

Nigeria

Executive Summary

This country fact sheet provides key trade, investment and tourism related statistics for the Nigeria. Specifically, it shows global trade and investment flows including an analysis of top markets and products for Nigeria in relation to South Africa and the Western Cape, highlighting the largest and fastest growing products and sub-sectors. It also investigates tourism trends for Nigeria. The key highlights in the fact sheet are provided below:

TRADE

- Nigeria was a net exporter of goods from 2006 to 2015. Nigerian global exports were valued at USD53.81bn in 2015 compared to USD94.28bn in 2014, declining by 42.9%.
- India is the leading export market for Nigeria with a value of USD10.23bn.
- China was the leading import market, valued at USD13.72bn.
- South Africa is Nigeria's 4th largest export market, importing USD4.58bn worth of goods in 2015, declining by 11% from 2014.
- The Western Cape exported goods to the value of USD168.86m in 2015 compared to USD220.4m in 2014, representing an increase of 23.8%.
- Hot-rolled iron or steel was the leading export product category to Nigeria from the Western Cape in 2015, valued at USD50.61m.

FDI

- Between January 2003 and December 2015 a total of 529 FDI projects were recorded into Nigeria.
- The United States was the largest source market for inward FDI into Nigeria in terms of projects, with 83 investment projects.
- Between January 2003 and December 2015 a total of 179 FDI projects were recorded from Nigeria.
- A total of 17 FDI projects were recorded in the period from the Western Cape to Nigeria.
- Distell Group from the Western Cape, a subsidiary of South Africa-based Remgro, was the largest investor into Nigeria valued at USD146m.

TOURISM

- The direct contribution of travel and tourism to Nigeria's GDP was NGN1 632.8bn (1.7% of the total GDP) in 2015, and is forecast to rise by 4.8% in 2016.
- The total contribution of Travel and Tourism to GDP was NGN4 051.8bn (4.2% of GDP) in 2015, and is anticipated to rise by 5.0% in 2016.

Contents

1.	Country Overview.....	3
2.	Economic Overview	3
2.1	Companies in Nigeria.....	6
2.2	Doing Business in Nigeria.....	6
2.3	Nigeria's Risk Ratings.....	7
2.4	Logistics	7
3	Trade.....	8
3.1	Nigeria's Global Trade	8
3.2	Trade with the Western Cape	11
3.3	Trade agreements.....	11
3.4	Tariffs	12
4.	Foreign Direct Investment.....	13
4.1	Global FDI into Nigeria.....	13
4.2	Global FDI from Nigeria	16
4.3	Outward investment from the Western Cape	18
5	Tourism	19

1. Country Overview

Nigeria is located in West Africa and shares land borders with the Republic of Benin in the west, Chad and Cameroon in the east, and Niger in the north. Its coast in the south lies on the Gulf of Guinea on the Atlantic Ocean. With a population of 186 million people, Nigeria is the most populous country in Africa and the 7th most populous country in the world.

Nigeria is a Federal Republic modelled after the United States, with executive power exercised by the president with overtones of the Westminster System model in the composition and management of the upper and lower houses of the two-tier legislature. Nigeria is a member of the Commonwealth of Nations and maintains membership in the Organization of the Petroleum Exporting Countries (OPEC), which it joined in July 1971.

GENERAL INFORMATION	
Capital	Abuja
Government type	Federal republic
Chief of State	President Maj. Gen. (ret.) Muhammadu Buhar
Population (July 2016 est.)	186,053,386
Life expectancy	53.02 years
Literacy	59.6%
Ethnic groups	Nigeria, Africa's most populous country, is composed of more than 250 ethnic groups; the most populous and politically influential are: Hausa and the Fulani 29%, Yoruba 21%, Igbo (Ibo) 18%, Ijaw 10%, Kanuri 4%, Ibibio 3.5%, Tiv 2.5%
Religions	Muslim 50%, Christian 40%, indigenous beliefs 10%
Languages	English (official), Hausa, Yoruba, Igbo (Ibo), Fulani, over 500 additional indigenous languages
HDI (2016)	0.504 (Ranked 152)

Sources: CIA World Factbook, 2016, World Bank Data, 2016

2. Economic Overview

Nigeria is classified as an emerging market, and has already reached middle income status according to the World Bank, with its abundant supply of natural resources, well-developed financial, legal, communications, transport sectors and its stock exchange (the Nigerian Stock Exchange), which is the second largest in Africa after the JSE.

Nigeria's GDP (PPP) was valued at USD1.1trn in 2016, making Nigeria the 24th largest economy in the world. Nigeria's economic growth declined from 6.3% in 2014 to 2.17 in 2015. According to Citigroup, Nigeria will achieve the highest average GDP growth in the world between 2010 and 2050.

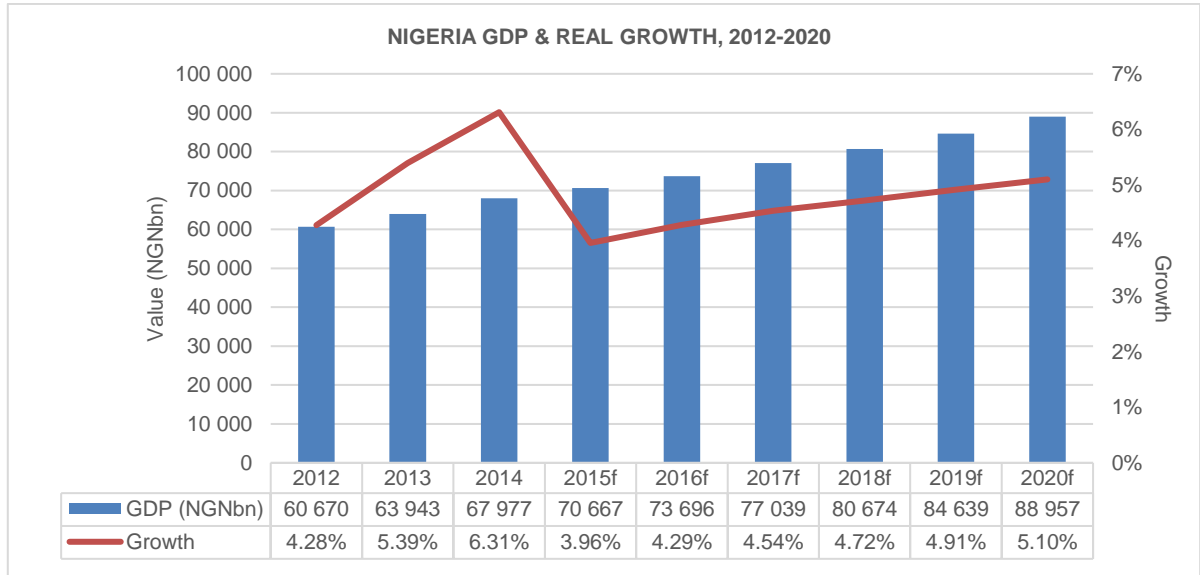
Nigeria also has a wide array of underexploited mineral resources which include natural gas, coal, bauxite, tantalite, gold, tin, iron ore, limestone, niobium, lead and zinc. Despite huge deposits of these natural resources, the mining industry in Nigeria is still in its infancy. Nigeria has one of the fastest growing telecommunications markets in the world with major emerging market operators like MTN, Etisalat, Zain and Globacom boasting their largest and most profitable centres in the country.

Despite oil's dominance, agriculture plays a significant role in the Nigerian economy, accounting for 22% of GDP. At one time, Nigeria was the world's largest exporter of groundnuts, cocoa, and palm oil and a significant producer of coconuts, citrus fruits, maize, pearl millet, cassava, yams and sugar cane.

