

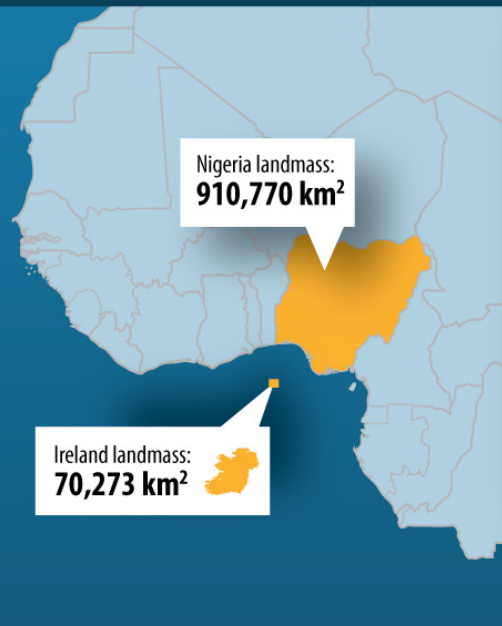
# ACCESS NIGERIA



**A Guide to Doing Business  
in NIGERIA**



# ACCESS NIGERIA: THE GIANT OF AFRICA



Currency:  
Naira, ₦

Official Language: English

**€190.4** billion  
GDP

**6.8%** Average Nigerian GDP  
growth, 2005-2013



**168,800,000**  
Nigerian population

**4,775,982**  
Irish population

**1** Nigeria is the  
most populous  
nation in  
Africa

**7** It is the  
seventh most  
populous on  
the planet

**2** Nigeria is  
Africa's second  
largest  
economy

**€224m**  
Gross Irish exports  
to Nigeria  
(Jan-Aug 2013)

**€161.2m**  
EI client sales to Nigeria (2012)  
**16.1%** Increase  
(2010-2012)

**70** EI client  
companies  
selling  
into  
Nigeria

**Lucky 13: Lagos State** €32.6 billion  
7.9 million people  
Lagos State – Africa's biggest urban centre – is forecast to be Africa's 13th biggest economy in 2014: as big as the entire economy of Ghana. (Renaissance Capital, May 2013)

## GROWTH SECTORS FOR IRISH COMPANIES IN NIGERIA



EDUCATION



FINANCE



SOFTWARE



TELECOMS

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# 1. Introduction

***“Nigeria is the next destination. If you look everywhere – in infrastructure, power – we are lagging behind. But democracy is growing, and there are efforts to ensure these key sectors are well regulated by policies, driven by the Senate and Parliament. There are the right laws to encourage foreign direct investment. There are a number of issues but the number of organisations that are coming here and succeeding is growing. The opportunities are immense.”***

**Paul Ayim, Non-Executive Director, Riabisel Nigeria**

The “Giant of Africa” with an estimated 168.8 million inhabitants, Nigeria is Africa’s most populous country and the seventh most highly populated nation on the planet. Listed as one of the “next eleven” emerging markets, Nigeria has been experiencing consistent strong growth, and recent forecasts indicate it will overtake South Africa in 2014 to become Africa’s largest economy in GDP terms.

## Why this market is important

Nigeria is seen as one of the most important emerging global economies, with business opportunities across almost all sectors of the market. The country has had stable democracy since 1999. Rich in minerals, particularly oil and gas, the country’s large and growing population is under-served by its current infrastructure. Scant manufacturing and agricultural activity means Nigeria relies heavily on imports for almost all goods and services, including many staples such as food. There is a perceptibly growing middle class that is hungry for products and services of all descriptions – particularly when sourced from foreign companies which Nigerians perceive as offering superior quality.

Though not without its challenges as a market, Nigeria has shown a willingness over the past five years to undergo economic reform aimed at increasing stability and addressing weaknesses in administration and infrastructure. More recently, under President Goodluck Jonathan, the Nigerian Government has embraced public-private partnerships as a way to speed up development of the country’s agriculture and its power and road networks. Moves are also underway to reduce the country’s reliance on oil. Following the global financial crisis, reforms in the banking sector have the potential to create a consolidated and more efficient financial infrastructure. Nigeria is now Africa’s biggest recipient of foreign direct investment: according to data from the UN Conference on Trade and Development, in 2012 it received US\$8.9 billion in FDI. Over the next five years, Nigeria is targeting total FDI in the region of US\$10.8 billion per annum.

In terms of Ireland, exports to Nigeria have been growing: up from €138.8 million in 2010 to €161.2 million in 2012 – an increase of more than 16 per cent. Forecasts for the next three years indicate potential growth of up to 10 per cent year on year. The main sectors represented by Irish companies in Nigeria are food, software, engineering and education. All told, there are approximately 70 Enterprise Ireland client companies currently selling to Nigeria, and interest levels have been growing – culminating in the first-ever trade mission to the country in November 2013.

The objective of *Access: Nigeria* is to give practical and up-to-date information on the market for Irish companies. Here, you will find useful, easy-to-digest advice on the critical aspects of doing business in the market for companies at all levels of business development. This guide covers:

- How to get started
- Nigerian business culture and how it differs from Ireland's
- Market research
- Routes to market
- Key legal issues, tax, and recruitment considerations.

## How it was compiled

This report is based on the practical experience and knowledge of highly successful people in the market, by specialists in areas such as taxation, immigration law and marketing. It is informed by the lessons learned by the many business people who have succeeded in the Nigerian market, and this report also includes commentary from a number of these people. *Access: Nigeria* is intended to be of use to a wide audience, from companies thinking of exporting to the country for the first time, to those already selling in the market and wishing to examine strategic options for further growth.



# CRITICAL SUCCESS FACTORS



## 2. Critical Success Factors

**“In terms of the actual culture, I find the people very friendly, very approachable, and very helpful. I’ve always had a very positive experience there. We went the first time around more to talk and listen. You can read about the best and worst of a country online, so the only way to find the true reality is to go there with an open mind and listen to people and try and soak up information as much as you can.”**

**Kevin Geoghegan, Head of International Office, Griffith College**

### Introduction

As a market, Nigeria may be better suited to experienced exporters rather than early-stage start-ups, since it requires significant time and resources. Nigeria is home to a wide range of ethnicities and cultures; the population is close to 50 per cent Muslim, with 40 per cent Christians, and 10 per cent of the population practising other beliefs. The official language is English, and is spoken by 50 per cent of the population with varying degrees of fluency. Nigeria is Africa’s largest English-speaking country; it is the language used at all levels of administration such as law, commerce and education. There are many ethnic languages and tribal dialects; some of the most widely spoken include Hausa, Yoruba West and Ibo. In practice, however, English is always the language used for business and there is no need for interpreters or translators.

The language may be the same, but the style is very different to European or Anglo-Saxon ways of doing business. This chapter will give some general observations about doing business in Nigeria and advice on successfully navigating the commercial environment.

### Business culture and practice

When visiting Nigeria on business, it’s worth finding out in advance about the people you plan to meet as this is a good way to avoid cultural misunderstandings. In Nigeria, a person’s age is important, and seniority commands respect. This relates directly to the hierarchical nature of Nigerian society and the structure of many of its businesses. Titles are also highly valued in Nigerian society. Enquiring about these allows you to make a good first impression and avoid any missteps. Equally, you should look to get as much information as possible pertaining to the matter you intend to discuss: ask for documents that might be of use, and find out who will be in attendance – paying special attention to who the most senior person will be.

