Apparels	21	Garment Industries.
3231	Tanneries and Leather Fishing	22	Tanning of hides and Skins.
3240	Leather Footwear	23	Men's Work Shoes.
		24	Footwears Manufacture.
3319	Other Wood and Cork Products	25	Particle Board and Chipboard Manufactures.
		26	Wood/Wool Cement Products.
		27	Wood Products: Tooth Picks.
3320	Wooden Fixtures and Furnitures	28	Ceiling and Partitioning Board.
3419	Paper Products	29	Paper Conversion - Facial Tissues and Toilet Paper.
3420	Printing and Publishing	30	Job Printing.

I.S.I.C. CODE	INDUSTRY	PROFILE NO.	INDUSTRIAL PROFILE
3560	Plastic Products	50	Polyethelene Plastics.
		51	PVC Plastics.
		52	Thermoplastic Packaging Film.
		53	Compounding of Thermoplastics.
3610	Pottery, China and Earthenware	54	Kaolin Washing.
		55	Pottery Earthenware.
3620	Glass and Glass Products	56	Glass Products - Tumblers and Globes.
		57	Glass Products - Sheets, Tubes and Rods.
		58	Optical or Precision Glass.
3691	Bricks and Tiles	59	Vinyl Floor Tiles.
		60	Heavy Clay Products.
		61	Decorative Terrazo Floor Tiles.
		62	Refractories Industry.
		63	Marble Cutting & Polishing.
		64	Asphalt Floor Tiles.
3692	Cement	65	Lime Kila Plant.
		66	Putty.
		67	Roofing Sheet Industry.
3710	Primary Iron	68	Mineral Processing.
3720	Steel & Non-Ferrous Metals	69	Foundry (Non-Ferrous Metals).
		70	Pins, Staples and Clips Factory.
		71	Steel Foundry and Rolling Mills - Rods, Angles and Wires.
		72	Steel Plate Rolling Mill - Heavy Industry.
		73	Steel Industry.

I.S.I.C. CODE	INDUSTRY	PROFILE NO.	INDUSTRIAL PROFILE
3811	Cutlery, Hand Tools and General Hardware	74	Hand Tools Factory.
		75	Building Hardware.
3813	Structural Metal Products	76	Sheet Metal Construction (Silos etc.)
		77	Abrasive Wheels.
3819	Fabricated Metal Products	78	Metal Containers, Cans.
		79	Electric Outlet, Switch and Fuse Boxes.
		80	Electro Plating.
		81	Plating of Metal.
		82	Surgical Instruments.
3822	Agricultural Equipment	83	Agricultural Implements.
3829/ 3831	Machineries and Equipment	84	Typewriters.
	Electrical Industrial Machinery and Apparatus	85	Electric Motors.
3832	Radio and Communications Equipment	86	Telephone Receivers.
3839	Other Electrical Supplies	87	Battery Factory.
		88	Neon Signs.
		89	Refrigerators & Airconditioners.
		90	Sealed Motor Compressors.

I.S.I.C. CODE	INDUSTRY	PROFILE NO.	INDUSTRIAL PROFILE
3841	Ship Building and Repairing	91	Country Crafts and Mechanised Fishing Boats.
3843	Motor Vehicle Assembly	92 93 94 95	Motor Car Body Components. Vehicle Springs. Vehicle Chasis. Propeller Shafts and Steering Gear.
3844	Motor Cycles and Bicycles	96	Bicycles, Wheel Chairs.
3853/ 3901 3909	Watches and Clocks, Jewellery and other Industries.	97 98 99 100 101	Gum & Adhesive Factory. Umbrella and Parasols, Manufacture. Production of Zip Fasteners. Hurricane Lamp Factory. Plastic Window.

4th National Development Plan:
Federal Ministry of Industries
As Private Sector Projects to
be promoted by Ministry of Industries -

A. Agro-Based Industries

1. Animal Feed Manufacture
2. Manufacture of livestock feed from palm kernel meal
3. Manufacture of floor mats, carpets, mattresses etc from fruit fibre of coconut palm and the oil palm
4. Manufacture of brushes from the mid-rib of the coconut leaf and the fruit fibre
5. Manufacture of sugar, alcohol, acetic acids from fresh and fermented coconut milk
6. Manufacture of pulling and towing ropes from the fibre of raffia and coconut palms
7. Processing of grain legumes into vegetable oils like soyabean oil and banised oil
8. Textile fabrics from plantain/banana stems
9. Textile fabrics from pine-apple leaves.

