



**“POLITICAL AND BUSINESS CLIMATE IN
NIGERIA TODAY”**

**A BRIEFING
BY
HIS EXCELLENCY,
DR. DALHATU SARKI TAFIDA, OFR, HIGH COMMISSIONER OF NIGERIA
TO THE UNITED KINGDOM**

AT BUSINESS COUNCIL FOR AFRICA (WEST & SOUTHERN)

DELLOITTE, 2 NEW STREET SQUARE, LONDON, EC4A 3BZ

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Mr. P. Banner, OBE, Chairman of BCA

Mr. J. A. McGregor, Director-General of BCA

Distinguished Ladies and Gentlemen,

I feel highly honoured to be invited to address this distinguished audience today on the latest political and business climate in Nigeria. I addressed a similar audience about a year ago on the invitation of West Africa Business Association (WABA) now the Business Council for Africa (West & Southern). I would therefore like to express my gratitude to you for giving me another opportunity to highlight current developments in Nigeria.

2. I would like to once again acknowledge your pioneering work in Nigeria in opening up business opportunities over the years. Business Council for Africa has continued to be in the lead in terms of presenting itself as a credible and dynamic platform for British business and indeed, Europe based businesses, to access investment opportunities which are continually in abundance in Nigeria.

3. Distinguished Ladies and Gentlemen, when I spoke on this platform about a year ago, I informed you that President Yar'Adua's administration has set up a target to launch Nigeria into the group of the first 20 largest economies by the year 2020. I added that the realisation of this objective was anchored on the fundamental democracy, human rights, good governance, free enterprise and above all, due process and the rule of law.

4. For purposes of practical implementation of these principles, the President has, as a matter of policy, encapsulated these principles into a Seven-Point Agenda (SPA). These include Social and Economic infrastructure development, qualitative education and human capital development, energy and power, wealth creation, agriculture and food security, land reforms, security in the Niger Delta region and the entire nation. The Federal Government of President Yar'Adua considers these issues as key, not only to the attainment of the projections of the Millennium Developments but also and more importantly, the achievement of Nigeria's overall development aspirations.

5. The seven Point Agenda of the Federal Government of Nigeria as well as the 2020:20 have provided the macro-economic framework for a variety of infrastructural development projects necessary to drive the economy and society.

6. It would be recalled that during the question and answer session after my address last year, someone asked me a question regarding the pending Court case in respect of the Presidential Election of 2007. I am delighted to inform you that the case has been decided and disposed of in favour of President Yar'Adua by the country's apex court. This development has given the President the opportunity to embark on the full implementation of his policies outlined in the 7-point agenda. Furthermore, the peaceful resolution of the Presidential electoral dispute and others at State and Local Government levels by the Nigerian judiciary is indicative of the fact that the Judiciary is gradually being firmly established as an institution, with full autonomy and independence. It is also an affirmation of Government's strong commitment to the rule of law.

7. In realisation of the significance of electoral reform in the deepening of democracy and the sustenance of good governance, the President recently submitted seven bills which are currently receiving attention at the National Assembly. This was based on the recommendations of the Electoral Reform Committee led by Retired Justice Mohammed Lawal Uwais, former Chief Justice of Nigeria. The proposed reforms have been well

received by most Nigerians and have also formed the robust debates and discourse among the country's political elites and other interest groups.

8. Civil democratic culture since 1999, has given rise to unprecedented number of private organisations, political parties, pressure and interest groups. This has enhanced political liberalism across the country.

9. The Nigerian Government, in the last ten years of democracy, has been tackling corruption and related financial malpractices through the instrumentality of the Economic and Financial Crimes Commission (EFCC) as well as the Independent Corrupt Practices and other related Offences Commission (ICPC). Even though these anti-corruption agencies were set-up under the presidency of President Olusegun Obasanjo, the present Administration has continued with the anti-corruption projects with greater vigour. (It may appear slow)

10. Distinguished Ladies and Gentlemen, I am sure you are perhaps aware of recent developments in the Nigeria banking system. The consequences of the global financial crises, including the slump in oil prices and capital flows, combined with internal factors, created challenges in the sector after the success of the initial consolidation exercise. However, the Central Bank of Nigeria's (CBN) proactive and anticipatory actions **represent a step-change** in the on-going institutional reform efforts. Generally, the country's overall performance in the face of these global financial difficulties has remained

strong relative to the experiences of some emerging markets and advanced economies.

11. The banking sector is also currently under the searchlight of the anti-corruption outfit. Government's objective is to ensure liquidity and stability of the sector. As underscored by the Governor of Central of Nigeria, no bank would be allowed to fail. These measures are being taken to assure investors like you that your investments in Nigeria are as secure as anywhere else in the world.

12. Regarding Nigeria's position in the international system, I wish to state that Nigeria is committed to the ideals of the United Nations as a responsible member of the International community. It is committed to the charter of the United Nations as well as all bilateral treaties as the bedrock of international law and economic cooperation. I also wish to add that Nigeria's legal system has made provisions for judicial arbitration of disputes involving all aspects of foreign investments in Nigeria.

13. Distinguished Ladies and Gentlemen, as you are well aware, most of Nigeria's foreign exchange earning is hydro-carbon based. This creates the erroneous impression that investments in Nigeria revolves only around oil and gas. There are numerous other areas of investment apart from Oil and Gas. There are Solid Minerals in all the 36 states of Nigeria. For instance, there are gold deposits in Kogi, Kebbi, Ogun and Ogun states, just to mention a few. Coal is found in abundance in Enugu while bitumen is found in

abundance in Ondo and Ogun States. The development of agriculture is another area of Government's attention. All the State Governments are ready to partner with investors in this very important sector.

14. As the institutional framework for the development of infrastructure in the country, Government has set up the Infrastructure Concessions Regulatory Commission (ICRC) headed by a former Head of State. The Commission is responsible for promoting public-private sector partnerships in the construction and maintenance of infrastructure including Roads, Ports development, Railways and Inland Water Transportation under the Public-Private Partnership model (PPP).

15. It will also interest you to note that the political and economic climate in Nigeria is conducive and attractive to potential investors. Perceptions of risks may be high but equally high is the rate of returns on investment. As Nigeria continues to develop under a leadership that is committed to the sustenance of democratic process and the rule of law, we expect our development partners to be as supportive as ever especially in the area of investment.

16. Conscious of the role of security as a necessary safeguard for the attraction of foreign investment into the country, the government of President Yar'adua has identified security as a critical infrastructure, just as important as physical infrastructure. To realise the objective of a secure environment necessary for direct foreign investment flows, Government has embarked on security sector reforms. The Nigeria Police and other security outfits are being

remobilised, re-kitted and motivated to face daunting challenges of security in the country, particularly youth militancy in the Niger Delta.

17. To address the issue of the Niger Delta, the President recently announced general amnesty for the youths engaged in the disturbances in the region. I am glad to inform you that the programme is yielding satisfactory outcome. Many of the militants have laid down their weapons and peace is gradually returning to that part of Nigeria.

18. Distinguished Ladies and Gentlemen, before I end this address, it is important to re-assure you that Nigeria today, is a darling for foreign investors, many of who are your competitors in this business. Given the historical, social and cultural ties that bind Nigeria and the UK, there can be no more enduring basis for the promotion of closer economic cooperation between our peoples. I would therefore like to encourage those of you here, and other partners, to embrace available opportunities in the country. Incentives are attractive and the atmosphere is ripe for potential investors, particularly within the framework of private public partnership in virtually all sectors of the economy.

19. I thank you for your attention.