



**INVESTMENT  
OPPORTUNITIES**  
IN  
RAW MATERIALS AND  
MANUFACTURING  
IN  
**DELTA STATE**



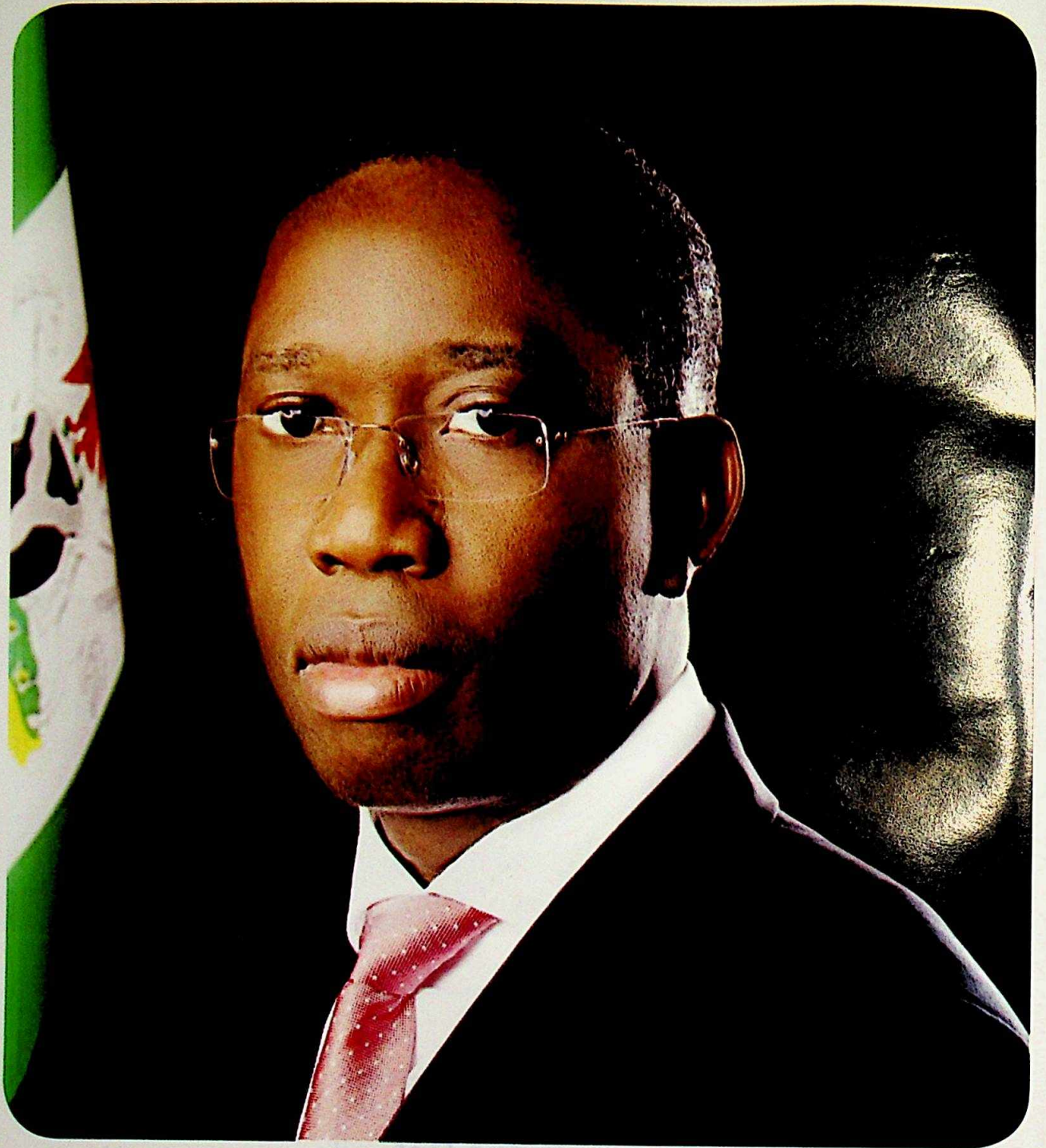




# INVESTMENT OPPORTUNITIES IN RAW MATERIALS AND MANUFACTURING IN DELTA STATE







HIS EXCELLENCY  
SENATOR DR. IFEANYI OKOWA  
Governor of Delta State



# Welcome to **Delta State**

Inclusive economic growth, sustainable development and 'prosperity for all Deltans' constitute the pivot around which our policies and programmes revolve. As expression of our policy direction, we have enunciated the S.M.A.R.T Agenda focusing on five pillars as follows: (1) Job and Wealth creation (2) Meaningful Peace Building Platforms aimed at Political and Social Harmony (3) Agricultural Reforms and Accelerated Industrialization (4) Relevant Health and Education Policies and (5) Transformed Environment through Urban Renewal. The policy objectives and implementation frameworks for these development agenda are already articulated in the Delta State Medium-Term Development Plan (DSMTDP) 2016-2019.

One key element of the economic growth, job and wealth creation and development strategy is the mobilization of private sector investments through various forms of public-private partnerships. Hence, efforts have been made and are continuing to improve the enabling environment for businesses and investments. Our business environment enhancement approach is aimed at reducing the cost of doing business, improving the ease of doing business and creating a competitive investment climate.

As further evidence of our efforts to improve the business climate, this document provides information to prospective investors, businesspeople and economic stakeholders on the investment opportunities and incentives.

This brochure highlights the investment opportunities across various sectors - agriculture and agribusiness, manufacturing, solid minerals, tourism, housing, energy, commerce and tourism and others. In addition, the booklet provides information on the regulatory, administrative and institutional reforms that have been undertaken to improve the ease of doing business. The reforms cover speedy property registration, consolidation of taxes and levies, investment promotion through best-practice public-private partnership templates, facilitation of land access by agricultural investors and improved delivery of public services to businesses.

Given our enormous investment opportunities and investment incentives, there is no gainsaying the fact that Delta State is the preferred investment destination.

Welcome to Delta State!

**Sen. Dr. Ifeanyi Arthur Okowa**

Governor

Delta State, Nigeria



# 1 CHAPTER

## BACKGROUND INFORMATION AND MACRO-ECONOMIC FRAMEWORK

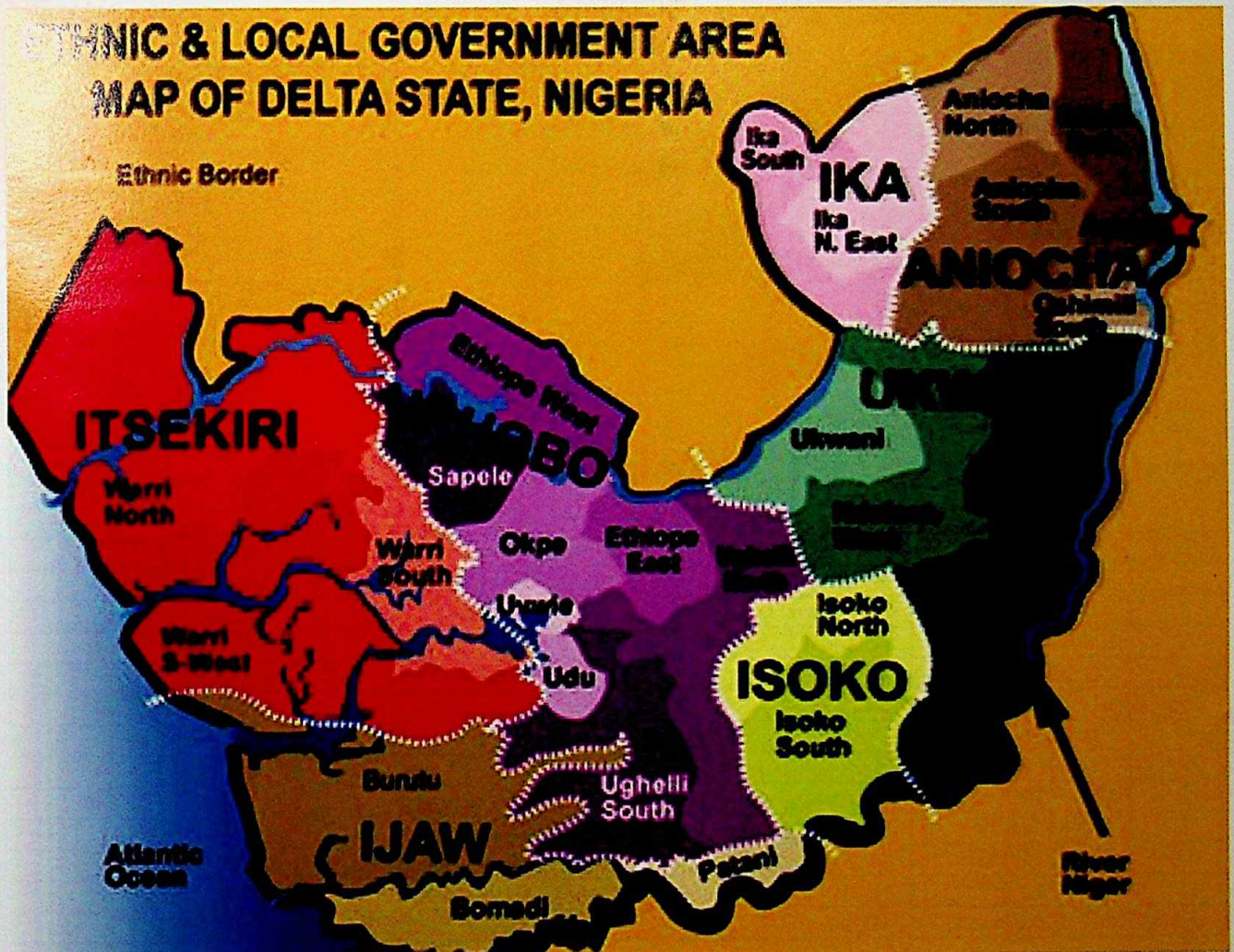
Delta State, with Asaba as its capital city, is one of the six states that make up what is known as the South-South geo-political zone of Nigeria. The State covers a landmass of about 18,050km<sup>2</sup>, of which about 40% is riverine and marshy. The state is situated between longitudes 5 o 00'E and 6 o 45' East and Latitude 5o00N and 6 o 30' North. Delta State is bounded in the north and west by Edo State, the east by Anambra, Imo and Rivers States, southeast by Bayelsa State, and on the southern flank is the Bight of Benin which covers about 163 Kilometres of the State's Atlantic Ocean coastline.