ECONOMIC INFORMATION	
GDP (PPP) (2015 est.)	USD1.1trn
GDP growth (2015 est.)	2.7%
GDP per capita (2015 est.)	USD6,200
Inflation (2015 est.)	9%
Lending Rate (2015 est.)	16.85%
Unemployment rate (2011 est.)	23.9%
Exports (2015 est.)	USD45.89bn
Imports (2015 est.)	USD52.336bn
FDI Inflow (2015)	USD95.82bn
FDI Outflow (2015)	USD12.41bn
Doing Business in...(2015 ranking)	169

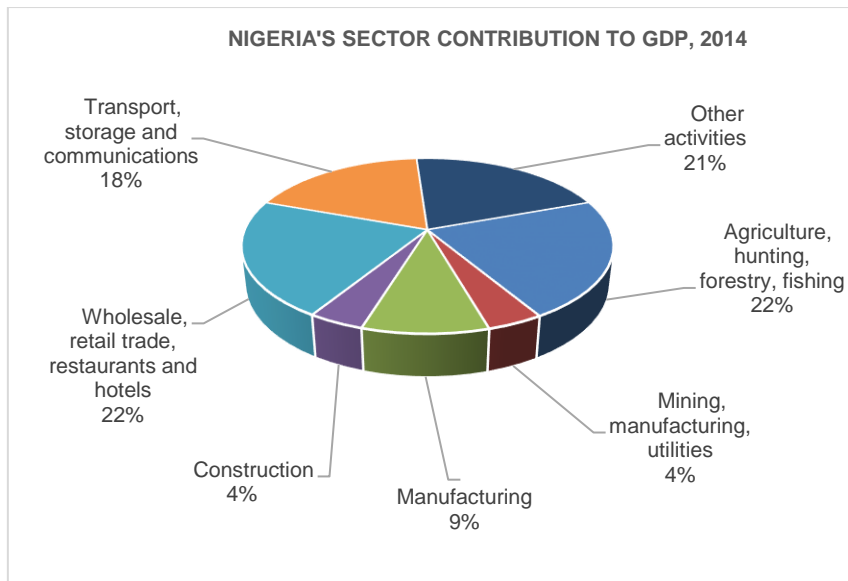
Source: CIA World Factbook, 2016; Doing Business in Nigeria, 2016

The figure below illustrates the GDP value and growth for Nigeria's economy for the period 2012 to 2020f. The economy has been experiencing a steady increase in GDP over the period. In 2015, a decline in the real growth rates of economic activity was experienced and this due to both the oil and non-oil sectors and difficulties of transition to a growth model that is not driven by oil. Growth is expected to increase steadily from 2016 to 2020. The net effect of the lower oil price will be negative with the currency and external and fiscal accounts being areas that are particularly at risk.



Source: IMF, 2016

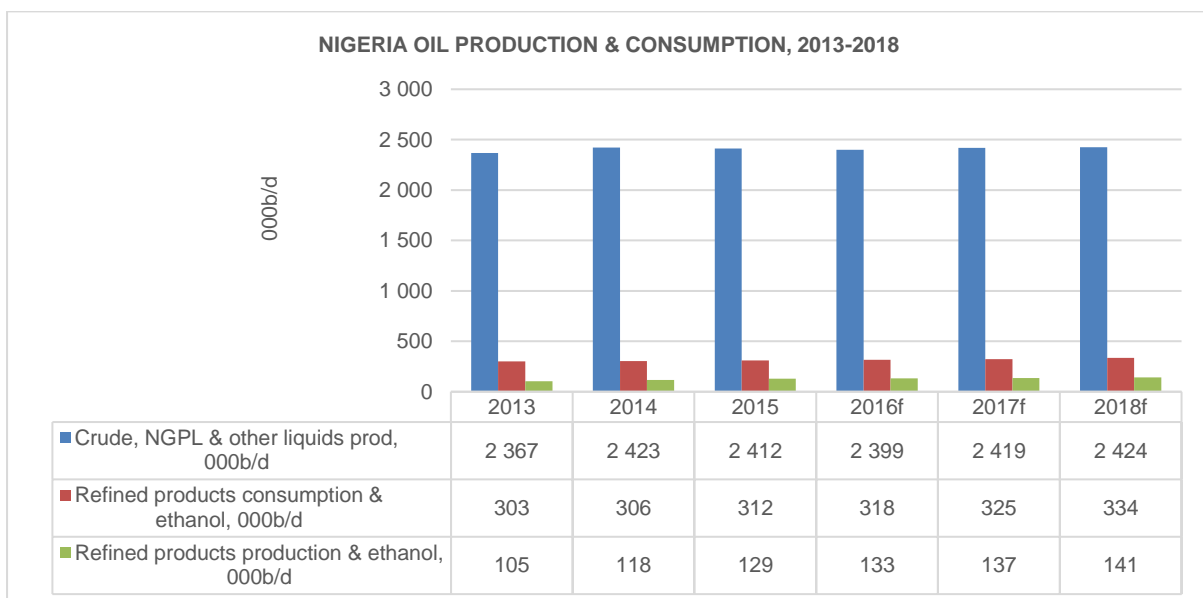
The contributions of Nigeria's economic sectors to GDP in 2014 are depicted in the figure below. The largest contributor is the agriculture, hunting, forestry and fishing sector, accounting for 22% of GDP. This is followed by the wholesale, retail trade, restaurants and hotels sector as well as the transport, storage and communications sector contributing 22% and 18% respectively.



Source: UNCTAD, 2016

Nigeria has the 10th largest oil reserves in the world and the 2nd largest in Africa after Libya. According to BMI (2015), Nigeria will struggle to find new markets for its crude after being displaced from its traditional United States market due to rising domestic shale oil production. Nigeria's oil consumption is estimated to increase steadily from 305,000b/d in 2014 to about 409,800b/d by the end of 2018, led by the transport sector and the continued use of diesel power generators as backups to intermittent power supplies.

A decline in Nigerian proven oil reserves is demonstrating the impact of lower levels of exploration activity in the country since 2005. Security problems related to oil theft and pipeline interference hamper the industry and fuel investment uncertainties about the Petroleum Industry Bill (PIB).



Source: BMI, 2016

2.1 Companies in Nigeria

Dangote Cement is the only Nigerian company on the Forbes global 2000, an annual list of the world's 2000 largest publicly listed corporations. Six out of the top 10 companies in Nigeria are in the finance and banking sector and three are in the food and beverage sector. The table below gives the top 10 companies and the sectors within which they operate:

TOP 10 LARGEST COMPANIES IN NIGERIA, 2013			
RANK	COMPANY	SECTOR	MARKET CAPITAL (NGN millions) 2014
1	Nigerian Breweries Plc	Food & Beverages	1,210,864
2	First Bank	Banking and Finance	310,983
3	Zenith	Banking and Finance	654,616
4	UBA	Banking and Finance	153,363
5	GTBank	Banking and Finance	688,689
6	Guinness Nigeria Plc	Food & Beverages	237,930
7	Dangote Sugar	Food & Beverages	73,800
8	EcoBank	Banking and Finance	388,085
9	Nestle Nigeria	Food & Beverages	685,647
10	Stanbic IBTC	Banking and Finance	284,700

Source: The Nigerian Stock Exchange, 2014, Bloomberg, 2014

2.2 Doing Business in Nigeria

The table below shows Nigeria's ease of doing business in 2016. According to the World Bank's *Doing Business 2016* report, Nigeria is ranked 169th out of 190 countries in terms of the ease of doing business. Nigeria's best ranking sub-categories are protecting minority investors (20th) and getting credit (59th).

NIGERIA'S EASE OF DOING BUSINESS, 2016	
SELECTED INDICATORS	RANKING OUT OF 189 COUNTRIES, 2016
Starting a Business	139
Dealing with Construction Permits	175
Getting Electricity	182
Registering Property	181
Getting Credit	59
Protecting Investors	20
Paying Taxes	181
Trading Across Borders	182
Enforcing Contracts	143
Resolving Insolvency	143
Doing Business 2014	169

Source: Cost of Doing Business, 2016

The Nigerian market is particularly lucrative for businesses in consumer-centric industries, such as telecommunications, retail, agriculture and transportation, however persistent risks such as low credit and limited infrastructure continue to deter investors and reduce trade-flows (BMI, 2014). Nigeria's score of 26.1 out of 100 for Investment and Trade Openness in BMI's Trade and Investment Risk Index puts it in 40th place regionally out of the 44 countries covered. This score places it between Sudan and Kenya.

2.3 Nigeria's Risk Ratings

Nigeria's sovereign risk status and its capacity to meet its financial commitments is shown below. According to Standard and Poors Nigeria's rating shows, the decline in oil prices has significantly affected Nigeria's external position and external vulnerability. In addition, the implementation of the government's ambitious fiscal consolidation plans remains a cause for concern, while the Boko Haram group continues to disrupt the north-east.

NIGERIA'S COUNTRY RATINGS, 2016			
STANDARD & POORS SOVEREIGN RATINGS		FLITCH RATING	MOODY'S RATINGS
Local Currency Rating	Foreign Currency Rating	Credit Rating	Credit Rating
B	B	B+	B1

Source: Standard & Poors, 2016, Trading Economics 2016

The table below shows Nigeria's risk assessment in terms of export transactions and direct investments according to ONDD. Ratings are between 1 and 7, and between A and C, with 7 and C being the maximum risk indicators. The political risk in Nigeria is highest in the short and medium-term. All categories of direct investment risk, i.e. war risk, risk of expropriation and government action and transfer risk are all above 5 indicating a high risk for direct investments.