B. Livestock Based Industries

1. Milk Processing
2. Meat Processing
3. Leather Manufacture and Shoe Making

C. Forest-Based Industries

1. Fish Boat Building
2. Integrated Timber, hard/soft board plant for all requirements for the building and furniture industry
3. Laminated wood products eg. flower vases, lamp holders stool, kola trays.

D. Mineral-Based Industries

1. Glass products, salt, China and earthenware articles, school chalk pencils and ceramic products
2. Artificial marble
3. Lime

B.

Metal and Engineering Industries

1. **Poultry Equipment Manufacture**
2. **Fish-Net Manufacturing Plant**
3. **Automotive Components**
4. **Telephone Switching Equipment**
5. **Telegraph Machines and Accessories**
6. **Teleprinting Machines and Basic Switching Equipment and Components**
7. **External line Plant for Wires of all types**
8. **Non-ferrous foundries for base metal fittings and mountings; locks and hinges, sanitary fittings**
9. **Aluminium Rolling mills and extrusion plant for aluminium sections for the building industry, sheets and primary products.**
10. **Steel products such as springs, bolts, nuts, rivets, hooks, washers, hinges, Ironmongery.**
11. **Cast Iron Products such as ductile cast iron pipes and fittings manhole covers and other cast products**
12. **Electrical Cables and Fittings**
13. **Patterns wooden or Metal for castings**
14. **Castings - Grey Iron Castings, non-ferrous casting etc.**
15. **Forgings - free forging, roll forging and disc forging**
16. **Heavy machines - Complete plants and equipment for coke industries e.g. complete coke oven and by-product plant**
17. **Material handling equipments such as chain pulley blocks etc.**
18. **Assembly of DC Motors, Generators, battery operated motors etc.**
19. **Fusegear and switchgear equipments, electronic Relays Traffic Signals and control panels.**
20. **Transmission line materials such as high tensile and mild steel tower component etc.**
21. **Pipes and fittings, M.S. Steel pipes and tubes**
22. **Weighing, counting and testing machines**
23. **Concrete mixer reversible screw type. Batching plant. high frequency vibrators etc.**
24. **All sizes and brand of electric cables, iron, nylon, torsion cables equipment wires etc.**

- 25. Nuts, bolts and wire projects machinery like heading forging machine etc.
- 26. High Tension Insulators, porcelain bushings and lighting arresters
- 27. Drums and Barrels
- 28. Dust bins
- 29. Galvanised Iron Tubes, buckets and padlocks
- 30. Grease nipples and Grease Guns
- 31. Gun metal bushes,
- 32. Hand Presses
- 33. Machine Screws
- 34. Machine Shop Vices
- 35. Oil Stove (wick stoves)
- 36. Rivets of all types including bifurcated
- 37. Rolling Shutters
- 38. Sanitary Plumbing fittings like ball lock, toilet shelf, soap tray, rope hook
- 39. Street Lighting Fittings
- 40. Beverages e.g. tea, coffee; cocoa preserved fruits and vegetables such as fruit juice tomato purée, tobacco, confectioneries kola wine fish and shrimps
- 41. Stamp metal factories
- 42. Cocoa dryer
- 43. Coffee dryer
- 44. Transmission Equipment.

F.

Chemical Industries

- 1. Rubberized Hair
- 2. Latex Products
- 3. Conveyor Belts
- 4. Sanitary Ceramics
- 5. L.H. Porcelain insulators and fuse caps
- 6. Paints; varnishes and lacquers, pharmaceuticals soap, cleaning agents, perfumes cosmetics and other toilet preparations.
- 7. Manufacture of soap margarine cooking fat from palm oil, palm kernel and coconut oil

8. Manufacture of Potassium from bunch refuse
9. Manufacture of pulp and paper from palm bunch waste and trucks.

Miscellaneous Industries

1. Sports Goods and Toys
2. Hoses
3. Footmats
4. Upholstery
5. Domestic utensils other than stainless steel
6. Manufacture of leather products
7. Furniture and Fixtures
8. Tooth Picks
9. Match Sticks (matches)
10. Sports equipment
11. Manufacture of wines, gins etc from palm wine
12. Manufacture of confectionery, biscuits and cakes from coconut kernel
13. Secondary grain processing into macaroni spaghetti, biscuits, rice crispies, corn curls and corn flakes
14. (i) Wine from cocoa beans
(ii) Floor tiles, ceiling boards, floor mats or linoleum, shoe soles and road covering from cocoa pods.
15. Kola-chocolate
16. Kola drinks from kola nut
17. Cocoa pod husking machines

14th National Development Plan -
1981 - 85
Federal Ministry of Industries

A.

