



Doing Business in



A Construction Perspective

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Foreword

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Doing Business in Nigeria: A Construction Perspective

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Map of NIGERIA



Figure 1.1: NIGERIA GEO-POLITICAL ZONES

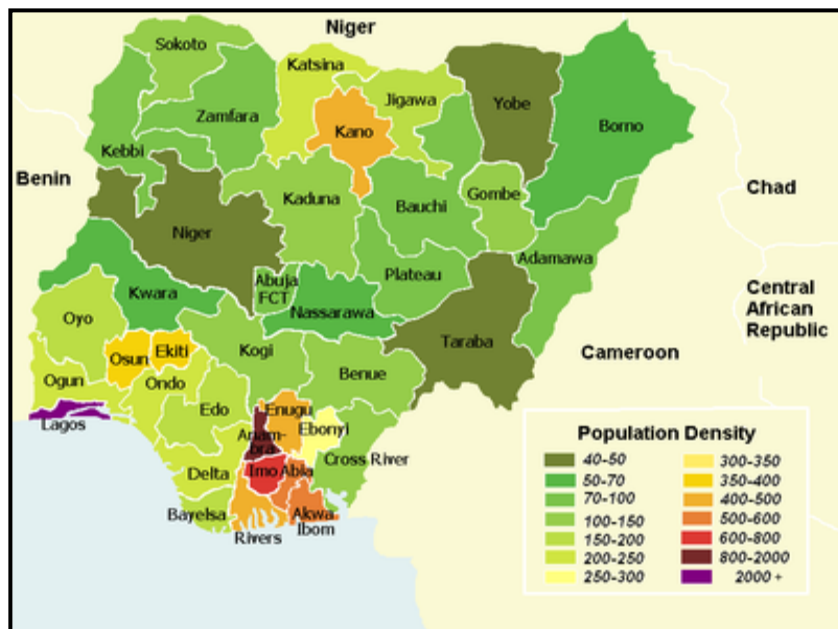


Figure 1.2: NIGERIA POPULATION DENSITY

1.0 SECTION A – GENERAL OVERVIEW

1.1 Introduction

Occupying a total geographical area of 923,768 sq km, Nigeria has a land area of 910,768 sq km and 13,000 sq km of water coverage. It borders the Gulf of Guinea between Benin and Cameroon with a total geographical land boundary of 4,047km. Nigeria shares a common boundary with Benin for a length of 773km, Cameroon 1,690km, Chad 87km and the Niger Republic for 1,497km. Nigeria is the most populous country in Africa and the largest in area in the West Africa region. It is slightly over twice the size of the state of California in the US.

The natural terrain is a combination of southern lowlands merging into central hills and plateaus. There are mountains in the southeast, and plains in north. The climate varies with equatorial weather in south, tropical in the centre, and arid in north. The lowest point in Nigeria is the Atlantic Ocean at 0 m. The highest point is Chap pal Waddi at 2,419 m. Nigeria is home to one of Africa's most important rivers, the Niger, which enters the country in the northwest and flows southward through tropical rain forests and swamps to its delta in the Gulf of Guinea.

Nigeria was an early twentieth century colony that came into being through the amalgamation of the Northern and Southern Protectorates by the British General Lord Lugards in 1914, which later gained independence in 1960. A country of great diversity because of the many ethnic, linguistic and religious groups that live within its borders, Nigeria is also a country with a long past. The history of the peoples that constitute the present state dates back more than 2,000 years. The earliest archaeological finds were of

the Nok, who inhabited the central Jos Plateau between the Niger and Benue rivers between 300 B.C. and 200 A.D. A number of states or kingdoms with which contemporary ethnic groups can be identified existed before 1500. Of these, the three dominant regional groups were the Hausa in the northern kingdoms of the savanna, the Yoruba in the west, and the Igbo in the south.

1.2 Political Structure

Nigeria is a Federal Republic with its Executive Power rested upon the President of the Country with overtones of the Westminster system model in the composition and management of the upper {Senate} and lower {House of Representatives} houses of the bicameral legislature.

President Goodluck Jonathan was elected in April 2011 and sworn in 29 May 2011 for a four years term. Elected by popular vote every four years with a maximum of two terms, the President presides both as Chief of State and Head of Government. The President's power is checked by the Senate and the House of Representatives which are collectively called National Assembly. The Senate has 109 members with 3 {Three} members from each state of the Federation and 1 {One} from Abuja, the Administrative Capital of the Country. The House of Representatives consist of 360 seats and the number of seat per state is determined by the popular of each state in the federation.

Nigeria's three largest ethnic groups have maintained historical pre-eminence in Nigerian politics; and contention between the three groups, the Hausa, Yoruba and Igbo has fuelled corruption and graft. This has led to the rise of regional militants such as the **Oodua** People's Congress, Movement for the Emancipation of the Niger Delta, MASSOB and Northern

Elders forum and Northern People's Congress, etc. Due to the above issues, Nigeria's current political parties are pan-national in character with prolonged pre-eminence of the dominant ethnicities.

The major political parties at present include the ruling People's Democratic Party of Nigeria {PDP} which maintains 205 seats in the House and 73 in the Senate, The Action Party of Nigeria {ACN} maintains 69 seats in the House and 17 seats in Senate, All Nigeria People's Party {ANPP} 28 in the House and 7 in the Senate, Congress of Progressive Change {CPC} has 36 in the House and 6 Senator's, Labour Party has 9 in the House and 4 Senators while the remaining minority parties occupying the rest.

Despite the few longstanding ethnic and religious tensions, the growth of the country in building sound foundation for economic development and political stability has not been compromised. Nigeria is enjoying and experiencing its longest period of civilian rule since independence from British rule. General elections of April 2011 were considered significantly fair by both Nigerian and international observers as it marked second peaceful civilian-to-civilian transfer of power in the country's history.

1.3 Language

There are hundreds of languages spoken in the Federal Republic of Nigeria. Some records say 360. In many areas, ethnic groups speak more than two languages. The official language of Nigeria is ENGLISH; it was chosen to facilitate the cultural and linguistic unity of the country. The selection of English is greatly influenced by the British colonisation of Nigeria which ended in 1960. Despite the hundreds of Languages spoken in Nigeria, three main languages are popular in communications among the locals i.e. Hausa, Igbo and Yoruba. The major languages spoken in Nigeria represent three major families of African languages:

- The majority are Niger-Congo languages, such as Yoruba that spread to some West Africa states.
- The Hausa language is popular in Afro-Asiatic North-Western part of Nigeria.
- The Kanuri is spoken in the North-East region towards Central Africa.

Even though most ethnic groups communicate in their own languages, English being the Official language is widely used for Education, Business Transaction and for Official Governmental communications. Nigeria Pidgin English, commonly referred to as “Broken” {Broken English} is also popular though with varying regional influences in dialect and slang. The Pidgin English or otherwise called Broken English is common within the Niger Delta regions which houses the oil producing area of the country. The Yoruba language has the most varied forms and dialects. The variations are founded on cities that existed during the past era of kingdoms in Yoruba land before the arrival of the colonial masters. They are diverse as the city centres such as the Awori, Ekiti/Ondo, Egba/Yewa, Ijebu, Ijesa/ife and Kabba/Okun, etc.

1.4 Currency

The currency used in Nigeria are called Naira and Kobo denote by ₦ and, is internationally coded NGN. The Naira is subdivided into 100 kobo. The Central Bank of Nigeria {CBN} an equivalent of BNM {Bank Negara Malaysia} is the sole issuer of Legal tender in Nigeria.

The CBN monitors and approves all financial transactions throughout the country. It controls the volume of money supply in the economy to ensure monetary and price stability. The Currency and Branch Operations Department of the CBN is in charge of currency management, through the procurement distribution/supply, processing, reissue and disposal/disintegration of bank notes and coins.

1.5 National Holidays in Nigeria

List of national holidays in Nigeria:

| DATE | HOLIDAY NAME |
|---|---------------------------|
| January 1 st | New Year's Public Holiday |
| May 1 st | Worker's Day |
| May 27 th | Children's Day |
| May 29 th | Democracy Day |
| October 1 st | Nigeria Independence Day |
| December 25 th | Christmas Day |
| December 26 th Or 27 th | Boxing Day |

1.6 Moving Holidays in Nigeria

The following holidays are public holidays but the date on which each occurs varies, according to its corresponding calendar, and thus has no set date in which they occur:

| DATE | HOLIDAY NAME |
|-------------------------------|---|
| 29 th January 2013 | Eid Al-Maulud {Birth Of Prophet Muhammad} |
| 29 th March 2013 | Good Friday |
| 1 st April 2013 | Easter Monday |
| 8 th August 2013 | Eid Al-Fitri {Hari Raya} |
| 15 th October 2013 | Eid Al-Adha {Hari Raya Hajj} |

1.7 Travelling in Nigeria

Nigeria Public Transport System requires urgent attention due to poor infrastructure facilities. It is one of the major constraints to the country's economic development. Two international ports, Apapa and Tin Can Island Port, are located in the commercial city of Lagos whilst two other ports, namely Port Harcourt and Calabar are located in Niger Delta area. Docking fees for freight has been reduced to world average rates and there are cabinet committees working on decongestion of Ports.

Nigeria has a total road network of 193,200km of which 28,980km are fully paved while more than 164,220km remains unpaved as at December 2010. Nigeria needs extensive road repairs and new construction. This need has been acknowledged by the Nigerian State and Federal governments, and

consequently efforts are being made to induce the private sector to participate in these projects.

On Air Travel, Nigeria has 52 airports as at 2012 with 40 that are equipped with paved runways while 13 airports have unpaved runways. Nigeria also boasts of 13 heliports with half paved and half unpaved landing pads. There are four International Airports with ISO certification and they are Murtala Mohammed Airport Lagos, Aminu Kano International Airport Kano, Port Harcourt International Airport, Port Harcourt and Nnamdi Azikwe International Airport, Abuja; while the remaining serve domestic flights and cargo carriers. There are several domestic private Nigerian carriers, and air service among Nigeria's cities and towns which are generally dependable for easy movement within the country.

1.8 Natural Resources in Nigeria

Nigeria is blessed with abundant natural resources. The country boasts of many raw materials and precious gold. The following are the popular natural resources found in Nigeria:

- a. Petroleum {Oil and Gas Production}
- b. Tin
- c. Colum bite
- d. Palm Oil
- e. Iron Ore and Coal
- f. Limestone, Lead and Zinc
- g. Nigeria remains one of the world largest deposits of natural gas

2.0 SECTION B – MACRO-ECONOMIC DEVELOPMENT

2.1 Introduction

Nigeria's economy is indisputably heavily reliant on Oil and Gas, since 95% of the nation's revenue comes from its Oil and Gas Industry. This lack of economic diversity in other promising sectors is perhaps due to massive corruption practices in the previous Military Junta government. Nigeria has been struggling with hefty external debt estimated at about USD35Billion during the 1990's until August 2000, when the new civilian administration signed an agreement with IMF on debt-restructuring deal with Paris Club. In November 2005, Nigeria won Paris Club approval for a debt-relief deal that eliminated USD18Billion of debt in exchange for USD12Billion in payments – a total package worth USD30Billion of Nigeria's total USD35 Billion external debt.

Thereafter from 2008, Nigeria began to demonstrate its political will to implement market-oriented reforms urged by both IMF and the foreign lenders; such as modernizing the financial system, removing subsidies and resolving regional disputes over distribution of earnings from its Oil rich Niger Delta and Industry. Nigeria's GDP rose significantly from 2007 to 2012 from growth in non-Oil sectors and the robust global crude Oil prices. The President has established a Cabinet Economic team headed by former World Bank Managing Director that includes experienced and reputable members. He has subsequently announced plans to increase transparency to diversify economic growth and improve its fiscal management. As stated earlier, the lack of infrastructure and slow pace of reforms are still key

impediments to economic progress. The government is working towards developing stronger public-private partnerships {PPP} for roads, agriculture, and power development. Nigeria's financial sector was adversely affected by the global financial and economic crises, but the Central Bank of Nigeria has taken measures to restructure and strengthen the sector by imposing mandatory higher minimum capital requirements for banking management.

National Economic Empowerment Development Strategy and States Economic Empowerment Development Strategy:

NEEDS was introduced from 2003 – 2007 to focus on transforming the Macro-Economic trend of Nigeria targeted on Agriculture, selected Industries, Service Sector, Transportation System, Labour Forces {Human Capital Development}, Foreign Investment and Foreign Economic Relations. NEEDS was to create millions of jobs for the mass population while at the 36 States Level, SEEDS was to compliment the NEEDS from the Federal Level.

2.2 Economic Development

The GDP Growth rate as reported by the CBN showed an expansion of 6.60% in the 1st quarter of 2013 over the same quarter of 2012. Nigeria's GDP growth rate averaged 6.79% from year 2005 to 2013, reaching an all time high of 8.60% in December 2011 and a record low of 4.50% in March 2009.

Nigeria is one of the most developed countries in Africa. Agriculture is the largest sector of the economy, accounting for about 45% of the GDP. Yet, the fastest growing segments are Wholesale and Retail Trade, and, Telecommunications and Post. Together they account for almost 35% of total Output. The third largest sector is Crude Petroleum and Natural Gas

which constitutes 13.5% of total weight, but its contribution accounts for the remaining 9.5% of the nation's GDP.

In 2012, Nigeria Federal Government incurred an expenditure of USD31.61 Billion while revenues stood at USD29.48 Billion, resulting in a budget deficit of 4.9%. This is based on revenues, expenditures and capital expenditures, calculated on fluctuating exchange rate not on purchasing power parity {PPP} terms. This deficit is a reflection on challenges faced by the Tax authorities as widespread tax evasion is common due to corruption and poor quality of services.

2.3 Social Development

The prevalence of poverty in the country has become a major concern for the Nigeria Federal Government. Inspired by the success of past Community Driven Development (CCD) efforts as an overall strategy for growth and poverty reduction, the government sought financial aid from the World Bank towards the implementation of Community and Social Development Project (CSDP). The project is aid-funded by the World Bank and co-financed by Nigeria Federal Government with participating states namely Abia, Akwa Ibom, Adamawa, Anambra, Bauchi, Bayelsa, Benue, Cross River, Ebonyi, Edo, Ekiti, Enugu, Gombe, Imo, Katsina, Kebbi, Kogi, Kwara, Nasarawa, Niger, Ondo, Osun, Oyo, Plateau, Taraba, Yobe and Zamfara.

Under this initiative, at least US\$380 million will be spent in Nigerian participating States, Local Government and Communities over the next five years on improving the standard of living in communities by sustainably increasing access of the poor people to improved social and natural resource infrastructure services. The project is expected to have a positive

impact on human development outcomes through the financing of social and economic common goods as well as upward and downward accountability between communities and Local Government.

2.4 Economic Outlook

Nigeria's short term macroeconomic outlook appears generally strong, with the likelihood of higher growth, lower inflation, and reserve accumulation. This will present the Government with an opportunity to make progress in key reforms and public investments associated with the Transformation Agenda for job creation, diversification, and more effective governance. The growth of Nigerian economy will hinge largely on its current political climate. The current rule of law, due process, transparency and accountability, the confidence of investors in the Nigerian enterprises will definitely be on the upward swing.

The current drive by the Federal Government of Nigeria for institutional discipline and full budget implementation would be a plus. Also all the 36 states in the country have localised internal laws to maintain, guide, and encourage fiscal policies. Nigeria's External reserve estimated at USD42Billion as at December 2012 is expected to be prudently managed to improve the nation's insufficient infrastructure and help in the growth of other industries, which has stabilised the exchange rate of the Naira at =N=152 to USD1.

Nigeria is also making headways in international economic relations especially with China and Indonesia. Good bilateral relation between Nigeria and China has put Nigeria on a positive outlook with many Chinese multinational firms participating in all sectors of the Nigerian economy. The position is further strengthened with President Good luck's visit to China in

June 2013 and subsequent signing of a soft-loan facility worth USD2.3billion from the Chinese government. Volume of trade between China and Nigeria presently stands at =N=660Billion {USD5Billion or RM15Billion}.

The recent visit of the Indonesian President to Nigeria has further enhanced Nigeria-Indonesia economic ties, away from crude oil to other sectors such as solid minerals, manufacturing, and palm oil development. The current privatization of the National Electricity Power Authority {NEPA} and Power Distribution Corporation of Nigeria {PDCN} has made room for foreign interest to tap on the heavy demand of electricity in Nigeria, which is the largest in Africa.

The Oil Industry which contributes over 90% of revenues, contributes less than 35% of the GDP because of the closed nature of the sector. It is therefore necessary for the Nigerian Government to ensure that the target 20% growth by 2015 from the non-oil sectors is achieved in view of their catalyst role in helping the country achieve its vision 20:2020 agenda.

2.5 Niger Delta

With the Introduction of Amnesty for the former Militants in the Oil rich Niger Delta in 2009 and current increase in Oil production of 2.7Million Barrel per day, Nigeria would be gaining more revenues in Oil and Gas Sector. However the current peace in the Niger Delta must be maintained with more funding made available to Niger Delta Development Commission for security, Oil exploration fields both onshore and offshore.

3.0 SECTION C – FOREIGN INVESTMENT AND BUSINESS UNIT

3.1 FDI Environment

Nigeria remains the most populous black nation on earth with a population of more 170Million {2012 EST.}. Nigeria receives the largest amount of Foreign Direct Investment (FDI) in Africa. Foreign Direct Investment inflows have been growing enormously over the course of the last decade: from USD1.14 billion in 2001 and USD2.1 billion in 2004, Nigeria's FDI reached USD11 billion in 2009 according to reports, making the country the nineteenth greatest recipient of FDI in the world. Nigeria's most important sources of FDI have traditionally been the home countries of the oil majors. The USA, present in Nigeria's oil sector through Chevron Texaco and Exxon Mobil, had investment stock of USD3.4 billion in Nigeria in 2008, the latest figures available.

The UK, one of the host countries of Shell, is another key FDI partner – UK FDI into Nigeria accounts for about 20% of Nigeria's total foreign investment. As China seeks to expand its trade relationships with Africa, it too is becoming one of Nigeria's most important sources of FDI; Nigeria is China's second largest trading partner in Africa, next to South Africa. From USD3 billion in 2003, China's direct investment in Nigeria is reported to be now worth around USD6 billion. The oil and gas sector receives 75% of China's FDI in Nigeria. Other significant sources of FDI include Italy, Brazil, the Netherlands, France and South Africa. In 2009, Nigeria had seven free trade zones {FTZs} now been promoted by the Nigeria Export Processing Zone Authority.

Permits and Licences are issued regularly by NEPZA to facilitate movement of goods and products.