Nigerians are a very welcoming people, with a lot of goodwill towards Ireland. Unlike many European cultures where personal and professional lives are kept separate, the importance of family in Nigeria means it’s accepted – and probably expected – for you to make some reference to your home life as a way of establishing that you are not ‘all business’. This allows Nigerians to see the visitor in a wider context.

- In Nigeria, personal relationships are an essential part of business; sufficient time must be given to developing them
- When meeting people for the first time and subsequently, greetings and handshakes should not be rushed
- Equally, you should take the time to enquire after the wellbeing of your opposite number
- In some cases, it’s possible the first meeting may be entirely devoted to building a personal rapport

- There is a noticeable difference between younger Nigerians and older ones: younger Nigerians may speak more loudly or directly; tone of voice is often specific to the individual and age demographics
- Many Nigerians are confident, outspoken and direct. In business, it's customary to be well dressed, and even some ostentation is allowed – it's a sign of status
- Nigerian culture is very hierarchical – the manager or leader is respected and is seen as the final decision maker
- Ensure your strategy reflects this: don't spend time trying to win over a middle manager who won't have the authority to sign off on a deal
- Titles indicate importance. On being introduced to someone who holds a title – whether chief, doctor or engineer – you should always use their full title, followed by their surname
- Do the same when addressing them subsequently: don't assume you can use a Nigerian's first name unless you have been given permission to do so
- Take your cue from your hosts as to the meeting style: if they are formal, be formal; if they are laughing and joking, that can be a sign to relax somewhat
- Getting people laughing with you is an important step to building relationships in Nigeria, and a sense of humour is always appreciated, as it shows personality
- Use gentle humour, and go through the formalities first until you feel you've got a place at the table
- Religion is a key part of Nigerian culture. Avoid making comments of a religious nature
- The main public holidays in Nigeria are: New Year's Day, Id-el-Kabir (usually mid-February); Good Friday and Easter Monday; May Day; Id-El-Maulud (around 11 May); National Day 1 October; Id-el-Fitri (late November); Christmas Day and Boxing Day. Exact dates are subject to official notice by the [Federal Ministry of Internal Affairs](#).



#### NEED TO KNOW

As a foreign visitor, you should make it a point always to arrive on time for a meeting in Nigeria, but do not necessarily expect your hosts to be punctual: this will vary depending on the culture of the business. The approach to time in Nigeria has been described as 'elastic'. Sometimes, a meeting won't start until the most senior person arrives. You could be kept waiting 15 or 20 minutes – or longer, in some cases. This is not meant as a mark of disrespect. This will be very dependent on the culture of the organisation you're going to visit. If a delay happens, it's important not to get upset or show impatience.

## Meetings in Nigeria

Meetings in Nigeria usually last a lot longer than in Europe because of the need to build a relationship which is key to their business culture. Nigerians tend to have a more diffuse way of speaking, using many words – not only to build a relationship with the Western business person but also to impress and build relationships with other colleagues who are present in the room. The Nigerian way of speaking can seem more circular and elaborate, as opposed to making a series of sequential points.

Some organisations in Nigeria have adopted a more Western style of working, but where a more traditional structure exists, generally the most senior person present must be seen to be making the decisions. Ask your Nigerian partner or contact in advance who will be present at the meeting and what their ranking in the organisation is; this will allow you to avoid any missteps and ensure you are addressing the correct people in the right way.



- In Nigeria, the most senior person makes the opening statements; he or she may well refer to experts at the meeting
- Always acknowledge the most senior person in the meeting, and never knowingly cut them out of the conversation or decision making. Also address other experts who may be present
- Eye contact in Nigeria is kept to a minimum – unlike in other cultures, it's not seen as a way of showing trustworthiness
- When making presentations in Nigeria, your pitch should appeal to logic and be supported by facts, but you should also allow your own personality to be seen
- Nigerians generally prefer to do business face-to-face, which is why local partners are very important
- Although email is widely used in Nigeria, videoconferences are an acceptable alternative to maintain some face-to-face contact, but keep in mind that the internet bandwidth in Nigeria may not always be reliable
- Some meetings in Nigeria may be large in number; this will vary by organisation. People around the table will contribute to the discussion
- If the foreign visitor prompts a question, there may be silence until the most senior person speaks.
- When agreeing a series of follow-up actions from a meeting in Nigeria, it's acceptable for you to ask direct questions and establish timelines for delivery
- Make these requests for next steps to the most senior person present, using their title, or to another person with expertise
- When making requests of your opposite number in Nigeria, make allowances for the country's infrastructure – if items such as documents need to be delivered from another part of the country, this is likely to take some time
- It's a good idea to phone back after the meeting, particularly if you have a champion inside your prospect's organisation who attended. Ask what they think and what is being said about the meeting.



#### NEED TO KNOW

When travelling to Nigeria, it's a good idea to have multiple numbers for prospects or potential representatives. Due to the unreliability of the telecoms networks, and mobile tariffs that often vary depending on the time of the day, some people in Nigeria have more than one mobile phone. Hence, they might not be available on one line but may be contactable on another.

## Risk factors

### Corruption

Corruption remains a problem in Nigeria, as in many parts of Africa. In 2012, Transparency International ranked Nigeria 139 out of 176 countries for public sector corruption. It's particularly acute in areas around infrastructure development projects, with allegations of disappearing funds which then result in delays to completion of works contracts. Accusations persist that projects and tenders were being allocated to companies or persons with ties to employees of federal, state or local government. Several companies have withdrawn from the market as a result.

Recognising the extent of the problem, the Nigerian Government has introduced a number of reforms aimed at reducing the instances of corruption. What's more, it's not necessary to feed the corrupt system in order to do business in Nigeria. Good practice is to refuse any suggestions to do business in this way, and to be cautious in your dealings.



### NEED TO KNOW

Security is a significant concern for visitors to Nigeria. Walking unaccompanied at night time is discouraged. In some cases, it may be prudent to employ personal security; most off-duty policemen are available for hire, and Enterprise Ireland can direct you to reputable security providers. There has been a recent increase in the number of 'flash kidnappings', targeting not just foreign businessmen but wealthy Nigerian nationals, while terrorism remains an ongoing risk, especially in the north of the country. As this report was being written, the Department of Foreign Affairs & Trade was advising Irish citizens to exercise extreme caution when travelling to Nigeria. The [Irish Embassy website for Nigeria](#) lists several states where travel is either discouraged or expressly advised against. The Embassy also recommends that Irish citizens visiting or resident in Nigeria should register their details with the Department [here](#).

## Payment

In the private sector in Nigeria, it's acceptable and advisable to require security in the form of payment upfront before work begins, goods are shipped or services provided. Your Nigerian customer will expect this and will be prepared for it. Irish companies can ask to be paid, in part or in full, to an Irish or international bank account.

## Travel

- Nigerian law requires every tourist to have proof of vaccination against yellow fever to be allowed enter the country. No documentation could lead to being denied entry at the airport
- Visitors must also protect themselves against malaria
- The standard of medical care available in Nigeria is poor, and the Department of Foreign Affairs & Trade strongly recommends obtaining comprehensive travel insurance covering all potential overseas medical costs, including medical evacuation, before travelling to Nigeria.