The land area comprises rain forest 57%, mangrove swamp/forest 33% and fresh water 10%. Average rainfall ranges from 1,910MM in the Northern areas to 2,670 mm in the Coastal region. Delta State is characterized by flatland in the South and central areas and low-lying plains/



undulating terrains with low hills and valleys in the northern areas. The vegetation is a mix of mangrove swamps along the coast to rain forest in the central areas and a derived savannah in the northern extreme.

The major indigenous ethnic/language groups are Anioma, Urhobo, Isoko, Itsekiri and Ijaw. They have almost identical ancestry, and significant cultural similarities. These similarities are manifested in their festivals, traditional religion, marriage ceremonies, arts and craft. The practice of Christianity, Islam and traditional worship flourishes in varying degrees among the people of Delta State. Some of the major towns are Asaba, Warri, Effurun, Sapele, Ughelli and Agbor.





# DELTA STATE FACT SHEET

**DATE OF CREATION**  
August 27, 1991

**CAPITAL CITY**  
Asaba

**ETHNIC NATIONALITIES**  
Urhobo, Anioma,  
Itsekiri, Isoko and Ijaw

**GEOGRAPHY**

Land Coverage: 60%  
•Water Coverage: 40%  
•Length of coastline: 163 km

**2016 POPULATION**

6.5m  
(At 2.6% growth rate by  
Worldbank)

**LAND AREA**  
18,050 Sq. Km.

**GDP IN 2013**  
(\$24.6billion),  
4<sup>th</sup> largest economy in  
Nigeria, Major oil  
producer, Huge gas  
reserve 40% (187tcf)  
of Nigeria gas reserve

Gate way to South-  
East & South South

**SELECT CORPORATES**  
\*Chevron \*Seplat  
\*Agip \*Beta Glass  
\*Sapele power  
\*Transcorp Power

## LOCAL GOVERNMENT AREAS AND THEIR HEADQUARTERS

S/NO	LOCAL GOVT.	HEAD QUARTER	S/NO	LOCAL GOVT.	HEAD QUARTER
1.	Aniocha North	Issele -Uku	14	Oshimili North	Akwukwu-Igbo
2.	Aniocha South	Ogwashi-Uku	15	Oshimili South	Asaba
3.	Bomadi	Bomadi	16	Patani	Patani
4.	Burutu	Burutu	17	Sapele	Sapele
5.	Ethiope East	Isiokolo	18	Udu	Otor-Udu
6.	Ethiope West	Oghara	19	Ugheili North	Ugheili
7.	Ika North-East	Owa-Oyibu	20	Ugheili South	Otu-Jeremi
8.	Ika South	Agbor	21	Ukwuani	Obiaruku
9.	Isoko North	Ozoro	22	Uvwie	Effurun
10	Isoko South	Oleh	23	Warri North	Koko
11.	Ndokwa East	Aboh	24	Warri South	Warri
12.	Ndokwa west	Kwale	25	Warri South West	Ogbe-Ijaw
13.	Okpe	Orerokpe			



## THE MEDIUM-TERM GROWTH AND DEVELOPMENT FRAMEWORK

The economic development framework is anchored on the Delta State Medium-Term Development Plan (DSMTDP) 2016-2019. The Plan presents state's vision, mission, policies and implementation strategies.

### Vision Statement

*To be a pace-setter in the Nigerian Federation by building an enduring legacy of wealth and prosperity.*

### Mission Statement

*To ensure sustained economic growth, wealth and employment creation and a healthy environment for all.*

## STRATEGIC OBJECTIVES





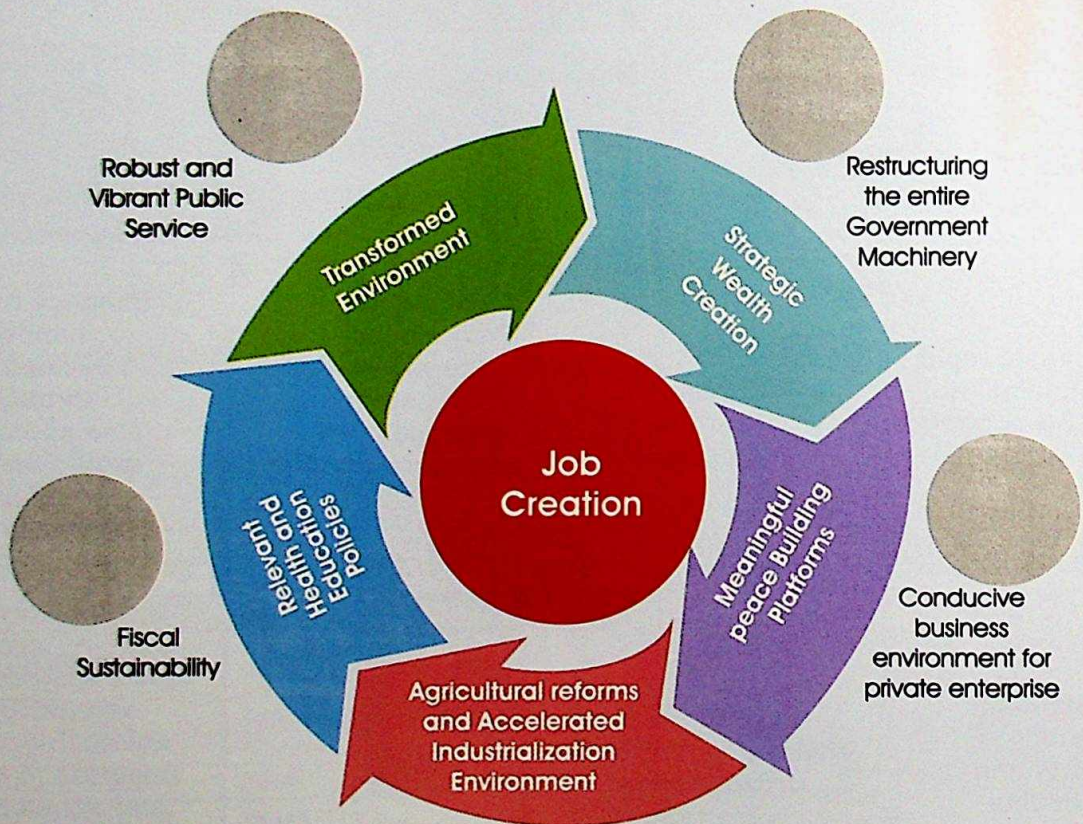
# POLICY THRUSTS

In line with the theme "Achieving Prosperity for All", the DSMTDP is aimed at engendering substantial improvement in the quality of life of all Deltans.

The cardinal goals are as follows:

1. To stimulate sustained, rapid, inclusive economic growth and development.
2. To create wealth and generate substantial employment opportunities for our teeming unemployed youths.
3. To diversify the economy through development of non-oil sector.
4. To foster communal Peace and Security.
5. To enhance environmental sustainability

The principles underlying the Delta State Medium-Term Development Plan are: effective mobilization of resources; fiscal adjustment strategy; maximization of private investments; efficient public spending; human capital development; and collaboration and cooperation.





# 2 CHAPTER

## POLICIES FOR IMPROVED EASE OF DOING BUSINESS IN DELTA STATE

### Introduction

There is improved ease of doing business in Delta State. More than ever, Delta State is open and ready for investments and business. The coming of this administration has witnessed an increasing inflow of private investor seeking to do business in the state across several sectors, particularly large scale commercial farming, agro-processing and agro-industries, energy, oil and gas, housing, urban renewal and manufacturing.

The increasing flow of private investors – both local and foreign – is brought about by the increased attractiveness and conduciveness of the state for business. We are determined and will do what is necessary to encourage, promote and protect private investments in the state.

The improved business-friendly conditions in the state are the result of deliberate measures and policies in the following broad spheres of business environment:

- Governance and political Stability.
- Sound economic management.



- Promotion of Public-Private Partnership (PPP).
- Operation of one-stop centre for investor services.
- Consolidation and harmonization of taxes and levies.
- Speeding up of registration of land, property and business premises.
- Facilitation of access to land.
- Market-driven agricultural value chain development.
- Provision of critical infrastructure.
- Development of industrial parks.
- Development of agro-industrial parks.
- Entrepreneurship capacity building.
- Enhancement of access to credit.
- Improvement in enforcing contracts.
- Security, law and order.

### **Governance and Political Stability**

Delta State has a dynamic, visionary and good leadership in the person of His Excellency, Senator Dr. Ifeanyi Okowa, who is the Governor of the State. The State has a development vision, a policy direction and strategic implementation framework represented by the Delta State Medium-Term Development Plan (DSMTDP) 2016-2019.

There are democratically elected governments at the local government level.