In 1995, the Nigerian Investment Promotion Commission Act laid out the framework for Nigeria's investment policy. Under the Act, 100% foreign ownership is allowed in all industries except for oil and gas, where investment is constrained to existing joint ventures or new production-sharing agreements. Investment from both Nigerian and foreign investors is prohibited in a few industries crucial to national security: the production of arms and ammunition, and military uniforms. Investors can repatriate 100% of profits and dividends out of Nigeria with ease. Key points in promoting more investment into Nigeria economy are:

- The Nigerian government should encourage the inflows of foreign direct investment and contact policy institutions that can ensure the transparency of the operations of foreign companies within the economy.
- In evaluating foreign direct investment, the screening process should be simplified and improved upon. For example, export investment projects that consistently generate positive contribution to national income can be screened separately and swiftly, while projects in import competing industries should be screened separately.
- Efforts should be made to engage in joint ventures that are beneficial to the economy. Joint ventures provide for a set of complementary or reciprocating matching undertakings, which may include a variety of packages ranging from provision of capital to technical cooperation. The government should intensify the policy to acquire, adopt, generate and use the acquired technology to develop its industrial sectors.

- Efforts should continue with more vigor at ensuring consistency in policy objectives and instruments through a good implementation strategy as well as good sense of discipline, understanding and cooperation among the policy makers.
- The Nigerian government needs to come up with more friendly economic policies and business environment, which will, attract FDI into all sectors of the economy.
- The Nigerian government needs to embark on capital projects which enhance infrastructural facilities with which foreign investors can build on.
- The current indigenization policy should be pursued to the letter as a way of preventing absolute foreign ownership in the key sector of the economy.
- The Nigeria government should also carry out the liberalization of all sectors of the economy so as to attract foreign investors, so that the current efficiency and growth achieved in the telecommunication sector can also be enjoyed there.
- For Nigeria to generate more foreign direct investments, efforts should be made at solving the problems of government involvement in business; relative closed economy; corruption; weak public institutions; and poor external image. It is therefore advised that the government continues with its privatization programme, external image laundry, seriousness and openness in the fight against corruption, and signing of more trade agreements.

3.2 Entry Strategies for Foreign Investment

The current Nigerian political administration had repeatedly voiced and, is continuing to communicate their commitments in attracting foreign direct and portfolio investments into the country. They recognise the immense

benefits to the economy which these investments promise in the creation of new enterprises, market expansion, research stimulation and general entrepreneurial innovations, tax revenue, higher income, increased employment and poverty reduction. There is a dire need for more foreign investment inflow to counter the adverse macroeconomic conditions the economy managers have been contending with for several decades. Based on a measure of simple average of annual growth rates since a return to democracy in 1999, net inflows of foreign direct investment has been 36%. In 2006 alone, net inflow of foreign direct investment grew by 170%. As a percentage of GDP it rose to 5% in 2009. The average of the net foreign direct inflow as a percentage of GDP between 1999 and 2009 was 4.88% while the maximum ever attained within same period was 7%.

Thus much recently, Nigeria has benefited tremendously from inflows from other countries. In 2010, net capital inflow of about =N=2.4 trillion (US\$20 billion) tallied to Nigeria and other sub-Saharan African countries. There are many reasons for these inflows such as the return to democracy, the stable politics, the anti-corruption campaigns, the huge returns from the Nigerian capital market which exceed global average within same period, laws that were more investor friendly etc.

3.3 Required Permits and Procedures

The Laws governing the formation and operations of businesses in Nigeria are contained in Companies and Allied Matters Act chapter 59, Laws of the Federal Republic of Nigeria 1990. The Act consists of Part A, Part 1 CAC guidelines, Part 11 Chapter 1 {Incorporation of Companies} Chapter 2 {Conversion or Re-registration of Companies} Chapter 3 {Foreign Companies} Chapter 4 {Promoters} Part 111 {Acts by or behalf of Company} Part 1V {Membership of the Company} Part V {Share of the

Company} Part V1 {Share, Nature of Share} Part V11 {Debentures} Part V111 {Meetings and Proceeding of Companies} Part 1X {Directors and Secretaries of Companies} Part X {Protection of Minority against illegal and Oppressive conduct} Part X1 {Financial Statement and Audit} Part X11 {Annual Returns} Part X111 {Dividends and Profits} Part X1V {Receivers and Managers} Part XV {Winding up of Companies} Part XV1 {Arrangement and Compromise} Part XV11 {Dealing in Companies Securities.

In establishing companies under the Internal Memo from CAC dated April 2013, the promoter needs to engage a Lawyer and there is a One Stop Centre for full incorporation in CAC and in NIPC.

3.4 NIPC Branches and Liaison Offices

| NO | NAMES | ADDRESS | PHONE NUMBER | EMAIL |
|----|--|---|---|--|
| 1. | Federal Ministry of Finance and Economic Development | (Opposite Central Bank) P.M.B. 14, Garki, Abuja | Tel: 09-2340946; 2340324; 2343783; 23437842343786; Fax: 09-2340512 | |
| 2. | The Nigerian Investment Promotion Commission {NIPC} | Plot 1181 Aguiyi Ironsi Street, Maitama District P. M. B. 381, Garki Abuja Nigeria. | Telephone: +234-9-2904882 / +234-9-2904706. | osicinfodesk@nipc.gov.ng OR nipc@nipc.gov.ng Website: http://www.nipc.gov.ng |

NIPC maintain investment catalogues and business opportunities in all the 36 states in Nigeria. The NIPC One Stop Investment Centre is a 24 hours business centre for all enquiries.

PRESCRIBED FEES FOR NIPC BUSINESS REGISTRATION AND PIONEER STATUS

| S/N | SERVICES | FEES |
|-----|--|-------------|
| I | NIPC Business Registration fee | ₦15,000.00 |
| li | Application for Pioneer Status Form and Processing fee | ₦140,000.00 |
| lii | Collection of Approval letter and Certificate | ₦60,000.00 |
| Iv | Application for extension of Pioneer Status | Free |
| V | Collection of approved Pioneer Status Extension | ₦50,000.00 |

PRESCRIBED FEES FOR QUOTA AND BUSINESS PERMIT

| S/N | SERVICES | FEES |
|-----|--|------------|
| I | Grant of Establishment Quota (per slot) | ₦10,000.00 |
| li | Processing fee for Quota/Business Permit | ₦25,000.00 |
| lii | On-line Registration Fee (automation) | ₦50,000.00 |
| Iv | Renewal of Quota position (per slot) | ₦5,000.00 |
| V | Additional Quota (per slot) | ₦10,000.00 |
| Vi | Stay of Action | ₦5,000.00 |
| Vii | Grant of Business Permit | ₦50,000.00 |

| | | |
|------|---|--------------|
| viii | Amendment of Business Permit | RM25,000.00 |
| ix | Re-grading of Quota (per slot) | RM10,000.00 |
| X | Appeal Processing fee | RM10,000.00 |
| Xi | Restoration of Lapsed quota | RM55,000.00 |
| Xi | Upgrading of Quota to P.U.R (per slot) | \$10,000.00 |
| xiii | Re-designation of P.U.R. (per slot) | \$10,000.00 |
| Xiv | De-tagging/Extension of Quota (per slot) | RM10,000.00 |
| Xv | Re-validation of lapsed Quota (per slot) | RM10,000.00 |
| xvi | Penalty for late submission of renewal of private license | RM150,000.00 |

3.5 Company Registration {CAC ABUJA Nigeria}

The Corporate Affairs Commission, {CAC}

Plot 420, Tigris Crescent, Off Aguiyi Ironsi Street, Maitama Abuja

Telephone: +234 461 8594

Website: <http://www.services.gov.ng>

The Corporate Affairs Commission is the body entrusted with the responsibility of administering the provisions of the Act; the regulation and supervision of the formation, incorporation, management and winding up of companies in Nigeria. CAC Nigeria is similar in organisation and executive operations as Malaysia's SSM.

The types of companies recognized by the Act 1990 are:

- Public Limited Companies
- Private Limited Companies

- Companies Limited by guarantee
- Unlimited Companies

3.5.1 Minimum Share Capital

The CAC Act stipulate a minimum share capital of Naira =N=100,000 for private limited companies while mandatory =N=1Million is required for public companies. It is mandatory that subscribers to the memorandum and articles of Association must take among them not less than 25% of the authorised share capital of the company.

3.5.2 Foreign Companies

A foreigner in Nigeria needs to secure permits before establishing companies. Foreign Nationals Resident in Nigeria are required by laws to produce a resident permit which is obtainable from Immigration Office of the Ministry of Interior in order to register a company and also obtain a business permit to commence business operation. The Act allows Branches of foreign companies to be registered as full-fledged corporate entities prior to operating in Nigeria.

3.6 Partnership

The CAC guidelines for Partnership of Construction Business in Nigeria are as follows:

- To be owned by two or more registered Engineers with valid practicing fees.
- Registered with Corporate Affairs Commission by a Certificate of Incorporation.
- Corporate Affairs Commission Form 2 (Form of application for registration).
- CV of Partners.
- Payment of ₦52, 500 processing fee.
- Deed of Partnership.
- Corporate Affairs Form CAC 10 (Annual Returns).

3.7 Registration of Public Liability Companies {PLC}

Under the CAC Act, a private company cannot invite the public to subscribe for its shares whereas a public company could invite the public to take up its shares. The name of a privately incorporated company ends with the words “Limited” or abbreviations of “Ltd” whilst that of a public company ends with Public Limited Company or abbreviated as “PLC”.

3.8 Registration of Companies Limited by Guarantee

All unlimited companies are those not having any limit on the liability of its members but which are required by laws to have a share capital under the Act. Companies limited by guarantee are usually formed as Malaysia Sdn Bhd or small business enterprises. The minimum share capital for a Limited companies is =N=100,000 {RM2, 000.}

PRESCRIBED FEES BY CORPORATE AFFAIRS COMMISSION (CAC)

| S/N | SERVICES | FEES |
|-----|--|----------------------------------|
| 1 | Registration of public companies whose share capital does not exceed ₦1m | ₦20,000.00 for the first ₦1m and |

| | | |
|------|--|---|
| | Exceeds ₦1m | thereafter, ₦20,000.00 for every ₦1m or part thereof |
| li | Registration of private company whose share capital does not exceed ₦1m Exceeds ₦1m | ₦10,000.00 for the first ₦1m and ₦10,000.00 for every ₦1m or part thereof |
| lii | Registration of company not having a share capital | ₦20,000.00 |
| lv | Filing of notice of exemption by foreign companies | ₦30,000.00 |
| v | Certified True Copy of: | ₦3,000.00 |
| | i. Memorandum and Articles of Association | ₦10,000.00 |
| | ii. Certificate of incorporation | ₦2,000 each |
| | iii. CO2, CO6 and CO7 | |
| vi | A set of Company Incorporation Form | ₦500.00 |
| vii | Filing of Annual Returns | ₦2,000.00 |
| viii | Filing of Annual Returns for a small company | ₦2,000.00 |
| ix | Filing of Annual Return for Private company other than a small company | ₦3,000.00 |
| x | Filing of Annual Return for Public company | ₦5,000.00 |
| xi | Filing of Annual Return for company Limited by Guarantee | ₦5,000.00 |
| xii | Filing of Annual Report by Foreign companies | ₦5,000.00 |

4.0 SECTION D – NIGERIA TAXATION

4.1 Introduction & Overview of Tax Environment

The Nigerian Tax System has undergone significant changes in recent times. The Tax Laws are consistently being reviewed with the aim of repealing

obsolete provisions and simplifying the main ones. Under current Nigerian law, taxation is enforced by the 3 tiers of Government, i.e. Federal, State, and Local Government with each having its sphere clearly spelt out in the Taxes and Levies (approved list for Collection) Decree, 1998. Despite this improvement, there are still a number of contentious issues that require urgent consideration and among them is the issue of determining an appropriate tax authority to administer several taxes. The recent crisis between Lagos state and Federal Government on the tax jurisdiction of VAT in the state is still a litigious court issue. Other states like Ogun, Oyo and Benue have joined Lagos state, while states like Abia, have gone against the contention.

There is also, the issue of multiple taxes severally administered by all the three tiers of government, which sometimes imposes welfare cost. Furthermore, the paucity of data base contributes to tax evasion in the country. Corruption is still a perennial issue in the country; and this reduces the confidence and trust of the tax payers in discharging their civic duty. Infrastructural development is also a crucial issue in Nigeria, where amenities are in a deplorable state. Most of the basic facilities (electricity, water, etc) are often privately sourced, thus a number of people wonder what the tax collected are used for, hence the tendency to evade tax payment. Tax regulations are often meted out in legal jargon which makes it difficult for an average Nigerian to be conversant with these regulations. Taxation is veritable revenue generating tool, an important stabilization policy media and a unique instrument for enhancing economic development. Nigerian taxation can be more effective with better education and awareness about tax culture, through moral, civic and religious education.

4.2 General Outline of Tax System

A list of taxes and levies for collection by the three tiers of government has been approved by government and published by the Joint Tax Board (J.T.B.) as follows:

(A) Taxes collectible by the Federal Government

- (1) Companies income tax;
- (2) Withholding tax on companies;
- (3) Petroleum Profit Tax;
- (4) Value-added tax (VAT);
- (5) Education tax;
- (6) Capital gains tax - Abuja residents and corporate bodies;
- (7) Stamp duties involving a corporate entity;
- (8) Personal income tax in respect of:
 - Armed forces personnel;
 - Police personnel;
 - Residents of Abuja FCT;
 - External Affairs officers; and
 - Non-residents.

(B) Taxes/Levies Collectible by State Governments

- (1) Personal income tax:
 - Pay-As-You-Earn (PAYE);
 - Direct (self and government) assessment;
 - Withholding tax (individuals only);
- (2) Capital gains tax;
- (3) Stamp duties (instruments executed by individuals);
- (4) Pools betting, lotteries, gaming and casino taxes;
- (5) Road taxes;
- (6) Business premises registration and renewal levy per annum;

| Locality | Registration | Renewal |
|-------------|--------------|-----------|
| Urban Areas | =N= 10,000 | =N= 5,000 |
| Rural Areas | =N= 2,000 | =N= 1,000 |

- (7) Development levy (individuals only) not more than ₦100 per annum on all taxable individuals;
- (8) Naming of street registration fee in state capitals
- (9) Right of occupancy fees in state capitals;
- (10) Rates in markets where state finances are involved.

(C) Taxes/Levies Collectible by Local Governments

- (1) Shops and kiosks rates;
- (2) Tenement rates;
- (3) On and off liquor licence;
- (4) Slaughter slab fees;
- (5) Marriage, birth and death registration fees;
- (6) Naming of street registration fee (excluding state capitals):
- (7) Right of occupancy fees (excluding state capitals);
- (8) Market/motor park fees (excluding market where state finance are involved);
- (9) Domestic animal licence;
- (10) Bicycle, truck, canoe, wheelbarrow and cart fees;
- (11) Cattle tax;
- (12) Merriment and road closure fees;
- (13) Radio/television (other than radio/TV transmitter) licences and vehicle radio licence (to be imposed by the local government in which the car is registered);
- (14) Wrong parking charges;
- (15) Public convenience, sewage and refuse disposal fees;

- (16) Customary, burial ground and religious places permits; and
- (17) Signboard/advertisement permit.

4.3 Required Minimum Tax Rates in Nigeria

{PERSONAL INCOME TAX DECREE}

{Decree No. 104 of 1993} CAP P. 8 L.F.N 2004.

| Taxable Income | Rate of Tax | Tax Payable | Taxable Income | Tax Payable |
|-----------------------|--------------------|--------------------|-----------------------|--------------------|
| =N= | % | =N= | =N= | =N= |
| First 300,000 | 7 | 21,000 | 300,000 | 21,000 |
| Next 300,000 | 11 | 33,000 | 600,000 | 54,000 |
| Next 500,000 | 15 | 75,000 | 1,100,000 | 129,000 |
| Next 500,000 | 19 | 95,000 | 1,600,000 | 224,000 |
| Next 1,600,000 | 21 | 336,000 | 3,200,000 | 560,000 |
| Over 3,200,000 | 24 | | | |

NOTES:

1. State Internal Revenue Office administers personal income tax. Individuals resident in Nigeria are to pay their taxes to the State Tax Office where they are resident on 1st January of each year.

2. Non-resident individuals, staff of the Nigerian Armed forces, Officers of the Nigeria Foreign Services, persons resident within the Federal Capital Territory Abuja and persons employed in the Nigeria Police Force {other than in a civilian capacity} are to pay their taxes to the Federal Inland Revenue Service.
3. The 183 days residency rule for liability to Nigerian Tax is to be reckoned on a 12 month basis and not merely within an assessment year.

4.3.1 Taxable Income

Any salary, wage, fee, allowance or other gain or profit from employment including compensations, bonuses, premiums, benefits or other prerequisites allowed, given or granted by any person to any employee other than so much of any sums as may be admitted by the relevant tax authority to represent reimbursement to the employee or expenses incurred by him in the performance of his duties.

COMPANIES INCOME TAX

{COMPANIES INCOME TAX ACT CAP 60 LFN 1990}

{CAP C.21 L.F.N 2004}

RATE OF TAX

On total profit

30%

Withholding Taxes

| Type of Payment | Rate |
|-----------------|------|
| Royalty | 10% |

| | |
|---|-----|
| Interest | 10% |
| Rent {Including hire of Equipment} | 10% |
| Dividend | 10% |
| All aspects of building construction and related activities | 5% |
| All types of contracts and agency arrangements other than outright sale and purchase of goods and property in the ordinary course of business | 5% |
| Consultancy and Professional services | 10% |
| Management services | 10% |
| Technical services | 10% |
| Commission | 10% |

Penalty for failure to withhold and or pay over tax withheld is 200% of tax amount payable that is overdue.

4.3.2 Minimum Tax

This is applicable where a company has no total profit or total profit incurs tax that is less than minimum tax arrived at as follows:

{a} with turnover of =N=500,000 or less, highest of: 0.5% of gross profit, 0.5% of net assets; 0.25% of paid-up capital; and 0.25% of turnover.

{b} With turnover is excess of =N=500,000 where a company has no total profit or total profit incurs tax that is less than minimum tax, minimum tax arrived at in {a} plus 0.125% of turnover in excess if =N=500,000.

This tax is not applicable to:

- A company with at least 25% foreign equity,
- Those engaged in agricultural trade or business and
- To any company during the first four calendar years of commencement of business.

4.3.3 Investment Allowance

| Type of Asset | Rate |
|---|------|
| Plant and equipment generally | 10% |
| Plant and machinery bought to replace old ones {in manufacturing} | 10% |
| Plant and machinery used in gas utilisation activities. | 10% |

4.3.4 Rural Investment Allowance

A company which has incurred capital expenditure in the provision of electricity, water, tarred road or telephone for the purpose of its trade or business which is located at least 20 kilometres away from such facilities which were provided by government may claim rural investment allowance on such capital expenditure as follows:

| No Electricity, Water, Tarred Road and Telephone | 100% |
|--|------|
| No Electricity | 50% |
| No Water | 30% |

| | |
|----------------|-----|
| No Tarred Road | 15% |
| No Telephone | 5% |

Notes:

- A} Investment allowance cannot be claimed on the same assets on which rural investment allowance has been claimed.
- B} Rural investment allowance can only be claimed in the year the capital expenditure is incurred and cannot be carried forward.