## CASE STUDY: Getting acquainted with the Nigerian market

**Kevin Geoghegan, Head of International Office, Griffith College**

*Established in 1974, Griffith College is Ireland's largest independent third-level institution. Now with more than 7,000 people studying at its locations in Dublin, Cork and Limerick, Griffith College is building a growing international reputation for student success, and offers internationally recognised postgraduate and undergraduate degree programmes, complemented by a wide range of professional, short-term and corporate training educational solutions.*

[www.gcd.ie](http://www.gcd.ie)

### What made you first consider the Nigerian market?

“We always had a lot of students from Nigeria who came over to Griffith College. We always had a revenue stream from there but it largely came from students finding their way via the internet or friends and family in Ireland. Year on year, the numbers from Nigeria were progressing without any effort so we made the conscious decision at start of 2012 to put Nigeria as a priority market. That decision was taken after internal reviews of numbers and income, as well as reading about business in Africa: CNN had some shows like *Inside Africa* which were great business shows and they showed the positive, thriving side of Africa rather than the difficulties that Africa might be perceived to have. We also met with Enterprise Ireland just as they

were opening the office in South Africa and Nigeria was one of their target markets. They were keen to work with us, as we were to work with them. That was in April 2012. We've had a couple of visits in last 18 months and we've identified a local contact who does some consulting for us and acts as a local point person for all of our channel partners – in our case, we call them agents. He co-ordinates their activities, their marketing and provides general information about Griffith College into the market, and represents us at various events.

### **How did you identify this business partner?**

He was very fortunately introduced to us by Enterprise Ireland and was involved in our initial activities with EI as a pathfinder. He had an interest in the educational area, and we're delighted to work with him. Essentially, he came pre-vetted because of EI's recommendation, but he proved himself through the work he did for us in preparing for us to visit. We met a lot of people of the same vein through networking events we've been to. There's a number of people I've met that would give me confidence if I was looking to work with another third party to develop a project in Nigeria.

### **How important is it to have someone based locally in the market to represent you?**

It's incredibly important. Particularly in the last five years, one of my key strategies has been local representation. It was always our intention to do something like that in Nigeria: it just happened a lot sooner because of the introduction we had, and it has definitely sped up the process of generating interest, and indeed sales, for us. We have already seen an increased number of applications, and increased number of sales.

The relationship is working very well. The individual has his own interests as well. He works for us on a part-time basis which suits what we were looking for; we wouldn't have had the budget to support a full-scale operation. It's an individual with a laptop and mobile phone, for want of a better expression. As we grow, we are looking at how we can increase his productivity and our return from that investment. Rather than us actually take him on full-time, he has taken on somebody on a part-time basis, focusing on research and projects on our behalf. I certainly believe that having a partner on the ground is the key to meeting with agents and also with schools and universities; to get through cultural barriers would be so much harder otherwise.

### **What have you noticed about the meeting style in Nigeria?**

Speaking very narrowly within the education sector, I would always lead the meeting. The people are very interested in listening and hearing about what we're doing. I find myself asking very leading questions. Sometimes, if you ask a straight question, you get a straight answer. But if you want to know best practice, a route to market or the name of key decision maker, sometimes you have to ask specific questions and give them the opportunity to open up to you, such as: "if we want to reach X group of students, what different avenues would we use?", and get them to talk about different avenues to market, and then we can get into those avenues and timelines and ways of delivery. That seems to work. Our local partner would give a briefing of why he brought me to this agent and the interactions that they have had. Even though I get briefed individually, it might happen in front of the agent: the partner makes sure that the agent knows what I know.

### **What advice would you have for others who might be thinking about the market?**

My first piece of advice is, there is a small Irish community out there that is very open and helpful. If you want something checked out, or need advice, come and talk to them. Also, get in to the Embassy and Consulate: look at the existing Irish community to put you in the right direction. In terms of the actual culture, I do find the people very friendly, very approachable, and very helpful. I've always had a very positive experience there. Certainly, you are aware of your surroundings and of security, and it's recommended you stay in recognised hotels for the first couple of visits. Don't try and use local taxis.

We went the first time around more to talk and listen. You can read about the best and worst of a country online, so the only way to find the true reality is to go there with an open mind and listen to people and try and soak up information as much as you can. It's actually quite an easy and pleasant trip: you leave Dublin early in the morning and you arrive in Nigeria by mid-afternoon or early evening. Accessing the main cities is certainly not difficult and local air travel within Nigeria isn't terribly difficult either.



# STARTING IN THE NIGERIAN MARKET



# 3. Starting in the Nigerian market

## Introduction

Nigeria is a vast market where so many opportunities present themselves. However, as resources are likely to be a factor for Irish companies in the early stages, the key to making a good start in the market is thorough research beforehand – both to identify more targeted niches and to source local partners who are essential to doing business in the market. Visiting the Enterprise Ireland Market Research Centre (see *elsewhere in this chapter*) is also strongly advised.

## Geography

At close to a million square kilometres (923,768 km<sup>2</sup>), Nigeria is the 32nd largest country in the world and 13 times larger than Ireland. Situated in West Africa on the Gulf of Guinea, it is bordered by Benin, Niger, Chad and Cameroon. The country has more than ten cities with over a million inhabitants, and half the population lives in urban areas. The country is divided into 36 federal states. Nigeria is on West African Time: one hour ahead of Ireland.





## Getting there

Nigeria is slightly more than 5,000 km from Ireland. There are no direct flights from Dublin; when travelling via Amsterdam, London or Paris to Lagos or Abuja, journeys usually take between nine and ten hours – often leaving in the morning and arriving by late afternoon. Other options involve using the Gulf countries as hubs, but extended stop-overs mean the total travel time can be up to 23 hours.

## Where to go

Abuja is Nigeria's capital, its seat of Government and home to 1.8 million people. However, the main financial and economic hub is Lagos – the biggest urban centre on the African continent. With an estimated population of 10.2 million, it is the natural first port of call for most companies looking to do business in Nigeria. The southern city of Port Harcourt is the hub for Nigeria's oil industry. Other major cities include Kano (estimated at 3.3 million inhabitants), Ibadan (2.7 million) and Kaduna (1.5 million).

## Getting around

When arriving at the airport, it's not advised to simply jump in a taxi or take the bus. Reputable car hire agencies in Nigeria provide cars with a driver and you should avail of this option instead of choosing to drive yourself. These should be booked in advance of your trip. On a practical level, traffic congestion in the large cities such as Abuja and particularly Lagos can be extremely difficult to navigate. Allow sufficient time when visiting the market to meet your intended prospects: Nigeria is not like other countries where you can easily fit in four or five meetings a day. Be realistic about how many you can arrange. If prospective customers are prepared to come and meet you at a designated location such as a hotel, that makes things easier, but if you do have to travel, be sure you give yourself enough time between meetings, as delays are very common.

## Early-stage market research

The following information sources may be useful for general background about the Nigerian market.

### [Nigeria Trade Hub](#)

This is a recently launched portal site for importers and exporters, operated by Nigeria's Customs Service. It's intended to reduce the cost and time involved in doing business in Nigeria, and the site provides information about the relevant regulatory agencies, their contact details, processes and fees required to ensure compliance. All documents required to trade in Nigeria are available to download from the site, which also includes tools such as a duty and fees calculator, links to the customs procedure code and a currency converter.