Over the years, the state has enjoyed smooth succession in governance which ensures continuity of development policies. Harmonious relationship exists between the government and the labour unions.

### **Sound Economic Management**

Public financial management, budgeting and spending are underpinned by the core principles of due process, realism, transparency and accountability. The state budget preparation and appropriation are timely leading to timely enactment of the budget into law.

### **Promotion of Public-Private Partnership**

His Excellency, Senator Dr. Ifeanyi Okowa, Governor of Delta State has signed into law the Delta State Investments Development Agency Law 2016 which was enacted by the Delta State House of Assembly to establish the Delta State Investments Development Agency (DIDA). DIDA was designed to leverage on the comparative advantage of the State in agriculture, aquaculture, Oil and gas, maritime resources and tourism sectors, etc in order to accelerate investments inflow and diversify the economy away from over dependence on oil revenues in line with the SMART Agenda of the present administration



# DELTA STATE INVESTMENTS DEVELOPMENT AGENCY (DIDA)

## Functions of DIDA

- Coordinate all state government's investment with the Private sector.
- Institute measures to enhance investment processes.
- Promote both local and foreign investments.
- Collate, coordinate, evaluate and disseminate investment opportunities in the state.
- Advise the state government on measures to enhance the growth of investments.
- Determine the framework for engaging consultants to advise on PPP and concessions.
- Negotiate, verify and monitor the performance of concessions.

## Objectives of DIDA

- Promote and coordinate increased private sector investments in the state.
- Promote investment potentials of the state;
- Create conducive environment for investors;
- Create Public Private Partnerships between Delta State Government and the private sector
- Promote viable projects in Delta state.
- Establish mechanisms to protect private sector investments.
- Administer, Regulate and Protect concessions.

## Four Cardinal Focal Points of DIDA

- **Deepen the Economy-** through a system of processing agricultural produce to enhance value added and encouraging the establishment of new industries, rehabilitation of ailing industries and privatization of government industries.
- **Diversify the Economy-** Emphasis in agriculture, aquaculture, solid minerals production, maritime business as well as tourism to move the state away from over dependence on petroleum.
- **Disperse Investments** – through a system of deliberate location of investments in all three senatorial zones based on the principle of best comparative advantage to promote balanced growth and development.
- **Drive Integrated Development-** through the provision of infrastructural facilities, industrial estates, agro-industrial parks, promotion of oil, gas and energy investments to stimulate multi-sectoral investment growth, economic vibrancy and synergy between the various sectors of the economy.



## **DIDA- One-Stop Centre for Investor Services**

The Delta State Investments Development Agency acts as a One-Stop-Shop for prospective investors and also avails them with information such as Customs Duty/Tariff Rates, registration of business names by the Corporate Affairs Commission, Immigration matters, Expatriate Quota Application Requirements, Sources of labour (skilled and unskilled), Land /Property Registration, availability of Raw materials etc.

## **Consolidation and Harmonization of Taxes and Levies**

The government is taking the necessary measures to consolidate and harmonize taxes and levies in order to ease tax administration and minimize transaction costs in making tax payments.

The legal framework for achieving tax consolidation and harmonization is the Delta State Internal Revenue Consolidation Law 2009. This Law provides for the Assessment, Harmonization and Consolidation of internally generated revenue chargeable and collectable by the State Government, and Local Government Councils in Delta State as well as the establishment of relevant administrative structure. The Law stipulates the taxes and rates charged by the State and Local Government preventing any incidence of double and or multiple taxation. This creates an element of certainty for businesses and investors.

## **Speeding up of Registration of Land, Property and Business Premises**

Land registration/titling reforms through the recently introduced Delta State Fast Track has reduced the processing/issuance time Certificate of Occupancy to not more than 90 days. This has significantly brought down the cost of doing business in the state.

## **Facilitation of Access to Land**

A Land Bank exists to ease access to land for private investors in agricultural and other sectors. In this regard, the State Land Acquisition Committee is charged with developing and maintaining a repository of available arable lands that can be accessed and utilized by investors that are partnering with the state government for the purposes of large-scale agricultural and industrial development.

On the basis of the land bank, the state government is able to respond to present and upcoming requests for arable lands by private investors who wish to use same for large-scale agricultural or industrial development.

## **Market-Driven Agricultural Value Chain Development**

The main vehicle for market-driven agricultural value development is the Agricultural Marketing



Coordination Mechanism (AMCM). The mechanism is aimed at tackling the perennial marketing challenges confronting farmers in Delta State. The mechanism is operated by the Agricultural Marketing Coordination Committee (AMCC) which has the following mandates:

- i. Identify existing and potential markets for agricultural produce and devise measures and arrangements for farmers to access those markets;
- ii. Obtain and disseminate market information to agricultural producers and thereby improve information flow between farmers(sellers) and processors (buyers);
- iii. Proffer measures for establishing and improving market infrastructure and facilities such as warehouses, cold storage, output aggregation and processing centres, etc.;
- iv. Identify and coordinate measures for facilitating the links between production clusters/ farmers and off-takers within and outside the state;
- v. Identify and coordinate actionable measures to encourage market-oriented production by farmers;
- vi. Organize and facilitate capacity building for market intermediaries and brokerage along the commodity marketing channels; and
- vii. Collaborate with national and international agencies in fostering linkages between farmers and markets.

### **Provision of Critical Infrastructure (Airports, Roads and Water Supply)**

The state government is enhancing the Asaba International Airport to assure reliable air transport into and out of the state capital. Likewise, the government is giving priority to road development and maintenance to ease transportation in the state. In its bid to improve the business environment, the state government now has a Water and Sanitation Policy designed to improve access to and availability of potable water supply.

The state government has entered into a public-private partnership (PPP) arrangement that will invest over N10 billion in ensuring the completion of the Warri-Effurun regional water scheme and the connection of safe and potable drinking water directly to over 15,500 homes in Warri-Effurun environs. Apart from bringing about the completion of this water scheme which has been ongoing for over 23 years, this PPP initiative will provide cheaper safe water, create jobs and bring up new businesses, for instance, in sale of prepaid rechargeable cards.

### **Improvement in Enforcing Contracts**

Disputes are part and parcel of doing business. Every business owner or investor will eventually experience a dispute or conflict of some sort involving their operations. The crucial issue is the effectiveness of the dispute resolution process in each State for the resolution of disputes. Commercial disputes may involve collection of debts, compensation for breach of contract to full



complex multi-party litigation over disputes on contract terms.

The aim of an effective dispute resolution system should be to reduce the financial and time cost involved in running a commercial litigation. The resolution of these types of disputes through the normal adversarial litigation system can often seem overwhelming, irritating, expensive and time consuming.

This is why a resort to Alternative Dispute Resolution Mechanism is generally favoured by investors so as to eliminate or minimize the difficulties of resolving business disputes or conflicts through the normal litigation process. As a result, Delta State Government passed the Delta State Multi-Door Courthouse Law 2012 to promote Alternative Dispute Resolution in the State; quicken the dispensation of justice and provide alternative mechanism for the resolution of disputes, particularly of the commercial variant. The Alternative Dispute Resolution Centre in the State Ministry of Justice called the Department of Peoples Rights has the authority to use alternative dispute resolution in the following areas: disputes between companies and host communities; common dispute between landlords and tenants; cases of violation of human rights; dispute between employers and employees. The state government has invested massively in capacity building initiatives so as to ensure that the Department of Peoples Rights perform its duties, particularly in the area of ensuring that companies which invest in Delta State are provided with a conducive environment to carry out their businesses without disturbance from host communities.

Furthermore, the state government, in a bid to foster a business-friendly environment, has created 25 mediation centres across the state as well as zonal offices to make justice accessible to all indigenes, residents and investors. The Court system as represented by the High Courts and Magistrate Courts across the State has witnessed important reforms which will enable Investors have access to quick and speedy enforcement of contractual rights in the State.

The High Court Civil Procedure Rules 2008 has undergone reviews to bring it in line with the reform process in the Judicial Sector. The delays associated with matters at the High Court as a result of the adversarial system employed in the adjudication of matters have largely reduced.

## **Consumer Protection Committee**

The consumer protection committee handles and removes disputes between consumers and the market (Manufacturers, Trade, Firms etc.). They organize, undertake campaigns and other forms of activities to increase public consumer awareness. On matter such as withdrawal of hazardous or restricted and not approved products by Federal Government from the market. They also encourage trade, industry professional associations to develop and improve the quality of their goods and services to the standard required to safeguard the interest of consumers. The consumer



protection committee perform other duties that can be improved on by the consumer protection council.

## **Security, Law and Order**

The state government has adopted far-reaching institutional measures and legal reforms aimed at ensuring and guaranteeing security, law and order for businesses, investors and all residents throughout the state. Security of lives and property throughout the state is assured through the State Security Committee under the Chairmanship of His Excellency, the Governor.

The Delta State Anti-Kidnapping Law 2016 has very novel provisions as it seeks to punish all those involved with the commission of the offence including conspirators, those who aid and abet the kidnapers, owners of properties used to house victims and telecommunication companies which refuse to assist in the investigation of the matter. The stringent provisions of this Law will send the required signal that the State takes its responsibilities to provide security for its citizenry and investors seriously.

There is a Delta State Land and Waterways Committee which functions to tackle security challenges in the water ways and create a conducive environment for businesses.

The state government has also established Delta State Advisory and Peace Building Council to promote community relations, security, law and order throughout the state.