4.3.5 Investment Tax Relief

A company which has incurred an expenditure on electricity, water, tarred road or telephone for the purpose of trade or business carried on by the company at a location which is at least 20 kilometres away from electricity, water, tarred road, and telephone facilities provided by government can enjoy investment tax relief in the year such expenditure is incurred at rates similar to those under Rural Investment Allowance. The relief which can be claimed for only three years is not available to a company which has been granted a pioneer status.

4.3.6 Investment Tax Credit {ITC}

| Type of Asset | Rate |
|--|------|
| Research and Development | 20% |
| Capital expenditure for the fabrication of tools, spares etc | 25% |
| Locally manufactured plant, machinery and equipment | 15% |
| Plant and machinery to replace obsolete ones | 15% |

4.3.7 Self Assessment Tax System

All companies are to file a self-assessment when submitting their tax returns to the tax Office. The self-assessment is an indication that a company has assessed its taxable income on the date the self-assessment form is signed by a Principal Officer of a company defined as the Managing Director, an Executive Director or a company Secretary. Although the tax Office requires a tax payer to file and pay, approval is usually granted to payment to be made in instalment as a form of encouragement to self-assessment filers.

4.3.8 Penalty for Late Filing of Returns

Tax returns are required to be filed not later than 6 months after the close of a company's accounting year. Any failure to comply with this requirement results in a penalty of =N=25,000 in the first month of failure, and =N=5,000 for each subsequent month in which failure to file tax returns continues. The penalty is imposed without recourse to any court of law in Nigeria.

4.3.9 Penalty for Late Payment of Tax

Any tax assessed on a company is payable within two months from the date on the assessment notice or 14th December of an assessment year, whichever is earlier. A penalty of 10% per annum is imposed on any sums paid after the due date. Interest at prevailing commercial rate is also chargeable.

5.0 SECTION E – NIGERIA LABOUR LAWS & REQUIREMENTS

5.1 The Labour Act

The main sources of employment law in Nigeria are:

- (a) The Constitution of the Federal Republic of Nigeria (the “Constitution”);
- (b) other Nigerian statutes, most notably the Labour Act, the Trade Disputes Act, the Trade Unions Act, the National Industrial Court (“NIC”) Act, the Employees’ Compensation Act (“ECA”), and the Pension Reform Act (“PRA”);
- (c) Relevant subsidiary legislation;
- (d) Received English law, where such has not been changed by Nigerian legislation; and
- (e) decisions of Nigerian courts.

To the foregoing may be added decisions of foreign courts, which may have persuasive weight on Nigerian courts, and international instruments that set international labour standards. This last category has assumed added importance by virtue of the amendment made to the Constitution in 2010 by the Constitution (Third Alteration) Act (“Third Alteration”), which appears to have empowered the NIC to apply international best practices and international labour standards in determining matters before it [see s. 254C(1)(f), and (h) of the Constitution].

5.2 Trade Union Rules & Membership

The Nigeria Trade Union {Amendment} Act 2005 was signed into Laws in 30th March 2005. It is unlawful for an employment contract to restrain an employee from joining a Trade Union. In the same way notwithstanding anything to the contrary in this Act, membership of a trade union by employees shall be voluntary and no employee shall be forced to join any trade union or be victimized for refusing to join or remain a member”.

5.3 Holidays, Accrual or Accumulated & Payments

Nigerian Employment Laws requires that every employee in Nigeria, who has been in employment of an employer for a continuous period of 12 months, is entitled to a holiday with full pay with minimum six working days pay.

The Law recognises that it may be necessary for an employer and its employee to have mutual understanding and defer an employee's annual holidays but this holiday must still be paid by the employer. Deferment of annual holidays is on the agreement that the cumulative holidays is not deferred beyond a 24 months period of the employee being in the employee being in the employer's continuous employment.

It is unlawful under the amendment act for an employer to encourage its employee or for the employee to elect to be paid a "special" holiday allowance in order for the employee not to opt for the annual holiday. This practice which the law does not condone has continued in practice despite discouragement from medical and human resource experts.

5.4 Maternity Leave

Nigeria is yet to ratify Convention 183 (Maternity Protection Convention, 2000) which recommends a minimum of 16 weeks maternity leave for women. Despite this, the Federal Government has given all Federal Civil Service employees the go-ahead to spend 16 weeks on Maternity Leave with pay. This has yet to apply in the private sector since the National Assembly has not passed the Labour Standards Bill which includes the 16-week maternity leave for women.

The draft bill which contained consensus reached on a number of work place issues recommended 16 weeks maternity leave for women with multiple births who are engaged in the private sector.

5.5 Non-Return to Work after Annual Leave or Absence

The practice of employees claiming that they are going on their annual holiday and not returning to their employment, or returning after taking a longer period than the approved by the employment contract can lead to the termination or dismissal of the employment contract; election of which of the latter options depends on the employer vis-à-vis the gravity of the employee's misconduct. When an employee does not return to work after his permitted holiday, it will be deemed that the employee has by his/her conduct repudiated the employment contract himself/herself with no liability to the employer save that the employer can demand for payment in lieu of notice for such a repudiation based on the terms at the formal contract between the employer and the employee.

5.6 Redundancy of Employee

In the event of redundancy –

- The employer shall inform the trade union or workers' representative concerned of the reasons for and the extent of the anticipated redundancy;
- The principle of "last in, first out" shall be adopted in the discharge of the particular category of workers affected, subject to all factors of relative merit, including skill, ability and reliability; and
- The employer shall use his best endeavors to negotiate redundancy payments to any discharged worker who are not protected by regulations made under subsection (2) of this section.

5.7 Factory Laws

The Nigeria Factory Laws No. 16 1987 is in existence. The Law provide for the registration as such of factories; to provide for factory workers and a wider spectrum of workers as well as other professionals exposed to occupational hazards, but for whom no adequate provisions had been formerly made; to make adequate provisions regarding the safety of workers to which the Act applies and to impose penalties for any breach of its provisions. The Director of Factories shall keep a register of factories in which he shall cause to be entered, such particulars in relation to every factory required to be registered under this Act, as he may consider necessary or desirable.

Every person who at the commencement of this Act occupies a factory shall, within one month after such commencement, apply for the registration of such factory to the Director of Factories by completing the Application Form prescribed in the First Schedule to this Act. Upon receipt of the application in subsection (1) of this Law, the Director of Factories shall cause the factory to be registered and shall issue to the occupier a certificate of registration in the form set out in the Second Schedule to this Act.

5.8 Workmen Compensation Act

This Act was Gazette by the Federal Government on December 2010. The implementation of this Act is being carried out by the Nigeria Social Insurance Trust Fund {NSITF}. All employers are required by law to register with this fund. The Workmen Compensation Act ("the Act" or "ECA") 2011, which repeals the Workmen's Compensation Act (WCA) of 2004, is designed to provide an open and fair system of guaranteed and adequate

compensation for employees or their dependants in the event of death, injury, disease or disability arising out of, or in the course of, employment. The Act is also intended to provide for safer working conditions for employees by ensuring that all relevant stakeholders contribute towards the prevention of workplace disabilities and other occupational hazards.

5.9 Local Association, Construction Bodies, Agencies and Ministries

There are various Local Construction Association/Bodies recognised by the Federal and State Government in Nigeria;

They are:

1. Nigeria Institute of Architects
2. Nigerian Institute of Town Planners
3. Nigerian Institution of Civil Engineers
4. Nigerian Institute of Quality Surveyors
5. Nigeria Institution of Structural Engineers and
6. Nigeria institute of Building
7. Nigeria Institution of Mechanical Engineers
8. Nigerian Institution of Electrical and Electronics Engineers
9. Nigeria Society of Engineers
10. Council of Nigerian Mining Engineers and Geoscientists and others such as Nigerian Association of Engineering Technologists, Nigerian Institute of Engineering Technicians, Nigerian Association of Engineering Craftsmen, and Association of Consulting Engineers of Nigeria (ACEN)

To practice in Nigeria as an Engineer, you must registered with Council for the Regulation of Engineering in Nigeria, "COREN"

The Registrar,

The Council for the Regulation of Engineering in Nigeria {COREN}

No. 22, Addis Ababa Crescent, Wuse Zone 4,
P. O. Box 8461, Wuse Abuja FCT Nigeria.

COREN is a statutory organisation of Federal Government, established by decree No.55 of 1970, as amended by Decree 27 of 1992, with the purpose of certifying persons desiring to practice as an engineer in Nigeria.

As a regulatory body for the Nigerian Engineering Fraternity, it is only appropriate that extracts of COREN's publications be reproduced as reference information to all concerned.

Meanwhile, there are Federal Ministry of Works and Federal Ministry of Lands, Housing and Urban Development at the Federal level while all the 36 State Government have a combined State Ministry of Works and Housing in each state.

Radio House, Herbert Macaulay Way (South)
P.M.B. 111, Garki, Abuja (Opp. Int'l. Conference Centre)
Telephone: +234-9-2341932; 2346073.
E-Mail: info@fmw.gov.ng
Website: <http://www.fmw.gov.ng>

5.10 Agencies and Parastatals under Ministry of Works

| NO. | NAME | ADDRESS | TELEPHONE | E-MAIL |
|-----|--|-----------------------------------|---------------|--|
| 1. | Office of the Surveyor General of the Federation | 8 Yawuri Street, Garki II, Abuja. | +2349 2453764 | http://www.ogsf.gov.ng |
| 2. | Federal Road Maintenance | Plot 163, Aminu Kano Crescent, | +2349 2376459 | information@ferma.ng.gov |

| | | | | |
|----|--|---|---------------|---|
| | Agency (FERMA) | Wuse II, Abuja. | | Website: http://www.ferma.gov.ng |
| 3. | Surveyors Council of Nigeria (SURCON) | Abuja. | +2349 2538745 | http://www.surcon.org |
| 4. | Federal Ministry of Lands, Housing and Urban Development | Works Complex, P. M. B. 111, Mabushi Abuja Nigeria. | | |

5.11 Agencies and Parastatals

| NO. | NAME | ADDRESS | TELEPHONE | E-MAIL |
|-----|---|---|-------------------------|--------|
| 1. | Federal Fire Service Command Headquarters | Area 10, Garki Abuja. | +234 9 2376458 | |
| 2. | Federal Housing Authority | Sekou Toure Crescent, Off Yakubu Gowon Way, Asokoro, P.M.B. 101, Garki Abuja. | +234 9 2344964, 2345024 | |
| 3. | Federal Mortgage Bank | First Avenue, J. T. Useni Housing Estate, Kado, Abuja. | +234 9 5239179 | |
| 4. | Federal Mortgage Finance Ltd. | Tafawa Balewa Way, Area 8, Garki, Abuja. | +234 9 2342805, 2341358 | |
| 5. | Urban Development Bank | Zone 5, Wuse, Abuja. | +234 9-2036458 | |

| | | | | |
|----|---|---|--|----------------------|
| 6. | Infrastructure Concession Regulatory Commission {ICRC} | Plot 1270, Ayangba Street, Close to FCDA Headquarter, Area 11, Garki Abuja Nigeria. | | Info@icrc.gov .ng |
|----|---|---|--|----------------------|

6.0 SECTION F – MANPOWER, MATERIALS, METHODS, MONEY AND MACHINERIES

Nigeria is a developing country and her construction practice is still grappling with many inherent challenges, ranging from inadequate technical and managerial know - how to insufficient financial, material and equipment capital base. It has been observed that globalization does not affect countries and professions in the same way. Some countries and professions have apparently benefitted from globalization, while others have been capitalised upon. It appears that those who are at a disadvantage are the developing countries. Globalization is however a reality and its subtle, but steady and growing influence on Nigerian construction practice can be discussed under two headings: threats and opportunities.

The threats of globalization relating to Nigerian Construction Sector

- Foreign companies having a larger share of available projects.
- Import of building materials being much higher than the export.
- Import of professional services exceeds export.
- Diminished opportunities for indigenous professionals.
- Obsolescence of some local skills due to changes in technology.
- Diminished opportunities for local contractors' growth due to competition from their more financially secured and better equipped foreign counterparts.

- Eradication of indigenous cultural identity expressed through construction and the built environment.

Opportunities for Nigerian Construction Sector from Globalisation

- Globalization also brings about new opportunities for the local building practice.
- Larger market due to presence of international finance.
- Direct foreign investment on projects leads to increase in construction demand.
- Competition between foreign firms enhances value for money of projects in the host country.
- Possibility of technology transfer and development of local construction industry.
- Building construction standardization arising from adoption of uniform international standards.
- Increase in application of information technology among indigenous companies and professionals.
- Enhancement of clients' preference due to exposure to international standards.
- More opportunities for networking and operation beyond Nigeria's borders.

FDI Inflow for 2010 to 2012

| Year | FDI Inflow {Billion Naira} | FDI Inflow for Construction Sector | FDI Contribution to the GDP |
|------|-------------------------------|---------------------------------------|--------------------------------|
|------|-------------------------------|---------------------------------------|--------------------------------|

| | | | |
|------|--------|-------|-----|
| 2010 | 897.40 | 22.70 | 3.0 |
| 2011 | 1,230 | 29.3 | 4.5 |
| 2012 | 1,559 | 36.10 | 6.5 |

The five key factors in the Nigerian Construction Business Opportunities are identified as 5 M, namely “Manpower, Materials, Methods, Money and Machinery”

6.1 Manpower and Labour resources

The Nigerian Construction Industry is fortunate that there is an abundant source of unskilled labour from a large pool of unemployed nationals across the country. Skilled workers with experience are in short supply due to inadequate practical training provided by the institutions of higher learning. They may be categorized as Theoretical Skilled workers. Based on research by BHL Group, thousands of professionals are produced yearly by over 100 Nigeria Universities but with little site knowledge.

Average Salary Structure in Nigeria Construction Sector:

| Item | Worker Category | Naira =N= | Malaysian Ringgit |
|------|---|-----------|-------------------|
| 1 | Unskilled worker's daily wage (8hrs) | 2,000 | 40 |
| 2 | Skilled Workers paid on a monthly basis : | | |
| i | Average Engineer | 180,000 | 3,600 |
| ii | Engineering Technician | 120,000 | 2,400 |
| iii | Civil Engineer PE | 260,000 | 5,200 |
| iv | Carpenter and Craftsman | 80,000 | 1,600 |
| v | Clerk of Works | 70,000 | 1,400 |

| | | | |
|---|-----------------------------|---------|-------|
| vi | Quantity Surveyor/Estimator | 150,000 | 3,000 |
| vii | Store Keeper | 70,000 | 1,400 |
| viii | Draftsman | 80,000 | 1,600 |
| Notes: USD1 gives you =N=152-154 while RM1 gives you =N=50/51.5 | | | |

6.2 Construction Materials

Construction Materials are readily available in Nigeria especially in urban areas of the country. Even in the rural areas, there are many agents, dealers and store-room for major producers in states and local government areas. The price variances are dependent on the accessibility and vicinity of the project. Let us take a look at two popular materials in the construction sector I. e Steel and Cement products in Nigeria.

1. Steel

Steel is available in various locations especially with the production from zonal steel rolling mills all over the country.

The following are major producers and Agents:

- a. Universal Steels Ltd, Israel Adebajo Road, P. O. Box 144 IKEA Lagos.
- b. Bash Concept Company Ltd, Ajegbo Street, Toluja Ijebu-Ode Ogun State.
- c. Ajaokuta Steel Company Ltd, P M B 1000 Ajaokuta Kwara State.
- d. Metal Construction {West Africa} Ltd, 13 Burma Street, Apapa Lagos.
- e. Nigerian Foundries Ltd, 1 Adeyemi Bero Crescent, Ilupeju Industrial Estate Lagos.
- f. Delta Steel Company Ltd, P O Box 1220 Warri Nigeria.
- g. Niger Steel Company Ltd, P O Box 723, Imene Nigeria.

h. Caprihans Industries Ltd, Old Ojo Road off Badagry Express Way.

2. Cement

Nigeria currently exports cement to neighbouring West Africa region due to an excess in its cement production. Demand for cement in West Africa and Nigeria's producers' role in spearheading expansion as well as growth in the regional cement industry is an indication of a growing construction sector. Spurred by sizeable expenditure on increasing existing production capacity, the nation's cement industry local output rose from 10.5 million tonnes in 2010 to 28.6 million tonnes in 2011. This giant leap in production led to Nigeria's cement industry accounting for 63.6 percent of the West African region's cement output in 2011. With substantial rise in production output, leading cement manufacturers in the country are increasing their investments in a bid to increase their production capacities from 2012 to 2018.

The cost of cement depends on brand pack at 50kg which ranges from ₦1,600 to ₦2,000 {RM32 to RM40}.

Major Cement Producers in Nigeria:

a. Cement Company of Northern Nigeria PLC.

KM 10, Kalambaina Road Sokoto, Sokoto State Nigeria.

b. Dangote Cement Group PLC.

Dangote Cement lead all the cement producers with three subsidiaries i.e. Benue Cement Company Ltd Benue State, Obajana Cement Ltd, Obajana Kogi State and Obajana Cement Ltd Ibese Ogun State.

Union Marble House, No 1 Alfred Rewane Road, Ikoyi Lagos Nigeria.

c. Lafarge Cement WAPCO Nigeria PLC.

Lafarge Cement WAPCO Nigeria PLC, foremost cement manufacturing company in Nigeria and a subsidiary of France-based Lafarge, the world leader in building materials has Asaka cement factory as its subsidiary.

6th Floor, Elephant Cement House, IKEJA central Business District, Alausa IKEJA Lagos Nigeria.

d. Eastern Bulkcem Company Ltd.

A popular cement manufacturing company in the Eastern and Southern part of Nigeria.

Rumuolumeni P. M. B. 5006, Port Harcourt River State Nigeria.

e. Powermax Cement PLC.

Powermax Cement is the first SON certified 42.5 cement product in Nigeria meant to cater for the needs of specialized users who require high strength concrete. Since its introduction into the market in mid-2012, the product has been well received by major construction companies in Nigeria.