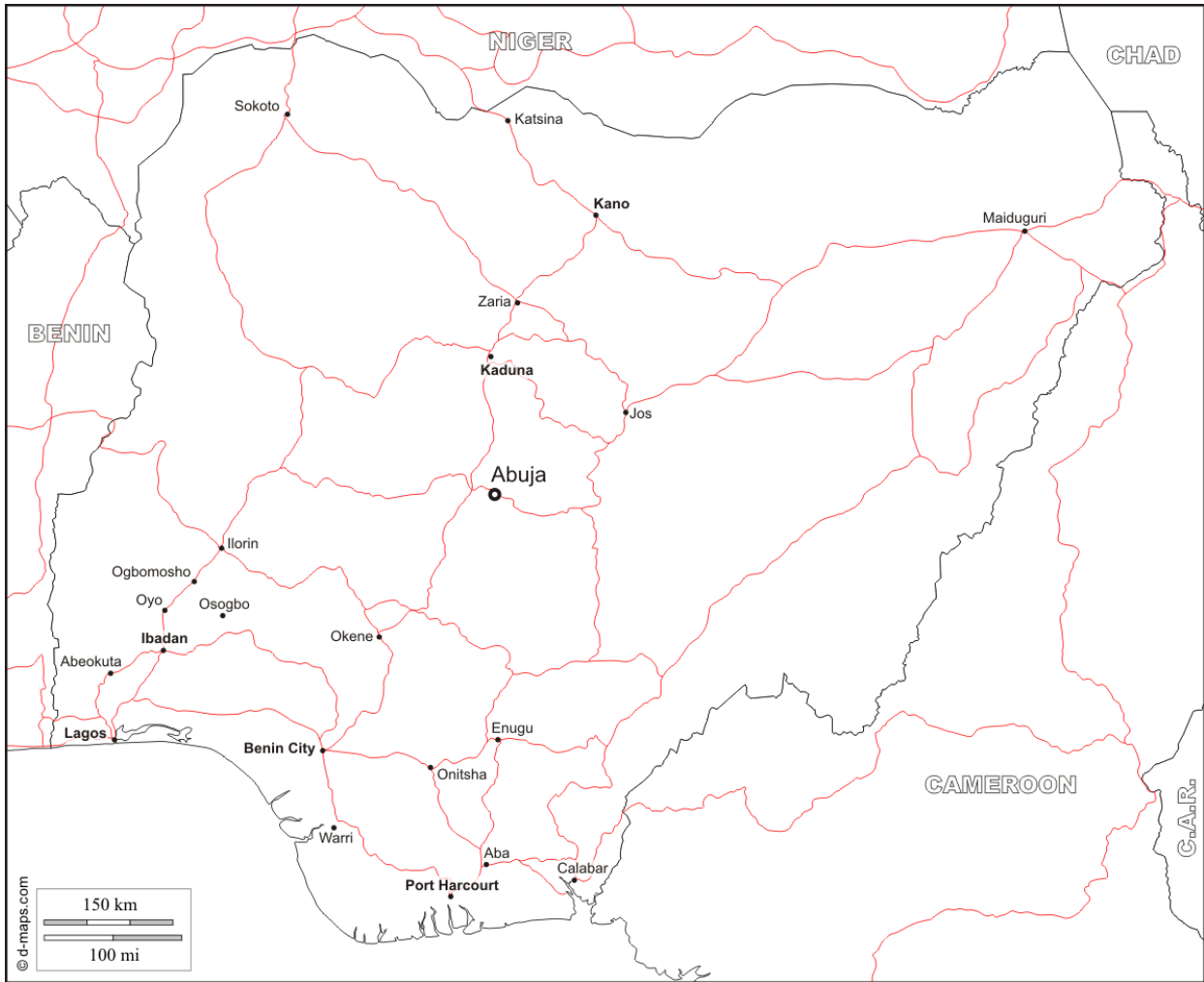
NIGERIA'S RISK ASSESSMENT		
EXPORT TRANSACTIONS		
Political Risks	Short Term	6
	Medium-Long term	6
	Special Transactions	6
Commercial Risk	B	
DIRECT INVESTMENTS		
War risk	6	
Risk of expropriation and government action	6	
Transfer risk	6	

Source: ONDD, 2016

2.4 Logistics

Nigeria's total road network is one of the longest in the world, stretching to 193,200km. The majority of the country's cities, airports and ports are linked by main roads, with the best connections being in the southern port cities, particularly Lagos, which is the location of Nigeria's only major expressways. Four Trans-African Highways traverse Nigeria. Three of these converge on Lagos, with one heading west to Dakar in Senegal, one east to Mombasa in Kenya, and one north to Algiers in Algeria. The final highway runs west to east from Dakar to Ndjamenana in Chad, via Kano in northern Nigeria. These routes provide the main links to Nigeria's neighbours, with three highways in total crossing the border to Benin, two to Cameroon and three to Niger, offering regional trade links for investors (BMI, 2014). These road connections are particularly important for Niger as it seeks to return to using Nigeria's ports for its imports and exports.

The map below shows the main cities, boundaries and roads in Nigeria.



Source: d-maps.com

The table below shows the distance and time it takes goods to travel from Cape Town Port terminal to Nigerian ports.

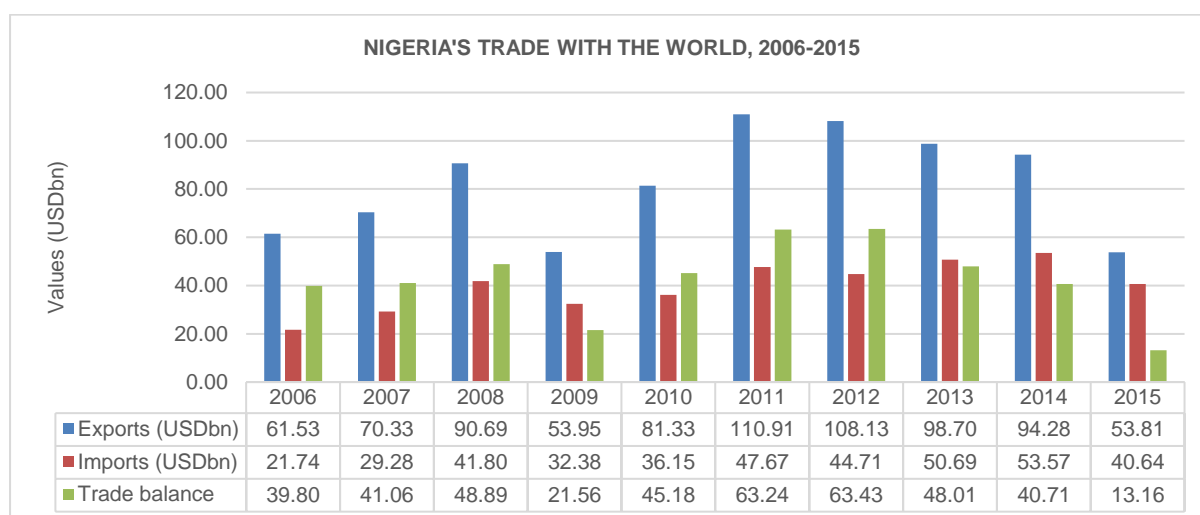
TRANSIT TIME FROM CAPE TOWN TERMINAL TO VARIOUS PORTS IN NIGERIA, 2016		
TERMINAL	DISTANCE	TRANSIT TIME
Harcourt	4545.88km	7 days 7 hours
Lagos	4802.06km	7 days 17 hours
Tincan	4809.17km	7 days 17 hours
Onne	4517.43km	7 days 6 hours
Warri	4589.4km	7 days 9 hours
Brass	4610.25km	7 days 9 hours
Odudu	4508.72km	7 days 5 hours

Source: SeaRates, 2016

3. Trade

3.1 Nigeria's Global Trade

The figure below illustrates the trend in Nigeria's global trade from 2006 to 2015. Nigeria was a net exporter of goods over the period. Nigeria's global exports were valued at USD53.81bn in 2015 compared to USD94.70bn in 2014, declining by 42.9%. Global imports in 2014 were valued at USD53.57bn compared to USD40.1bn in 2015, declining by 25.1%.



Source: TradeMap, 2016

The table below shows Nigeria's top 10 destination markets for 2015. India is the leading export market for Nigeria with a value of USD10.23bn. Spain and Brazil ranked second and third valued at USD5.12bn and USD4.63bn respectively. Five of the top 10 destination countries are European states. South Africa is Nigeria's 4th largest importer, importing USD4.58bn worth of goods in 2015, declining by 11% from 2014.