### [Nigerian Investment Promotion Commission](#)

The NIPC is a Government agency with a remit to encourage, promote, and coordinate investments in Nigeria. The agency grants business entry permits, licences, authorisations and incentives and this site acts as a one-stop shop environment. The site includes links to guidelines for doing business in Nigeria, as well as foreign investment requirements and lists opportunities by sector.

### [National Bureau of Statistics](#)

This site is the source for official data from the Federal Government, tracking a range of subjects from job creation estimates, the consumer price index and GDP to social statistics and foreign trade. The site also has an online data analysis tool, customised reports and an e-library.

### [Central Bank of Nigeria](#)

This site has details of currency, monetary policy, the payments system in Nigeria as well as links to related publications.

### [The World Bank](#)

Information on doing business in Nigeria is available from the World Bank, with high levels of detail – a mix of data, research, news features and blogs.

### [Federal Inland Revenue Service](#)

Includes a tax calculator, as well as good general information and a FAQ page about tax obligations and tax benefits in Nigeria.

### [News Agency of Nigeria](#)

The State-run news agency reports on a range of areas from agriculture, defence and the economy through to politics, sport and technology.

### [Business Day](#)

Award-winning daily business paper operating out of Lagos, with comprehensive news and features on markets, companies and the general economy. The [BBC News Africa](#) section also has links to some of the more popular media and online journals in Nigeria.



#### **NEED TO KNOW**

Enterprise Ireland's Market Research Centre offers client companies access to market intelligence in the form of company, sector, market, and country information to explore opportunities and compete in international markets. You will find reports about Nigeria from a wide range of sources including Business Monitor International, Frost & Sullivan, IHS Global Supply and others. Please visit [www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/](http://www.enterprise-ireland.com/en/Export-Assistance/Market-Research-Centre/) for more information on the market research facilities available, and for a database of sector-specific information that will indicate whether there is research available for the market you wish to target.

## **Building market presence**

Your marketing needs to reflect Nigerian conditions and be tailored specifically; Nigerians won't appreciate campaigns that have been used in other African markets. For Irish companies, business-to-business sales rather than to consumers or the public sector is the more successful route to market in Nigeria.

### Company website

Maintaining an up-to-date website allows you to contact potential customers before leaving Ireland, reach customers cost-effectively and introduce, promote or demonstrate new products. Such is the demand for foreign goods and services in Nigeria that many Irish companies report fielding unsolicited queries through their websites that led directly to sales.

- Unlike in other markets where a local domain name is advised, Nigeria's reliance on imports means that foreign vendors are perceived positively – promote your company as such, as Nigerian customers are prepared to pay a premium for better quality
- If you're doing online marketing in Nigeria, it's good to have a website that is optimised for small-screens and mobile devices because if someone is interested, they will look at it on their smartphones first.

### Internet and social media

Many Nigerians are technically literate and despite a lack of broadband in parts of the country, almost 33 per cent of the population, or 56 million people, has internet access. Social media activity is taking hold; a survey by Business Day in May 2013 found 73 per cent of respondents were active on Facebook, with Twitter (35 per cent) and LinkedIn (25 per cent) also featuring prominently.

### Radio

Radio is a very popular medium in Nigeria. State radio and TV have almost national coverage, and all 36 states in Nigeria have at least one radio network. From a marketer's perspective, radio can be cheaper than print as an advertising medium – particularly when targeting the mass-market.

Hard copy

High-quality, well-produced marketing materials such as brochures are expected in Nigeria and they are a useful sales tool at events such as trade fairs. Your copy should focus on the benefit to the customer rather than the features of your offer.

Trade shows

With face-to-face meetings playing such a huge part of Nigerian business culture, trade shows can be a way to identify prospective customers and particularly locally-based agents who you will need in order to do business in the market. Keep in mind that the events may not be in-country; it's not uncommon to meet Nigerian businesspeople at conferences in Dubai or the UAE. For more information on Nigeria-related events in which Enterprise Ireland is involved, go to [www.enterprise-ireland.com/events](http://www.enterprise-ireland.com/events).

## CASE STUDY: Meeting market needs in Nigeria

**Andrew Chisembele, Regional Manager for West Africa, CR2**

*With its global headquarters in Dublin, CR2 provides software to allow retail banks to strengthen relationships with customers and provide them with new services. CR2 has been selling into Nigeria for almost ten years – originally to global customers with local operations, but lately spreading to include domestic financial providers.*

[www.cr2.com](http://www.cr2.com)

**Can you outline CR2's story in Nigeria: when did you first consider setting up there and why? How has your business grown since you have been operating there?**

“I joined the company around 2007 but CR2 has been in the market from around 2003. Historically, Barclays and Standard Chartered have been major customers across the continent, so we follow them wherever they go. Barclays are not in Nigeria any more, but Nigeria is an interesting market: we now have anchor clients there and one of them is Diamond Bank, an indigenous, totally local bank. Our business in Nigeria has grown through acquiring that customer and we have others in the pipeline. Standard Chartered are there as well but we have them as a global customer rather than as a country relationship.

**What characteristics have you noticed about the market, and how have you approached it?**

I find relationships are really important. It's a really dynamic country and the people are very well educated, so to break into that market, firstly you have to know the lay of the land and secondly it's about building relationships with the people who run the banks. Our strategy has been to have roadshows where we invite top-tier banks and executives and we have sessions over three days where we develop initial contacts and relationships. We also attend most IT functions in the country and we tend to publish in local publications, so at least the market is familiar with us.

The world has a natural suspicion about people entering the market and doing business, but we have found Nigeria a very interesting market, with good growth, and exceptional people who want to leapfrog in terms of software. Unlike other countries, in our industry the majority of the banks are Nigerian so they don't go through the process of having an external head office to have to check with. The market here is competitive, so the banks tend to make decisions to grow quicker rather than having to go back to head office. There are also no legacy systems: a lot of the banks are either new or went through the consolidation process that happened in Nigeria to clean up the banking market. That has also helped us, because the banks need to grow and we provide services in helping them do that – particularly on the retail side.

**Can you explain how the CR2 offer is matching the market needs?**

Our software helps banks to provide different products and services. We also help them reduce their costs in putting products into the market. With the drive in Nigeria to be a cashless society, some of our products and services have helped the banks to introduce this facility. The reason we're growing in Nigeria is because people have recognised our ability to match their strategy of growth with their current costs. Still, we've had to learn and understand our customers better. Our customers are different across the continent. Specifically in Nigeria, we needed to understand the market and what our potential customers wanted to achieve, so we can match up how we provide solutions. The duration of the sell varies from bank to bank,

but we have found that, for instance, the more we deliver internally in the bank, the shorter the sales cycle is for the next solution. If it's a potential new bank, it varies; it's dependent on how we can sell the business case internally to the bank.”