Agro Industries

1. Manufacture of Yeast
2. Integrated Sugar Complexes
3. Integrated Food Complexes
4. Joint Sugar Project with Republic of Benin
5. Integrated Flour Mills
6. Integrated Fruit Juice Projects

B.

Livestock and Fish Based Industries

1. Combined shrimp and Fish Trawling
2. Integrated Dairy Project
3. Fish Trawling and Distribution Koko.

C.

Mineral Based Industries

1. Manufacture of Refractory Bricks
2. New Cement Projects
3. Bitumen Extraction project Irele Ondo State
4. Nigeria/Zambia Joint Copper
5. Lime Industry
6. Manufacture of Felspar Silicate Blocks
7. Development of Grade and Resources

D.

Textiles

1. Reactivation of Aba Textile Mills Printing and Dyeing Section.

E.

Engineering Industries

1. Manufacture of Engines, Pumps, Heavy electrical and other machines.
2. Physical Development of the Federal Institute of Technology for Engineering Design and Manufacturing Research (FEDIMAR)
3. Ship Repair and Maintenance Project, Warri
4. Distribution Transfer and Projects, Abokobo
5. Manufacture of Agricultural Tractors Kano and Zamfara

- 6. Manufacture of Agricultural Implements and Machinery
- 7. Soap Industry
- 8. Foundry, Forging, Plating and Dressing Industry

F. Chemical Industries

- 1. Nitrogenous Fertilizer Project at Onne
- 2. Manufacture of Salt
 - (a) Onne Salt Company, Onne, Ogun State
 - (b) New Nigeria Salt Company, Oshodi, Lagos State
- 3. Pharmaceutical Products Project
- 4. Sulphuric Acid Project
- 5. New Fertilizer Plant
- 6. Manufacture of Pesticides

G. Paper

- 1. Newspaper Mill (Kaduna)
- 2. Nigeria National Paper Mill Company, Ibadan
- 3. Nigerian Paper Mill (Lagos) - under construction

H. Iron and Steel Industry

- 1. Nigerian Iron and Steel Industry (Ibadan)
- 2. Nigerian Iron and Steel Industry (Lagos)
- 3. Nigerian Iron and Steel Industry (Lagos)
- 4. Nigerian Iron and Steel Industry (Lagos)
- 5. Nigerian Iron and Steel Industry (Lagos)
- 6. Nigerian Iron and Steel Industry (Lagos)
- 7. Nigerian Iron and Steel Industry (Lagos)
- 8. Nigerian Iron and Steel Industry (Lagos)
- 9. Nigerian Iron and Steel Industry (Lagos)
- 10. Nigerian Iron and Steel Industry (Lagos)
- 11. Nigerian Iron and Steel Industry (Lagos)
- 12. Nigerian Iron and Steel Industry (Lagos)
- 13. Nigerian Iron and Steel Industry (Lagos)
- 14. Nigerian Iron and Steel Industry (Lagos)

Project Identification	Investor Interested
1. Grain Processing; Turnkey Agricultural projects	Saudi Agricultural Enterprises, International, P. O. Box 119, Sandia, Texas 78383 U.S.A.
2. Rice Farming and Processing Integrated Project	N. L. Mehta and Associates, Greenland Developers, Bombay.
3. Tomato Paste	Vegetable and Fruit Processing Limited, Iganmu Industrial Estate, Nigeria.
4. Pharmaceuticals	Jayjay 4, Roxborough Road, Harrow, Middlesex, England HA1 1NS.
5. Oil Milling	Guinness Peat International Limited, P. O. Box 442, 32, Street Mary at Hill, London, EC3P 3AJ.
6. Oil Milling	Dandy Brothers, 20A Egerton Road, P. O. Box 5534, Lagos.
7. Steel Rolling	P. H. Management Consultants (Nig.) Limited, 3, Plateau Road, P. O. Box 320, Apapa, Lagos-Nigeria.
8. Aluminium Utensils Manufacture	Mr. M. O. Solaru, 131, Broad Street, (3rd Floor), P. O. Box 109, Lagos.
9. Aluminium Utensils Manufacture	Zora International Co. Limited, General Export and Import and Manufacturing 112 Power Road, London W4 5PY.
10. Brick Making Machine	Z " " " "
11. Agro Chemicals	Roffe Chemicals and Fertilizers (K) Limited, Kencom House, P. O. Box 60573, Nairobi.
12. Fish Processing	Cicatrado Comercio Exterior Do Brasil S. A., AV. Brig. Faria Lima, 1766-12 Andar-01452-Sao Paulo-Brazil.
13. Yeast Manufacture	Cerekem (Nigeria) Limited, Plot J. 30 Adekunle Fajuyi Way, Ikeja-Lagos State
14. Glass Manufacture	Hyundai Corporation 485-1 Shinse-Dong, Kaugnam-ku, C.P.C. Box 8943, K.P.O. Box 672, Seoul, Korea.
15. auto Parts	Beatron Automotive Industrial Company Limited, 9, Igan Street, P. O. Box 163, Akura, Ondo State, Nigeria.
16. Sulphuric Acid	Industrial Consulting Bureau, Bombay.
17. Breakfast Food	Commodities of America, INC., 295 Madison Avenue, New York.