TOP 10 DESTINATION COUNTRIES FOR NIGERIAN EXPORTS, 2015			
RANK	COUNTRY	VALUE, (USDbn)	% Growth, 2014-15
1	India	10.23	-35
2	Spain	5.12	-41
	Brazil	4.63	-51
4	South Africa	4.58	-11
5	Netherlands	3.65	-31
6	France	3.40	-38
7	Japan	2.82	-37
8	United Kingdom	2.17	-46
9	Germany	2.13	-60
10	United States	2.00	-49
TOTAL		53.81	-43%

Source: TradeMap, 2016

The table below shows Nigeria's global import markets for 2015. China was the leading import market, valued at USD13.72bn. The United States and the Netherlands were ranked second and third valued at USD3.41bn and USD3.19bn respectively. South Africa is the 14th largest exporter to Nigeria, exporting goods to the value of USD 645m in 2015.

NIGERIA'S TOP SOURCE MARKETS FOR NIGERIAN IMPORTS, 2016			
RANK	COUNTRY	VALUE, (USDbn)	% SHARE, 2015
1	China	13.72	-11
2	United States	3.41	-43
3	Netherlands	3.19	-9
4	India	2.29	-20
5	Belgium	1.97	-10
6	France	1.72	-15
7	United Kingdom	1.62	-29
8	Germany	1.17	-37
9	Hong Kong	0.80	39
10	Italy	0.80	-38
TOTAL		40.64	-22%

Source: TradeMap, 2016

The table below shows Nigeria's top 10 traded products for 2015. Crude petroleum oil was the leading export product category, valued at USD41.88bn. Petroleum gases and refined petroleum oils ranked second and third valued at USD8.27bn and USD0.65bn respectively.

After petroleum, cocoa is the country's most important export. Nigeria is one of the top 10 producer of cocoa beans in the world.

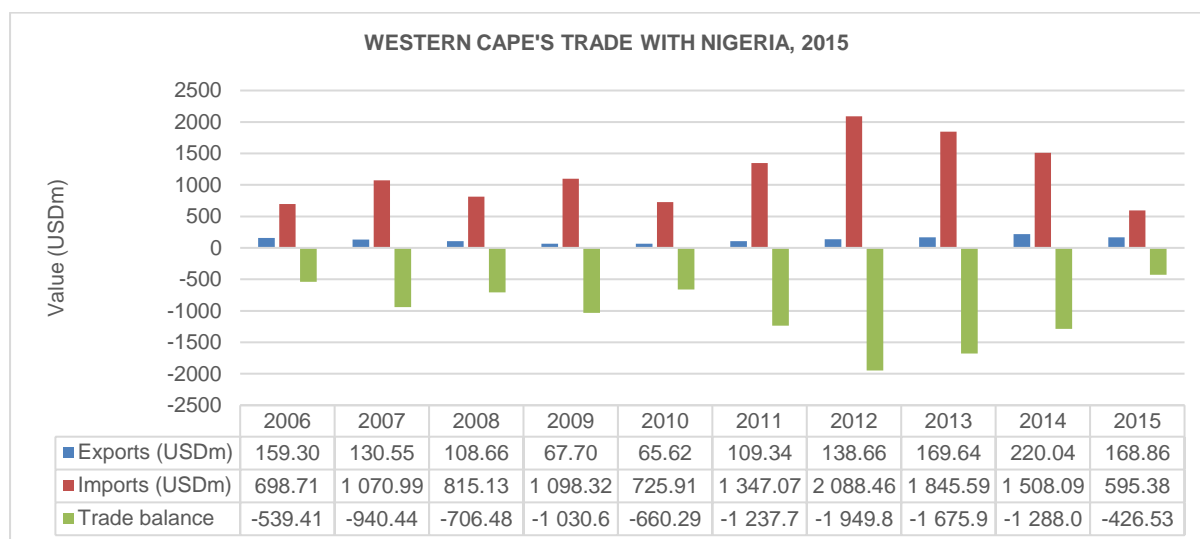
Refined petroleum oil was the leading imported product in Nigeria, valued at USD5.93bn, telephone sets and wheat and meslin were ranked second and third at USD1.2bn and USD1.1bn respectively.

NIGERIA'S TOP EXPORTS TO THE GLOBE, 2015				NIGERIA'S TOP IMPORTS FROM THE GLOBE, 2015			
RANK	PRODUCTS	VALUE, (USDbn)	% Growth, 2014-15	RANK	PRODUCTS	VALUE, (USDbn)	% Growth, 2014-15
1	Petroleum oils , crude	41.88	-45	1	Petroleum oils	5.93	-26
2	Petroleum gas	8.27	-36	2	Telephone sets	1.23	7
3	Petroleum oils	0.65	-44	3	Wheat and meslin	1.09	-20
4	Cocoa beans	0.44	-31	4	Medicaments	0.96	6
5	Wood	0.35	0	5	Motor cars	0.81	-51
6	Other oil seeds and oleaginous fruits	0.30	1	6	Woven fabrics of cotton	0.61	137
7	Powered aircraft	0.15		7	Powered aircraft "e.g. helicopters	0.51	44
8	Waste and scrap	0.14	-20	8	Taps, cocks, valves and similar appliances	0.47	-15
9	Unwrought aluminium	0.11	-10	9	Motorcycles	0.45	24
10	Tanned or crust skins of sheep	0.09	-16	10	Frozen fish	0.45	-38
TOTAL		53.81	-43%	TOTAL		40.64	-22.00%

Source: TradeMap, 2016

3.2 Trade with the Western Cape

The province exported goods to the value of USD168.86m in 2015 compared to USD220.04m in 2014, representing a decline of 23.3%, while imported goods were valued at USD1.5bn 2014 compared to USD595.4bn in 2015, decreasing by 60.52%. From 2006 the Western Cape has demonstrated a negative trade balance with Nigeria.



Source: Quantec, 2016

Flat-rolled iron or steel was the leading export product category to Nigeria from the Western Cape in 2015, valued at USD50.61m. This export was followed by apples, pears and quinces (USD45.60m) and cruise ships (USD9.64m). There was a decline in the exports of refined petroleum oils from 2014 to 2015. Crude petroleum oils was the largest import from Nigeria valued at USD696.95 and accounting for 99% of all imports from Nigeria.

TOP 10 WESTERN CAPE EXPORTS TO NIGERIA, 2015				TOP 10 WESTERN CAPE IMPORTS FROM NIGERIA, 2015			
RANK	PRODUCT	VALUE 2015 (USDm)	% SHARE, 2015	RANK	PRODUCT	VALUE 2015 (USDm)	% SHARE, 2015
1	Flat-rolled products of iron	50.61	29.97%	1	Petroleum oils from bituminous mineral	696.95	99.56%
2	Apples, pears and quinces, fresh	45.60	27.00%	2	Petroleum oils, not crude	1.71	0.24%
3	Cruise ships	9.64	5.71%	3	Cigars, cheroots, cigarillos	0.86	0.12%
4	Fruit juices	5.03	2.98%	4	Collections and collectors' pieces	0.10	0.01%
5	Light-vessels, fire-floats, dredgers	4.95	2.93%	5	Oil-cake and other solid residues	0.06	0.01%
6	Wine of fresh grapes	4.86	2.88%	6	Precious stones	0.06	0.01%
7	Machinery	3.79	2.25%	7	Antiques	0.04	0.01%
8	Grapes	2.35	1.39%	8	Self-adhesive plates	0.04	0.01%
9	Paper and paperboard	2.28	1.35%	9	Printing machinery	0.02	0.00%
10	Undenatured ethyl alcohol	2.06	1.22%	10	Machine-tools	0.02	0.00%
TOTAL EXPORTS		168.86	100.00%	TOTAL IMPORTS		595.38	100.00%

Source: Quantec, 2016

3.3 Trade agreements

Currently there is not Free Trade Agreement between South Africa and Nigeria. In 2013, the countries entered into an informal agreement of cooperation, highlighting the automotive sector.

The Nigeria - South Africa Chamber of Commerce also serves to improve and facilitate bi-lateral trade relationships between Nigeria and South Africa. The Chamber has offices in Lagos, Nigeria and it has in its membership 315 companies currently trading in both Nigeria and South Africa. It is made up of blue-chip companies, Nigerian companies and South African companies.

3.4 Trade regulations and standards

Standards

The Standards Organization of Nigeria (SON) registers and regulates standard marks and specifications. The National Agency for Food and Drug Administration and Control (NAFDAC) provides testing and certification of imported and domestically produced food, drug, cosmetic, medical, water and chemical products. These agencies provide the information for the certification of products.