# ROUTES TO MARKET





## 4. Routes to Market

**“Certainly, if one is serious about the Nigerian market, the best way to do it is to go through a local partner.”**

**John O’Hare, CEO, Azotel**

### Introduction

In this chapter, we look at some of the possible options for selling to the Nigerian market. As a fast-growing emerging economy, Nigeria is on the radar of many international companies, which makes good representation a critical part of business development. Be aware that market entry will always involve working with a partner in Nigeria: a partner can help companies negotiate the terrain through local knowledge, and to avoid frequently made mistakes. Choosing the right one is the single most important decision you will make when planning to sell into Nigeria.

### Direct sales from Ireland

From a sales perspective, Nigeria is not a market that can be served from a distance, although post-sales technical support should be possible from Ireland because of the negligible time difference. Exporters are advised to visit the market as regularly as possible, particularly in the early stages of building contacts with prospects, as a way to understand better the local market conditions. It’s also a valuable way of assessing the effectiveness of local partners up close.

### Agents/partners

Just as in many African countries, local partners are key to doing business in Nigeria. In many cases, this person will be an agent; a self-employed individual who acts as an outsourced sales resource for a company. Good partners bring connections, an ability to deal with local conditions, they share the risk and ensure that your company has a local resource that can follow up quickly on customer interest. They can also be useful if you need to obtain certification for your product: they may be able to help you through this process more effectively.

Finding a good partner should be the focus of your initial efforts in Nigeria, and it’s important to carry out due diligence as part of this process. Enterprise Ireland can assist in this by performing background checks. Although fraud is a concern in the Nigerian market, a more pertinent worry for exporters is an inefficient partner who could set back your business development.



#### NEED TO KNOW

In Nigeria, agents sometimes work for several companies simultaneously on a part-time, consultancy basis. Given the distance involved, and the importance of personal relationships in Nigerian business culture, regular face-to-face meetings are vital. They help to maintain a positive working relationship with the partner and to ensure they stay focused on developing your business – particularly if they are representing multiple companies, where the risk is that they could lose interest if they feel they are not receiving adequate support from you. Even once you have appointed a partner, you should still visit the market frequently to support their efforts and meet customers with them.

Before establishing formal agreement with a partner, you should discuss their planned sales strategy in detail. Despite the scale of the country, it is common to grant sole rights for all of Nigeria to a single agent. To mitigate the risk, you may choose to make the agreement apply for a fixed period of time initially – for example, one year with an extension subject to their meeting certain sales targets.



## NEED TO KNOW

Irish companies seeking agents in Nigeria are advised to do so through Enterprise Ireland. Through its network of specialist consultants in the Nigerian market, it can carry out due diligence and background checks to screen possible partners and local representatives. Irish firms can also contact the commercial service of the Irish embassy in Abuja, by emailing [abujaembassy@dfa.ie](mailto:abujaembassy@dfa.ie). The Deputy Head of Mission is the contact point for trade promotion issues at the Irish Embassy in Nigeria; part of its role includes supporting Irish firms that are providing goods and services from Ireland, and to assist the network of Irish companies already operating there.

## Business accelerators

Enterprise Ireland can also broker contacts with [business accelerators](#) – experienced in-market consultants with contacts and expertise in a particular sector who now provide their services to companies looking to sell into Nigeria. Some funding may be available from Enterprise Ireland to retain the services of a business accelerator.

## Logistics

A local partner should be able to connect you with a distribution or logistics provider in the market. The Government's [Nigeria Trade Hub](#) has a searchable list of potential candidates, such as shipping line agents, freight forwarders, customs licensed agents and trade consultants; however, as a relatively new site, the list may not be well developed. The major [seaports](#) for shipping goods into Nigeria are at Lagos and Port Harcourt, although the latter mostly serves the oil and gas sector. Air freight lands at Lagos.

## Multinationals

Irish companies may find that connections built in other markets with large multinational vendors could prove to be a useful way of tapping into the opportunities in the Nigerian market in a way that maximises resources while minimising risk. In the technology and telecoms sectors, for example, Irish companies have already found it useful to be aligned with a hardware vendor or systems integrator.

## Government and the public sector

Nigeria is a Federal Republic of 36 states, modelled after the USA. The President is both Head of State and leader of the national executive. The Government is embarking on a reform programme aimed at rejecting the old ways of doing business, and the aim of its Vision 20:2020 programme envisages Nigeria becoming one of the world's top 20 economies by that date. The administration is embracing a public-private partnership model to address infrastructure deficits in areas such as power generation. However, exporters are advised to treat public sector business with caution, as maladministration has continued to dog large public sector projects in Nigeria. For Irish companies in Nigeria, dealing exclusively with the private sector is considered a more prudent option.

## CASE STUDY: Finding routes to market in Nigeria

John O'Hare, CEO, Azotel

*Azotel's SIMPLer platform simplifies the rollout of rural broadband. The platform covers CRM, installation and service provisioning through to accounts, helpdesk, and network monitoring – reducing costs for operators, and increasing efficiencies. From its head office in Cork, Azotel sells to more than 100 network operators and internet service providers across 22 countries.*

[www.azotel.com](http://www.azotel.com)

### How did you start selling into Nigeria?

“We had been selling into South Africa and through the help of Enterprise Ireland we would have ended up talking with Gateway Communications, now owned by Vodacom. They have Azotel powered networks in Ghana, Nigeria and Cameroon. It's through that lead that we essentially got in to Nigeria. In 2010, Gateway decided to roll out a backbone infrastructure throughout Nigeria. They liked what we offered them, and they decided to include us in that build. That got us embedded in the core network, delivering business services across the country. It would have been a significant deal for us at the time.

### What is your preferred route to market in Nigeria?

At the moment, we go through our South African distributor. Typically, what we like to do is to work with a distributor who can essentially drive the sales effort for us. That model works very well for us in the US, hence we are in the process of replicating the same in Africa. Certainly, if one is serious about that market, the best way to do it is to go through a local partner.

### How do you generate leads in the market?

From the website itself, we get leads coming to us from pretty much every corner of the globe. One of challenges with that is trying to sift out what is real and what is the chaff. The way we deal with that, we run webinars on a frequent basis, every couple of weeks, and we would invite potential customers. If they don't show up at the webinar, we don't take it further. For those who are serious, it's an opportunity to engage further with them: you quickly find out whether their interest is real or not. We would start out with the distributor participating in that process, who in turn are then capable of driving that same process without our help.

In the market that we play in, broadband is pretty much a blanket need no matter where you go. Anything you have that will simplify the rollout of services is welcome in pretty much any market, particularly ones that are poorly served where there's a deficit in wired – either fibre or copper – connectivity. The question, then, just becomes about the ability to find local businesses or entrepreneurs who wish to address that need in their area, and we then facilitate that. If you have a solution that is helping to automate processes where getting things done manually can involve a lot of co-ordination and effort, the value that Azotel SIMPLer brings is very much appreciated.

### How have you created brand awareness for Azotel in Nigeria?

Because we have an end-user portal as part of our platform, it means our operators' customers see the system they're using, so that is how we have got some of the leads in Nigeria. They see we're powering the rollout of services in their area. They in turn typically purchase bandwidth and other services from our existing operator so you end up with a powerful ecosystem. Other ways have been through web advertising, through attendance at shows such as WAPA and AfricaCom in South Africa. For our market, there are associations that group the service providers and if you're lucky enough to have that, it's an ideal way of targeting your market.