In the area of Corporate Social Responsibility (CSR), the State Government is initiating a Corporate Social Responsibility Bill to regulate the relationship between investors and host communities and prevent disagreements over what the communities get from these investors which often result in lock-outs, demonstrations disrupt businesses in the State. In a bid to clearly define the responsibilities of investors to Host Communities. The Bill seeks to clearly define the responsibilities of investors to their Host Communities. This will go a long way in bringing serenity in the communities as there would be no reason for disruptions of businesses by the Host communities. There is the element of certainty on the part of the Companies as regards their responsibilities to the Communities where they operate.

Very importantly, the state government is in the process of setting up Delta State Security Trust Fund to enthrone a definite institutional framework for sustainable funding, appropriate governance and efficient management of security sector in the state.



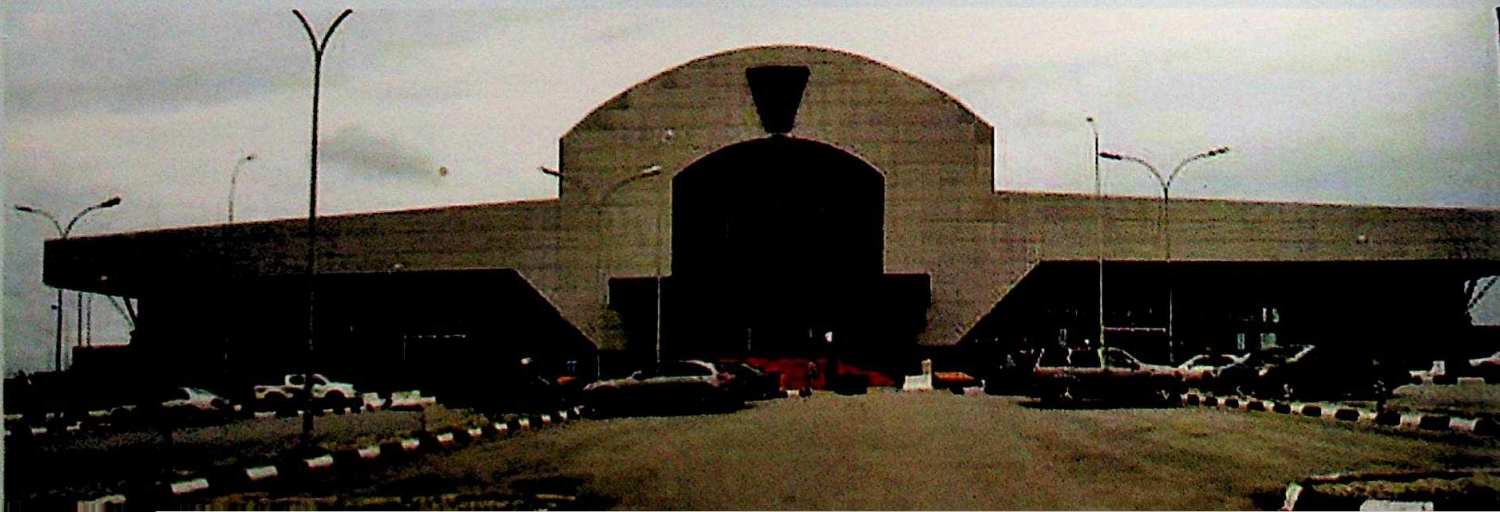
## **DELTA STATE INDUSTRIAL POLICY**

- The main thrust of the Industrial Policy of Delta State is to provide the enabling environment for the private sector to utilize the available raw materials to produce goods in a manner that ensures sustainable environment, generates employment and creates wealth for our people.
- Government is committed to support investors by providing land, and where necessary, access road and other infrastructural facilities, which can be capitalized and constitute the equity contribution of government.
- The strategy of the state is therefore, to take minority shares of about 10%, while the private sector takes the majority shares to drive investments.
- To this end, the state government has been pursuing the policy of privatization and commercialization of government owned enterprises and this is why some companies like Bendel Glass Industry Limited, Bendel Steel Structures Limited, Songhai, Amukpe and others have been scheduled for divestment of state government shares.

### **Other key objectives of the industrial policy are:**

- promote export oriented industries including the establishment of Export Processing Zones in Koko and Ogidigben;
- encourage industries to undertake backward integration to secure constant supply of raw materials and ensure sustainable production and create /enhance the supply value chain; and
- conscious policy of distribution of industries around the state based on availability of raw materials to ensure all inclusive economic growth and development.

In the area of promoting investments, the state government has passed the Delta State Investments Development Agency (DIDA) law which is designed to leverage on the comparative advantage of the state in agriculture, aquaculture, Oil and gas, maritime resources and tourism sectors, etc in order to accelerate investments inflow and diversify the economy away from over dependence in oil revenues in line with the SMART Agenda of the present administration





# 3 CHAPTER

## AGRICULTURE & AGRIBUSINESS



### BACKGROUND INFORMATION AND COMPARATIVE ADVANTAGE

Even though oil and gas accounts for the bulk of the statutory revenues, the agriculture and informal sector account for the bulk of employment and livelihood of the people. Therefore, to impact on the people, development efforts will necessarily focus on targeting agriculture, agribusiness and agro- industrialization as well as supporting the informal sector particularly wholesale and retail trade, artisans and vocational works as well as transport sector.

The state has huge agricultural potential that is still underdeveloped. Currently cultivated arable land is estimated at about 200,000 ha with up to 500,000 ha yet to be brought into cultivation. The main agricultural commodities include arable crops (cassava, yam and maize), tree crops and perennials (oil palm, rubber, raffia palm and plantain), fruits and vegetables (pineapple, citrus and tomato) and rice in suitable ecologies. Small-scale farms (less than 2 hectares) with mixed cropping are dominant while large-scale farms are mostly in cash crop plantations. More than 90 percent of the total output comes from smallholder farmers practicing rain-fed agriculture. Crop production is dominated by upland (rain-fed) systems (80.4 percent), while the shares of swampy (lowland) is about 17.8 percent.



The tremendous potentials for aquaculture lie in the rich variety of aquatic ecosystems and water resources including several ponds, lakes and streams, inland rivers, creeks and estuaries, over 80,000 hectares of freshwater resources such as found in the lower Niger basin and brackish water of the mangrove swamps (stretching over 347,000 hectares). On the other hand, the extensive coastline of about 163 km and related coastline water systems provide opportunities for artisanal fishing which forms the economic and livelihood backbone of many rural communities. Besides, livestock production, particularly poultry and piggery, is an important source of incomes and livelihoods for many rural and urban households across the state.

Delta State has numerous agricultural resources which provide her with vast potentials for crop, livestock and fish production. The agricultural strength of the state lies in the following factors:

- i. The state is drained by many rivers such as River Niger with its many tributaries, Orogodo River, River Ethiope, Bomadi, Forcados, Ramos and Benin Rivers among others. Consequently, agriculture does not very require extensive and costly irrigation as water is easily obtainable all year round all over the state.
- ii. There is the presence of large water bodies for fisheries activities.
- iii. Rich flood plains with fertile alluvial deposits.
- iv. Expansive rainforest ecology that favours oil palm and plantain production.
- v. A lot of mangrove forest and swamps that have potential for development of fish and rice production and timber development.
- vi. Existence of many big and private poultry and pig farms across the State.
- vii. Availability of market for livestock products in the State.

## **AGRICULTURAL POLICY OBJECTIVES AND STRATEGIC ACTION PLANS**

Delta State has huge potentials in the development, production and supply of agricultural raw materials as inputs for the manufacturing sector. Based on her rich natural endowments and comparative advantage in a wide range of agricultural products/commodities, Delta State presents among the most-promising investment and agribusiness opportunities in the development and supply of agricultural raw materials for manufacturing.

The investment and agribusiness opportunities reflect in three broad categories of raw materials resources for manufacturing.

- a. The first category is agricultural products and commodities including arable crops (cassava, yam and maize, rice), tree crops and perennials (oil palm, rubber, raffia palm and plantain), fruits and vegetables (pineapple, citrus and tomato).



- b. The second category is forest products and commodities that are raw materials inputs in manufactured products as follows: food and beverages (cooking spices, processed foods, livestock feeds, etc.), medicines and pharmaceuticals (drugs, purgatives, ointments and lotions, anaesthetics), toxins (pesticides and herbicides), aromatics (perfumes and cosmetics), biochemicals (gums, latex, dyes and tannins) and fibre (mattings, ropes, basketry, pillows).
- c. The third category is aquaculture products and commodities. This potential is underscored by the rich variety of aquatic ecosystems and water resources including several ponds, lakes and streams, inland rivers, creeks and estuaries, over 80,000 hectares of freshwater resources such as found in the lower Niger basin and brackish water of the mangrove swamps (stretching over 347,000 hectares). Furthermore, the extensive coastline of about 163 km and related coastline water systems provide opportunities for artisanal fishing which forms the economic and livelihood backbone of many rural communities.

## **POLICY OBJECTIVES**

In line with the S.M.A.R.T. Agenda, the agricultural policy thrust is "Repositioning Agriculture & Agribusiness to Create Jobs and Wealth" as encapsulated in the Delta State Medium Term Development Plan (DSMTDP) 2016-2019. As outlined in the DSMTDP, the agricultural development objectives are to:

- Diversify the State's economy away from oil by developing agriculture, agribusiness and agro-industry;
- Consolidate employment opportunities for existing farmers, processors and agribusiness players;
- Enhance incomes and earning power of existing farmers and agribusiness players;
- Create new decent and gainful jobs for youths in agriculture such that will make agriculture and agribusiness attractive for prospective entrepreneurs, managers, service providers and financiers;
- Enhance the business environment for local and foreign investors willing to invest in Delta State agriculture, agribusiness and agro-industry;
- Use agriculture and agribusiness as springboards for development of entrepreneurship and economic change.