Labelling

The Nigerian government requires that products entering the country must display information including: name of product, country of origin, specifications, date of manufacture, batch or lot number, standards to which they were produced (e.g. BS, DIN, ISO/IEC, NIS, etc.) and in the case of items such as soap, food and drinks and related products, they should carry the expiration date or the shelf life, as well as active ingredient(s), where applicable.

Also, all items entering the country must be labelled in metric terms exclusively. Products with dual or multiple markings will be confiscated or refused entry.

3.5 Tariffs

Tariffs imposed on South African exports to Nigeria for 2015 are listed below. The highest tariff of 30.2% is seen in the export of animal, vegetable fats and oils, cleavage products.

TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY NIGERIA, 2015					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H01: Live animals	12.50	H33: Essential oils, perfumes, cosmetics, toiletries	13.20	H65: Headgear and parts thereof	10.90
H02: Meat and edible meat offal	20.00	H34: Soaps, lubricants, waxes, candles, modelling pastes	17.50	H66: Umbrellas, walking-sticks, seat-sticks, whips	19.40
H03: Fish, crustaceans, molluscs, aquatic invertebrates	10.70	H35: Albuminoids, modified starches, glues, enzymes	9.80	H67: Bird skin, feathers, artificial flowers, human hair	20.00
H04: Dairy products, eggs, honey, edible animal product	9.90	H36: Explosives, pyrotechnics, matches, pyrophorics	11.70	H68: Stone, plaster, cement, asbestos, mica, articles	16.30
H05: Products of animal origin	5.00	H37: Photographic or cinematographic goods	16.20	H69: Ceramic products	20.00
H06: Live trees, plants, bulbs, roots, cut flowers	12.50	H38: Miscellaneous chemical products	8.40	H70: Glass and glassware	14.00
H07: Edible vegetables and certain roots and tubers	19.80	H39: Plastics and articles thereof	10.50	H71: Pearls, precious stones, metals, coin	17.80
H08: Edible fruit, nuts, peel of citrus fruit, melons	19.10	H40: Rubber and articles thereof	14.10	H72: Iron and steel	17.70
H09: Coffee, tea, mate and spices	13.20	H41: Raw hides and skins (other than furskins) and leather	9.90	H73: Articles of iron or steel	16.90
H10: Cereals	7.70	H42: Articles of leather, animal gut, harness, travel goods	19.40	H74: Copper and articles thereof	8.90
H11: Milling products, malt, starches, inulin, wheat gluten	24.20	H43: Furskins and artificial fur, manufactures thereof	6.40	H75: Nickel and articles thereof	18.80
H12: Oil seed, oleag fruits, grain, seed, fruit,	8.30	H44: Wood and articles of wood, wood charcoal	15.60	H76: Aluminium and articles thereof	14.90
H13: Lac, gums, resins, vegetable saps and extracts	5.00	H45: Cork and articles of cork	6.80	H78: Lead and articles thereof	9.40
H14: Vegetable plaiting materials, vegetable products	5.00	H46: Manufactures of plaiting material, basketwork, etc.	20.00	H79: Zinc and articles thereof	6.90

TARIFFS IMPOSED ON SOUTH AFRICAN EXPORTS BY NIGERIA, 2015					
HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)	HS CODE AND PRODUCT DESCRIPTION	TARIFF (%)
H15: Animal, vegetable fats and oils, cleavage products,	30.20	H47: Pulp of wood, fibrous cellulosic material, waste	5.00	H80: Tin and articles thereof	18.30
H16: Meat, fish and seafood food preparations	20.00	H48: Paper & paperboard, articles of pulp, paper and board	10.30	H81: Other base metals, cermets, articles thereof	14.10
H17: Sugars and sugar confectionery	18.50	H49: Printed books, newspapers, pictures	3.20	H82: Tools, implements, cutlery, of base metal	14.30
H18: Cocoa and cocoa preparations	17.80	H50: Silk	5.80	H83: Miscellaneous articles of base metal	17.40
H19: Cereal, flour, starch, milk preparations and products	16.00	H51: Wool, animal hair, horsehair yarn and fabric thereof	5.90	H84: Nuclear reactors, boilers, machinery	6.40
H20: Vegetable, fruit, nut food preparations	16.80	H52: Cotton	5.90	H85: Electrical, electronic equipment	10.10
H21: Miscellaneous edible preparations	15.00	H53: Vegetable textile fibres paper yarn, woven fabric	5.20	H86: Railway, tramway locomotives, rolling stock, equipment	5.00
H22: Beverages, spirits and vinegar	18.10	H54: Manmade filaments	19.00	H87: Vehicles other than railway, tramway	12.20
H23: Residues, wastes of food industry, animal fodder	10.00	H55: Manmade staple fibres	14.30	H88: Aircraft, spacecraft, and parts thereof	4.20
H24: Tobacco and manufactured tobacco substitutes	23.70	H56: Wadding, felt, nonwovens, yarns, twine, cordage	19.00	H89: Ships, boats and other floating structures	5.10
H25: Salt, sulphur, earth, stone, plaster, lime and cement	19.00	H57: Carpets and other textile floor coverings	20.00	H90: Optical, photo, technical, medical apparatus	5.90
H26: Ores, slag and ash	5.00	H58: Special woven or tufted fabric, lace, tapestry	19.90	H91: Clocks and watches and parts thereof	20.00
H27: Mineral fuels, oils, distillation products,	7.40	H59: Impregnated, coated or laminated textile fabric	11.90	H92: Musical instruments, parts and accessories	5.00
H28: Inorganic chemicals, precious metal compound, isotopes	5.10	H60: Knitted or crocheted fabric	20.00	H93: Arms and ammunition, parts and accessories thereof	-
H29: Organic chemicals	6.50	H61: Articles of apparel, accessories, knit or crochet	20.00	H94: Furniture, lighting, signs, prefabricated buildings	20.60
H30: Pharmaceutical products	13.60	H62: Articles of apparel, accessories, not knit or crochet	20.00	H95: Toys, games, sports requisites	19.70
H31: Fertilizers	0.00	H63: Other made textile articles, sets, worn clothing	19.80	H96: Miscellaneous manufactured articles	21.10
H32: Tanning, dyeing extracts, tannins, derivatives, pigments	11.20	H64: Footwear, gaiters and the like, parts thereof	13.10	H97: Works of art, collectors pieces and antiques	20.00

Source: TradeMap, 2016

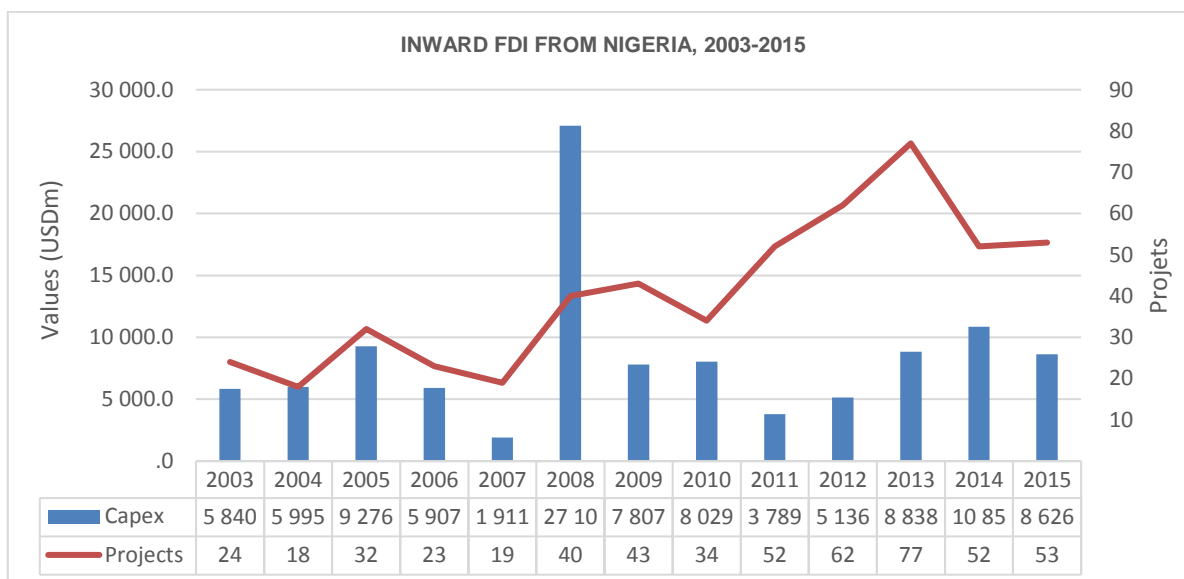
NOTE: Exporters should not take the HS2 tariff as conclusive and as the actual tariff that will be applied to the exported product. The tariffs indicated above are average tariffs and for products within the category it may be higher or lower than indicated. Where the tariff is zero it can be assumed that there is zero tariff applicable to all products within that HS code. Tariffs are determined according to the importing country's national tariff line from the HS6 level and upwards. Exporters are advised to visit www.macmap.org to determine the exact tariff applicable to the product at HS6.