### What have you noticed about the market that might be different to what you expected?

Maybe it's the perception, but getting payment out of Nigeria is surprisingly easy: people will pay upfront for work without question. It would be very different from the perception I would have had of the market. All our work is invoiced via the distributor, who in turn invoices the operator.

We mostly provide a software solution, but when you do try to get hardware into Nigeria, the certification can be different. In one case, we had to go through a certification process, which was costly in terms of the

engineering effort and trying to satisfy the requirements around that. It's something that might catch people out – they might think their CE certification is sufficient, but that is not always the case.

**With the benefit of experience, is there anything about your business in Nigeria that you might do differently if you were starting again tomorrow?**

It's hard to say. Getting distribution working right and efficiently across Africa is still a work in progress for us. What also works is, if you do work in parallel with a multinational, such as a vendor, for example. That goes hand-in-hand with attending Enterprise Ireland trade missions, to be able to attend key meetings. We traditionally worked with Motorola as we have a complementary offering to the radio hardware they're selling. They're going after the same market we go after, and they obviously want to bring us along to these arrangements, so it's a symbiotic relationship with them. Working with multinationals is good, but you've got to make the sure the relationship is of mutual benefit. If you go with a very large distributor, that may be very attractive but the reality is, trying to educate the sales team in that large company becomes a very onerous task. You're better off finding a niche player that's better aligned to your offering in the market.”

## **CASE STUDY: The partner perspective**

### **Riabisel Nigeria/Griffith College**

**What is involved in your type of work for an Irish organisation?**

“Riabisel Ltd facilitates Griffith College's operations in Nigeria. The relationship with Griffith College resulted through Enterprise Ireland. Paul Ayim, a non-executive director of Riabisel, was selected as an e-learning business development consultant for Nigeria by Enterprise Ireland and thus visited Ireland in January 2012. During this visit, a relationship was established with Griffith College, which led to an initial visit from the College in May 2012. Thereafter, Griffith College appointed Riabisel to manage its operations in Africa, starting with Nigeria. Riabisel has successfully extended Griffith College to Kenya and Ghana.

In Nigeria, Riabisel serves as a liaison between Griffith College and identified student recruitment agents. Already, a number of agents are working with Griffith College. Staff of Riabisel connect with agents on a weekly basis, finding out how they're doing, what success they're achieving and any challenges they have. They also identify students that need assistance – such as with registration or visa challenges. Some of the students are forwarded to agents for further assistance. Additionally, Riabisel is responsible for creating awareness about Griffith College generally. Events are organised: this year, a first event has been held in July and there may be a second one in November. The primary channels of creating awareness are via radio and social media. For the July event, students heard about it on the radio and attended the event, so that worked well. Advertising in print media is really expensive, so not much has been done using that route. However, post-event, a media company is brought in to do a write-up about what happened on the day and places this in the newspaper – which doesn't cost so much.

Riabisel has a 'foot soldier' on the ground, who is paid on a monthly basis for doing the legwork of going to high schools to explore possibility of an audience – to make a presentation and talk about the College to them and maybe having a relationship with the school to send students on exchange programmes or connecting them in some way with Griffith College. The 'foot soldier' telecommutes: he doesn't have a formal office, and he also goes to see the agents and to visit the students, to make sure all of their documents are right for visa processing. Riabisel is hoping to increase the number of foot soldiers to about two by January to allow for a wider coverage. Right now, the focus is in Lagos, but we are looking forward to signing more agents in Abuja and Port Harcourt, the other two big cities in Nigeria. Our 'foot soldier' works exclusively for Griffith College.

**How did the business relationship come about?**

The relationship with Griffith College is now over one year old. Griffith College took the bold step to come in to Nigeria and have been reaping fine results. Their decision to come to Nigeria came as a result of the visit by the Non-Executive Director of Riabisel to Ireland, which was facilitated by Enterprise Ireland. During this visit, a presentation was made on potential educational and other opportunities in Nigeria. Griffith was the only organisation to take the bull by the horns and visit Nigeria just a few months after. Currently, on a daily basis, we get a number of hits via the Griffith College website, generating mails that are sent to Riabisel. The 'foot soldier' determines if it's a good case to be followed up. Thereafter, communication is via email until there are positive signs that this is a serious student. This can then be assigned to an agent.

**What advice do you have for Irish companies considering the Nigerian market?**

Irish organisations must have some form of presence on the ground. The key to success is making sure you don't just dip your toes into the water without finding the right local partner. Doing the right background checks is a must for success.

Griffith College is looking at some kind of formal office next year. That is key: that would give a lot of confidence to parents that they're dealing with the school itself and not just via agents. They might also need to work with a few agents to spread the message. For instance, most parents who call and learn about the working relationship with Griffith College, feel calm and ready to progress discussion in connection with sending their children to the College. Presence in the market is key, backed up by the need to work with agents, who will help with creating a lot of awareness. The Irish are coming late into the education sector, so awareness needs to be given attention in promoting the advantages for Nigerian students to study in Ireland.

**How would you sum up the opportunity in the Nigerian market, overall?**

Nigeria is the next destination. If you look everywhere – in infrastructure, power – we are lagging behind. But democracy is growing, and there are efforts to ensure these key sectors are well regulated by policies, driven by the Senate and House of Parliament. These laws will no doubt encourage foreign direct investment. There are a number of issues but the number of organisations that are coming here and succeeding is growing. The opportunities are immense.”



# LEGAL ISSUES IN NIGERIA



# 5. Legal issues in Nigeria

## Introduction

This chapter outlines some of the legal and tax details you will need to know for doing business in Nigeria. The material has been kindly provided by [KPMG in Nigeria](#). The analysis and opinions in this chapter are for general information only. Please note that the relevant tax laws and practice are likely to change over time. Companies intending to do business in Nigeria are strongly advised to consult their own professional advisers.

## Tax and legal environment

The tax and legal environment in Nigeria is well structured. It is relatively easy to start a business in Nigeria, especially for companies from Ireland, the U.K. or the USA. A number of multinational companies from Europe, USA and Asia have subsidiaries doing business in Nigeria. Companies are generally knowledgeable about the nature of taxes and regulations applicable to their businesses. Companies are assessed to tax by Boards of Revenue representing the three tiers of government (Federal, State and Local).

It is recommended for businesses to obtain legal and tax advice on market entry strategies and suitable business structures which would be aligned to their long and short term business objectives in Nigeria. It is also beneficial for foreign investors as they may be able to enjoy certain business and tax incentives which encourage foreign investment in Nigeria.

The same tax regime is generally applied to all companies irrespective of its shareholdings (foreign or local) in Nigeria. Companies operating in the petroleum industry (exploration and production) are taxed under a separate regime from all other companies. The power to impose taxes on companies is vested in the federal Government, while individuals pay their income taxes to the relevant federating state where they reside.

## Company forms

Generally, the regulations in Nigeria require every foreign company having the intention of carrying on business in Nigeria, to incorporate a local subsidiary for that purpose. The following types of companies can be incorporated in Nigeria:

- Company limited by shares
- Company limited by guarantee
- Unlimited liability company.

Any of the above may be incorporated as a public or private company.

- A private company limited by shares is the most common form of business vehicle used by foreign and local investors in Nigeria as it is the relatively easy and simple to incorporate and operate
- A branch or representative office is also available for investors depending on the industry of operation in Nigeria.