Deriving from these objectives, the agricultural policy pillars are as follows:

- Supporting existing farmers to improve farm productivity and outputs, earn better incomes and enjoy prosperity.
- Mobilizing and attracting new entrants (particularly youths) into agriculture, agribusiness



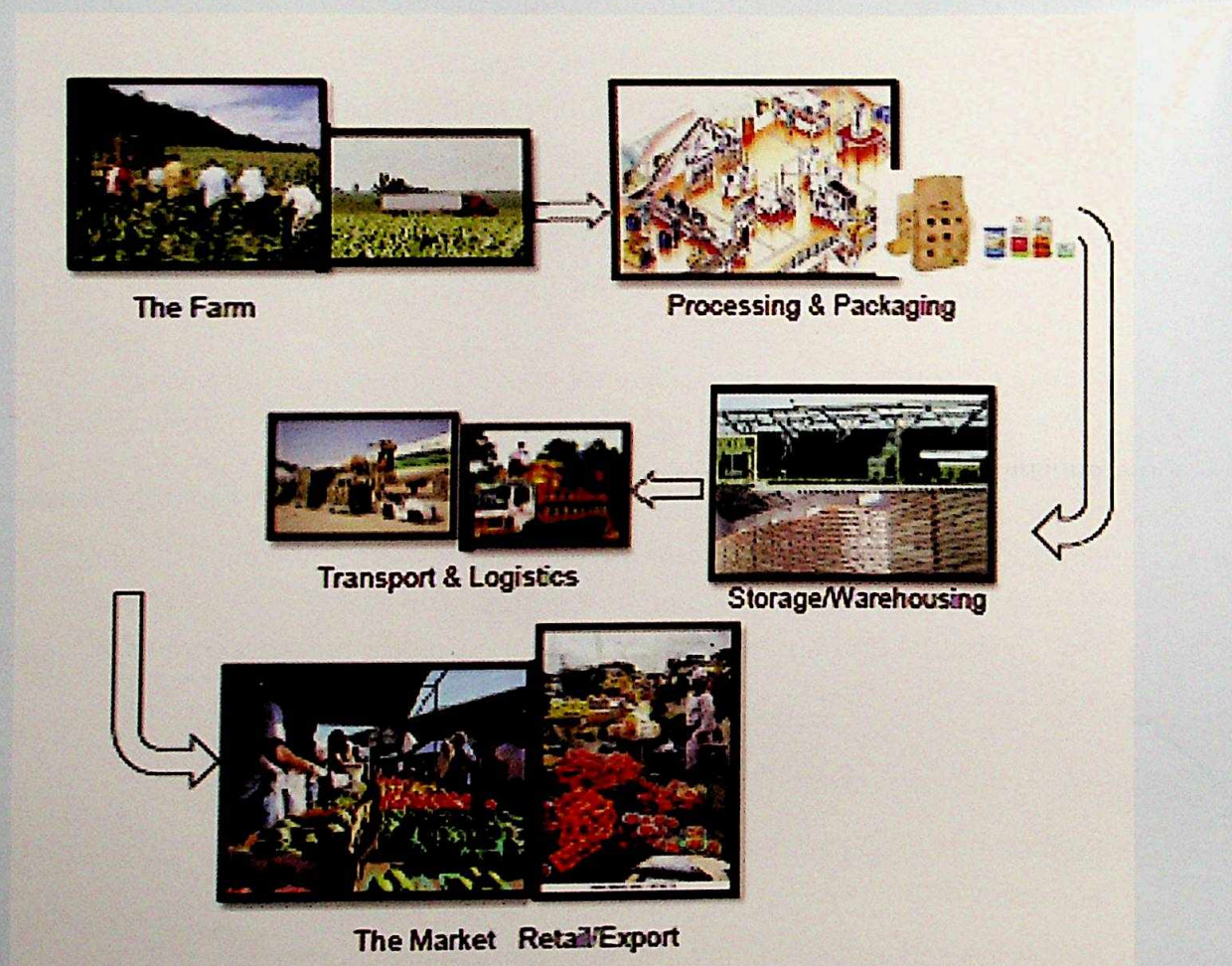
and agroindustry by providing comprehensive package of incentives and measures.

- Inducing high-impact private sector investments along the agricultural value chain through various forms of public-private partnership.

## STRATEGIC ACTION PLANS

To achieve these agricultural policy goals, the state government is implementing the Production and Processing Support Programme (PPSP) based on a three-pronged strategy as follows:

- Generic policies and programmes that apply to the entire agricultural sector, such as input subsidies, agricultural extension services, access to finance, marketing support services, etc.
- Commodity-based value chain development programmes focused on holistic targeting of specific commodities from production through harvest, pre-processing, processing and marketing.
- Area-targeted farm clusters development interventions, for example, the development of Integrated Agricultural Production Systems and Agro-Industrial Parks in designated high-potential locations.





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### **The Role of Government:**

The state government does not engage in direct agricultural production, agro-processing or agribusiness activities. Rather, it performs facilitative, coordination, capacity building and targeted gap-filling roles for the development of the agricultural value chains. These include investment promotion and facilitation, granting access to land, demonstrations and technology testing, agricultural extension, granting investment incentives and providing loan guarantees, administering public subsidies, capital augmentation in agricultural investments, capacity building and information provision.

### **Prioritisation of Commodities as Deliberate Policy:**

Government aligns its agricultural programmes and intervention measures to priority commodities in different parts of the State. The selection of priority commodities is based on the comparative advantage factor coupled with economic potentials/ commercial prospects of the crop/livestock in the area under question. Guided by several factors, including, production possibilities/capacities, economic advantages and potential impact on the people and communities, government has



identified several commodities for targeting. They include: cassava, yam, rice, maize, oil palm, vegetables, plantain/banana, piggery, poultry, fish farming and artisanal fishing.

### **Value Chain Approach is the Guiding Rule:**

Government is driving agricultural development through commodity value chain approach. To this end, government has adopted integrated commodity development measures targeting the entire chain from inputs stage, production – on-farm, postharvest, processing, preservation, packaging and marketing activities.

Accordingly, the state government is implementing three linkage models of agricultural value chain development, as follows:

- Linking clusters of producers to market outlets;
- Linking clusters of producers to off-taker large-scale producers; and
- Linking clusters of producers to off-taker processors and agro-industry.

There are wide-ranging investment opportunities spanning several agricultural productions, processing and marketing activities, such as:

- cassava production and processing into industrial raw materials
- plantain production and processing.
- oil palm production and palm oil processing.
- vegetable production and processing.
- livestock production, processing and storage, including poultry, cattle, piggery, goat, etc.
- fish hatchery, fish production, processing and marketing

### **DELTA STATE INVESTMENT INCENTIVES AND EASE-OF-DOING BUSINESS MEASURES IN AGRICULTURE SECTOR**

The state government performs facilitative, coordination, capacity building and targeted gap-filling roles for the development of the agricultural value chains. These include investment promotion and facilitation, granting access to land, demonstrations and technology testing, agricultural extension, granting investment incentives and providing loan guarantees, administering public subsidies, capital augmentation in agricultural investments, capacity building and information provision.

Delta State is promoting the development and utilization of agricultural and forest-based raw materials through the creation of enabling environment for investments and agribusiness as follows:



## **Agricultural Land Bank**

There is a systematic repository of available agricultural lands that can be accessed and used by intending investors in the development of agricultural raw materials. Under the land bank initiative, available agricultural lands are being continually identified, documented and mobilized for use by prospective investors. The state government facilitates discussions and engagements and brokers agreements with host communities for easy and smooth access to these agricultural lands.

## **Agricultural Marketing Coordination/Support**

The state government is performing gap-filling role in agricultural marketing coordination aimed at linking clusters of producers to market outlets, linking clusters of producers to off-taker large-scale producers; and linking clusters of producers to off-taker processors and agroindustry. The overall goal is to facilitate farmers' access to markets, enhance market-oriented farming and improve information flow and synergy between production and markets.

## **Microcredit to Farmers, Processors and Agribusiness Value Chain Operators**

The state government provides and facilitates access to soft microcredit among farmers, agro-processors and commodity value chain operators. The microcredit facility helps to overcome the problems of loan access and high cost of loans. The money obtained by the recipients alleviate working capital shortages and broaden agribusiness options. The conditions created by the microcredit facility will benefit investors in the development of agricultural raw materials by easing their raw materials sourcing and business linkages with farmers and agribusiness operators.

## **Privatization and Commercialization of Agro-Industries and Agricultural Assets**

Dormant state-owned agricultural assets are being privatized or commercialized to make them functional, enhance efficiency and recover lost agricultural employment. These now-active agricultural assets are contributing to the development of the respective commodity value chains.

## **Reform of the Agricultural Extension Services**

The Agricultural Development Programme (ADP) – the agency responsible for agricultural extension - has been streamlined and refocused through legislation. Under the reform, the ADP has been repackaged as the Agricultural and Rural Development Authority charged with providing core agricultural extension and farm management advisory services, without the distraction and unwieldiness from non-extension functions. Improvement in the agricultural extension services of the Agricultural and Rural Development Authority is crucially beneficial to investors in the



production and development of agricultural raw materials.

### **Investments in Agricultural Modernization and Efficiency Improvements**

The state government is operating a tractor scheme involving the soft-lease of tractors-with-implements to farmers' cooperatives and farm establishments. The tractor scheme has improved access to tractors for land preparation and thereby breaking a major bottleneck to agricultural production. Also, the state government is supporting the establishment of small-scale agro-processing mills for oil palm, cassava and rice, as a means of fostering the development and supply of agricultural raw materials for manufacturing.