Consolidated Bank House, 5th floor, IKEJA Lagos Nigeria

6.3 Methods of entry into the Nigeria construction sector

For the purpose of this guide book, there are eight methods for the Malaysian Construction Industry player to participate in the booming construction industry/projects in Nigeria.

a. Design and Build {DB}

Design and Build is an innovative method of entry into the Nigerian construction sector which allows the contractor to design the structure and subsequently build it. Qualified contractors will be extensively briefed about the project to enable them to design and prepare a BOQ

which will be matched with the client's BOQ in selecting the compatible bidders for the project.

b. Turkey Projects

Turnkey projects may be based on either client or contractor designed projects. They are “turnkey” in a sense where the contractor will be responsible for all financial arrangements and will only be reimbursed upon delivery of completed, fully tested and “ready for use” project. It is likened to a Local Purchase Order (LPO) for the supply of a ready-to-use deliverable which is being paid by the client “at sight” or at an agreed, later time.

c. Build Own and Transfers {BOT}

Under Build, Own and Transfer, the contractors who may be a developer (financier) and not necessarily the builder, shall build and own the property which will be used by the client with an agreement that allows the client take ownership of the property in the future. This arrangement is usually made for specialized facilities like hospitals, schools, social housing and markets.

d. Build Own Operate and Transfer {BOOT}

In Build, Own, Operate and Transfer, the client does not have intention of using the completed project and allows the developer to own it for an agreed period of time. Examples are the construction of Nigeria Murtala Mohammed Airport II by Bi-Courtney Aviation Management,

and the construction of North- South Expressway by PLUS Bhd of Malaysia.

e. Design Build Finance and Own {DBFO}

This is a Public Finance Initiative (PFI) in which a private organization conceives a development idea, designs, constructs and operates it in perpetuity. For example, the Millennium Park, Maitama Abuja Nigeria was designed and developed by Salini Construction Company Limited as a Corporate Social Responsibility (CSR) project.

f. Construction Management

The job of the construction manager is to efficiently and economically apply the required resources to realize a constructed facility of acceptable quality within the specified time frame and budgeted cost.

g. Management Contracting

Management Contracting is an alternative to engaging a principal building contractor. In this instance, once the client's approval is acquired, management contractors are preferably employed to administer and integrate the construction process with sub-contractors executing the works. An illustration of this is where residential building projects for small contractors in Nigeria are usually sub-contracted to other contractors registered with Nigeria Julius Berger from Germany.

h. Public Private Partnership {PPP}

PPP is a mutually beneficial arrangement between the government and the Development Partner. The government provides the base for the execution of the development, while the development partner contributes financial or, technical or management inputs or two, or all of the above. Transparency is the watch -word and all stakeholders must have awareness of the working conditions of the system. There is a project in the Nigerian Federal Capital, Abuja, named as “MALAYSIAN GARDEN”. It is a USD600 Million housing project between a Malaysian Private Sector participant and Federal Territory Authority Abuja Nigeria in 2010.

i. Monetary system as it applies to construction sector

Nigerian monetary policy is a combination of measures designed to regulate the value, supply and cost of money in its economy, relative to volume of economic activities. It can be described as the art of controlling the direction and movement of monetary and credit facilities in pursuance of price stability and growth within an economy. However, the primary objective of Nigeria's CBN monetary policy that cuts across the mandates of most central banks is the maintenance of price stability, which is fundamental to the attainment of sustainable growth.

Evidence is found that Nigerian monetary policy innovations have both real and nominal effects on economic parameter depending on policy variable. Finally, the objective is the financial system stability that supports growth of Nigerian economy.

6.4 Banking System

After 2009 Banking reform by the Central Bank of Nigeria, the Banking and Financial industry has stabilized and has been growing with virtually all the banks in Nigeria being in the ranks of best 1,000 banks in the World. A lot of

transactions are still conducted in cash but, beginning from June 2013, the Central Bank of Nigeria (CBN) has introduced a new policy on cash-based transactions which stipulates a 'cash handling charge' on daily cash withdrawals or cash deposits that exceed =N=500,000 for Individuals and =N=3,000,000 for Corporations.

The new policy on cash-based transactions (withdrawals & deposits) in banks, is aimed at reducing (not eliminating) the amount of physical cash (coins and notes) circulating in the economy and encouraging more electronic-based transactions (payments for goods, services, transfers, etc.)

The following are the money deposit banks operating in Nigeria:

- Access Bank PLC
- Citibank PLC
- Diamond Bank PLC
- Ecobank Nigeria PLC
- Enterprise Bank Ltd
- Fidelity Bank PLC
- First Bank of Nigeria PLC
- First City Monumental Bank PLC
- Guaranty Trust Bank PLC
- Standard Chartered Bank Nigeria PLC
- Stanbic IBTC bank Nigeria PLC
- Union Bank of Nigeria PLC
- United Bank PLC
- Wema Bank PLC
- Zenith Bank PLC

In 2012, the Central Bank of Nigeria approved an Islamic and Non-interest bank called "Jaiz Bank PLC. There are other non-deposit banks approved

by the central bank of Nigeria such Infrastructure Bank PLC, Federal Mortgage Bank Ltd.

1. Payment System

Nigeria has five primary methods of payment for international transactions. During or before contract negotiations, it is advisable to consider which method is mutually beneficial to the seller and buyer.

The five methods are:

1. Advance payment
2. Open account
3. Documentary collection
4. Documentary letters of credit
5. Escrow account arrangements

6.5 Machinery for construction projects

There is no homegrown construction equipment manufacturer in Nigeria. However, there are many dealers, agents and subsidiaries of major European construction equipment producers. These agents and dealers are located all over the country. Getting equipment might be a little difficult if the project is of gigantic proportions.

Most foreign companies bring-in their own equipment for venture outfits as commonly practised by the Chinese and Indians firms operating in Nigeria. The fabrication and repairs of the equipment can be done easily in Nigeria

due to current local content in Nigeria Oil and Gas industry aka PIB Bills. Meanwhile, there are about 10 known companies where construction equipment may be leased or purchased for project implementations.

They are:

- a. A G Leventis Nigeria PLC. Lagos Nigeria.
- b. Ben locks Nigeria Ltd, Owerri Imo State.
- c. Duvik Nigeria Ltd, Jos Plateau State.
- d. Niger bash Properties Company Ltd, Lagos and Ogun State.
- e. FBCO Nigeria Limited, FCT Abuja Nigeria.
- f. Manal Nigeria Limited, sabon-gari Kano State.
- g. FEPS Nigeria Limited, Port Harcourt Rivers State.
- h. Hammex Engineering Ltd, Abeokuta Expressway Lagos.
- i. Ja Dasoltop Nigeria Ltd, Ogunlana Street Surulere Lagos.
- j. Duke Consolidated Ventures Ltd, Calabar Cross River State.

7.0 SECTION G – CUSTOMS & EXCISE REGULATIONS

7.1 General Regulations

The Nigeria Customs and Excise Management Acts was enacted in April 1959 and amended in 1995 under Decree 4 of the Federal Republic of Nigeria while Value added tax act was gazetted in June 2007 as amended. Nigerian not-for-profit organizations are not exempt from payment of VAT. However, VAT will not be assessed on the provision of certain goods and services such as:

- medical and pharmaceutical products,
- basic food items,
- books and educational materials,
- baby products,
- commercial vehicles and commercial vehicle parts,
- fertilizer, agricultural and veterinary medicine, farming machinery and farming transportation equipment;
- all exports,
- medical services,
- services rendered by Community Banks, People's Bank and Mortgage Institutions,
- plays and performances conducted by educational institutions as part of learning,
- all exported services,
- plant and machinery imported for use in the Export Processing Zone,
- plant, machinery and equipment purchased for utilization of gas in downstream petroleum operations; and
- Tractors, ploughs and agricultural equipment and implements purchased for agricultural purposes. {Value Added Tax Act 2007 and Schedule} {Value Added Tax Act and Schedule, as amended}

7.2 Import and Export Taxes

The importation of goods is regulated by Custom, Excise Tariff etc {Consolidation} Act No 4 of 1995 {which was enacted as *Custom, Excise Tariff etc {Consolidation} Decree No 4 of 1995*}. Goods to be exported to Nigeria must meet the standards or rules made by Standards Organisation of Nigeria {SON}.

The SON also administers the Standards Organisation of Nigeria Conformity Assessment Programme {SONCAP} Certificate in respect of importation of Regulated Products, Importers of good must have a Product Certificate for the purpose of processing of Form M if they intend to import Regulated Products and SONCAP Certificate for clearance of goods at Nigeria Points of Entry in respect of importation of Regulated Products.

The Tariff which is a schedule to the Act is a massive document. Printed on A4 size paper, it is just over one inch in thickness. The Tariff specifies rates of import duty payable on importation of goods into Nigeria.

Importer pays administrative charge of 1% of FOB value of all imports based on the exchange rate on the approved Form M. All import duties are assessed at the C.I.F. {Cost, Insurance and Freight} value of the goods using the currency exchange rate on the approved Form M.

All oil/non-oil export from Nigeria shall be subjected to inspection by the Pre-shipment Inspection Agents {PIA} appointed for the purpose by the Federal Government of Nigeria and the necessary Clean Certificate of Inspection {CCI} issued before shipment. Messrs Cobalt International Services Ltd. is the Pre-shipment Inspection Agent for Nigeria. All Exporters of Commercial products shall register with the Nigerian Export Promotion Council {NEPC}. Exportation must be carried out through approved Sea port/Airport or Border station. All goods for Export shall be entered in Single Goods Declaration {SGD} form C 2010 with all relevant Columns completed.

7.3 Transport and Freight

7.3.1 Nigerian Ports Authority {NPA}

Nigeria is the hub of the West and Central African sub-region. Nigerian seaports handle over 60 per cent of the total inward and onward cargo of this region. However, the cost of shipping and other related services are high compared to those of neighbouring countries. Over the years, the authority has undergone numerous reforms, restructuring, repositioning to enable it meet the demands and challenges of the maritime population. NPA owns and manage three ports in Lagos, Port Harcourt and Calabar.

8.0 SECTION H – PORTS FACILITIES

8.1 Import Guidelines

1. Any person intending to import physical goods into Nigeria shall in the first instance process Form "M" through any Authorized Dealer Bank irrespective of the value and whether or not payment is involved;
2. The Form "M" shall have a validity period of six months for all imports except Plants and Machinery which shall have a validity period of one year. Requests for subsequent revalidation thereafter should be directed to the Director of Trade and Exchange Department at the Central Bank of Nigeria.
3. Supporting documents shall be clearly marked "Valid for Forex/Not Valid for Forex" as appropriate i.e. depending on whether or not foreign exchange remittance would be involved.
4. All applications for goods subject to Destination Inspection shall carry the "BA" code, while those exempted shall include "CB" in the prefix of the numbering system of the Form "M". Payments for goods exempted from Destination Inspection under the Scheme, would not be carried out in the Foreign Exchange Market, without a prior approval from the Central Bank of Nigeria. The list of goods exempted from Destination Inspection shall be as approved by the Honourable Minister of Finance and the approval shall

be a pre-condition for the completion of Form M exempted from Destination Inspection.

5. The Form 'M' and the relevant pro-forma invoice (which shall have a validity period of three months) shall carry a proper description of the goods to be imported to facilitate price verification:
 - Generic product name, i.e. product type, category
 - Mark or brand name of the product` where applicable
 - Model name and or model or reference number. where applicable
 - Description of the quality, grade, specification, capacity, size, performance etc.
 - Quantity and packaging and/or packing

6. Form 'M' shall be valid for importation only after acceptance by the relevant Scanning /Risk Management Provider. Consequently, Authorized Dealers are to confirm acceptance of the Form M before proceeding with other import processes.

7. Documents in respect of each import transaction shall carry the name of the product, country of origin, specifications, date of manufacture, batch or lot number, Standards to which the goods have been produced (e.g. NIS, British Standards - PD. ISO, IES, DIN, etc).
 1. All goods to be imported into the country shall be labeled in ENGLISH in addition to any other language of transaction; otherwise the goods shall be confiscated.
 2. Where import items such as food, drinks, cosmetics, drugs, medical devices, chemicals, etc. are regulated for health or environmental reasons, they shall carry EXPIRY dates or the shelf life and specify the active ingredients, where applicable.

3. Electrical appliances (fluorescent lamps, electric bulbs, electric irons and ties, etc) shall carry information on life performance while cables shall carry information on the ratings.
4. All electronic equipment and instruments shall carry:
 - Instruction Manual;
 - Safety information and/or safety signs;
 - A guarantee/warranty of at least six months.
5. All computer hardware, software, operating and embedded system shall continue to be Year 2000 compliant
6. Any wrong or fraudulent misrepresentation of facts will result in delays and/or impoundment/seizures.
7. Importation of Blank products and/or without valid Form 'M' shall automatically qualify for seizure and destruction without warning, and subject to prosecution.
8. All imports into the country shall be accompanied by the following documents:
 - Combined Certificate of Value and Origin (CCVO), and contain the following details in addition to those on the pro-forma invoice:
 - Form "M" number.
 - Adequate description of goods
 - Port of destination (the actual port shall be specified e.g. Tin Can, Apapa, Kano, Onne, etc.)
 - Shipment identification, date of shipment, Country of Origin, Country of supply
 - Packing list
 - Shipped/ Clean on Board Bill of Lading/Airway bill/Way bill/Road Way bill

- Manufacturer's Certificate of Production which shall state standards and where it is not applicable, the Phytosanitary Certificate or, Chemical Analysis Report should be made available.
- Laboratory test certificates for chemicals, foods, beverages, pharmaceuticals, electrical appliances and other regulated products, where applicable.

9. The following procedure shall be adopted for payments for:

- a. Letters of credit transactions: where the transactions involve issuance of Certificate of Capital Importation (CCI) and or supplier's credit, all negotiating documents and/or shipping documents (as may be applicable), must be routed from the Beneficiary/Supplier through his/her bank to the correspondence bank of the issuing bank and thereafter to the issuing bank. For the avoidance of doubt, on no account must banks endorse or pay on documents which do not comply with the routing outlined above.
- b. For Bills for Collection transactions and Unconfirmed Letters of Credit, documents must come to the issuing bank either directly from the supplier's bank or through the offshore correspondent of the issuing bank.
- c. For Not Valid for Foreign Exchange transactions (which do not require foreign exchange transfer), the supplier should forward the documents directly to the bank that issued the Form "M". In addition, applicable returns on non-submission of shipping documents after 90 days in respect of such transactions must henceforth be rendered.
- d. In the case of personal effects, the relevant documents should be forwarded to the appropriate Service Provider. However, where dutiable goods are found to be in excess of the approved

passenger concession, they shall be liable to the clearance procedure applicable to commercial goods and accordingly all import documentation requirements must be complied with, failing which they shall be liable to seizure.

10. For transactions with Post Landing charges, a retention fee of 5 - 15% of the project cost as agreed between the importer and the overseas supplier shall be indicated on both the Contract Agreement and the Pro-forma invoice which shall form part of the supporting documents for the registration of relevant Form M. In addition the following actions must be taken :

- the stated fee shall not be remitted until a satisfactory evaluation of the project has been undertaken by the Industrial Inspectorate Department of the Federal Ministry of Industry
- The Scanning Company shall forward to the Federal Ministry of Industry (Industrial Inspectorate Department) and the Central Bank of Nigeria, Trade and Exchange Department copies of the Contract Agreement and Pro-forma invoice of such projects for monitoring purposes.
- During Destination Inspection, the Nigeria Customs Service shall take cognizance of the value of shipment and Post Landing charges as would have been indicated on the Risk Assessment Report (RAR)
- The Industrial Inspectorate Department, Federal Ministry of Industry shall thereafter carry out an evaluation of the project and advise the Central Bank of Nigeria accordingly
- On receipt of the report of the evaluation from the Federal Ministry of Industry (Industrial Inspectorate Department), the Central Bank of Nigeria shall advise the respective scanning company on the

issuance of the RAR in respect of the retained value and the Authorized Dealer advised to remit same to the beneficiary.

8.2 Import Procedures

1. Each completed Form 'M' shall be submitted to an Authorized Dealer Bank with the following detailed information, in addition to A.1 (5) above:

- Detailed description of the goods, including commercial name for each item, make, whether new, used or refurbished, and the standards adopted.
- Quantities and/or their measurements
- Unit Cost of goods
- Total cost of goods
- Freight cost
- Mode of transportation (i.e. by Air/Sea/road)
- Details of shipment; whether Full Container Load(FCL),Low Container Load (LCL),Bulk, Loose, etc
- Other charges reflected on the Form 'M' (if any)
- Country of Origin
- Country of supply;
- Pro forma Invoice with details of physical address and telephone and/or fax number of the supplier and e-mail (where available).
- Other documents such as certificate of registration with NAFDAC, SONCAP Pharmaceutical Board of Nigeria, etc. and any additional documents that might be prescribed by relevant government agency.

2. All the copies of Form 'M' shall be legible, duly marked "Valid" or "Not Valid" for foreign exchange as the case may be; otherwise the application shall be rejected

3. Upon receipt of duly completed and signed copies of the Forms 'M' from the importer, the Authorized Dealer Bank shall:
 - a) Ensure that the Form 'M' is duly completed with detailed description of goods clearly stated;
 - b) Ensure that the entire relevant documents that are to accompany the completed Form 'M', are actually provided. It should be stated that the Authorized Dealer Bank is expected to carry out proper Know - Your - Customer (K-Y-C) and be satisfied that all the relevant documents forwarded are genuine
 - c) After (a) and (b) above, the bank shall make necessary endorsements on the Form 'M', retain the original copy and thereafter forward the remaining three copies to the relevant Scanning and Risk Service provider, who will distribute to the appropriate Customs Offices when satisfied with the submission.

8.3 Submission of Form M

1. Any person intending to import physical goods into Nigeria shall in the first instance process Form "M" through any Authorized Dealer Bank irrespective of the value and whether or not payment is involved;
2. The Form "M" shall have a validity period of six months for all imports except Plants and Machinery which shall have a validity period of one year. Requests for subsequent revalidation thereafter should be directed to the Director of Trade and Exchange Department at the Central Bank of Nigeria.