## Taxes on companies

The nature of taxes generally applicable to companies carrying on business in Nigeria is:

### a. Companies Income Tax (CIT)

- The CIT rate is 30 per cent of taxable profits and is computed on a preceding year basis
- This tax is payable by companies operating in all industries except petroleum industry.

### b. Petroleum Profits Tax (PPT)

- Generally, companies that operate under joint venture (JV) terms in the industry are liable to PPT at 85 per cent of chargeable profits for any accounting period
- Companies operating under a production sharing contract are liable to tax at 50 per cent
- There are ongoing reforms in the petroleum industry which may lead to a change of taxes payable by petroleum companies.

#### c. Value Added Tax (VAT)

- VAT is chargeable at a flat rate of 5 per cent on supplies of applicable goods and services, other than those specifically exempt and zero-rated items.

#### d. Personal Income Tax (PIT)

- Generally, companies that operate under joint venture (JV) terms in the industry are liable to PPT at 85 per cent of chargeable profits for any accounting period
- Individuals and employees are liable to tax on any salary, wages, fees, allowances or other gains or profits from an employment
- The applicable personal income tax rate is determined on a graduated range of 7 per cent to 24 per cent depending on the income amount.

## Other taxes

Other taxes applicable in Nigeria include withholding taxes, capital gains tax, tertiary education tax, etc. Companies may also be assessed to other State and Local Government levies such as business premises permit, development levy, etc. which vary depending on the business location. Nigeria operates Value Added Tax. VAT is imposed at a flat rate of 5 per cent.

## Business costs and charges in Nigeria

The main identifiable business costs incurred by businesses in Nigeria are the costs of incorporation, monthly payroll costs, statutory taxes and levies and general operating costs such as rent, utility bills, etc.

## Import taxes

Import taxes are levied on imports into Nigeria. The ECOWAS Common External Tariff (CET) is a uniform tariff structure applicable to all goods imported into any ECOWAS member country from a jurisdiction outside the sub-region is applicable. Under the CET scheme, the following import tariff rates apply:

- 0 per cent – applicable to goods classified as necessities
- 5 per cent – applicable to raw materials
- 10 per cent – applicable to intermediate products
- 20 per cent – applicable to finished goods
- 50 per cent – applicable to goods being produced by 'infant' industries, protected by the Government from foreign competition.

Other charges payable on importation include Comprehensive Import Supervision Scheme (CISS) administrative charge, VAT, trade liberalisation scheme levy.

## Exchange controls

Nigeria has exchange controls which are generally liberalised. As long as transactions are not prohibited and supported by appropriate documentation, exchange control would not pose a constraint to doing business in Nigeria.

## **Employing staff in Nigeria**

The employment of Nigerian employees is generally regulated by the terms of employment contracts and regulations such as labour laws. Foreign nationals who intend to work in Nigeria require approvals from the Nigerian immigration authorities.





## 6. Growth Sectors

### Introduction

Analysts and local observers repeatedly encourage investors in Nigeria to think big when approaching the market: it's said to offer one of the highest returns on investment in the world. That's because of the scale of the opportunity: Nigeria is a hugely populated country, heavily reliant on imports and still requiring significant levels of investment at all levels of its infrastructure. In 2012, Nigeria's GDP grew 7.1 per cent and it is forecast to rise by 6.9 per cent in 2013 and by 6.4 per cent in 2014. The Government's decision to revise the base year for calculating GDP from 1990 to 2008 has prompted some commentators to suggest Nigeria could overtake South Africa to become the continent's largest economy in GDP terms by 2014.

The outlook for Nigeria's oil sector remains good for the coming years. As this accounts for more than 80 per cent of the country's income, by extension that's positive for the economy overall. Even allowing for external risk factors, the price per barrel of Nigerian crude oil has more than doubled since 2009. In any event, research firm IHS Global Insight believes that any potential shortfall in oil forecasts will be offset by activity in the agricultural sector and in infrastructural development. Other industries gaining momentum include construction, telecoms, transportation, retail and wholesale, structural metal products, and general industry machinery.

It's also hoped that other, less developed sectors will also widen the base of economic activity in Nigeria. Continued reforms and ongoing political stability are also contributing to the positive outlook. The exchange rate has remained steady, and foreign direct investment is rising. Other factors include rising consumption driven by an increasingly-wealthy middle class. Consumer spending is set to grow steadily: it was 6.2 per cent in 2012, with 6.3 per cent forecast for 2013 and a slight increase to 6.5 per cent expected in 2014.

The Nigerian Government is promoting a pro-business message, highlighting both the country's openness to trade with other nations and the small number of restrictions for foreign investors. For Irish companies, there are opportunities in several key sectors. Enterprise Ireland has identified some of these, and a snapshot of the main trends is presented here.

### Telecoms

Nigeria has one of the fastest-growing telecoms markets in the world. Since deregulation in 1999, when just 0.5 per cent of the population had a phone, Nigeria has now reached 63.1 per cent teledensity – these mostly comprise mobile connections (Frost & Sullivan estimates). There are a large number of telecoms players in the market. Nigeria's telecoms infrastructure needs significant investment, particularly in the provision of telecommunications towers and fibre-optic cabling.

- The telecoms sector contributes 3.7 per cent to GDP, according to 2009 figures from the Nigeria Communications Commission
- Nigeria's fixed-line telecoms infrastructure remains poor, with only 0.9 phone lines per 100 people
- Mobile phone penetration is far more extensive, at 63.6 subscriptions per 100 people, and network coverage supplying 90 per cent of the population; however, service outages are common
- 18.6 per cent of mobile subscriptions have data packages
- 12 per cent of households have a PC
- Although broadband subscribers represent only 0.1 of every 100 people, 32.8 out of every 100 people in Nigeria use the internet.

### Opportunities for Irish companies

Telecoms companies operating in Nigeria are among the most significant investors in infrastructure development. The largest of these, MTN, has spent more than \$1.8 billion in its mobile network. Locally developed service offerings are limited and Nigerians are looking for foreign vendors to sell into the market. For Irish companies, there are several opportunities worth considering. These include helping operators to develop a low-cost, high-value telephony model for the rural market which accounts for close to 80 million Nigerians. Operators are also looking to solve the challenge of the current high cost of distributing

consumables to customers. There are further opportunities in the three major telecom process areas: sales and marketing; rating and billing, and invoicing and collection.

By far the largest challenge that operators face is the high cost of running their networks. The unreliable grid means that mobile base stations require diesel-powered generators. Irish companies are good at finding efficient ways to bring down the cost of running a base station: In Nigeria, a base station can cost as much as \$25,000 a year to run, including the price of diesel and air conditioning. Solutions to reduce these costs, improve efficiency and boost revenues will get operators' attention. Keep in mind that many competitors try to sell on the same terms. Irish companies should be prepared to present hard evidence which can be corroborated by customers in similar markets to Nigeria.

## Financial services

The banking sector in Nigeria is forecast to continue growing at a "relatively robust pace" over the coming years, according to Business Monitor International (BMI). After the Government initiated structural reforms to Nigeria's banks since 2005, investor sentiment to the country's financial services sector has become very favourable. The sector is now on a firmer footing and is more resilient to shocks in the future. Moves are in place to track creditworthiness of customers who transfer accounts between banks, further diminishing credit risks.