### **Investments in Improving the Quality of Agricultural Labour (Through the Youth Agricultural Entrepreneurs Programme - YAGEP)**

The state's agricultural landscape is witnessing a new generation of educated highly motivated youth agricultural entrepreneurs aiming at highly efficient, profitable, market-driven and sustainable agriculture. These budding youth entrepreneurs constitute a critical mass of agricultural managers and skilled labour available to investors in the development of agricultural raw materials.

### **DELTA STATE AGRO-INDUSTRIAL PARKS INITIATIVE (DAIP)**

This is a key public policy intervention to create better agribusiness infrastructure conditions that will stimulate the transformation of the agricultural value chains by attracting the clustering of agro-processing plants, agro-industries and associated investments. The first of the agro-industrial parks is under implementation based on Joint Venture Agreement with private investors.

The location of the agro-industrial park is Aboh Ogwashi-Uku in Aniocha South Local Government Area of the state. The agro-industrial park covers a total land area of about 220 hectares. This location was selected based on availability of water source with potential for dam activity, access to infrastructure, particularly grid electricity and roads for the evacuation of products and favourable geospatial features –appropriate land topography, slope, soil suitability and vegetation conditions. The land area has since been acquired by the state government.

The physical layout consists of a logistics centre (that is, hub of the agro-industrial park) about 70 ha for the development of customized infrastructure –power, water, storage and laboratories, amenities, roads, sewage treatment area and green buffer. The design provides for common infrastructure and facilities including plots for processors, power supply centre, solid waste centre, machine shop and gas station, commerce and shop facilities, laboratory and training centre, grain storage, cold and dry storage facilities, administrative complex, residential area and sewage



treatment centre.

The common infrastructure, facilities and amenities will serve a wide range of agro-industries, agro-processing plants and agribusiness companies. Examples of prospective products and commodities include milled rice and derivatives, cassava chips, flour, starch and gari, banana/plantain flour and related products, palm oil and palm oil based products, fish, processed fish and related products, wood, paper pulp, wood based products, milk and milk-based products, processed beef, broilers, pork and related products, fresh and processed vegetables.

### Priority Target Commodities

- CASSAVA
- RICE
- OIL PALM
- AQUACULTURE
- VEGETABLES
- MAIZE

### The Project Design

- The Park itself (customized factory plots alongside common infrastructure, facilities and logistics) – a hub covering about 70 hectares.
- The Integrated Rice Project consisting of a rice processing factory serviced by irrigated rice-farm and rain-fed rice farms in catchment areas.



LAYOUT DESIGN OF THE AGROINDUSTRIALPARK AT OGWASHI-UKU



## Prospective Agro-Products

- Milled Rice and Derivatives
- Cassava chips, flour, starch and gari
- Banana/plantain flour and related products
- Palm oil and palm oil based products
- Fish, processed fish and related products
- Wood, paper pulp, wood based products
- Milk and milk-based products
- Processed beef, broilers, pork and related products
- Fresh and processed vegetables

## Expected Social and Economic Impacts

At completion, the multi-product agro-industrial park will host a wide range of clustered agro-processing factories for the development and supply of agricultural and forest-based raw materials for manufacturing. The micro-environment provided by the agro-industrial park will ensure adequate and uninterrupted infrastructure services (power, sewage, water), product storage and preservation facilities, product testing and quality assurance facilities, equipment and plant maintenance services, conducive living areas and administrative blocks, among others.

At full capacity, the agro-industrial park will:

- Accommodate about 20-40 medium to large processors/manufacturers.
- Generate approximately 1200-2400 direct jobs and an additional estimated 200 jobs in management, maintenance, and supply services and activities.
- Contractual farming within 10,000 catchment area of 50km radius would increase income of a further 3000 farm families.
- About 6000-8000 jobs will be created, while the indirect stimulus could reach up to 35,000 farm households.

## Implementation Approach

- **Public Private Partnership (PPP)**
  - i. Build, Operate and Transfer (BOT)
- **Special Purpose Vehicle (SPV)** – Limited Liability Company with equity shared between government and private sector investors responsibility for the development, construction, operation and management of the agro-industrial park



- **Financing Structure** – Total Capital Expenditure estimated at US\$30.48M
  - i. Equity
  - ii. Debt capital

## **Status of Project as at Date**

- Feasibility Study and Business Plan completed – financial and economic appraisals show profitability and viability (self-paying)
- Land for agro-industrial park already acquired and land for out grower scheme already designated/secured
- Technical Partner/Anchor Investor and Private Investor already secured
- International finance already identified
- Project development (Engineering, architectural and infrastructure design and physical planning) (ongoing)
- Developing the financial package for international lenders (ongoing)
- PPP Agreement in final stages

## **Cassava Cultivation**

- To increase food production (Garri, foo-foo, starch, flour, chips. Etc) by expanding cassava production by 10,000 ha.
- To promote distribution of high yielding (15t/ha to 30ts/ha) and disease resistant variety of cassava cuttings to farmers.
- To increase income and livelihood of participants
- To engage & create employment for youths thereby reducing youth restiveness.

## **Cassava Processing - Value Addition**

- To increase and make available raw materials such as starch, flour, chips for industrial use.
- To increase the market value of processed products.
- To increase the shelf life of the produce.
- To make cassava products available at all seasons.



- To improve income of farmers.
- To encourage export/foreign exchange earnings.
- To engage the youths by creating employment/Reduce youth restiveness.



PRO-VITAMIN A CASSAVA AT MANR, OFFICE, AGBOR.

### **Rice Production**

- To encourage consumption and production of local rice.
- To promote all season rice production as a sustainable enterprise through irrigation.
- To bridge the gap caused by the ban on imported Rice.
- To utilize the versed FADAMA plain in the State for rice production.
- Encourage youth's participation in rice production.
- Increase yield /ha of rice production in the State from 2-3t/ha to 4-6t/ha.

### **Rice Processing - Value Addition**

- To promote marketing and income of local rice farmers
- To increase shelf life of farm produce
- To generate employment for the teaming youths.
- Encourage producers into expansion of rice farms.



- Produce high quality rice that can compete with foreign rice at the international market
- To encourage consumption of locally produced rice.

## Vegetable Production

- To increase the production and consumption of fresh vegetables.
- Increase the income of farmers.
- To engage youths to take up vegetable production as quick win enterprise.
- Employment generation of youths.

### Yam:

Yam is mostly cultivated in Delta North, predominantly in Ika North East, Ika South, Aniocha North and South axis of the Delta State with estimated 85,500ha available for cultivation.

- Average yield per hectare is 12.5 metric tonnes.
- Opportunity to expand production and value addition through the establishment of yam processing mills for the conversion of yam into flour.
- Investors are needed in the area of processing the tubers into flour.



YAM EXHIBITION AT THE WORLD FOOD DAY CELEBRATION

### Oil Palm:

- Estimated 122,300 hectares under cultivation as plantation
- Over 200,000 hectares of farm land available for cultivation.
- 220,000 improved oil palm seedlings were raised in 2016 for distribution to farmers during the 2017 planting season.
- Another 650,000 improved oil palm seedlings raised in 2017 for distribution to farmers in the 2018 planting season.
- Availability of improved disease resistant and early maturing oil palm seedlings from the Nigeria Institute For Oil Palm Research (NIFOR), Benin
- In need of large scale oil palm processing companies for vegetable oil and industrial by-products used for soap, cosmetics, confectionery and palm kernel cake/ animal feeds.
- In need of off-takers to invest in the oil palm value chain.





NURSERY SITE AT OLEH

### Oil Palm Production

- To increase the number of hectares under oil palm cultivation in the State
- To encourage new entrance into oil palm cultivation.
- To increase the yield/ha of fresh fruit bunches.
- To encourage and create employment for youths thereby reducing youth restiveness.
- To improve farmer's income/livelihood.

### Oil Palm Processing - Value Addition

- To increase the production of palm oil for both local consumption and as raw materials for industrial use.
- Generate income of processors and improve their livelihood.
- To encourage export and foreign exchange.
- Generate employment and reduce youth restiveness.
- Reduce post-harvest losses.



OIL PALM NURSERY AT EJEME UNOR, ANIOCHA SOUTH LGA





### Rubber:

- Estimated 25,000 hectares under cultivation as plantations.
- Over 150,000 hectares of farm land available for cultivation.
- Availability of improved disease resistant and early maturing seedlings from the Rubber Research Institute, Iyanomo, near Benin City in Edo State..
- Opportunities for replanting and rehabilitation of old rubber plantation.
- Opportunities exist for the establishment of new rubber plantations and processing industries.

### Plantain/Banana:

- Estimated 980 hectares under cultivation but in small farm holdings ranging from 2-5Ha.
- Average yield per hectare is 28 Metric tonnes.
- Need to cultivate plantain/banana in plantations in order to increase yield.
- Need for the establishment of plantain/banana processing mills into plantain flour for local cuisine such as Amala, banana juice, flavours and cream.



PLANTAIN SUCKERS MULTIPLICATION CENTRE, OBIOR RESEARCH STATION (HARDENING CHAMBERS)

### Rice:

- Estimated 1500Ha under rice cultivation.
- Current production level of rice in Delta State is 5,250MT
- An average yield of 3.5MT/Ha.
- Over 100,000Ha available for rice cultivation across the abundant flood plains, mangrove swamps, and uplands suitable for rice production.
- Delta State has ecological support for rice cultivation.
- Can grow both upland and low land rice





- Need for large scale commercial farming
- Opportunities exist for the establishment of modern rice processing mills/de-stoners.