Project Identified

Investors Identified

- | | |
|---|--|
| 18. Flat glass, Fibre glass
Asbestos Sheet | Isover International
CEDEX 27
92096 Paris |
| 19. PVC Pipes | Abu Bake Lado
6649 DALTON DR.
Baltimore, MD 21207, U.S.A. |
| 20. Starch, Glucose | Beatron Automotive Industrial
Company Ltd., 9 Igan Street,
Akure, Ondo State, Nigeria. |
| 21. Bakery
(Bread, Snacks) | NIDOCO Ltd.,
7 Onika Road, Yaba,
Lagos, Nigeria. |
| 22. Auto Parts
(Radiators) | Ben Auto Supply Co.
P.O. Box 4975, Ikeja, Lagos. |
| 23. Integrated Fruit
and Vegetable Indus-
try | Cicatrada Comercio
Exterior Do Brasil
SAO PAULO-Brazil |
| 24. Agro-Industry
Meat Processing | Komplex Hungarian
Trading Company.
Budapest, Hungary. |
| 25. Food Processing
(Catchup) | International Foods &
Products Ltd.,
P.O. Box 3453, Lagos. |
| 26. Salt Making | SALTEC
via Barnaba Oriani,
3200197 Rome, Italy. |
| 27. Insulated
Cables | Deepak Insulated Cables
Corp. Ltd., Nagabandra Post
Bangalore, India. |
| 28. Prefab Building
Materials - wall,
Panels
-Glass Manufacture
-Building Glass | Okunbarb (Nigeria) Limited
7 RADYI ROAD Str.
Ikeja,
Lagos. |
| 29. Sanitary - Ware
- Wash Basin
- Bath
- General use
- Wash Basin
- Bath | SEAN Inc.
Wells Fargo Bank Bldg.
Keverly Hills, C.A.
U.S.A. |
| 30. Wash Basin
Car Air Conditioners | TRINUS INTERNATIONAL inc.
317 West 19th St.
Costa Mesa, CA
U.S.A. |

Project Identified

Investors Identified

- | | | |
|----|---|--|
| 31 | Food Processing - snacks, corn chips - fruit Juices | E.N.L. EDJCC Ltd., Ikeja, Lagos. |
| 32 | Agriculture Implements - Tractors | CITECH Ltd., Western House Broad St. Lagos |
| 33 | Water Supply Equipment | ASTRID (Nig) Ltd., Mushin, Lagos |
| 34 | Diesel Engines Assembly | G.E.C. Diesel Dorman
Tixall Road, Stafford, England. |
| 35 | Flour Milling | Bokaro Roller Flour Mills Ltd., Patna, India |
| 36 | Building Materials | Dr. C.E. Mahone Georgia
World Congress Institute
Atlanta, Ga 30303
U.S.A. |
| 37 | Fertilisers, Pesticides, Chemicals | Agrina Project Engineering Service Ltd., Melita
International House
Bombay, India. |
| 38 | Can Making | Five Star Industries
Isolo Industrial Estate, Lagos. |

Abuja - see general

Agriculture

Approved users - see Industrial Information

Bibliography

Building - see land

Companies - Large ones Nigerian Tobacco Co. Metal Box

ECOWAS

Energy

Exports - see Industrial Products

Gas - see Investments. major Partners

- Oil

General

- Federal Budget

- Abuja

Government Ministries, Departments

Housing - see land, housing

Imports

import Ban - see Industrial Policy

Import Duty

India - Nigeria -

industrial information

- Approved users

- Pioneer status

Industrial Plan - see plan

Industrial Policy

- import Ban

- protection

- see import Duty

Industrial Production

Industrial Products

- for exports

Industries Identified

(see also Investment opportunities)

Inflation - see prices

Institutions, Individuals

Investment - major partners

Investment opportunities

- Project profiles.