4. Foreign Direct Investment

Nigeria is hampered by the low level of domestic credit to businesses and consumers owing due to high interest rates, poor logistics and social infrastructure, a low skilled workforce and limited trade agreements. These factors increase business risks for investors, with a strong likelihood of significant margin erosion if not properly managed. Despite these limitations, Nigeria remains an attractive destination for FDI and portfolio investments on the back of government incentives, an active capital market and large domestic consumer base.

4.1 Global FDI into Nigeria

Between January 2003 and December 2015 a total of 529 FDI projects were recorded into Nigeria. These projects represent a total capital investment of USD109.114bn, which is an average investment of \$204.80 m per project. During the period, a total of 112,740 jobs were created. FDI value peaked in 2013 with USD8.8bn, whereas with 77 projects.



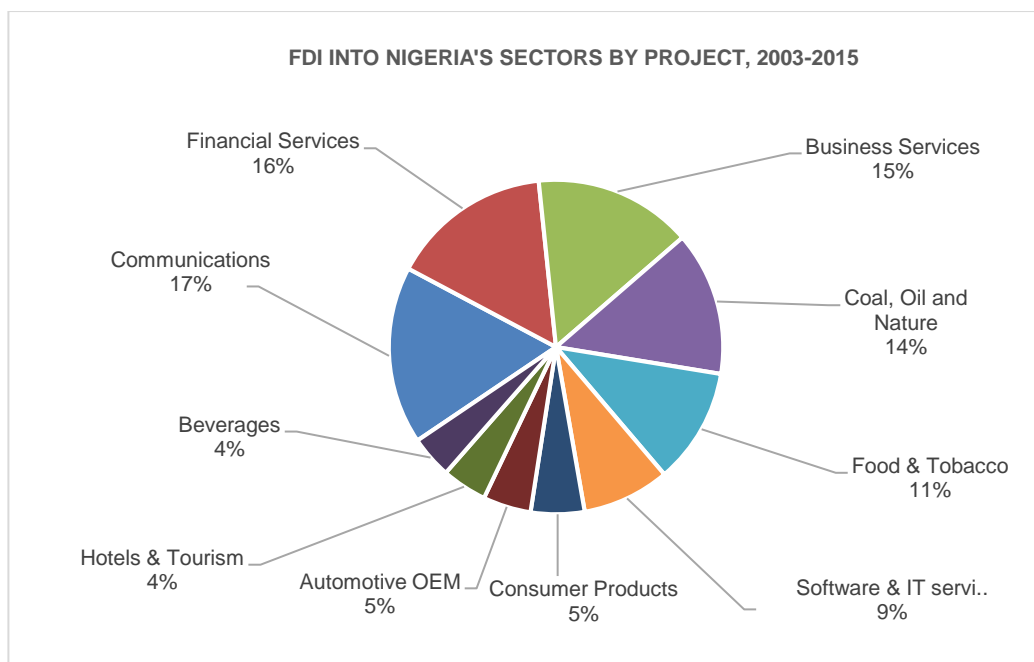
Source: FDI Intelligence, 2016

The United States was the largest source market for inward FDI into Nigeria in terms of projects, with 83 investment projects, which accounted for 16% of projects. The United Kingdom and South Africa are ranked second and third accounting for 12% and 10% respectively.

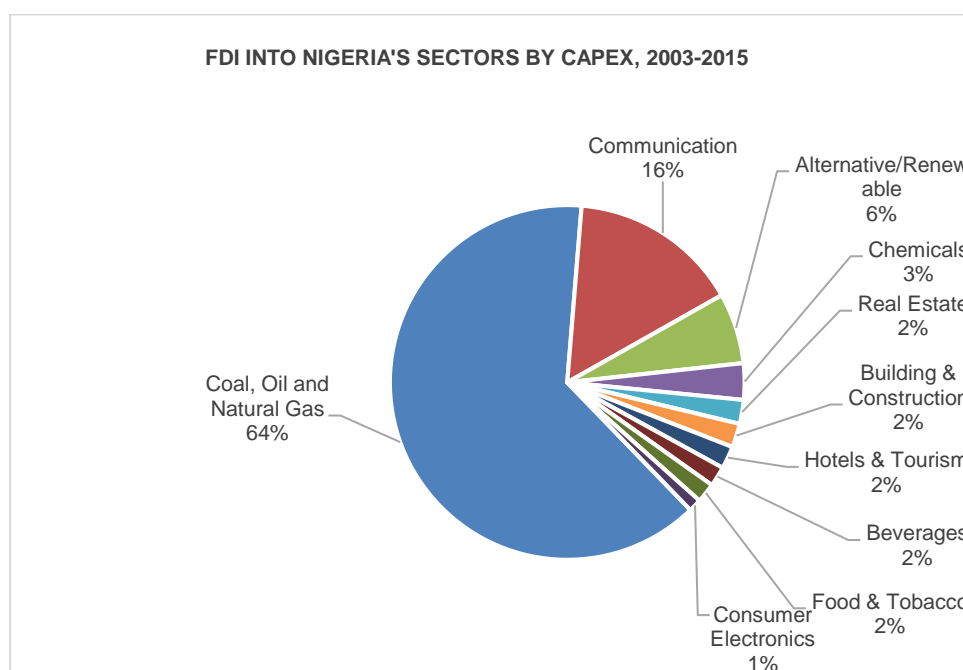
TOP 10 SOURCE MARKETS FOR FDI INTO NIGERIA, 2003 – DECEMBER 2015							
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX, (USDm)	% CAPEX	COMPANIES	% COMPANIES
1	United States	83	15.69%	14 930.1	13.68%	61	14.84%
2	UK	63	11.91%	8 132.6	7.45%	51	12.41%
3	South Africa	55	10.40%	4 460.3	4.09%	40	9.73%
4	India	42	7.94%	6 525.6	5.98%	29	7.06%
5	Germany	24	4.54%	600.3	0.55%	21	5.11%
6	France	23	4.35%	11 358.2	10.41%	19	4.62%
7	Japan	22	4.16%	1 644.2	1.51%	19	4.62%
8	UAE	20	3.78%	4 211.7	3.86%	17	4.14%
9	China	16	3.02%	4 771.1	4.37%	14	3.41%
10	South Korea	16	3.02%	3 042.6	2.79%	9	2.19%
TOTAL		529	100.00%	109114.6	100	411	100.00%

Source: FDI Intelligence, 2016

The figures below show global inward FDI into Nigeria by sector, for the period January 2003 to December 2015 by number of projects and CAPEX. Communications and coal, oil and natural gas accounted for 17% and 14% of FDI projects respectively. In terms of CAPEX, coal, oil and natural gas received 64% and communications received 15%. These two sectors received the most projects and capex, indicating their overall attractiveness in promoting inward FDI.