- BMI is forecasting growth of 12 per cent in client loans in 2013, amounting to US\$68.4 billion.
- Growth in Nigerian banking is being driven by the rapidly growing economy, especially in the non-oil sector which will drive greater demand for financial services
- Just 21 per cent of the population has a bank account
- 93 per cent of Nigerians cannot access a loan
- The financial sector in Nigeria is relatively strong and has gone through a recent rationalisation, with fewer, stronger performers: around 15-20 in number
- Nigeria has some of the continent's largest banks by assets
- Nigerian banks are a springboard to the region; they dominate Ghana's financial sector
- Mobile banking is yet to take off, despite 120 million active mobile phone lines.

### Opportunities for Irish companies

Reaching the unbanked Nigerians is a challenge and an opportunity worth an estimated \$2 billion. This encompasses branch roll-out, customer acquisition, and services – each with their own needs, ranging from software and connectivity to IT equipment, education and consulting. The need for more technical solutions and applications is being spurred by initiatives such as "Cash Lite Lagos". This programme aims to encourage greater use of electronic transactions, reducing the amount of cash circulating in the economy. A more efficient payments system is seen as an enabler for economic growth, and it dovetails with the 'Vision 20:2020' goal for Nigeria to be among the top 20 global economies within the next seven years.

## Education

Nigeria's education system is structured into three separate tiers: the Federal Government's role is to formulate policy, as well as coordinating and monitoring the basic education level, funding select institutions at the tertiary level, and unity schools and technical colleges at the secondary level. Schools in Nigeria have high levels of absenteeism: many primary and secondary students have to walk significant distances to school, with the result that around 22.3 million out of the 42.1 million children eligible for primary school education actually attend classes. Information about Nigeria's education system is somewhat dated, as it is from 2009, but several long-term trends are apparent.

- There are 72,995 schools and tertiary institutes in Nigeria
- Almost three-quarters (74.6 per cent – more than 54,000) are primary schools
- Secondary schools are the next highest number at 18,238
- Nigeria has 104 universities and 90 specialised colleges
- Nigeria spends an estimated 5 per cent of GDP on education, up from around 2.3 per cent in 1998
- Most Nigerian educational institutes are in a dilapidated state; access to water and sanitation remains poor, particularly in rural areas
- Private universities make up 39.4 per cent of all universities in Nigeria

- Private primary schools make up 15 per cent of all primary schools and 16 per cent of secondary schools.

### **Opportunities for Irish companies**

Nigeria's Vision 20:2020 plan reveals that Nigeria has identified the provision and development of education as a crucial priority for driving economic and social growth. To date, the private sector impact on education has been mainly served by NGOs and aid agencies. The opportunities for Irish universities and education providers is the appetite among middle- and upper-class Nigerians to be educated abroad. This covers both undergraduate and Masters-level courses, as well as vocational training for Nigerians to be able to find skilled work at home.

The major challenge facing Irish institutes in Nigeria, however, is that Ireland is less well known as an education destination compared to the UK or US. This requires more time to be spent in the market, recruiting partners and launching awareness programmes aimed at students, schools and parents.

### **Other sectors**

The gap between supply and demand is large in Nigeria, because the country's infrastructure has been underdeveloped for so long. Construction and engineering is one of the fastest growing sectors of the economy, driven by new Government spending and the recent strong growth in the economy. It spans a wide range of areas, including the oil and gas sector – the engine of Nigeria's economy – as well as roads, railways and bridges, mining, cement, airports and ports.

- In Nigeria, foreign companies build 95 per cent of roads, major infrastructure and houses
- Frequently, construction staff are also sourced from outside Nigeria due to skills shortages
- The construction market was worth \$10bn in 2012 and growth is projected at 17 per cent
- Only 10 per cent of the population own homes; millions of citizens live in accommodation with little access to basic services
- It's estimated that 20 million houses are needed
- Deregulation is opening up Nigeria's power sector to international investors – creating downstream opportunities for construction firms, as well as technology and security providers.

# HOW ENTERPRISE IRELAND CAN HELP YOU SUCCEED IN NIGERIA



## 7. How Enterprise Ireland can help you succeed in Nigeria

Enterprise Ireland is committed to assisting and supporting clients in entering new markets and expanding in your current markets. Our team of experienced marketing professionals in our network of overseas offices is ready to help you. An overview of our service offering is listed below:

### Pre-Visit Support

Enterprise Ireland can provide:

- A sector overview
- A validation of the opportunity for your product/service
- An evaluation of your market entry strategy
- Suggested channels to market
- Competitor analysis
- Relevant contacts/suggested itinerary
- Summary of relevant market information resources.

### In-market support

Services available include:

- Introductions to buyers and decision makers
- Identification of potential partners
- Facilitating buyer visits to Ireland
- Assistance with product launches/workshops
- Securing reference sites

### International trade events programme

Every year, Enterprise Ireland organises an extensive programme of events to support your business abroad. These include:

- Inward buyer missions to Ireland
- Group stands at important international trade fairs
- Overseas trade missions
- Study visits to gain knowledge of overseas markets
- Client knowledge events including seminars and workshops
- Networking events to build and enhance relationships with market contacts.

Further information is available at: [www.enterprise-ireland.com/events](http://www.enterprise-ireland.com/events)

### International market contacts

Enterprise Ireland has built up an excellent network of individuals in Nigeria who are available to work with Irish client companies on developing their business. This includes market and sector specialists, business accelerators and members of Irish business associations.



## Additional supports

We can offer additional supports in the following areas:

- Access to translation and interpreting services
- Introductions to specialist expertise such as legal, recruitment, public relations and taxation
- Access to mentors.

For further information on the services of Enterprise Ireland overseas, please go to <http://www.enterprise-ireland.com/en/Export-Assistance/>

## Contacts

### Nigeria is served by the Enterprise Ireland offices in Dublin and Johannesburg

24 Fricker Road,  
Illovo,  
Johannesburg,  
South Africa.

Contact: Fred Klinkenberg, Country Manager  
Phone: +27 115505440  
Mobile: +27 726326545  
Email: [fred.klinkenberg@enterprise-ireland.com](mailto:fred.klinkenberg@enterprise-ireland.com)

Contact: Ger Gibbons, Assistant Development Adviser  
Phone: +353 1 7272985  
Email: [ger.gibbons@enterprise-ireland.com](mailto:ger.gibbons@enterprise-ireland.com)

## Diplomatic and Consular Information for Nigeria

### Embassy of Ireland

11 Negro Crescent,  
Maitama District,  
Abuja  
Phone: +234 94620611  
Web: [www.embassyofireland.org.ng](http://www.embassyofireland.org.ng)

### Honorary Consulate of Ireland in Nigeria

22A Lugard Avenue,  
Ikoyi,  
Lagos  
Phone: +234 94620611  
Email: [info@coi-ng.org](mailto:info@coi-ng.org)  
Web: [www.coi-ng.org](http://www.coi-ng.org)

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Enterprise Ireland  
The Plaza  
East Point Business Park  
Dublin 3

Tel: +353 1 727 2000  
Fax: +353 1 727 2020

[www.enterprise-ireland.com](http://www.enterprise-ireland.com)