Irrigation

land, housing, building

Livestock

mining

national income

oil, gas

pioneering status - see Industrial information

Plan 4th

Population

Prices - Inflation

Problems of industries

Procedure to get sanctions - see Government offices

Profits - quality of local products

References

Reserves - Financial

small scale industries

Taxes

Wages

Projects Identified

Investors Identified

India - Nigeria

Individual Industries

Air Conditioners - Ref.

Aluminium

~~Asbestos~~

Battery-cells - Ref.

Building material -

- Breweries

Carpet making

Cigarettes - see cos.

Electronics

Engineering

Flour mills - Ref.

G.I. Sheets

glass

Leather - shoes

Motor vehicles

Palm oil

Paper

Pharmaceutical

Plastic

Plywood

Steel

Textiles

Tobacco

31

APPENDIX 9
ECONOMY AND FOURTH PLAN

1. ECONOMY

The economy of Nigeria has been growing at a rate of 3 per cent in sixtees and at 6 per cent in seventees as shown in the following table:†

	Growth Rate (per cent)	
	1960-70	1970-78
GDP	3.1	6.2
Agriculture	-0.4	-1.5
Industry	16.0	10.3
(Manufacturing)	9.3	13.4

source: IBRD: World Tables

With such an uneven growth of different sectors, the economy has had undergone structural changes over the period as seen below:

	Structure of Economy (per cent)	
	1960	1978
Agriculture	63	34
Industry	11	43
(Manufacturing)	5	9
Services	26	23

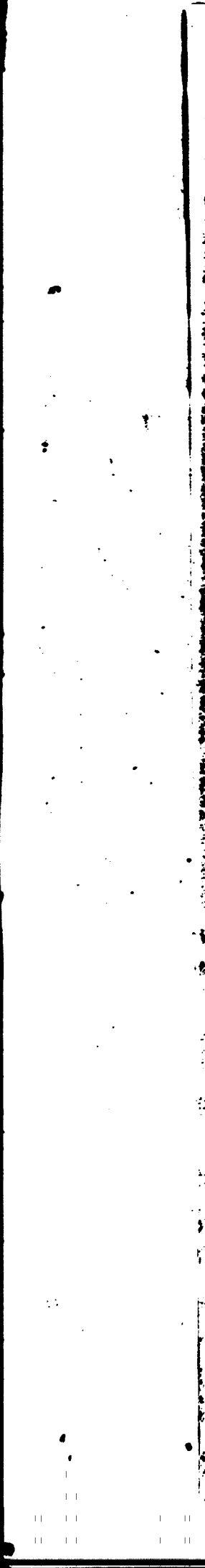
Source: IBRD: World Atlas

The share of agriculture has gone down over the period (1960-78) mainly because of the negative growth of the sector. However, industry sector has largely contributed to the growth of the economy. Here again, the increase came primarily from oil production rather than from manufacturing.

2. Fourth Plan

Overall Growth

The over-riding aim of development plans in Nigeria has been to improve the living conditions of its people. In this context, the Fourth National Development Plan (1981-85) envisages an average annual growth rate of 7.2 per cent. The per capita income in constant 1977-78 prices is expected to grow from N426 in 1980 to N534 in 1985. During this period the economy is expected to undergo structural transformation as seen in the following table.



Gross Domestic Product at 1977 Factor Cost: 1980-85

Sectors	1980	%	1985	%
	₦ bn		₦ bn	
Agriculture	4.37	12.1	5.32	10.4
Livestock, Forestry and Fishing	3.14	3.7	3.81	7.5
Mining and Quarrying	8.47	23.5	9.36	18.3
Manufacturing	2.66	7.4	5.34	10.5
Construction	3.79	10.5	4.83	9.4
Transport	1.28	3.5	2.25	4.4
Trade	7.22	20.0	11.62	22.8
Others				
	<u>36.08</u>	<u>100.00</u>	<u>51.07</u>	<u>100.00</u>

Thus the share of primary sectors will go down while that of the manufacturing sector will rise over the plan period. This will bring the desired effect of diversifying the economy.