Source: FDI Intelligence, 2016



Source: FDI Intelligence, 2016

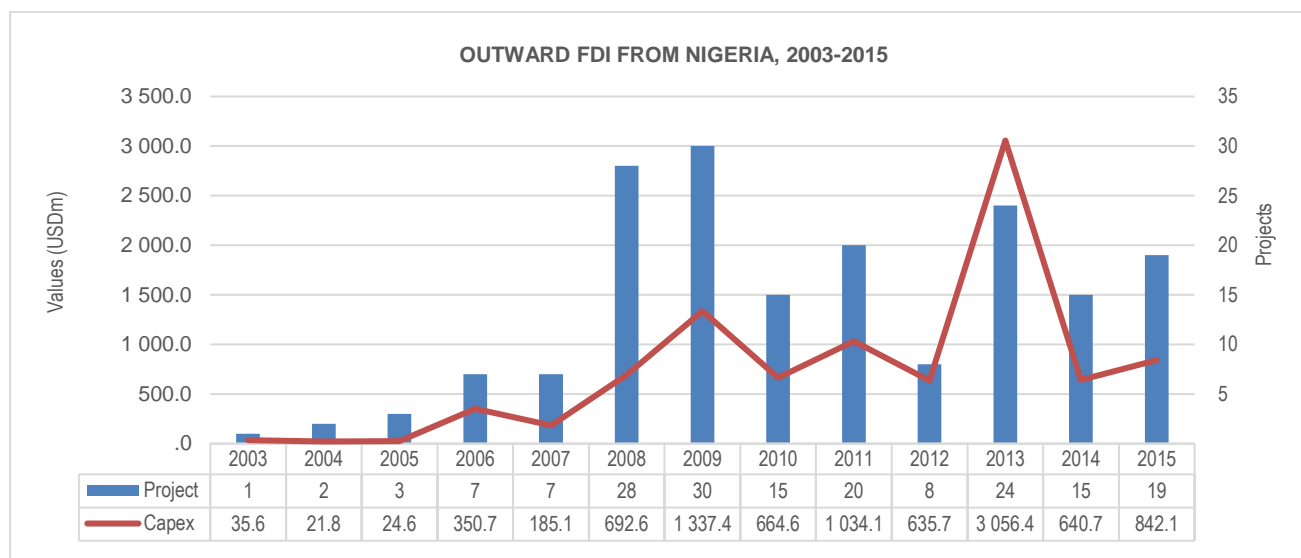
Shoprite and Nokia were the largest source companies for inward FDI into Nigeria in terms of projects, with 8 and 7 investment projects respectively. Samsung Electronics was ranked fourth with 5 projects.

TOP 10 SOURCE COMPANIES FOR FDI INTO NIGERIA, 2003 – DEC 2015					
RANK	COMPANY	SOURCE COUNTRY	SECTOR	PROJECTS	CAPEX (USDm)
1	Shoprite	South Africa	Food & Tobacco	8	135.2
2	Nokia	Finland	Communication	7	57.9
3	Lafarge Afrcia (Lafarge Cement WAPCO Nigeria)	United Kingdom	Coal, oil and natural gas	5	2 131.9
4	ISON BPO	Kenya	Business services	5	40.1
5	Samsung Electronics West Africa	South Korea	Consumer Electronics	5	71.4

6	Airtel Nigeria	India	Communications	4	1 167.3
7	Eleme Petrochemicals	Singapore	Alternative/renewable energy	4	592.6
8	IBM	United States	Financial Services	4	91.5
9	Standard Chartered Bank	United Kingdom	Financial services	4	44.0
10	Travelex Worldwide Money	United Kingdom	Financial services	4	44.0

Source: FDI Intelligence, 2016

Between January 2003 and December 2015 a total of 179 FDI projects were recorded from Nigeria. These projects represent a total capital investment of USD9.59bn .The graph shows that outward FDI from Nigeria peaked in 2013 at USD3.1bn and in 2009 with 30 projects.



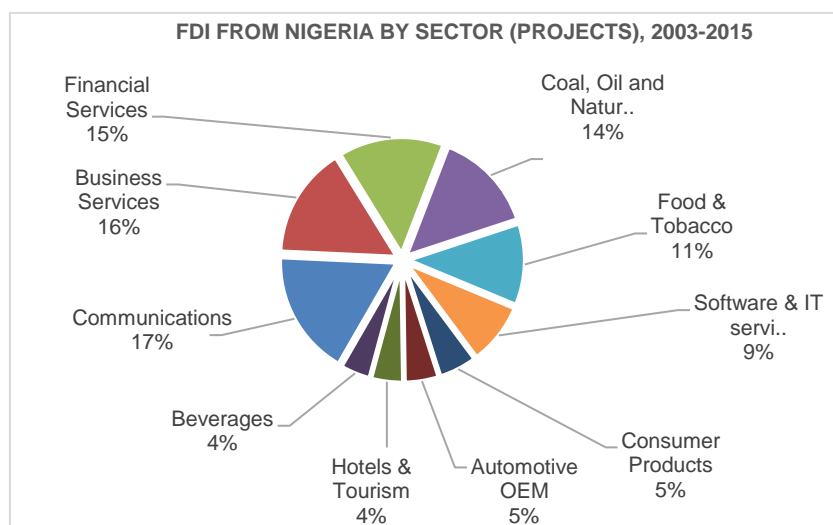
Source: FDI Intelligence, 2016

Ghana was the largest destination market in terms of projects, with 53 investment projects, which accounted for 30% of all projects. Kenya and Uganda are ranked second and third accounting for 6% and 5% respectively. All of the top ten destination markets are fellow African countries apart from the United Kingdom (ranked 4th). South Africa is ranked 6th largest global market for FDI from Nigeria.

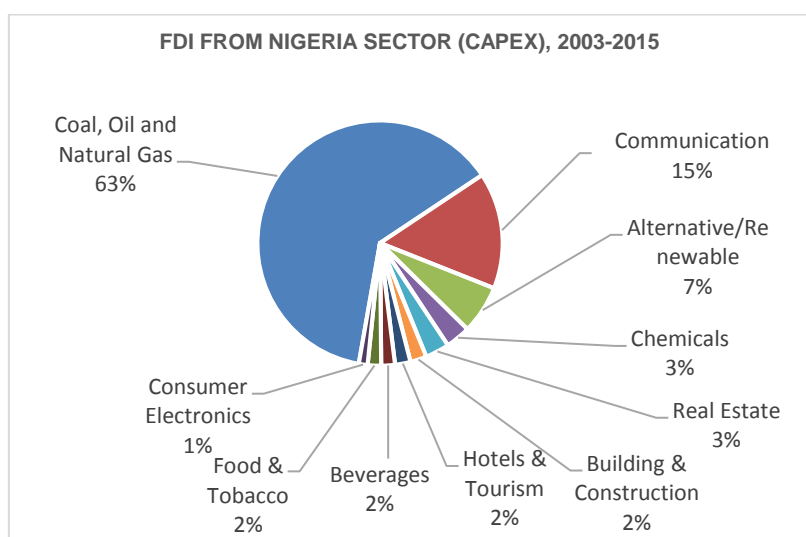
TOP 10 DESTINATION MARKETS FOR FDI OUT OF NIGERIA, 2003–DECEMBER 2015						
RANK	COUNTRY	PROJECTS	% PROJECTS	CAPEX (USDm)	% CAPEX	COMPANIES
1	Ghana	53	29.61%	1 103.3	11.92%	23
2	Kenya	11	6.15%	612.1	6.61%	8
3	Uganda	9	5.03%	138.9	1.50%	5
4	UK	9	5.03%	172.6	1.87%	9
5	Sierra Leone	7	3.91%	259.9	2.81%	4
6	South Africa	7	3.91%	267.2	2.89%	7
7	Cote d'Ivoire	6	3.35%	374.6	4.05%	6
8	Cameroon	5	2.79%	416.4	4.50%	4
9	Congo (DRC)	5	2.79%	237.9	2.57%	3
10	Rwanda	5	2.79%	55.0	0.59%	2
TOTAL		179	100.00%	9 254	100.00%	54

Source: FDI Intelligence, 2016

Communications sector received the largest share of FDI from Nigeria in terms of projects accounting for 17%, followed business services, and financial services accounting for 16% and 15% respectively. In terms of CAPEX the coal, oil and natural gas for 63%, communication and alternative and renewable energy field accounted for 15% and 7% respectively.



Source: FDI Intelligence, 2016



Source: FDI Intelligence, 2016

The United Bank for Africa was the largest company for outward FDI from Nigeria in terms of projects, with 25 investment projects. Eight of the top 10 investing companies were in the financial services sector. The total projects and capex of the top 10 companies makes up 61% of total projects and 76% of total capex invested from Nigeria.

TOP 10 COMPANIES FOR FDI FROM NIGERIA, 2003 -DEC 2015				
RANK	COMPANY	SECTOR	PROJECTS	CAPEX (USDm)
1	United Bank for Africa (UBA)	Financial Services	25	3 850
2	Dangote Cement	Building and construction	18	36 118
3	Intercontinental Bank	Financial Services	10	2 429
4	Guaranty Trust Bank (Ghana)	Financial Services	10	1 289
5	Access Bank (Ghana)	Financial Services	9	1 145
6	Access Bank	Financial Services	7	2 408

7	Energy Bank Ghana	Financial Services	7	1 302
8	Dangote Group	Building and construction	6	16 443
9	Continental Reinsurance	Financial Services	5	633
10	Guaranty Trust Bank	Financial Services	5	746
TOTAL			179	9521.4

Source: FDI Intelligence, 2016

4.3 Outward investment from the Western Cape

The table below shows the investments by Western Cape companies into Nigeria from 2003 to December 2015. A total of 17 FDI projects were recorded in the period from the Western Cape to Nigeria. These projects represent a total capital investment of USD422.60m which is an average investment of USD24.6m per project. During the period, a total of 2,369 jobs were created.