3. Supporting documents shall be clearly marked "Valid for Forex/Not Valid for Forex" as appropriate i.e. depending on whether or not foreign exchange remittance would be involved.
4. All applications for goods subject to Destination Inspection shall carry the "BA" code, while those exempted shall include "CB" in the prefix of the numbering system of the Form "M". Payments for goods exempted from Destination Inspection under the Scheme, would not be carried out in the Foreign Exchange Market, without a prior approval from the Central Bank of Nigeria. The list of goods exempted from Destination Inspection shall be as approved by the Honourable Minister of Finance and the approval shall be a pre-condition for the completion of Form M exempted from Destination Inspection.
5. The Form 'M' and the relevant pro-forma invoice (which shall have a validity period of three months) shall carry a proper description of the goods to be imported to facilitate price verification viz;
 1. Generic product name, i.e. product type, category
 2. Mark or brand name of the product where applicable
 3. Model name and or model or reference number. where applicable
 4. Description of the quality, grade, specification, capacity, size, performance etc.
 5. Quantity and packaging and/or packing
6. Form 'M' shall be valid for importation only after acceptance by the relevant Scanning /Risk Management Provider. Consequently, Authorized Dealers are to confirm acceptance of the Form M before proceeding with other import processes.
7. Documents in respect of each import transaction shall carry the name of the product, country of origin, specifications, date of

- manufacture, batch or lot number, Standards to which the goods have been produced (e.g. NIS, British Standards – PD. ISO, IES, DIN, etc).
8. All goods to be imported into the country shall be labeled in ENGLISH in addition to any other language of transaction; otherwise the goods shall be confiscated.
 9. Where import items such as food, drinks, cosmetics, drugs, medical devices, chemicals, etc. are regulated for health or environmental reasons, they shall carry EXPIRY dates or the shelf life and specify the active ingredients, where applicable.
 10. Electrical appliances (fluorescent lamps, electric bulbs, electric irons and ties, etc) shall carry information on life performance while cables shall carry information on the ratings.
 11. All electronic equipment and instruments shall carry:
 - I. Instruction Manual;
 - II. Safety information and/or safety signs;
 - III. A guarantee/warranty of at least six months.
 12. All computer hardware, software, operating and embedded system shall continue to be Year 2000 compliant.
 13. Any wrong or fraudulent misrepresentation of facts will result in delays and/or impoundment/seizures.
 14. Importation of Blank products and/or without valid Form 'M' shall automatically qualify for seizure and destruction without warning, and subject to prosecution.
 15. All imports into the country shall be accompanied by the following documents:

1. Combined Certificate of Value and Origin (CCVO), and contain the following details in addition to those on the proforma invoice:
 - a) Form "M" no.
 - b) Adequate description of goods
 - c) Port of destination (the actual port shall be specified e.g. Tin Can, Apapa, Kano, Onne, etc.)
 - d) Shipment identification, date of shipment, Country of Origin, Country of supply

 2. Packing list
 3. Shipped/ Clean on Board Bill of Lading/Airway bill/Way bill/Road Way bill
 4. Manufacturer's Certificate of production which shall state standards and where it is not applicable, the Phytosanitary Certificate or Chemical Analysis Report should be made available.
 5. Laboratory test certificates for chemicals, foods, beverages, pharmaceuticals, electrical appliances and other regulated products, where applicable.
16. The following procedure shall be adopted for payments for:
1. Letters of credit transactions: where the transactions involve issuance of Certificate of Capital Importation (CCI) and or supplier's credit, all negotiating documents and or shipping documents (as may be applicable), must be routed from the Beneficiary/Supplier through his/her bank to the correspondence bank of the issuing bank and thereafter to the issuing bank. For the avoidance of doubt, on no account must banks endorse or pay on documents which do not comply with the routing outlined above.

2. For Bills for Collection transactions and Unconfirmed Letters of Credit, documents must come to the issuing bank either directly from the supplier's bank or through the offshore correspondent of the issuing bank.
 3. For Not Valid for foreign exchange transactions (which do not require foreign exchange transfer), the supplier should forward the documents directly to the bank that opened the Form "M". In addition, applicable returns on non-submission of shipping documents after 90 days in respect of such transactions must henceforth be rendered.
 4. In the case of personal effects, the relevant documents should be forwarded to the appropriate Service Provider. However, where dutiable goods are found to be in excess of the approved passenger concession, they shall be liable to the clearance procedure applicable to commercial goods and accordingly all import documentation requirements must be complied with, failing which they shall be liable to seizure.
17. For transactions with Post Landing charges, a retention fee of 5 – 15% of the project cost as agreed between the importer and the overseas supplier shall be indicated on both the Contract Agreement and the Pro-forma invoice which shall form part of the supporting documents for the registration of relevant Form M. In addition,
1. the stated fee shall not be remitted until a satisfactory evaluation of the project has been undertaken by the Industrial Inspectorate Department of the Federal Ministry of Industry
 2. The Scanning Company shall forward to the Federal Ministry of Industry (Industrial Inspectorate Department) and the Central Bank of Nigeria, Trade and Exchange Department copies of

the Contract Agreement and Pro-forma invoice of such projects for monitoring purposes.

3. During Destination Inspection, the Nigeria Customs Service shall take cognizance of the value of shipment and Post Landing charges as would have been indicated on the Risk Assessment Report (RAR)
4. The Industrial Inspectorate Department, Federal Ministry of Industry shall thereafter carry out an evaluation of the project and advise the Central Bank of Nigeria accordingly
5. On receipt of the report of the evaluation from the Federal Ministry of Industry (Industrial Inspectorate Department), the Central Bank of Nigeria shall advise the respective scanning company on the issuance of the RAR in respect of the retained value and the Authorized Dealer advised to remit same to the beneficiary.

8.4 Responsibilities of the Importer

1. It shall be the duty of the importer to ensure that the supplier makes available the pro-forma invoice in accordance with the imports procedure of the country. As a result, there must be no ambiguity in the description of the goods
2. The importer shall also ensure that all the documents to be forwarded to the Authorized Dealer Bank are genuine and verifiable
3. All the requirements listed under the imports procedure must be complied with before documents are forwarded to the Authorized Dealer Bank.
4. The importer shall also advise the Supplier on the status of the relevant Form M before shipment takes place.

8.5 Responsibilities of Suppliers

On consignment of goods for shipment, the overseas supplier shall:

1. Make available three sets each, of original Combined Certificate of Value and Origin (CCVO); Transport document (depending on the mode of transport) and Packing list to the relevant bank as indicated in 8.4.2 above.
2. Forward only two sets of the documents in 8.5.1 above through his/her banker to the relevant overseas correspondent bank of the Nigerian Authorized Dealer Bank, for transactions valid for foreign exchange and those for which Certificate of Capital Importation would be issued or involving supplier's credit. The third copy should be forwarded to the Authorized Dealer Bank that opened the Form "M".
3. Similarly, in the case of Bills for collection and unconfirmed letters of credit, two sets should be forwarded either through the supplier's bank or the offshore correspondent of the issuing bank, to the issuing bank, while the third copy is forwarded directly to the Nigerian Authorized Dealer Bank.
4. In the case of Not-valid for foreign exchange transactions, only two sets should be forwarded directly to the bank that initiated the Form "M",
5. In the case of dutiable personal effects, two sets should be forwarded to the designated bank and if they are not (i.e. in case of normal personal effects), the two sets should be forwarded to the appropriate Risk Management and Service provider.

8.6 Responsibilities of Authorized Dealers

These documents should be forwarded within 14 days after shipment.

1. Upon receipt of the third copy of the Combined Certificate of Value and Origin (CCVO); Transport document (depending on the mode of transport) and Packing list, or copies received directly in the case of Not-valid for Foreign Exchange transactions or dutiable personal effect, Authorised Dealers should forward photocopies with a letter duly signed by authorized signatories of the bank to the Risk Management and Service Provider for issuance of Risk Assessment Report (RAR).
2. In addition, for transactions involving foreign exchange transfer, the assessed value on the Risk Assessment Report (RAR) shall be the amount payable. Where there is excess remittance, such must be repatriated within two weeks failing which appropriate sanction shall be imposed.
3. Enjoined to bring provisions of these guidelines to the attention of their customers (importers), correspondent banks, suppliers, etc for their compliance, and,
4. To be guided by the provisions of Memorandum 27(x) of the Foreign Exchange Manual on the need to refer policy issues in respect of which they are in doubt to the Director, Trade and Exchange Department for clarification.
5. Furthermore, Authorised Dealers, importers, suppliers, shipping lines, air carriers etc, are expected to ensure compliance with these guidelines as any breach and/or infraction shall draw appropriate sanction(s) in line with the provisions of the relevant guidelines, regulations and/or statutes.

8.7 Responsibilities of Shipping Liners/Other Carriers

1. It shall be the responsibility of Shipping lines/ air carriers to ensure that all goods being consigned for shipment to Nigeria are covered by appropriate Form "M".
2. The Form M number MUST be reflected on the Bill of Lading or Airway Bill or road way bill for such goods.
3. An advance summary of the manifest of the cargoes must be made available to the Scanning Companies electronically within five working days after shipment for goods by sea and two working days by other modes of transport. This requirement shall be in addition to those forwarded to the Nigeria Customs Service.

8.8 Import Duty Payment

- The Importer shall continue to pay an administrative charge of 1% of FOB value of all imports based on the exchange rate on the approved Form M.
- All imports shall continue to be assessed for duty at the C. I. F. value of the goods using the rate of exchange on the approved Form M
- It shall be the duty of the importer's bank through which the Form M was processed to issue the customer a draft in respect of the amount assessed as duty. Import duty payment shall continue to be restricted to the bank that initiated the Form "M" provided it is a designated bank within existing regulations.
- The issuance of bank draft by the customer's bank and the payment thereof into the designated bank shall be done and receipt issued by the designated bank before clearance of the goods.

- The draft for import duty and other charges shall be paid to any of the designated banks and receipt issued with serial number of the SGD Form stated thereon before goods are cleared.
- The designated bank shall continue to transfer all payments of which effects have been cleared to CBN Head Office (Banking Office) in Lagos or the nearest CBN Office or Currency Centre for onward transfer to the CBN Head Office every Monday.

8.9 Documentation Requirement /For Import Payment under the Di Scheme

1. Confirmed Letters of Credit Original copies of:

- Approved Form 'M'
- CCVO {Combined Certificate of Value and Origin}
- Manufacturer's Certificate with standards adopted stated thereon
- Clean/Shipped on Board Bill of Lading/Airway bill/ Road Way bill
- Packing list
- Letter of credit instrument (tested)

2. Documents to be submitted after clearance of goods:

- Risk Assessment Report (RAR) with the Form 'M' number.
- Single Goods Declaration (SGD) Form duly completed and signed by either the importer or his appointed Agent.
- CCVO {Combined Certificate of Value and Origin}
- Copy of the Packing List
- Import Duty Payment receipt with the SGD number clearly stated thereon
- Copy of the attested Manufacturer's Certificate with Standards adopted stated thereon

- Copy of the Carrier Certificate
- Laboratory test certificate for chemicals, food, beverages, etc.

3. Bills for Collection Transactions

- Approved Form 'M'
- SGD Form
- CCVO
- Attested Manufacturer's Certificate;
- Shipped / Clean on Board Bill of Lading/Airways Bill/ road waybill,
- Certificate of Insurance
- Import duty Payment receipt with SGD No. stated thereon
- Bill history/bill of exchange
- Tally Sheet/Gate Pass
- Packing List

It should be noted that these documentation requirements for imports under Destination Inspection Scheme are part of the provisions of the Foreign Exchange Manual. Consequently, the relevant provisions on imports as they relate to the Comprehensive Import Supervision Scheme (CISS) are hereby amended by the provisions of this circular. In addition to the latter regulations, the provisions of the circular Ref. No.TED/AD/55/2004 of 7th May, 2004 on importation of petroleum products shall continue to apply.

8.10 Clearance Procedures {ASYCUDA ++SITES}

The procedures outlined in this document may be subject to change as the project progresses. More features may be added or removed as infrastructures are improved upon. The flow of clearance procedure is illustrated below in its comprehensive stages, according to the appropriate inspection point personnel:

1. De-clearances

- Complete the Single Goods Declaration Forms. The de-clearances may refer to their copies of the Risk Assessment Report (produced by the Scanning Companies and received through the banks) to prepare the SGD.
- Fill a Payment Schedule (Form Sale 156) with all calculated duties and taxes to be paid on the SGD, and make the payment at the bank.
- Attach all the necessary and supporting documents, i.e. final invoice and CCVO, pro-forma invoice, bill of lading, insurance certificate payment schedule, payment receipts, RAR, copy of "Form M" SONCAP (where necessary), etc.
- Present the completed SGDs along with the attached relevant documents to the designated Face Vet Officers.

2. Face Vet

- Check basic details of the SGDs. Check that required documents are attached.
- Check and verify receipts of duty payment.
- Return SGDs back to de-clearances for correction and/or completion of missing data and/or documents.
- Refer the checked SGDs to the Technical Supervisor.

3. Technical Supervisor

- Streamline the flow of SGDs for control by Data Capture.

4. Data Capture

- Input the SGDs and the manifest details into ASYCUDA++ respective modules.

- Register the declarations in ASYCUDA++.
- Print the ASYCUDA++ declarations.
- Refer the entries to Verification & Query Seat.

5. Verification & Query Seat/ ASYCUDA CPC

- Receives RAR messages from the Scanning Company (SC).
- Checks details of the ASYCUDA++ SGDs against the attached documents, but with emphasis on the values and commodity codes of the goods.
- Requests the assessment of the declarations, thus the ASYCUDA++ selectivity is triggered. Lanes of the declarations are automatically determined. If scanners are in place, then declarations are selected on Green, Blue, Yellow or Red lanes, otherwise declarations are routed to Green, Blue or Red lanes only.
- Possibility of upgrading to the next level of examination based on the lanes selected by the system and risk-related information provided by the RAR messages.
- Stamp the ASYCUDA++ SGD with the selected lane and the name of the inspector since the ASYCUDA++ System assigns the inspectors for examination of the consignments automatically. The terminal copies of the manual SGD are stamped with the selected lane stamp, as well. The importer copy is to be delivered to the respective shipping line/ company.

Discrepancies detected shall be entered into the ASYCUDA++ Inspection Report, and the declaration is modified and returned to the de-clearances to sign and stamp. If a dispute continues to exist, then dispute settlement mechanisms are followed. These may include allowing the importer to clear his goods on bank indemnity,

application for a tariff decision from the Tariff and Trade Department of NCS, an appeal to Hon. Minister of Finance, WCO or ultimately taking the dispute to a Court of competent jurisdiction.

For Yellow Lane SGDs, Assessment Notices are printed so that de-clearances can pay additional duties and taxes at the bank (if necessary). At this point, CPC has completed the verification process and some discrepancies may be found for Red Lane SGDs. But since other discrepancies can be discovered as a result of physical inspection of goods, and to reduce the number of incidences of further payment at the bank, then all additional payments of Red Lane de-clearances can be made after the physical examination is carried out.

6. If on Green Lane

Assess the declaration, and then the payment details can be recorded by the Accounts Officers at CPC. Print the Release Order, and attach it to the SGD.

7. If on Yellow Lane

Hold the documents until the payment of duties and taxes are confirmed (cleared by the bank). If so, a terminal copy of the SGD is stamped with the ALS (Authorization to Load for Scanning) stamp so that the de-clearances can start release procedures at NPA. The rest of the documents are referred to Sorting.

8. If on Red Lane

The documents are referred to Sorting.

9. If on Fast Track

Redlined entries are re-routed to blue, and the same Green Lane procedures will apply for these declarations. Later, the physical inspection will be carried out at the importers' premises. If, on the other hand, a fast track entry is selected on Yellow, then Yellow Lane procedures should apply.

10. Sorting

- The (8) copies of SGD are sorted according to the lane of the declaration.
- If on Red Lane: Copies no. 1, 4, 5, and 7 go to terminals via Dispatch, copy no. 2 to valuation (statistics copy) for further analysis of the value, copy no. 3 to Accounts, copy no. 6 to the de-clearances through the Paging/ Importer Copy Seat, while copy no. 8 goes to the Central File.
- If on Green or Blue Lane: No copies are dispatched to terminals for inspection.
- If on Yellow Lane: The rest of the terminal copies, after excluding the ALS-stamped copy which was delivered to NPA, go to the Customs office at the scanning site.

11. Dispatch

- Record the numbers of the SGDs that are to be dispatched.

12. Terminals/ Scanning Site

- If on Green or Blue Lane: Consignments related to declarations marked on the Green or Blue Lane should start release procedures at once. No inspection by the Customs staff at either the terminals or the scanning site is required for Green or Blue Lane declarations.
- If on Red Lane: Inspectors physically examine the goods marked for that purpose by the Verification & Query Seat. Inspection is carried out jointly with the representatives of the other concerned agencies, (as approved by Government) and in the presence of the de-clearance.
- The findings of physical inspection are entered in the "Inspection Report" of the ASYCUDA++ by the Assessment Officers at the terminals, and then re-routed to Green Lane and assessed.
- Following communications with the Accounts Officers at CPC, where the payment details are input into ASYCUDA++, Release Orders can be printed by the Assessment Officer at the terminal, and attached to declarations.
- The Officer in Charge of the terminal issues Demand Notice/ Assessment Notice of any additional payment that is to be made if any discrepancy is found as a result of physical examination and/or verification of documents as performed by the Verification and Query Seat.
- If on Yellow Lane: Containers which were selected on Yellow Lane can be loaded on trucks in accordance with NPA procedures, and then head for the scanning site.

- The findings of scanning are entered in the "Inspection Report" of the ASYCUDA++ by the Assessment Officers at the scanning site, and then re-routed to Green Lane and assessed.
- Input payment details into ASYCUDA++ by the Accounts Officer at the scanning site. The Officer in Charge of the Customs Office at the scanning site issues Demand Notice/ Assessment Notice of any additional payment that is to be made if any discrepancy is found as a result of physical examination or scanning. However, for containers that are returned back to terminals because of the limited space in the holding area, then the Red Lane procedures will apply on these cases as far as inputting the payment details into ASYCUDA++ at CPC, and the printing of the Release Order at the terminal. Also, the additional charges of NPA have to be settled before release procedures are continued. Release Orders are printed, and attached to declarations.

13. Gate

Issue the Exit Gate to allow the containers to leave the port.

8.11 Clearance Procedures {ASYCUDA V.2.7 SITES}

The same procedures as in the ASYCUDA++ Sites shall be applied at all ASYCUDA V. 2.7 Sites, except for the following slight differences:

- The Risk Assessment Reports (RARs) will not be transmitted electronically; hardcopies of the RARs, nevertheless, will be received by the Verification & Query Seat.

- No selectivity can be triggered in ASYCUDA Ver. 2.7, thus lanes will be determined at the Verification & Query Seat based on the levels of risk advised by the Scanning Company in the RARs.
- Since most of the ASYCUDA Ver. 2.7 Sites will not have scanners in place at the beginning, then the declaration may be routed to Red and Green Lanes only.
- All physical inspection/ scanning findings will be recorded manually since ASYCUDA Ver. 2.7 does not have the "Inspection Report" facility as in ASYCUDA++.

8.12 Export Guidelines

This notice is issued for the information of exporters, agencies and institutions, which are involved in the business of export promotion in Nigeria.

- Worldwide, export business is mainly about documentation. This is because much reliance is placed on documents relating to price, quantity, packaging, shipment/movement, origin etc., in adherence to stipulated procedures.
- The buyer for instance needs documents that would enable him clear the goods in his country while the seller/exporter needs documents to ensure that he will get paid. Consequently, goods may not be exported to destinations outside Nigeria unless the exporter has complied with the prescribed documentation requirements.