Agriculture

Agriculture will remain the core sector of the economy and will continue to enjoy high priority. Self-reliance in food output, provision of industrial raw materials and employment absorption are among the major objectives of agricultural development. The estimated growth rate of 4 per cent of agriculture will be achieved essentially through the green revolution policy of the Federal Government, major irrigation projects, integrated rural development programmes and extensive rural-urban roads all over the country. However, with faster development of secondary and tertiary sectors, the contribution of agriculture will marginally go down from 12.1 per cent in 1980 to 10.4 per cent in 1985.

Oil

Nigeria is world's sixth largest oil producer. Its average production amounted to 2.4m. barrels a day¹ in early 1980. Oil plays a key role in the economy of Nigeria. It accounts for over 80 per cent of government revenues and foreign exchange earnings.

The Government does not want to rely heavily on this single source of revenue and hence is determined to diversify the economy particularly by enlarging the manufacturing sector. The share of oil in total exports is expected to fall from 86.3 per cent in 1980 (at 1977 prices) to 81.9 per cent in 1985. The refining capacity in the country will be greatly enhanced (at a cost of \$1.5bn in Fourth Plan) giving rise to a number of petrochemical industries.

Infrastructure

-- In order to derive full benefits from investment to be made in the productive sectors of the economy during the Fourth Plan period high priority is given to the strengthening of infrastructure facilities particularly power, water supply, transport and telecommunications. Both power and transport bottlenecks currently are greatly hindering the industrial progress of the country. It is hoped that improvement of these facilities will speed up the process of industrialisation.

Imports

As a result of the pattern of development envisaged in the Fourth Plan discussed above, the import structure will change as shown below:-

Imports by end-use at current prices

	1980	%	1985	%
	Value \$bn		Value \$bn	
Capital goods	5.5	40	9.2	39
Intermediate goods	2.5	19	5.7	24
Consumer goods	2.0	15	2.9	12
Merchandise imports	11.8	87	20.5	86
Non Factor services	1.7	13	3.2	14
	13.5	100	23.7	100

1 However, the output fell to below 1m. b/d in middle of 1981 but it rose again to 1.8m. bpd. in December 1981. It has fluctuated widely since then. It came down to 650,000 b/d a day in early April 1982.

Thus while the share of food and consumer goods will go down, that of intermediate goods would go up during the plan period. This is a reflection of priority being given to agriculture and industry sectors.

Investment Pattern

The process of planning has been speeded up in Nigeria since 1975. The following figures indicate the progress of planned investment over the various Plan periods:-

Plan	Period	Investment Nbn.
First	1962-68	2.2
Second	1970-74	3.0
Third	1975-80	30.0
Fourth	1981-85	82.0

Investment in the Fourth Plan has been raised substantially over the previous plan. This is a reflection of greater planning effort as well as of price escalation.

Detailed breakdown of sectoral investment during the Fourth Plan period is not available. It is estimated that the total investment in the Plan would amount to N82bn. distributed as follows:-

Federal Government	Nbn.	40.0
State and Local Government		28.0
Federal Capital		2.5
Total Public Sector		<u>70.5</u>
Private sector		11.5
Total:	Total:	<u>82.0</u>

Industrial Investment

Direct investment by public sector in industry during the Fourth Plan period will be as follows:-

(i) Federal Government

	Kbn.
(a) Ministry of Industry	2.2
(b) Ministry of Steel	3.0
(c) NNPC Industrial projects	1.2
	<hr/> 6.4
(ii) State Governments	1.7
(iii) Local Governments	0.1
	<hr/> 8.2

The Federal investment will be mainly in iron and steel, pulp and paper, sugar complexes, petro-chemicals, cement, machine tools and fertilisers. The investment size is only indicative and the Government will be prepared to invest in industries with private investors on a partnership basis. However, the Government role will be more promotional and direct investment will be largely left to the private sector.

The Fourth Plan envisages very high growth of the industry sector (15 per cent). This is both a reflection of the industrial potential of the country as well as of the Government's determination to achieve rapid industrialisation of Nigeria. In this context, the Government has clarified the strategy of industrial development and has offered a number of facilities to the investors.