#### **Maize:**

- Maize is a cereal crop grown throughout the 25 Local Government areas of Delta State.
- It is grown in two (2) planting seasons per year; the early season maize is grown around March-June, while the late season maize is cultivated between August and October.
- An estimated local area of 90,000 hectares is cultivated annually.
- In the Delta South Zone, maize is majorly planted as an intercrop while in Central and North Zones, maize is planted as a sole crop.
- The average yield per hectare is 2 Metric Tonnes while estimated average annual production is 182,000 Metric Tonnes.
- Maize is either eaten directly from the cob as boiled or roasted corn, or process into flour, flakes taken as pap, known locally as Akamu or Agidi. It is an additive in compounding Livestock feeds and also have medicinal use.

#### **Tomato:**

- Tomato is a fruit vegetable grown everywhere in Delta State.
- It is cultivated in commercial scale in the Igbodo, Ekwuoma, Umunede axis of Delta North senatorial zone of the State.





- The varieties cultivated within the State are Roma VF, Ronita and UC82B, Ibadan local e.t.c usually sourced from NIHORT.
- Estimated 8,000 Ha is cultivated annually.
- Average yield per hectare is estimated at 25 tonnes/ha.
- Tomato is a multipurpose crop that has a lot of promising value added products such as establishment of cottage industries for tinned tomato.
- There is a huge market for tomato production and processing in Delta State.
- Opportunities for massive tomato production and processing exist in the State.

## AQUACULTURE DEVELOPMENT

- Establishment of fish farm clusters in 3 senatorial districts in Delta State.
- 60Ha of fish farm clusters established in 3 senatorial zones
- Increase in fish production by 7200 Mt annually
- Creation of rural prosperity and reduction of youth restiveness through: Creation of 3,000 direct jobs and 9,000 indirect jobs.
- Encourage individual and collective growth and innovativeness in fisheries enterprise

## Fisheries

- Delta State is endowed with adequate ecology for capture and culture Fisheries
- The State has an effective mid-water surface area estimated at about 80,437 hectares and





"CAMP 74 FISH FARM - ASABA

inland fresh water resources from the lower Niger Basin which has tributaries for fresh water aquaculture and shrimps' production.

- It has an expanse of mangrove swamps estimated at 347,032 Hectares which is available for brackish water culture of fin and shell fish.
- The fisheries sub-sector has a value chain made up of essentially production, processing and ancillary services, to which it gives priority in order to attain desired self-sufficiency and possible export.
- The production category involves fish seed production, fish rearing, fish feed production, brood stock production, fish farm management including farm supplies.
- Ancillary activities include storage, packaging, marketing, haulage, warehousing, distribution and all export related activities.
- Has jetties and ice plants for use by sea bound vessels and other artisanal fisher folks operating mechanised craft in coastal waters.
- Need for public private partnership (PPP) i.e, investors in fish processing industries for export and fish feed mills across the State
- Need training of fish farmers and capacity building for staff on best aquaculture management practises, fish handling techniques, storage, preservation and feed production technology.

### **Artisanal Fisheries**

- To increase the level of fish catch in the natural body of water, as well as improving depleted stock
- Increase income and improve standard of living for Rural Fishermen.
- Reduction in Rural Migration and Youth Restiveness.





YOUTH AGRICULTURAL ENTREPRENEURS AT WORK IN THEIR FISH FARM CLUSTERS DEVELOPED AND SUPPORTED BY THE STATE GOVERNMENT



AGRICULTURAL ENTREPRENEURS DISPLAYING THEIR RAW MATERIALS PRODUCTS AT THE STEP/YAGEP EXHIBITION AND BUSINESS FAIR, 2017

## Business Potentials

- Establishment of cluster Fish farms or Fish Estates in the State with the potentials to increase production to Seventy-eight thousand metric tonne table size fish in the State.
- Establishment of fish processing and packaging plant in the State to extend shelf life of smoked and dried fish that is sold to the end-user(customer)
- Establishment of fish feed mill across the State to reduce cost of production of fish for the fish farmer which will in turn make fish accessible to the common man.
- Establishment of Preservation facilities such as cold-rooms and industrial smoking kilns which will help preserve the 20% of fish losses daily of fish catch and get them in value added forms to the consumer.



DISTRIBUTION OF SUBSIDIZED FINGERLINGS TO FISH FARMERS

## LIVESTOCK SECTOR

### Poultry and Piggery:

- Has many big and private poultry and pig farms
- Annual production level estimated at 5,000,000 and 200,000 for Birds and pigs respectively.
- Need for the establishment of Meat Processing and Storage facilities across the State.
- Need for the establishment of Animal Feed mills.
- Establishment of Breeder Farms and Hatcheries.
- Establishment of Cattle Ranch





YOUTH POULTRY FARM AGRICULTURAL ENTREPRENEUR'S CATTLE REARING FARM, OWANTA

### Meat Processing:

Business opportunities in partnership with the Delta State Government in meat processing abound in the State.

- There are five semi-automated modern abattoirs at various stages of completion located at Boji-Boji Owa, Oghara, Ugbolokposo, Ughelli, Abraka and Koko.
- Each abattoir has the capacity for processing 150 cattle, 300 goats, 200 sheep and 100 pigs at a time.
- There is a huge and expanding market in processed meat in the State and beyond. That will stimulate local livestock production intensively as against the extensive (nomadic) rearing.
- Delta State currently consume an estimated 109,575 heads of cattle, 44,575 goats and sheep and 14,458 pigs annually with a huge unsatisfied demand.
- Other subsidiary business includes;
  - i. bone meal processing and packaging
  - ii. blood meal processing/ packaging
  - iii. meat packaging and distribution.
  - iv. meat shops
  - v. skins and hide collection



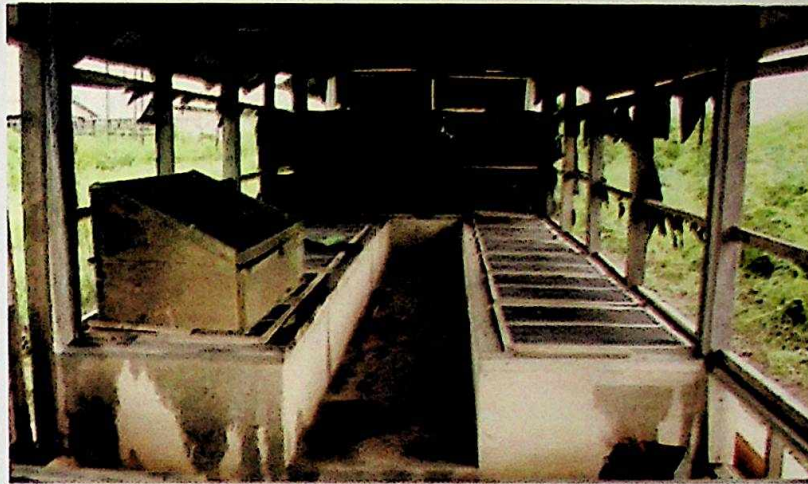
MEAT MARKET IN THE MODERN ABBATOIR, UGBOLOKOSO



## Micro-Livestock

Cane Rat Production, Snailery & Apiculture (Bee-Keeping)

- Cane-rats, snails and bees can be successfully reared in the State.
- Extension service for their establishment, management is available in the Delta State Agricultural Development programme (ADP). These are:
- Highly profitable businesses with great demand in the State.



A FAMILY OF CANERAT AT GOVT FARM OGWASHI-UKU

## AGRICULTURAL MECHANIZATION

- Provision of agricultural land development machinery for increase productivity.
- Requirement of earth moving equipment for pond construction, processing and storage facilities.
- Public Private Partnership (PPP) needed in the provision of tractors, heavy land clearing machinery such as bulldozers, low loaders, swamp bogey, tree pushers and root rakes which are best suited for our peculiar ecology.



LAND PREPARATION AT THE CASSAVA STEM MULTIPLICATION CENTRE AT

## SOME INTERVENTION PROGRAMMES IN AGRICULTURE

### The CBN Anchor Borrowers Scheme (CBN – ABS)

- A financial support model for small and medium holder farmers in Rice, Cassava and Aquaculture.



- Designed to increase production and supply raw materials to food processors.
- Over Sixty Thousand (60,000) farmers have been registered across the selected enterprises of Cassava, Rice and Fisheries.
- Commodity out growers are assisted to identify an anchor firm (Off taker / processor) and supported with loans at 9% interest rate by the CBN to increase their farm holdings.
- Reliable Off-takers are needed as investors for the execution of the programme.

#### **Accelerated Agricultural Development Scheme (AADS)**

- A special programme for the empowerment of youths within the ages of 18-35 years in cluster farms.
- Has the ability to generate jobs for unemployed youths.
- The State is participating in vegetables and fishery/piggery.
- Youths are invited to take advantage of this opportunity for their livelihood.
- Certified vegetable seeds suppliers are needed.
- When this programme commences, it will provide better enabling environment for agribusiness and market off-take of agricultural raw materials from the state.

#### **Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)**

- A Central Bank of Nigeria Project with a Public-Private agricultural business initiative which provides its clients with risk management.
- It attracts private sector finance to Agriculture.
- The State is participating in Oil palm and Maize value chain.



# 4

CHAPTER

## COMMERCE & INDUSTRY



By virtue of its array of raw materials for industries, skilled labour force and improved business environment, Delta State has huge investment opportunities in commerce and industry. The areas of investment opportunities include:

- Ethanol refining, cassava production, starch mill, garri processing mill, bread flour mill.
- Livestock/poultry businesses such as fish feed-mills.
- Palm Oil mill, soap/cosmetics factory.
- Rubber mill, plastic production.
- Large scale production of rice, plantain, tomatoes, yam & cassava.
- Small scale/cottage industries (expandable) for tomato paste, beads and
- Textile making (Making of traditional dresses).