- Anyone wanting to engage in export business is required to register with the Nigerian Export Promotion Council (NEPC).
- An exporter is required to complete and register Form NXP with an Authorized Dealer (any Commercial or Merchant Bank) of his choice.
- The objectives of completing the Form NXP are to ensure that goods to be exported meet with the buyer's expectation (order) since the goods will be subjected to inspection by relevant Government agencies. Depending on the type of export, compulsory inspections include: Plant Quarantine, (Federal Ministry of Agriculture), Federal Produce Inspection Service (Federal Ministry of Commerce and Tourism), National Agency for Food and Drugs (Federal Ministry of Health) and Standards Organization of Nigeria (SON). The Nigerian Customs Service will issue a certificate to clear shipments of only those goods that conform to the buyer's order.

That proceeds (payment) due to the exporter are duly repatriated within 90 days of shipment of goods and credited to his Domiciliary Account maintained with the Authorized Dealer that processed or registered their Form NXP. Exporters are allowed foreign exchange chargeable to their domiciliary accounts for the following export promotion activities:

- Business travel allowance. An Export-oriented business trips duly certified and approved by the bank where the domiciliary account is maintained.
- Export-oriented activities such as trade missions, trade fairs, export marketing, research etc.
- The exporter is also to sell part or all of his export proceeds in this Domiciliary Account for Naira to any Authorized Dealer at the

prevailing buying rate in the Autonomous Foreign Exchange Market (AFEM).

- Export proceeds from Domiciliary Accounts could also be used by exporter for imports provided the proceeds have been fully repatriated in the first instance.

8.13 Procedure and Documentation Requirements

The following are the basic requirement in documentation for export:

- A duly completed Form NXP
- A pro-forma invoice
- A sales contract agreement, where applicable
- NEPC registration certificate
- Relevant certificate of quality as issued by one or more of the agencies stated in 1(d)(1)
- Shipping documents e.g. bill of exit, bill of lading etc.
- Other certificates e.g. Form EUR-1

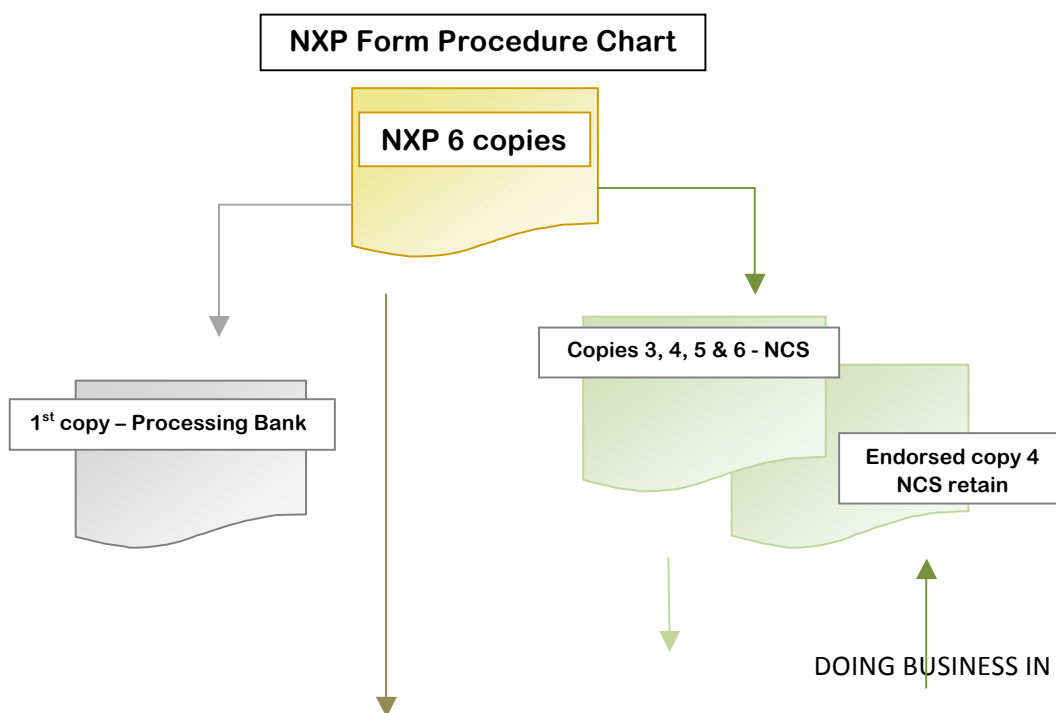
8.14 Distribution of NXP Form

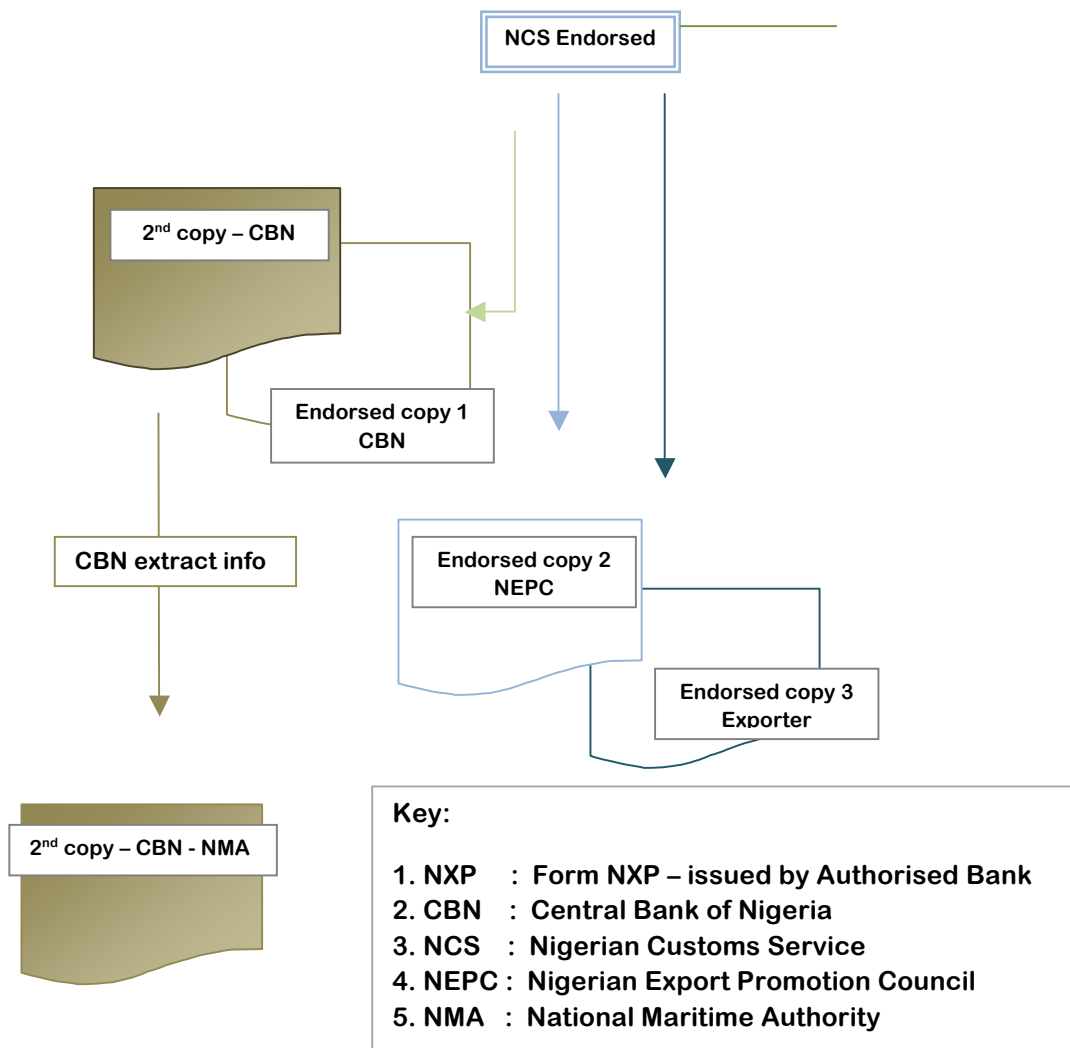
The exporter shall complete a Form NXP to disclose:

- Name and Address of Exporter
- NEPC Number
- Description of the goods to be exported
- Quantities and their measurements
- Unit cost of goods
- Total cost of goods
- Other charges, if any
- Mode of transportation
- Name and Address of buyer (consignee)

- Country of destination
- Other documents such as phyto-sanitary certificates, certificate by SON, NAFDAC etc.

The NXP form is to be completed in six (6) copies. The processing bank shall retain the first copy and the second copy would be sent to the Central Bank of Nigeria (CBN). After extraction of relevant information, the same copy shall be forwarded to the National Maritime Authority (NMA). The third, fourth, fifth and sixth copies shall be sent to the Nigeria Customs Service (NCS). After shipment of the goods and necessary endorsements by the NCS, the copies shall promptly be dispatched to CBN, the Nigerian Exports Promotion Council (NEPC) and the exporter while a copy shall be retained by the NCS. (See following chart).





8.15 Repatriation of Export Proceeds

Proceeds should be repatriated into an Export Proceeds Domiciliary Account maintained with the processing bank within ninety (90) days of shipment with relevant fax or e-mail evidence of receipt of the proceeds. Banks are required to certify the receipt of such proceeds to the Central Bank of Nigeria promptly.

8.16 Export Incentive Schemes

In the provisions of the 2011 Budget, the various export incentive schemes and funds will be consolidated into the new Manufacturer-in-Bond scheme whereby payment of cash incentives to exporters shall be replaced with the introduction of negotiable Duty Credit Certificate.

8.17 Export Free Zone

Nigeria has designated some places in the country as Export Free Zone to promote industry development in the country. Although the enabling Act came into effect in 1992; the pioneer Free Zone in Nigeria, the Calabar Free Trade Zone, was only completed in 1999. The Zone commenced operation after the official commissioning in November 2001. Since then the Free Zones Scheme has continued to move in leaps and bounds as a vehicle for industrial and commercial development of the country. A new dimension has been added to the propagation of the Scheme and this involves Private Sector participation and partnership with the Federal Government and other tiers of Government.

The Nigeria Export Free Zone is currently been managed by:

Nigeria Export Processing Zones Authority

No. 2 Zambezi Crescent, Cadastral Zone A6

off Aguiyi Ironsi Street

Maitama, Abuja, Nigeria

Tel: +234-9-413-1598, +234-9-7804077;

Fax: +234-9-413-1550

9.0 SECTION I – INFRASTRUCTURE SUPPORT IN NIGERIA

9.1 National Transport System

A good transport system is essential to support economic growth and development. Since Nigeria's attainment of independence in 1960, the problems of Nigerian transport system include bad roads; inadequate fleets of buses or trucks; irregular, inadequate and overcrowded trains and airplanes and congested ports.

These are common features in the developing world. In line with these are substantial setbacks such as absence of suitably-trained transport managers and planners, capital restructuring bottlenecks, serious issues of institutional reforms and ineffective traffic regulations. Succeeding governments in Nigeria have been encouraging investment in the country transport system whilst the present share of transport in the Gross Domestic Product [GDP] hovers around 3 per cent.

9.2 Land Transports

9.1.1 Road Networks

Nigeria has a total of 193,200km of roads throughout the country. 28,980km were fully paved and very motor able while a large portion numbering 164,220km is not paved {unpaved}. The deplorable state of the Nigerian Roads is due to neglect by succeeding governments since independence. There are many Opportunities in Roads and

Highways Construction in Nigeria especially via concessionaire arrangement on PPP {Private Public Partnership}.

9.1.2 Railway Networks

Lagos and Kano are the two largest economic centres in the country. The two main rail-links to Kano are the Lagos to Ibadan Oyo and Ogbomoso-kaduna-Zana Kano rail-line. The second longest rail-line is from Port Harcourt to Maiduguri along Aba Enugu-Makurdi via Jos to Maiduguri. Enugu has a large station because it was historically a coal mining city. Currently there are several proposals on city-to-city rail connections such as the South-West Intercity Connection, North West and North East Rail Networks and FCT Abuja Rail Links. The total railway kilometre is 3,505 at 1.067-m gauge as at 2008. This is another opportunity in business development.

9.3 Telecommunications

The Telecommunication system in Nigeria is among the best in Africa now due to the Government liberalisation in 2001. Telephone, Facsimile, Telex/Telegram, web and other Information Technology are readily available in Nigeria through the National Communication Commission {NCC}. Nigeria boasts of 1.294 Million Main Telephone Land Line subscribers while its Mobile communication service has 113.167 Million users as at 2013. {NCC. 2013 EST.}

9.4 Nigeria Distribution System

Nigeria is Africa's most populous nation {170,123,740} and has the largest domestic market in Africa Continent. Below is an effort at ranking Nigeria's

major towns based on some yardsticks. It's just an opinion based on known activities in Nigeria and uniqueness of these cities:

a. On Economy Activities

- Lagos- Corporate Capital of Nigeria. Virtually all the companies that matter are in Lagos.
- Port Harcourt- The Oil capital of Nigeria.
- Kano-Kaduna – “Lagos” of Northern Nigeria.
- Abuja- The political capital of course, but is no match for Lagos, PH or Kano in terms of economic stature. All the regulatory agencies that control the economy are in Abuja.
- Ibadan- Hub of Grass root, informal economic activities.
- Warri – Any disruptions in Warri today, will automatically affect the world economy via its crude oil prices.

b. Commerce Activities

- Kano-Kaduna - Commerce is another name for Kano-Kaduna axis.
- Ibadan - Commercial capital of the South (East and West). Trading activities, especially informal activities, boom here. Millions of market traders are women.
- Lagos - Many markets, formal and informal.
- Onitsha - The 'Dubai' of Nigeria-Ibo-made products. It has one of the largest markets in West Africa.
- Port Harcourt: A good place to tap some money from the OIL MILLIONAIRES.

c. Industrial Activities

- Lagos: Highly industrialized.
- Port Harcourt and Warri: Refinery plus other oil-related industries.
- Ota: Home of Medium sized industries.

- Kaduna: Refinery plus other industries.
- Kano: Many indigenous plants are here.
- Ibadan: Oluyole industrial estate. Not doing badly.

d. Political

- Abuja- The official political capital of Nigeria
- Ibadan- The political capital of old Western Nigeria and today's South West. Ibadan politics matters in the country
- Lagos- More of an economic city than political, but more than a decade after FCT was moved to Abuja.
- Kaduna- The political headquarters of the North, politically speaking capital of old Northern Nigeria. Till today crucial political meetings are still held here.
- Sokoto-Kano- The religious capital of the North. And in the North, politics and religion are intertwined.
- Enugu- The capital of the old Eastern Nigeria. Still powerful in political dealings today.

10.0 SECTION J – GOVERNMENT TO GOVERNMENT

10.1 Common Membership

Malaysia and Nigeria maintain membership in common International Organisation such as D8 {Eight Islamic Developing Countries} *except the* regional Organisation vis-à-vis ASEAN/ECOWAS {Association of South East

Asian Nations/Economic Community of West Africa States} and AfDB/ADB {Africa Development Bank/Asian Development Bank.}.

Nigeria is a member of ACP, AfDB, AU, C, ECOWAS, FAO, G-15, G-24, G-77, IAEA, IBRD, ICAO, ICC, ICCT, ICRM, IDA, IDB, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC, MIGA, MINURSO, NAM, OAS {Observer Status}, OIC, OPCW, OPEC, PCA, UN, UNAMID, UNCTAD, UNESCO, UNHCR, UNIDO, UNITAR, UNMEE, UNMIL, UNMIS, UNOCI, UNOMIG, UNWTO, UPU, WCO, UFIU, WHO, WIPO, WMO, WTO.

10.2 Trade Balance between Malaysia and Nigeria

Despite the adversity created by young Nigerians involved in fraudulent activities in Malaysia, trade relations have remained favorable with trade between Nigeria and Malaysia recording an increase of 191% over previous year's to USD450million in 2011. USD415million accounted for Nigeria's import of Malaysian palm oil produce whilst USD35million is the cost of imports by Malaysia of Nigerian agricultural products like cocoa, rubber and others. The trade imbalance was due to Nigeria's main export being oil. Malaysia is an oil producing nation, in fact it is Malaysia third largest revenue earner, and so there is no urgency for Malaysia to buy oil from Nigeria.

Nigeria's economy is not yet diversified and it depends heavily on its oil industry. Malaysia had acquired the expertise and palm fruits from Nigeria in the 1960s, and had surpassed Nigeria to become a leading palm oil producing nation. Nigeria and Malaysia are having "excellent diplomatic relations" except, for the Preferential Trade Agreement (PTA) to be effective, Nigeria's economy needs to be fully diversified and opened up to attract more trade plus investment in other areas such as agriculture,

manufacturing, and tourism. Both Nigeria and Malaysia are signatories to the PTA under the D-8 Commission framework, which has Turkey, Pakistan, Egypt, Bangladesh, Iran and Indonesia as member nations. Nigeria and Malaysia will benefit in more trade by partnering in many areas to share experiences and expertise, especially the Construction Industry which Malaysia can export to Nigeria.

Standard Chartered Bank UK is boosting bilateral trade between Nigeria and Malaysia by launching its “Nigerian Malaysian Trade Corridor.” The initiative was disclosed during the Launching of Nigeria-Malaysian Business Council as part of the bank's Africa SME Month with the theme "Optimizing Global Opportunities for SMEs: International Trade with Malaysia." 2012.

10.3 Diplomatic Relation between Malaysia and Nigeria

Malaysia – Nigeria relations date back to 1965 when Nigeria 1st Prime Minister Alhaji Abu-Bakr Tafawa Balewa became a personal friend of Malaysia’s post-independence leader, Prime Minister Tunku Abdul Rahman. The relation was based on bilateral foreign arrangement between both leaders on economic co-operation. Both countries belong to the renowned Commonwealth Nations led by Great Britain, D8 and other UN Agencies. The two nations maintains diplomatic mission in each other countries.

11.0 SECTION K - REPATRIATION OF PROFITS

11.1 100% Free Repatriation of Profits by Foreigner

The Government of Nigeria has rolled out generous incentives under the 2013 Investor Guidelines for Foreign Investors willing to invest in the Country.

The incentives include 100% repatriation of Profits, 140% Capital Allowance in Research Development, 20% Capital allowance for five years on Local Raw Materials utilisation as well as 30% Tax relief and Expenditure on Public Infrastructure.

The Government has directed all relevant agencies including Nigeria Investment Promotion Councils {NIPC}, Nigeria Export Promotion Council {NEPC} and Nigeria Free Trade Zone Authority to provide guidelines support and facilitate interest of Foreign Investors in Nigeria. The Nigeria Investment Promotion Commission Decree 1995 and the Foreign Exchange Monitoring & Miscellaneous Provisions Decree 1995 guarantees foreign investor's unrestricted remittance of dividends and profits derived from foreign investment in Nigeria. This is subject to proper "Evidence of Capital Importation" usually issued by the banks as Agents of the Central Bank of Nigeria. The Decree also allows full repatriation of the capital at the end of the project {in this case on liquidation}.

