West Africa's big success story

Blessed with abundant natural resources, Nigeria is successfully diversifying its growing economy with the help of international investors from Japan and beyond.

A continental giant blessed with abundant natural resources, including huge oil and gas resources, Nigeria has long been an economic powerhouse that has been essential to the economies of countries in the region. The country's strategic location as the heart of West Africa has made it a natural gateway for trade and commerce.

In May 2013, President Goodluck Jonathan told the World Economic Summit in Cape Town, South Africa: "In the last two years our government completed the biggest transfer of power assets in Africa to private investors. By itself, the power sector in Nigeria is now totally privatized, except for the transmission company, which is concessioned to a private firm to manage. Following these critical reforms, we expect an annual $10 billion investment to follow for the next decade." Nigeria's Minister of Power, Works and Housing, Babatunde Fashola, also had a positive meeting with Nigerian Vice-President Mohammed Namadi Sambo. Mr. Sambo said the power sector is undergoing a very comprehensive reform, and the private sector is expected to take the driving seat in economic development.

In June 2013, a delegation of senior Nigerian government officials traveled to Asia for the fifth Tokyo International Conference on African Development (TICAD V) where they asked their Japanese counterparts for support in modernizing the energy sector and general infrastructure. According to official projections, Nigeria has 84 million hectares of arable land, but has cultivated only 60 percent of that area, and has managed more than 20 percent of the land in a sustainable way. The country's food deficit is estimated at 5.2 million tons per year.

The ambition of the Nigerian government is to boost private-sector investment in agriculture, reduce post-harvest losses, add value to local produce, develop rural infrastructure, and improve governments' and distributors' access to financial services and markets. According to the Ministry of Agriculture and Rural Development, Nigeria has 84 million hectares of arable land, but has cultivated only 60 percent of that area, and has managed more than 20 percent of the land in a sustainable way. The country's food deficit is estimated at 5.2 million tons per year.

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Privatized energy sector gives green light to FDI

Recently taken out of state control and handed to private companies, Nigeria's vital energy sector expects to attract at least $10 billion of fresh FDI over the next decade.

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Where culture embraces business

The State of Osun, Nigeria, is a hive of activity with opportunities for Japanese investors looking for healthy returns in a forward-thinking and dynamic hub within a huge market.

When poverty, state and conflict hit the headlines, the good work going on beneath the surface is often overlooked. Yet there are people and initiatives making a difference in all corners of the world. Take the State of Osun, Nigeria.

A bright spot in the center of Nigeria where all roads meet, the State of Osun has been honored for its unique culture, forward-thinking health and educational programs by the prestigious United Nations Educational, Scientific and Cultural Organization (UNESCO), among others.

The capital of Yoruba culture—around 20 percent of Nigeria’s population—is Yoruba people—the State of Osun is home to more than 15 million people and widely believed to be the cradle of humanity. Hundreds of people from around the world travel to the annual Osun-Osogbo festival, to worship the forces of the Osun goddess, and enjoy the areas attractions as well as the music, arts and culture.

Interestingly, that is not an amazing romance transmuted at all into money currently under the way. Thanks to such crops that include yam, cassava, grains and cocoa, the State of Osun has a buoyant economy that will only be enhanced due to the discovery of oil and gas. It currently has a global credit rating of BB+, with new measures and financial schemes introduced to support 2,000 measures and financial schemes designed to support 2,000 people.

The tablet of knowledge — Open Enyo Program — has been launched to encourage the economy by the amenities of the facilities. We have developed the software, but we are using a Chinese-produced tablet, or the company is building a factory here for manufacturing the device. We are currently looking at the production of mobile phones, laptops, desktops and plasma televisions. These are the industries we are interested in.

There has been a huge investment in hospitality, touristic centers, hotels and recreational parks, so they are coming up. We are looking at investment in the development of the market where goods and products could come from all parts of Nigeria. The state has arranged a free sight-seeing tour that facilitates the movement of finished products from Lagos to our state.

Municipalities, like town roads and 30,000 truckloads have been imported and there is a high-speed superhighway being built. The superhighway is being built from 17 percent to 30 percent of the total amount, and there are other environmental operators in progress to keep Osun roadfree for two years and a new fleet of waste disposal trucks in use.

An enlightened society

Governor Aregbesola has been highly praised for his innovative approach to education.

The Open Enyo program, for example, gives a stand-alone tablet to senior secondary school students that provide the learning materials for school learning examinations in the form of textbooks, tutorials and practice questions. Some 130,000 are being distributed across state secondary schools in a bid to demonstrate open learning.

“Education is the means by which you develop an enlightened society, a society that can manage its affairs, and value our culture; a society that is virtuous, human rights and human honor is promoted and protected.”

In the State of Osun, where all roads meet, the banishment of illiteracy is being measured through the enrollment of students into that level of education. The government of the State of Osun has succeeded in guaranteeing education to all of its students into that level of education. The government has my people to the highest level of education.