One of the major institutions to direct the pattern of industrial investment in accordance with the Government policies and priorities has been the establishment of the Nigerian Investment Information and Promotion Centre. Its main function is to promote industrial investment both domestic and foreign. Any investor desirous of investing in Nigeria finds it useful to first visit this Centre for guidance and information.

APPENDIX 10

STUDIES FOR THE 4TH NATIONAL DEV. PLAN
ALREADY ANNOUNCED TO GOVERNMENTS

PROJECT

1. Baking Yeast
2. Pharmaceutical Drugs
3. Asbestors Sheets
4. Glass Pharmaceutical bottles lampshades etc.
5. Caustic Soda and Chlorine
6. Electric Accessories Switches, Plugs etc.
7. Clay and Wall Tiles
8. Vehicle Tyres
9. Electric Motors
10. Line
11. Compressors and Thermostats
12. Motor Vehicle Component Parts
13. Central Press Shop
14. Methanol, Formaldehyde
15. Pesticides
16. Artificial Gypsum
17. Industrial Free Zones
18. Dyestuffs
19. Intergrated Rice Project
20. Export Oriented Pulp and Paper Mill
21. Integrated Flour
22. Forging Foundry
23. Dressing and Plating Industry
24. Aluminium Sulphate
25. Manufacture of Refractory Bricks
26. Manufacture of Sulphuric Acid
27. Manufacture of Egg Trays
28. Manufacture of Optical Equipment
29. Production of Hospital Furniture
30. Manufacture of High Quality Carpets and Tiles
31. Manufacture of Medical Equipments
32. Manufacture of Agric. Imp'ements

33. Integrated Food Complexes
34. Integrated Food Complexes Northern Zone
35. Integrated Food Complexes
36. Integrated Product
37. Integrated Production of Cotton e.t.c. Cotton Yarn
38. Integrated Production of Beef etc.
39. Production of Drips
40. Integrated Production and Processing of Soya Beans

FOOD PRODUCTION PLAN IN NIGERIA (000 TONS)

	1980			1985		
	Domestic Production	Imports	Gross Supply	Domestic Production	Imports	Gross Supply
<u>Cereals</u>						
Maize	1330	75	1405	1860	-	1860
Millet	2475	-	2475	2665	-	2665
Sorghum	2720	-	2720	3230	-	3230
Rice	925	650	1575	1330	600	1930
Wheat	15	1490	1505	145	1830	1975
Other	60	15	75	60	25	85
Total	7525	2230	9755	9290	2455	11745
<u>Roots and Tubers</u>						
Cassava	6660	-	6660	7970	-	7970
Sweet Potato	215	-	215	245	-	245
Yams	7865	-	7865	8900	-	8900
Cocoyams	1690	-	1690	1910	-	1910
<u>Other Crops</u>						
Groundnuts	180	-	180	210	-	210
Palm Oil	615	-	605	700	-	700
Groundnut Oil	150	100	260	230	75	305
Sugar	75	235	310	200	205	405

Source: The Green Revolution: A Food Production Plan for Nigeria (Final Report) Volume 2: Annexes. Federal Ministry of Agriculture. May 1980 (pp. 12 - 13).

APPENDIX 12

Outline of Investment Promotion Project

1. Development Objective

Intensification of Government efforts to attract investment in the industrial sector of Nigeria in conformity with priorities and policies laid down in the Fourth Five year plan. These efforts would mobilise the domestic as well as foreign investments for creation/enlargement of industrial capacities in the country.

2. Immediate Objective

The immediate objective of the project is to strengthen the Nigerian Industrial Investment and Promotion Centre whose main responsibility is to stimulate the foreign and domestic private investment in Nigeria. More specifically the project would aim at training the officials of the Centre in the following tasks:-

- (a) identify industrial opportunities within each sector and sub-sector of priority areas as defined in the Fourth Plan.
- (b) prepare project profiles for the opportunities selected from those identified in (a) above with relevant investment material which would help the prospective investors in taking quick investment decisions.
- (c) feed the Investment Centre offices to be located abroad about industrial potential, policies, incentives, opportunities and recent changes in procedures, laws, etc.
- (d) identification of industrial entrepreneurs both domestic and foreign through contracts with embassies, trade missions and visits and spurring their interest and involvement in industrial activities.
- (e) offer advice on relevant investment issues referred by the Centre.