12.0 SECTION L - BASIC COUNTRY INFORMATION

12.1 Geography

| ITEM | DESCRIPTION |
|----------|---|
| Location | Nigeria is located in the West Africa region bordering the Gulf of Guinea between Benin |

| | |
|------------------------|--|
| | And Cameroon. |
| Geographic Coordinates | 10:00 N, 8:00 E. |
| Map references | Africa Map |
| Area | Total Areas: 923,768 sq km. Land Areas: 910,768 sq km. Water Areas: 13,000sq km |
| Area – Comparative | Slightly more than twice the size of California. |
| Land boundaries | Total: 4,047 km Border countries: Benin 773km; Cameroon 1690km; Chad 87km; Niger 1,497km |
| Coastline | 853km |
| Maritime claims | Territorial sea: 12mm Exclusive economic zone: 200mm Continental shelf: 200m depth or to the depth of exploration. |
| Climate | Varies: equatorial in south, tropical in centre, arid in northern part of the country. |
| Terrain | Southern lowlands merge into central hills and Plateaus; mountains in south east, plains in the North. |
| Elevation extremes | Lowest point: Atlantic Ocean 0 m Highest point: Chappal Waddi 2,419m |
| Natural resources | Petroleum {Crude Oil Production}, Tin, Colum bite, Palm Oil, Iron Ore and Coal, Limestone, Lead and Zinc and One of the World largest deposits of natural gas. |
| Land use | Arable land: 33.02%, Permanent crops: 3.14% Others: 63.84% {2005}, irrigated land: 2,820 sq Km {2003}. |

| | |
|---|---|
| Total renewable water Resources: | 286.2 cu km {2003} |
| Freshwater withdrawal {Domestic/industrial /agricultural} | Total: 8.01 cu km/yr {21%/10%/69%} Per capita: 61 cu m/yr {2000} |
| Natural hazards | Periodic droughts, flooding |
| Environment – current issues | Soil degradation, rapid deforestation, urban air and water pollution, desertification, and oil pollution – water, air, and soil, has suffered serious damage from oil spills, loss of arable land, rapid urbanisation. |
| Environment – international Agreements | Party to: biodiversity, climate change, Climate Change- Kyoto Protocol, desertification, Endangered species, hazardous wastes, Law of The Sea,(marine dumping, marine life conservation, ozone layer protection, ship pollution, wetlands) signed, but not ratified : none of the selected agreements. |
| Geography – note | The Niger enters the country in the northwest and flows southward through tropical rain Forests and swamps to its delta in the Gulf of Guinea. |

12.2 People

| ITEM | DESCRIPTION |
|------------|--|
| Population | 170,123,740 {July 2012 EST.}. {Note: estimates for this country explicitly take into account the effects of excessive mortality due To AIDS. This |

| | <p>can result in lower life Expectancy, higher infant mortality, higher death Rates, lower population growth rates, and Changes in the distribution of population by age And sex than would otherwise be expected {July 2013 EST.}.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|--|---------------------|----------------|------|--------|-------|------|------------|------------|---------|------|------------|------------|---------|------|------------|------------|---------|-----|-----------|-----------|-------------|-----|-----------|-----------|
| Age structure | <table border="1"> <thead> <tr> <th>Age Structure (yrs)</th> <th>% of Total Pop</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>0 -14</td> <td>43.9</td> <td>38,232,053</td> <td>36,483,243</td> </tr> <tr> <td>15 - 24</td> <td>19.3</td> <td>16,757,436</td> <td>16,018,589</td> </tr> <tr> <td>25 - 54</td> <td>30.0</td> <td>25,123,834</td> <td>25,945,571</td> </tr> <tr> <td>55 - 64</td> <td>3.8</td> <td>2,981,187</td> <td>3,520,154</td> </tr> <tr> <td>65 and over</td> <td>3.0</td> <td>2,325,682</td> <td>2,735,991</td> </tr> </tbody> </table> <p style="text-align: center;"><i>2013 estimates</i></p> | Age Structure (yrs) | % of Total Pop | Male | Female | 0 -14 | 43.9 | 38,232,053 | 36,483,243 | 15 - 24 | 19.3 | 16,757,436 | 16,018,589 | 25 - 54 | 30.0 | 25,123,834 | 25,945,571 | 55 - 64 | 3.8 | 2,981,187 | 3,520,154 | 65 and over | 3.0 | 2,325,682 | 2,735,991 |
| Age Structure (yrs) | % of Total Pop | Male | Female | | | | | | | | | | | | | | | | | | | | | | |
| 0 -14 | 43.9 | 38,232,053 | 36,483,243 | | | | | | | | | | | | | | | | | | | | | | |
| 15 - 24 | 19.3 | 16,757,436 | 16,018,589 | | | | | | | | | | | | | | | | | | | | | | |
| 25 - 54 | 30.0 | 25,123,834 | 25,945,571 | | | | | | | | | | | | | | | | | | | | | | |
| 55 - 64 | 3.8 | 2,981,187 | 3,520,154 | | | | | | | | | | | | | | | | | | | | | | |
| 65 and over | 3.0 | 2,325,682 | 2,735,991 | | | | | | | | | | | | | | | | | | | | | | |
| Median age | <p>Total: 17.9 years. Male: 17.5 years. Female: 18.4 years.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Population growth rate | 2.553% {2012 EST} | | | | | | | | | | | | | | | | | | | | | | | | |
| Birth rate | 39.23 births/1,000 population {2012 EST} | | | | | | | | | | | | | | | | | | | | | | | | |
| Death rate | 13.48 deaths/1,000 population {2012 EST} | | | | | | | | | | | | | | | | | | | | | | | | |
| Net migration rate | -0.22 migrants/1,000population {2012 EST} | | | | | | | | | | | | | | | | | | | | | | | | |
| Urban population | <p>Urban population: 50% Rate of urbanization: 3.5% annual rate of Change {2010 – 2015}.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Sex ratio | <p>At Birth: 1.06 male{s}/female. Under 15 years: 1.05 male{s}/female. 15-64 years: 0.99male{s}/female. 65 years and above: 0.85 male{s}/female. Total population: 1.01 male{s}/female {2011 EST}.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Total population | 2.01 male{s}/female {2012 EST} | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|---------------------------------------|--|
| Infant mortality rate | Total: 74.36 deaths/1,000 live births. Male: 79.44 deaths/1,000 live births. Female: 68.97 deaths/1,000 live births {2012 EST}. |
| Major Cities population | Lagos {10.203 million}, Kano {3.304 million}, Ibadan {2.762 million}, Abuja {1.857 million}, Kaduna {1.519 million}. |
| Life Expectancy at Birth | Total population: 52.05 years. Male: 48.95 years. Female: 55.33years {2012 EST} |
| Total fertility rate | 5.38 children born/woman {2012 EST} |
| HIV/AIDS -adult prevalence rate | 3.6% {2012 EST} |
| HIV/AIDS -people living with HIV/AIDS | 3.3 million {2012 EST} |
| HIV/AIDS -death rate | 220,000 {2012 EST} |
| Sanitation Facilities Access | Improved records Total of population is 32%, urban areas 36% of Population, rural 28%. |
| Sanitation Facilities Access | Unimproved records Total population is 68%, urban areas 67% of Population while rural remains at 72% {2012 EST}. |
| Major infectious diseases | Degree of risk is fairly high. Food or Waterborne diseases are bacterial and Protozoal diarrhea, hepatitis A and E and typhoid Fever. Vector-borne diseases are malaria and yellow fever. Respiratory disease: meningococcal meningitis. Water contact diseases are leptospirosis and shistosomiasis. Animal contact disease: Rabies. {2009 EST}. |

| Nationality | Noun: Nigerian {s} Adjective: Nigerian | | | | | | | | | | | | | | | | | | |
|----------------|--|--------------|------------|----------------|-----|--------|-----|------------|-----|-------|-----|--------|----|--------|------|-----|------|--------|----|
| Ethnic Groups | <p>Nigeria, Africa's most populous country, is Composed of more than 250 ethnic groups; the Following are the most populous and politically Influential: Hausa and Fulani 27%, Yoruba 24%, Igbo (Ibo) 19%, I jaw 12%, Kanuri 4%, Ibibio 3.5%, Tiv 3.5% and 7% Others {2012 EST.}</p> <div style="text-align: center;"> <p>Populously & Politically Influential Ethnic Groups</p> <table border="1"> <caption>Data for Populously & Politically Influential Ethnic Groups</caption> <thead> <tr> <th>Ethnic Group</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Hausa & Fulani</td> <td>27%</td> </tr> <tr> <td>Yoruba</td> <td>24%</td> </tr> <tr> <td>Igbo (Ibo)</td> <td>19%</td> </tr> <tr> <td>I jaw</td> <td>12%</td> </tr> <tr> <td>Kanuri</td> <td>4%</td> </tr> <tr> <td>Ibibio</td> <td>3.5%</td> </tr> <tr> <td>Tiv</td> <td>3.5%</td> </tr> <tr> <td>Others</td> <td>7%</td> </tr> </tbody> </table> </div> | Ethnic Group | Percentage | Hausa & Fulani | 27% | Yoruba | 24% | Igbo (Ibo) | 19% | I jaw | 12% | Kanuri | 4% | Ibibio | 3.5% | Tiv | 3.5% | Others | 7% |
| Ethnic Group | Percentage | | | | | | | | | | | | | | | | | | |
| Hausa & Fulani | 27% | | | | | | | | | | | | | | | | | | |
| Yoruba | 24% | | | | | | | | | | | | | | | | | | |
| Igbo (Ibo) | 19% | | | | | | | | | | | | | | | | | | |
| I jaw | 12% | | | | | | | | | | | | | | | | | | |
| Kanuri | 4% | | | | | | | | | | | | | | | | | | |
| Ibibio | 3.5% | | | | | | | | | | | | | | | | | | |
| Tiv | 3.5% | | | | | | | | | | | | | | | | | | |
| Others | 7% | | | | | | | | | | | | | | | | | | |
| Religions | Muslim 47%, Christians 45% and indigenous Beliefs 7%. {2013 EST} | | | | | | | | | | | | | | | | | | |
| Languages | English (official), Hausa, Yoruba, Igbo (Ibo), Fulani, over 250 additional indigenous languages | | | | | | | | | | | | | | | | | | |
| Literacy Level | People who can read and write from 15 years. Total population: 61.3%: male 72.1% while Female is 50.4% {2010 EST.} | | | | | | | | | | | | | | | | | | |

Note: Highly pathogenic H5N1 avian influenza was identified in Nigeria but it poses a very negligible risk with very rare cases possible among foreign citizens who have contact with bird's flu {2009 EST}.

12.3 Government

| ITEM | DESCRIPTION |
|--------------|------------------------------|
| Country Name | Federal Republic of Nigeria. |

| | |
|--------------------------|---|
| | Conventional short form: Nigeria. |
| Government type | Federal Republic |
| Capital | Administrative capital: Abuja. Commercial capital: Lagos. |
| Geographical coordinates | 9' 12N, 7' 11 E |
| Time difference | GMT +1 {Kuala Lumpur is +7 hours ahead during Standard Time} Nigeria is 7hours behind Malaysia |
| Administrative divisions | 36 states and 1 federal territory; Abia, Adamawa, Akwa Ibom, Anambra, Bauchi, Bayelsa, Benue, Borno, Cross River, Delta, Ebonyi, Edo, Ekiti, Enugu, Federal Capital Territory Abuja, Gombe, Imo, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Kwara, Lagos, Nassarawa, Niger, Ogun, Ondo, Osun, Oyo, Plateau, Rivers, Sokoto, Taraba, Yobe, Zamfara. |
| Independence | 1 st October 1960 {From United Kingdom}. |
| Constitution | Prepared by the last Military Government on 5 th May 1999 with effect from 29 May 1999. |
| Nigeria Legal system | Its Legal system is a combination of English Common Law, Islamic Law {practiced in some Northern States} while traditional law are in practice in some Southern States. Nigeria Legal system accepts ICJ Jurisdiction with some reservations. |
| Suffrage | 18 years of age, same with universal declarations. |
| Executive branch | Head of State: President Good luck Jonathan (Since 5 May 2010, acting since 9 February 2010); Vice President Mohammed Namadi Sambo (since 19 May 2010). |

Note - The president is both the Head of state and Head of government; President Jonathan assumed the presidency on 5 May 2010 following the death of President Yar'adua. President Jonathan was declared Acting President on 9 February 2010 by the National Assembly during the prolonged illness of the former President Yar'adua.

12.3.1 Head of Government: President Jonathan Good luck {since 5th May 2010}

| ITEM | DESCRIPTION |
|------------------------------|--|
| Election of President | <p>The President is elected by popular votes for a four year Term {eligible for a second term}. Election last held 16 April 2011 {next to be held in April 2015}.</p> <p>Result of Last election shows President Good luck Jonathan got elected with 58.9%, Rtd General Muhammad Buhari secured 32.0%, Mr Nuhu Ribadu 5.4%, Mr Ibrahim Shekarau 2.4%, other 1.3%.</p> |
| Cabinet | <p>The cabinet is called "Federal Executive Council" Selected by the President and Commander in Chief. They are normally 38-40 members representing each of the 36 states of the federation with One from Federal Capital Abuja</p> |
| Legislative branch | <p>Nigeria operates a bicameral National Assembly Consisting the Senate (109 seats, 3 from each state plus 1 from Abuja. Members are elected by popular Vote to serve four-year terms) and House of Representatives (360 seats whose members are also selected by popular vote to serve four-year terms). Members of National Assembly has no limits of Terms as long as he/she is elected during the General Election</p> |
| General Elections | <p>Senate - last held on 9 and 26 April 2011 (next to be Held in April 2015); House of Representatives - last Held on 9 and 26 April 2011 (next to be held in April 2015).</p> |
| Last General Election result | <p>Senate - Seats won by political parties - PDP 73, ACN 17, ANPP 7, CPC 6, LP 4, other 2;</p> <p>House of Representatives – Seats won by political Parties - PDP 205, ACN 69, CPC 36, ANPP 28, LP 9, APGA 6, ACC 5, other 2; note - due to logistical Problems elections in a number of constituencies Were held on 26 April 2011.</p> |
| Judicial branch | <p>Supreme Court judges are appointed by President on the recommended of the National Judicial Council and</p> |

| | |
|--|--|
| | <p>confirmed by the National Assembly, while Federal Court of Appeal judges are appointed by the Federal government from a pool of judges</p> <p>Recommended by the National Judicial Council also Subjected to the confirmation of the National Assembly.</p> |
|--|--|

12.3.2 Political parties and Their Leaders

| No. | Political Party Name | Leadership |
|-----|---------------------------------|----------------------------|
| 1 | Accord Party | Mr Mohammad Lawal Malado |
| 2 | Action Congress of Nigeria | Mr Adebisi Bamidele Akande |
| 3 | All Nigeria Peoples Party | Mr Ogbonnaya C. Onu |
| 4 | All Progressives Grand Alliance | Mr Victor C. Umeh |
| 5 | Congress for Progressive Change | Mr Tony Momoh |
| 6 | Democratic People's Party | Rtd General Jeremiah Useni |
| 7 | Labour Party | Mr. Umar Mustapha |
| 8 | Peoples Democratic Party | Mr. Bamanga Tukur |

Above are the major and significant political organisations and their Leaders as recognised by the Nigeria Independent National Electoral Commission {INEC}.

| ITEM | DESCRIPTION |
|----------------------------|---|
| International Organisation | <p>Nigeria is member and signatory to many International organization, they include:</p> <p>ACP, AfDB, AU, C, CD, D-8, ECOWAS, EITI (Compliant country), FAO, G-15, G-24, G-77,</p> |

| | |
|--|--|
| | IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IDB, IFAD, IFC, IFRCs, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, MINURSO, MONUSCO, NAM, OAS (observer), OIC, OPCW, OPEC, PCA, UN, UNAMID, UNCTAD, UNESCO, UNHCR, UNIDO, UNIFIL, UNISFA, UNITAR, UNMIL, UNMISS, UNOCI, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO. |
|--|--|

12.3.3 Diplomatic representation

| ITEM | DESCRIPTION |
|------------------|---|
| Malaysia | High Commissioner: HE Ambassador Bello Ringim Address: 85, Jalan Ampang Hilir, 55000 Kuala Lumpur. Tel: 03-42518512 ; Fax: 03-42524302. |
| Nigeria | High Commissioner: HE Dato Nik Mustafa Kamal bin Nik Ahmad No. 4A, Plot 2232 B, Rio Negro Close, off Yedseram Street, Maitama FCT Abuja Nigeria. Tel: +234-9-782 2091/+234-9-782 2628. +234-9-780 9379; Fax: +234-9-782 2671 |
| Flag description | Three equal vertical bands of green (hoist side), White, and green; the colour green represents the Forests and abundant natural wealth of the country, White stands for peace and unity. |