South Africa-based The Valuator Group, opened a new office in Nigeria. The development was part of a wider growth initiative which will see further offices opened in Kenya and Tanzania.

Distell Group, a subsidiary of South Africa-based Remgro, planned to establish a new manufacturing facility in Nigeria. The planned development is part of a wider growth strategy which will see an additional facility established in Angola. Both initiatives are expected to become operational during 2015.

The Foschini Group also invested around USD36.9m in a retail store in Nigeria as part of its plans to open 57 outlets in the rest of Africa by 2014.

Konga.com invested USD30.8m opening a new 11,150m² logistics facility in Lagos, Nigeria. The facility meets the current warehousing needs of the company in Nigeria, and can be expanded in the future if needed.

WESTERN CAPE'S FDI TO NIGERIA, 2003-DECEMBER 2015							
PROJECT DATE	INVESTING COMPANY	DESTINATION STATE	INDUSTRY SECTOR	SUB-SECTOR	INDUSTRY ACTIVITY	CAPEX (USDm)	JOBS
Nov 2015	The Valuator Group	Not Specified	Business Services	Professional, scientific & technical services	Business Services	6.8	15
Aug 2015	Shoprite	Not Specified	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177
Jun 2014	Distell Group	Not Specified	Beverages	Breweries & distilleries	Manufacturing	146.2	222
Oct 2013	konga.com	Lagos State	Textiles	Clothing & clothing accessories	Logistics, Distribution & Transportation	30.8	165
Aug 2013	Shoprite	Kano State	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177
Jun 2013	Shoprite	Oyo State	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177
Aug 2012	Shoprite	Lagos State	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Logistics, Distribution & Transportation	19.9	147
Jun 2012	Shoprite	Abuja Federal Capital Territory	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	15.7	200
May 2012	Learning Curve	Lagos State	Software & IT services	Software publishers, except video games	Sales, Marketing & Support	5.8	16

Nov 2011	The Foschini Group	Not Specified	Consumer Products	General merchandise stores	Retail	36.9	179
Sep 2011	Woolworths (South Africa)	Not Specified	Consumer Products	Miscellaneous store retailers	Retail	36.9	179
Aug 2011	Pepkor	Not Specified	Textiles	Clothing & clothing accessories	Retail	14	122
Apr 2011	Ad Dynamo	Lagos State	Business Services	Advertising, PR, & related	Business Services	3.5	32
Aug 2010	Shoprite	Not Specified	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177
Sep 2008	Sanlam Group	Not Specified	Financial Services	Insurance	Sales, Marketing & Support	6.5	30
Sep 2008	Shoprite	Not Specified	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177
Dec 2005	Shoprite	Lagos	Food & Tobacco	Food & Beverage Stores (Food & Tobacco)	Retail	16.6	177

Source: FDI Intelligence, 2016

Note: The capex values are sometimes estimated based on similar projects within the sector.

5. Tourism

According to the Nigerian Investment Promotion Commission (NIPC), the Nigerian Tourism industry has perhaps a greater potential than any other single industry, particularly due to its multiplier effects to support economic growth and job creation. The popularity of several natural and historic tourist sites add to the sectors potential to be an active generator of revenue for the country once fully developed. Two of these sites; the Sukur World Heritage site at Adamawa and Osun Oshogbo Sacred Grove are already in the prestigious UNESCO World Heritage list. Furthermore, the entertainment sub-sector, mainly the film industry, being the 3rd largest in the world; currently contributes over two percent to gross domestic product (GDP) with vast potential for expansion.

Recognizing its economic potential Federal Government of Nigeria has prioritized tourism as one of its key drivers of growth and diversification, while several States that have focused on its development have followed suit. The recognition of tourism potential is highlighted in the various Development Strategies of the country, as well as the development of a National Tourism Policy (NTP) and the establishment of Nigerian Tourism Development Corporation (NTDC) by Act 81 of 1992. The tourism investment atmosphere in Nigeria is conducive given the abundant resources available, large market, enthronelement of enduring democracy, and a package of incentives put together by government.

- The direct contribution of Travel & Tourism to GDP was NGN1 632.8bn (1.7% of total GDP) in 2015, and is forecast to rise by 4.8% in 2016.
- The total contribution of Travel and Tourism to GDP was NGN4 051.8bn (4.2% of GDP) in 2015, and is anticipated to rise by 5.0% in 2016.
- In 2015, the Travel and Tourism industry directly supported 651,000 jobs, accounting for 1.6% of the total employment.
- Visitor exports generated NGN85.8bn (0.7% of total exports) in 2015. This is forecasted to grow by 2.7% in 2016 and by 7.6% per annum between 2016 and 2026.
- Travel & Tourism investment in 2015 reached NGN1 035.5bn and accounted for 7.0% of total investment. It is forecasted to grow 9.3% in 2016 and 4.3% per annum over the next ten years.

According to the latest World Travel & Tourism Council (WTTC) economic impact trends on Nigeria, money spent by foreign visitors is a key component of the direct contribution of Travel & Tourism. By 2026, international tourist arrivals to Nigeria is forecasted to total 1,135,000, generating expenditure of NGN183.1bn, an increase of 7.6% per annum. In 2015, leisure travel spending (inbound and domestic) generated 54.4% of direct Travel & Tourism GDP, while 45.6% was generated for business travel spending. In 2015, the domestic travel market ranked as the

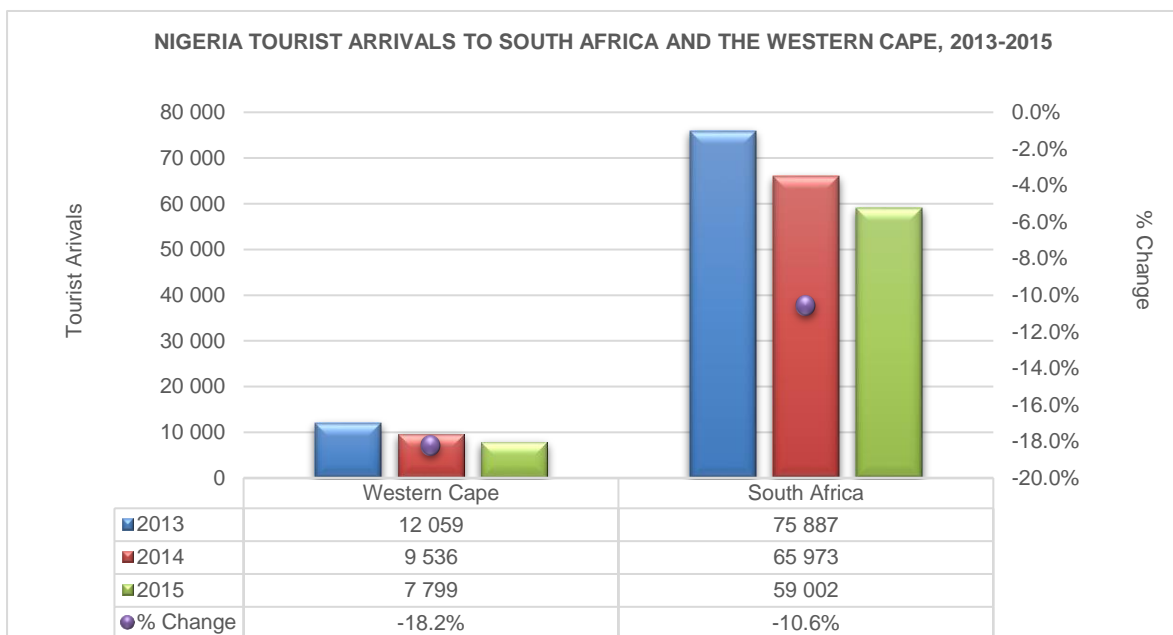
top contributor to GDP, accounting for 96.8%, while the foreign visitor spending contributed 3.2% in tourism receipts.

In 2015, the Africa-air markets ranked as South Africa’s 4th largest contributor to tourism revenue, surpassing the contribution of Asia and Australasia combined. The R2.2 billion incremental tourism revenue from this region was largely driven by an increase in the length of stay and spend per day. This was particularly prevalent in Angola and Nigeria.

There were 59,002 Nigerian arrivals into South Africa in 2015 and a total of 7,799 visited the Western Cape.

According to South African Tourism, the purpose of Nigerian tourists visiting South Africa were given in the following order:

- Business tourism 28.0%;
- Visiting friends and relatives 26.2%; and
- Holiday 23.9%



Source: SATourism, 2016