3. Background and justification

The Fourth Five year Plan of Nigeria places heavy emphasis on the development of industries. Industry sector with an annual growth rate of 15 per cent is going to be the fastest growing sector of the economy. This is necessary as well as justified to achieve the goals of modernising the Nigerian economy, to provide gainful employment to a large number of unemployed persons and to utilise the vast untapped resources of the country as well as to meet the needs of a large home market. Since the current industrial base of the country is narrow, the above ambitious goals will need intensified efforts on the part of the Government to attract and mobilise private investments in the industrial sector. In this context the Nigerian Industrial Investment Information and Promotion Centre will be playing a crucial role in stimulating investment in industries.

Under the UNIDO project NIR/75/066, an Investment Promotion expert was provided to the Centre for a period of 15 months (March 1981 to May 1982). He helped the Centre in identifying several industrial opportunities and investors. However, his work period coincided with the time when the revised budget of the Centre for additional staff was not implemented. Hence his major task of training the counterpart officials of the Centre could not be achieved. This deficiency is being rectified now and in the coming months where would be more officers available for training. The tempo of investment in Nigeria is gaining momentum. With that, the tasks and responsibilities of the Centre have grown. There are positive signs of a surge of interest of foreign investors in Nigeria as a result of Minister's visits to U.S.A. and Europe. The number of foreign missions visiting Nigeria in the recent past has grown. It is a positive sign of their growing interest in this country. The Centre, therefore, has to equip itself and train its staff in its growing role of investment promotion. It will have not only to identify the invest

49

investment opportunities but to provide relevant investment material to satisfy the needs of potential investors and also to advise them on viable industrial projects and about Government Policies. It will have to energise its links with other divisions of the Ministry and other ministries to ensure the regular flow of latest investment information which will be used in updating the investment promotion material.

4. Output and activities

- identification of industrial projects within each major sector and sub-sector,
- preparation of project profiles for selected industries
- Listing of projects appropriate for various States and regions
- identification of domestic and overseas investors
- establish contacts with Trade missions, embassies, Chambers of Industry, Consultancy firms
- establish a system of scrutinising queries of visiting investors to the Centre and preparing material to meet their needs,
- update the investment promotion material,
- Help the Centre in overall investment promotion activities through visits, Trade fairs, exhibitions, advice on matters referred by the Centre
- arrange contacts between Nigerian partners and overseas investors assess joint venture proposals submitted by foreign partners with regard to their conformity with Government objectives.

5. Inputs: Government Inputs

- counterpart personnel to Unido expert
- office and documentation equipment
- premises, furniture, supplies and a secretary Cum-typist.
- exclusive transport for UNIDO expert

6. UNDP/UNIDO Inputs

Personnel Industrial Investment Promotion Expert (Industrial Economist) for a period of two years without break from the

current project NIR/75/066. A few months later (say after 6 months) when the work proceeds as per schedule, short-term consultants would be added to speed up the work provided enough counterpart staff members are available.

Training

A total of 12 man months of fellowship will be needed to train Nigerian counterpart staff in investment promotion activities abroad.

<u>7. Budget Estimate</u>	U. S. \$
1. Senior Investment Promotion Adviser 24 m/m (Industrial Economist)	201,600
2. Short-term Consultants (Industrial Engineer) 12 m/m	100,800
3. Fellowships, Study tours 10 m/m	20,000
4. Travel	8,000
5. Other Costs	4,000
6. Miscellaneous Expenses	4,000
7. Project Vehicle	10,000
8. Other Personnel Costs	4,000
9. Agency Overhead Charge 13%	45,400
	<u>U.S. \$ 397,000</u>

Appendix IA

CIRCULAR LETTER

IC.121/S.17/VOL.III/Th/19A

Federal Ministry of Industries,
Investment Information Centre,
Ikoyi; Lagos.

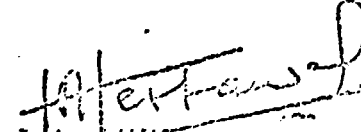
29th March, 1982.

TO ALL HEADS OF DIVISION

Information Gathering for
the Industrial Data Bank

As you are already aware, the nationwide survey of manufacturing and servicing industries has been concluded. We are now entering into another phase, which is gathering economic data from Ministries and government departments and Corporations to complement the information collected from the industries.

2. It is common knowledge that a lot of unclassified but useful information is kept carelessly in several government offices. Beginning with this Ministry, data clerks will be going round the various Divisions with the appropriate Forms to extract the necessary information. Without unduly taking much of your time, all we are asking for is your assistance and co-operation by giving data clerks access to the relevant files and papers.


L.A. WANI
For Permanent Secretary