12.3.4 Economic Outlook

| ITEM | DESCRIPTION |
|-------------------------------|-----------------------------|
| GDP {Purchasing Power Parity} | USD450.5 billion {2012 EST} |

| | |
|---|--|
| | USD420.8 billion {2011 EST} |
| GDP {Official exchange rate} | USD272.6 billion {2012 EST} |
| GDP {Real growth rate} | 7.1% {2012 EST} 7.4% {2011 EST} |
| GDP – per capital {PPP} | USD2, 700 (2012 EST) USD2, 600 (2011 EST) |
| GDP – composition by sector | Agriculture: 30.9%. Industry: 43% Service: 26% {2012 EST} |
| Labour force | 53.83 million (2012 EST) |
| Labour force-by occupation | Agriculture: 60%. Industry: 15%. Service: 25% {2011 EST} |
| Unemployment rate | 24% {2012 EST} |
| Population below poverty line | 70% {2012 EST} |
| Household income or consumption by % Age share | Lowest 10%: 1.8%. Highest 10%: 38.2% (2010 EST) |
| Distribution of family income – Gini index | 43.7 (2003) and 50.6 (1997). |
| Inflation rate –Consumer prices | 12.1% (2012 EST) and 10.8% (2011 EST) |
| Investment {gross fixed} | 18.8% of GDP (2012 EST) |
| Budget | Revenues: USD23.48 billion. Expenditures: USD31.61 billion (2012 EST) |

| | |
|------------------------------------|--|
| Public debt | 18.8% of GDP (2012 est) 17.8% of GDP (2011 EST) |
| Agriculture – products | Cocoa, peanuts, cotton, palm oil, Corn, rice, sorghum, millet, cassava (Tapioca), yams, rubber; timber; cattle, Sheep, goats, pigs; fish |
| Industries | Crude oil, coal, tin, column bite; Rubber products, wood; hides and Skins, textiles, cement and other Construction materials, food Products, footwear, chemicals, Fertilizer, ceramics, steel, printing |
| Industrial production growth rate | 2.5% (2011 EST) |
| Electricity – production | 20.13 billion kWh (2013 EST) |
| Electricity – production by source | Fossil: 61.9%. Hydro: 38.1%. Nuclear: 0%. Others: 0% {2013 EST.}. |
| Electricity – consumption | 18.14 billion kWh (2013 EST) |
| Electricity – exports | 0 kWh {2013 EST} |
| Electricity – imports | 0 kWh {2013 EST} |
| Crude oil – productions | 2.458 million bbl/day (2013 EST) |
| Crude oil – consumption | 279,000 bbl/day (2013EST) |
| Oil – proved reserves | 37.2 billion bbl (2013 EST) |
| Natural gas – production | 23.21 billion cu m (2013 EST) |

| | |
|---|--|
| Natural gas – consumption | 7.216 billion cu m (2013 EST) |
| Natural gas – exports | 15.99 billion cu m (2013 EST) |
| Natural gas – imports | 0 cu m (2013 EST) |
| Natural gas – proved | 5.292 trillion cu m (2013 EST) |
| Carbon dioxide emissions from Consumption of energy | 80.51 million Mt (2013 EST) |
| Refined petroleum products - production | 102,100 bbl/day (2013 EST) |
| Refined petroleum products - consumption | 271,600 bbl/day (2013 EST) |
| Refined petroleum products - exports | 15,470 bbl/day (2013 EST) |
| Current account balance | USD6.158 billion (2013 EST) USD8.686 billion (2012est) |
| Exports | USD97.46 billion (2013 EST) USD92.47 billion (2012 EST) |
| Exports – commodities | petroleum and petroleum Products 95%, cocoa, rubber |
| Exports – partners | China 17.3%, US 9.1%, India 5%, Netherlands 4.9%, South Korea 4.7% (2013 EST) |
| Imports | USD70.58 billion (2013 EST) USD61.63 billion (2012 EST) |
| Imports – commodities | Machinery, Chemicals, Transport Equipment, manufactured goods, Food and live animals |

| | |
|---|---|
| Imports – partners | China 17.3%, US 9.1%, India 5%, Netherlands 4.9%, South Korea 4.7% (2013 EST) |
| Economic aid – recipient | USD6.437 billion (2009 EST) |
| Reserves of foreign exchange And gold | USD42.8 billion (2013 EST) USD35.21 billion {2012 EST} |
| Debt – external | USD10.1 billion (2013 EST) USD9.64 billion (2012 EST) |
| Stock of direct foreign Investment - home | USD85.73 billion(2013 EST) USD78.22 billion (2012 EST) |
| Stock of direct foreign Investment -abroad | USD11.23 billion (2013est) USD10.34 billion (2012est) |
| Market value of public traded Shares | {USD39, 270,000,000: Nigeria} {Malaysia {USD414, 000,000,000}} |
| Currency code | Naira denote as =N= or NGN. |
| Commercial bank prime lending rate | 16% (2013est) 16.02% (2012 EST) |
| Central bank discount rate | 4.25% (2013est) 6% (2012est) |
| Currency Exchange rate | Naira per US dollar - 154.3 {2013est} |
| Fiscal year | 154.7 (2012est) 150.3 (2011est) Calendar year. |

12.4 Communications

| ITEM | DESCRIPTION |
|-------------------------|-------------------------|
| Telephones – main lines | 1.294million (2013 EST) |

| | |
|-------------------------------|--|
| In use | |
| Telephones – mobile cellular | 113.167million {2013 EST} |
| Telephone System | <p>Major expansion is required and a start Has been made. New cellular phone Introduction has fixed the Communication problem to a large part.</p> <p>Domestic: Intercity traffic is carried by Coaxial cable, microwave radio relay, a Domestic communications satellite System with 19 earth stations, and a Coastal submarine cable; mobile cellular Facilities and the Internet are available.</p> <p>2001 deregulation of the mobile phone market has led to the introduction of Global System for Mobile Communication (GSM) network Providers operating on the 900/1800 MHz spectrum, major players Are MTN Nigeria, Airtel, Globacom and. Use of cell-phones have soared, and have mostly replaced the unreliable Services of the Nigerian Telecommunications Limited. The Current estimate lies at about 96 million Mobile phones as at March 2013, with Most people having more than one Cell-phone.</p> |
| Telephone country code | Access code +234; landing point for the SAT-3/WASC fibber-optic submarine Cable that provides connectivity to Europe and Asia. Satellite earth stations –3 Interlsat {2 Atlantic Ocean and 1 Indian Ocean} |
| Radio broadcast stations | AM 83, FM 36, shortwave 11 (2013EST). |
| Radios | 23.5 million {1997}. |
| Television broadcast stations | 116 stations (40 cable stations) (2013) |

| | |
|------------------------------|---------------------------|
| Television subscribers | 56.9 million (2013) |
| Internet country code: | .ng |
| Internet host | 1,234 (2013) |
| Internet Service Providers | 26 {2013 EST} |
| Internet users | 43.989 million (2013 EST) |
| Oil {pipelines} | 3,441 km {2013 EST} |
| Refined products {pipelines} | 4,090 km {2013 EST} |

Notes: The figures indicate lengths and types of pipelines for conveyance of products like natural gas, crude oil, or petroleum products.

| ITEM | DESCRIPTION |
|-----------------|--|
| Railways | Total: 3,505 km |
| Narrow gauge | 3,505 km 1.067-m gauge (2013). |
| Roadways | Total: 193,200km Paved: 28,980km; unpaved: 164,220km {2013 EST} |
| Waterways | 8,600 km (Niger and Benue rivers and Smaller rivers and creeks) (2011) |
| Merchant marine | Total: 89 By type: cargo 2, chemical tanker 28, Liquefied gas 1, passenger/cargo 1, Petroleum tanker 56, specialized Tanker 1 |
| Foreign-owned | 3 (India 1, UK 2). |

| | |
|-------------------------------|--|
| Registered in Other countries | 33 (Bahamas 2, Bermuda 11, and Comoros 1, Italy 1, Liberia 4, North Korea 1, Panama 6, Seychelles 1, unknown 6 (2013). |
| Ports and terminals | Bonny Inshore Terminal, Calabar, Lagos. |

12.5 Transportation

| ITEM | DESCRIPTION |
|-------------------------------|--|
| Airports | 53 {2013est} |
| Airports - with paved runways | Total: 40 paved runways with over 3,047 m: 10. Paved runways with 2,438 to 3,047 m: 12 paved runways with 1,524 to 2,437 m: 9 paved runways with 914 to 1,523 m: 6 paved runways with under 914 m: 3 (2013) |
| Airports with unpaved runways | Total: 13 unpaved runways with 1,524 to 2,437 m: 3 unpaved runways with 914 to 1,523 m: 8 unpaved runways under 914 m: 2 (2013) |
| Heliports | Total: 5 {2013} |
| Pipelines | Condensate 26 km Gas 2,756 km Liquid petroleum gas 97 km Oil 3,441 km Refined products 4,090 km (2013) |
| Railways | Total: 3,505 km Narrow gauge: 3,505 km 1.067-m gauge (2013) |
| Roadways | Total: 193,200 km paved roads: 28,980 km unpaved: 164,220 km (2004) |

| | |
|-------------------------------|---|
| Waterways | 8,600 km (Niger and Benue rivers and smaller Rivers and creeks) (2013). |
| Merchant marine | Total: 89 By type: cargo 2, chemical tanker 28, Liquefied gas 1, passenger/cargo 1, Petroleum tanker 56, specialized Tanker 1 |
| Foreign-owned | 3 (India 1, UK 2) |
| Registered in Other countries | 33 (Bahamas 2, Bermuda 11, and Comoros 1, Italy 1, Liberia 4, North Korea 1, Panama 6, Seychelles 1, unknown 6)(2013). |
| Ports and terminals | Bonny Inshore Terminal, Calabar, Lagos |

12.6 Military Strength

| ITEM | DESCRIPTION |
|---|--|
| Military branches | Nigerian Armed Forces; Army, Air Force and Navy (2013) |
| Military service age and obligation | 18 years of age for voluntary military service (2013) |
| Manpower available for Military service | Males age 16-49 {37,087,711} Females 16-49 {35,232,127} {Feb 2013, Armed forces records} |
| Manpower fit for military Service | Males age 16-49: 20,839,976 Females age 16-49: 19,867,683 (Feb 2013, Armed forces records EST) |
| Manpower reaching military Significant age annually | Male: 1,767,428 Female: 1,687,719 (2013 EST) |
| Military expenditures - % of Nigeria GDP | 1.5% of GDP (2013est) |

12.7 Transnational Issues

Nigeria has been involved in several sovereignty-over-boundary issues with neighbouring Cameroon that gave rise to bilateral agreements in the effort to amicably resolve differences. In June 2006, Nigeria ceded sovereignty of the Bakassi Peninsula to Cameroon via the Green Tree Agreement that allowed a two year phase-out period for Nigerian control during which partition issues could be resolved. A Joint Border Commission with Cameroon had been established to review the 2002 ICJ ruling on the entire boundary; following which an equidistance settlement was made on the dispute over the Cameroon-Equatorial Guinea-Nigeria maritime boundary. The continuing dispute between Equatorial Guinea and Cameroon over an island at the Ntem River mouth in the Bight of Bonny has somewhat delayed implementation with only Nigeria and Cameroon heeding the Lake Chad's Commission admonition to ratify the delimitation treaty which includes the Chad-Niger and Niger-Nigeria boundaries.

The refugee situation is also a matter of concern where in 2011 there was a record of 5,299 refugees from Liberia and Internal Displaced People. This has intensified communal violence (Boko Haram) between Christians and Muslims in the Middle Belt and North East Nigeria. Though political violence is currently being well managed, flooding in the Niger Delta and forced evictions are matters for urgent governmental responsive action. Over this, there is the tussle over resources because of the country's profound reliance on oil revenues. (Source: CIA World facts Feb 2013).

12.8 Illicit drugs

Nigeria is still a popular transit hub for heroin and cocaine intended for the European, East Asian and North American markets. It is a safe haven for Nigerian narcotic traffickers operating worldwide. However, efforts are being coordinated by the National Drugs and Law Enforcement Agency (NDEA) to combat these traffickers. Nigeria is also a major money-laundering centre that engages in widespread corruption and criminal activities but this situation is diminishing with the enforcement of anti-money laundering measures. Subsequently, Nigeria has been removed from the Financial Action Task Force's (FATF's) Non-cooperative Countries and Territories List in June 2006; Nigeria's anti-money-laundering regime continues to be monitored by FATF with sound results. (Source: CIA World facts Feb 2013).



Figure 12.1: PROPOSED NIGERIAN HIGH SPEED RAIL LINES CURRENTLY IN PLANNING STAGE

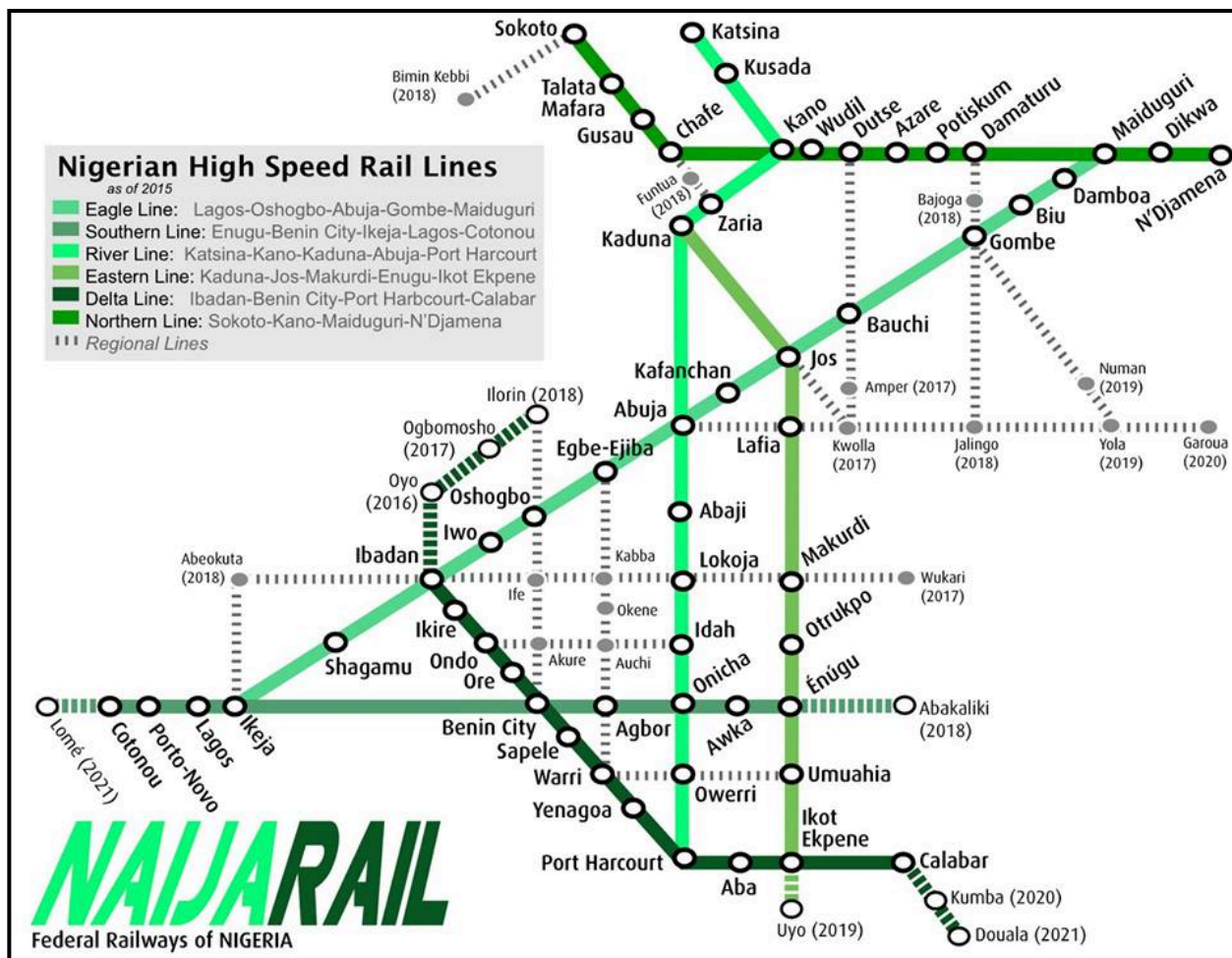


Figure 12.2: SCHEDULED CONSTRUCTION FROM 2016 – 2021

The Federal Republic of Nigeria is scheduled to have over 8,000 kilometres of state-of-the-art high speed passenger rail by 2015. At the end of Phase 1, a network of six lines will connect more than fifty of the country's major cities, with new regional lines extending across the country. Extension work, terminating at neighboring capitals, is to continue past 2020. NAIJARAIL will be one of the world's premier transport systems and by far the most advanced rail network in Africa. 'With a projected maximum speed of 220km/hour, mainline service is expected to average 150km/hour across the entire network. Cost estimates from the 2012 plan indicated an outlay of more than US\$200b over six years, or approximately US\$25m per km.'

Sources: NIGERIA MINISTRY OF TRANSPORT, ABUJA NIGERIA.

13.0 SECTION M – CONTACT LIST

13.1 List of Construction Firms in Nigeria with Good Track Records

| NO | NAMES | ADDRESS | PHONE NUMBER |
|----|--|---|---------------------------------------|
| 1. | JULIUS BERGER NIGERIA PLC | 10 Shettima A. Munguno Crescent, Utako Abuja FCT Nigeria | |
| 2. | C & C CONSTRUCTION | Plot 1684 Sanusi Fafunwa Street, Victoria Island, P. O. Box 60336 Sanusi Fafunwa Street, Victoria Island, Lagos Nigeria. | |
| 3. | NIGERBASH Properties Company Ltd | Fatai Oloko Street, Off Obafemi Awolowo Way, Ikorodu Lagos, P. O. Box 9778 Ikeja Lagos Nigeria | Tel : +234 8028383606/+234 7033761637 |
| 4. | Constain West Africa PLC | 174 Funso Williams Avenue, Surulere, Lagos State, Nigeria | |
| 5. | Brunelli Construction co. (Nigeria) LTD. | P.O Box 2748 Lagos, Office & Yard: Km. 3 Lagos/Badagary Expressway, Orile Iganmu, Lagos. | |
| 6. | Dumez Nigeria Ltd | 1 Akinfosile Close, Ikeja, Lagos State, Nigeria | |
| 7. | Datum Construction Ltd | 24A Cameron Road, Ikoyi, Lagos State, Nigeria | |
| 8. | Nigersal Nigeria Ltd | 7 Olugbesan Close, Ikeja Lagos Nigeria | |

13.2 List of Recommended Legal Office in Nigeria

| NO | NAMES | ADDRESS | PHONE NUMBER |
|----|--------------------------------|---|-----------------------------------|
| 1. | A. Williams & Co | 2 James George Street, (off Alagbon Close), Ikoyi, Lagos Nigeria | Tel: +234-803- 4455566 |
| 2. | Giwa-Osagie & Co | 4, Lalupon Close, off Keffi Street South-West Ikoyi, P.O.Box: 51057, Lagos Nigeria | Tel: +234-1-270 7433, 279 0466 |
| 3. | Alpha Bethel & Co | 1, Yid/Ekundayo St. (Paul Aluko House) Yid B/Stop, off Command Road, Ipaja 100006 Lagos Nigeria | Tel: +234-803 247 8717 |
| 4. | Abdullahi, Taiwo & Co | Plot 500, Tafawa Balewa Way, Area 3, Garki Abuja, P. O. Box 2916, Abuja | Tel : +234-9- 7803897 |
| 5. | Chief Afe Babalola SAN & Co | Emmanuel House, 24 Madeira Street, Imani Estate Maitama Abuja Nigeria | Tel : +234-9- 7803145 |

13.3 List of Recommended Financial Institution in Nigeria

| NO | NAMES | ADDRESS | EMAIL |
|----|---------------------------------|---|------------------------------|
| 1. | FIRST BANK OF NIGERIA PLC | 35, Marina, Lagos | www.firstbanknigeria.com |
| 2. | STANDARD CHARTERED BANK LIMITED | 142, Ahmadu Bello Way, Victoria Island, Lagos | www.standardchartered.com/ng |
| 3. | WEMA BANK PLC | Wema Towers, 54, Marina, Lagos | www.wemabank.com |
| 4. | NIGERIAN EXPORT-IMPORT BANK | NEXIM HOUSE, Plot 975 Cadastral Zone AO, Central Business District, P.M.B. 276, Garki, Abuja, Nigeria | www.neximbank.com.ng |
| 5. | UNITED BANK FOR AFRICA PLC | 57, Marina, Lagos | www.ubagroup.com |
| 6. | GUARANTY TRUST BANK PLC | PC 1669, Oyin Jolayemi Street, Victoria Island, Lagos | www.gtbplc.com |
| 7. | FIDELITY BANK PLC | Fidelity Place, 2, Kofo Abayomi Street, Victoria Island, Lagos | www.fidelitybankplc.com |