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Such grassroots dynamism and enterprise has attracted the interest of the Japanese. Japanese Ambassador to Nigeria, Mr. Iyutshi Shoppe announced that he was encouraged by several development projects of the administration.

Empowering young people

Shoppe gives particular mention to the Osun Youth Empowerment Scheme (OYES), a volunteer scheme aimed at creating a bridge to employment by equipping young men and women with the skills to contribute to their culture and social maintenance, resourcefulness and respect for the environment.

More than 20,000 young people applied for the first structure in December 2010 — which offered 26,000 places — and are still being trained. They shall be with new skills, entrepreneurship and vocational training as part of the policy of the government of the State of Osun. The scheme is being made available and gainful exit from the program with the common saying.

Japanese investment in the Blue Economy 2011/2012 projects, Governor Aregbesola explains “Japan is at the height of electronic technology and a leader in the development of technology and a pioneer of the technology in the world. The government of Osun State, led by Governor Rauff Aregbesola, is doing a lot to attract investors anywhere in the world, and is developing a superhighway from Lagos to our state.”

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“We realize that poverty is a major deterrent to school-age children, so we introduced the school feeding system to students.”

The rise of Osun: Aregbesola

The State of Osun, Nigeria, has a hive of activity with opportunities for Japanese investors looking for healthy returns in a forward-thinking and dynamic hub within a huge market.
Long-established as one of the world’s leading exporters of oil and gas, Nigeria is hosting foreign investment in the up and downstream areas as it looks to take advantage of its lucrative energy resources.

Since the discovery of humongous oil and gas reserves decades ago, Nigeria has relied heavily on revenues generated by the multibillion-dollar-a-year industry to fund steady economic growth and major infrastructure development projects.

A member of the Organization of the Petroleum Exporting Countries (OPEC), Nigeria has proven crude oil and gas reserves of more than 75 billion barrels, as well as giant deposits of natural gas that, together, support major industries employing tens of thousands of workers and investing substantial PIDs.

However, the industry’s true potential has yet to be real- ized, leading to the intensive introduction of the landmark Petroleum Industries Bill (PIB) that aims to radically overhaul the sector, improve regulatory frameworks, and attract needed funds to boost future investment.

Speaking in March 2013, President Goodluck Jonathan noted that since the PIB was passed and oil companies are certain of the framework that exists, there is a great opportunity for steady socioeconomic growth and major infrastructure development projects.

President Goodluck Jonathan also pointed out that the PIB hoped to solve with the help of domestic and foreign investors.

Established just before the turn of the millennium, Midwestern Oil & Gas Co. Plc is partly owned by the government of Delta State and partly by Nigerian entrepreneurs.

The firm is focused on harnessing the opportunities in the oil and gas production and processing sector of the oil industry and has grown steadily over the past decade.

With around 70 employees, Midwestern operates one maritime bulk terminal in Nigeria and currently manages about 15,000 barrels of oil per day. The company, which provides health and safety services, has facilities to the communities in which it works, among other local and international sınaves, including in countries like Colombia.

According to Adesina C. Olusesi, managing director and chief executive officer, Midwestern is also interested in getting involved in downstream diesel and kerosene fuel refineries in the future, but for now is concentrating on expanding its upstream oil and gas operations.

“When I took over in 2005 it was just a piece of paper on the table; today we produce up to 20,000 barrels a day. We've never been stopped,” Olusesi said.

“We have two principles — value for money and fitness for purpose — that have driven all the decisions we have made. Midwestern has grown in such a way that it has a good foundation for further growth.

“There is a limit to organic growth that can be derived from one asset, so we are looking for additional assets. We have attempted to acquire assets and are also looking to the rest of Africa.”

Turning to Midwestern’s excellent corporate social responsibility projects, he adds: “No matter what licence you get, you are expected to identify and acquire undervalued oil and gas assets, and you have a track record for making promises and delivering half the problem is solved.”

Despite widespread political, economic and social volatility, the situation in Nigeria remains far better than many other countries in Africa and, indeed, the world.

While international headlines tend to focus on the instability in the Niger Delta, the vast majority of the country is safe for foreign business people to do business and touristic activities.

Safety First
Braving a presence in 25 states through a workforce of more than 3,000 employees, Palhek Security Services Ltd. is a private security industry pioneer since its inception a quarter of a century ago. Palhek provides a range of security services and differs from its competitors in that they choose the customers they want to serve.

Managing Director and CEO Charles Ekeanyi says: “We do training and write publications on security to enlighten the general public and operational community. Palhek can manage your logistics, handle your facilities and execute your risk management program. Once you are with the right people, Nigeria is beautiful.”

In the sector, it supports regulatory governance and fiscal policies, reduces pollution and theft, and boosts future investment.

Investors race to seize opportunities