### **DELTA STATE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY**

The Delta State Government recognizes that poverty is a threat to peace and security, to the socio-economic development of the state and the human race in general. To alleviate Poverty and drive socio-economic development at the grass root, the Government of Delta State acknowledges the contribution of microcredit delivery towards promoting productive self-employment, community development and diversification of the economy, especially to an agro based economy. To this





end, the Delta State Government established the Delta State Micro Credit Programme (DMCP) which was launched on the 14th December 2007. Delta State Micro Credit Programme (DMCP) facilitates the access of economically weak and disadvantaged segments of the population to productive assets and services with a view to making rural economies commercially active. The programme operates two windows: one caters for basic Micro-Credit Clients and is interest free, while the second promotes Cottage industries with single digit interest rate.

The under-listed are the Delta State MSME Credit Products:

- Smart Vocational and Technical Credit (SVTC)
- Leather Works Credit (LWC)



- Cold Chain Micro credit (CMC)
- Step Smart Credit (SSC)
- YAGEP Smart Credit (YSC)
- GEEP Smart credit (GSC)
- Micro Retailer Credit (MRC)
- Business Support Credit (BSC)
- Agricultural Credit (AC)
- Cottage Industry Development Credit (CIDC)

The Delta State Micro, Small and Medium Enterprises Development Agency has disbursed credits under the different categories above amounting to Eight Hundred and Thirty-Five Thousand, Seven Hundred Million (N835, 700, 000) from the month of September 2015 till date. This sum was disbursed to 6,252 Co-operatives, 2,635 male beneficiaries, 3,617 female beneficiaries and 1,975 across the three Senatorial District of the state through Ten (10) Micro Finance Banks.

#### LEATHER WORKS/SHOES FACTORY, ISSELE-UKU

Delta State Micro, Small and Medium Entrepreneurship Centre, is situated at Issele-Uku in Aniocha North Local Government Area. The Centre is equipped with state of the art equipment for the production of leather works and shoe making. The idea behind this is to manufacture leather products that will be of the same or a better quality than those made in abroad and by doing so, Delta State will be launched into the world of quality shoemakers.







The leather works and shoe factory commenced the training of Deltans from across the 25 Local Government Areas of the state in batches of twenty to be trained by the expatriates from UNIDO (the development partners). To date 280 persons have been trained. A robust train the trainers programme is ongoing for sustainability. The essence of this window is to encourage growth of clusters of well-trained artisans across Delta State who are well-seasoned in value addition of leather works production, creating a niche for this market and ensuring self-reliance for the entrepreneurs.

Apart from the leather works/shoes unit of the centre, there are other units like, the palm wine brewery, pineapple juice processing, Baking and Confectioneries, flour processing (cassava, yam, beans plantain, rice and gari), Disinfectant/Insecticides and Cosmetic, Jewellery and millinery unit. The State Government is also equipping and training about 2,000 women in Akwaocha weaving



to alleviate the plight of the rural women in that trade after a long cry for economic assistances. The training is in batches of 65 persons at a time after which they will be empowered with the most recent Akwaocha weaving machine that is easy to operate and more efficient. This magnificent gesture of the state Government is geared towards making the Delta State Akwaocha readily available to customers and to massively increase the customer base, beyond its current reach.

The investment opportunity offered by the Delta State Micro, Small and Medium Enterprises Development Agency is in the area of organising the already trained beneficiaries into clusters, providing funding, equipment and market for the products.

### **DELTA FISH FEED MILLS**

The Delta State Government, in conjunction with some Core Investors set out to establish Four (4) Fish Feed Mills in four different locations across the state, under a Public-Private Partnership (PPP) arrangement. SO far, two of the Feed Mills have been fully installed, while equipment for the remaining two are warehoused at their respective locations. The Feed Mills were intended to reduce the attendant high cost of inputs in aquaculture farming in the State being the host to the largest fish farm cluster in West Africa sub-region.

The capacity of each of the Feed Processing Factory range from 12 – 24 tons of fish feeds per day depending on the number of hours of operations. Feed are available in pellets size from 1.2mm - 8mm. It is also suitable for the production of shrimps, cat, Dog and poultry feeds. The Feed Mill is an integrated plant incorporating a Steam Boiler, for warming and drying operations, auto-weighing and auto-packing systems.

A survey around the project locations in Uvwie and Ika local government area reveals that there is, on the average, about five hundred (500) fish farmers with an annual average capacity of 10,000 tons of fish production. At a feed to weight conversion ratio of 2:1, the yearly feed requirement of this primary target market is about 20,000 tons. Considering the other Local Government Areas around the project location where in fish farming is also widely practiced, the overall requirement for fish feed is well over 200,000 tons per annum; and given the limited local production of high quality feeds, the market for the envisaged products is enormous.

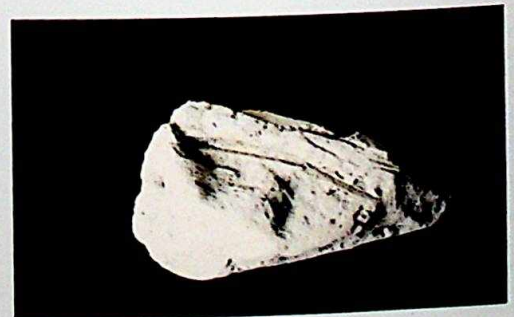
The Delta State Government welcomes Investors who are interested in acquiring majority shareholding in the Feed Mills under mutually acceptable Public Private Partnership arrangement or taking up the responsibility of operating the Delta Fish Feed Mills as a Concession. Such Investors will provide the required working capital to run the ventures and pray rentals to the Government.



# CHAPTER 5 SOLID MINERAL RESOURCES

Delta State has abundant investment opportunities in the solid minerals sector. The State has rich deposits of minerals for commercial exploitation and processing. A number of studies have been undertaken by the Raw Materials Research and Development Council (RMRDC), an agency of the Federal Government, on their uses and application.

**BENTONITE** – With proven reserves of more than 10 billion MT of Bentonite in Nigeria, and proofs that our local clay meets the current A.P.I Standard by beneficiation, it's sad to know that the sodium Bentonite is still stereotyped as a temperate mineral, and rather unfortunate that both the steel, oil and gas companies in the Niger Delta and Africa still import this rare mineral. There are currently no Bentonite Production plants in Africa and 100% of the mud used in drilling oil wells in Nigeria and all over Africa is imported mostly from the United States. A lot of revenue could be generated in revenue annually and thousands of jobs created especially in Delta State as major deposits have been found respective areas.





It is our privilege to invite investors to Delta State to participate in the establishment of this landmark project as pioneers. The plant will enjoy pioneer status, which will translate into significant benefits to the investors, Government and people of Delta State, and Nigeria in general. It is envisaged that the plant will in less than five years be a dominant supplier of Bentonite to oil and gas companies and other companies operating in Nigeria and Africa at large.

**CLAY** - Large deposits of variegated clay mineral types abound in most parts of the State. The volume of this mineral is such that about 55% of the entire land mass of Delta State is Clay. Only a minor percentage of this resource however is presently being utilized. Clay mineral is a group of important hydrous aluminium that contains significant amounts of iron, alkali, metal and or alkaline earths. It is useful for drilling in petroleum extraction and



as catalyst in petroleum refining and as a decolorizing agent in the processing of minerals and vegetable oils. Other industrial purposes for which the mineral can be used include the manufacture of Refractory products, Insulators, Pottery, Brick, Paving stones and Slabs, drainage and sewage pipes amongst others. With about 55% of the entire land mass of the State being underlain by industrial clay, the occurrence cuts across several Local Government Areas (LGA) like Bomadi, Ughelli South, Patani, Warri North, Warri South West and along the coastal regions of Isoko North and South LGAs.

**SILICA** - This mineral which is useful in pottery and glass making is available in large deposits in most parts of the State. The mineral is currently being used in the manufacture of glass by Beta Glass Company, Ughelli. The entire State is well-suited for silica related ventures such as the production of bottles and glass sheets, bulbs, fuse, mirror, headlamps as well as abrasive and temperature resistors. Vast deposits occur at Ughelli North and South, Udu and Warri North and Warri South West LGAs



**LIGNITE** - Lignite deposits are situated in a number of locations within the State. Principal deposits of this mineral however are found in Obomkpa, Ogwashi-Uku in Aniocha South local government areas and also in Okpanam in Oshimili North Local Government Area. The proven tonnage of this brown coal from the State is over





175 million tonnes. The deposit beds lie close to the surface thus making it easy to excavate at low cost. Since dry lignite contains about 60 to 75 percent carbon, it could be put into most carbon related ventures as raw materials. Besides, it is also used for power generation.

**KAOLIN** - Huge deposits of this mineral exists in the State (over 124.4 million tons reserve in various part of the State). Kaolin usage in Delta State is insignificant as only few paint manufactures besides the locals who use is for medicinal purposes and decorations. This mineral is a raw material for the manufacture of ceramics wares, pharmaceuticals, Dento-ceramics. Electro-ceramics. Sanitary Wares, Table Wares, Tiles. It is also used in the production of paints, paper, Tiles, Filter in plastics, Chalk, porcelain wares, and insulators amongst others. Vast deposit of Kaolin occurs at Ozanogogo in Ika South Local Government Area; Ubuluku in Aniocha South Local Government Area and Okwunzu in ANiocha North Local Government Area.



Mineral and Natural Resources	Investment opportunities	Products
Kaolin.	Mining, Ceramic industry, Kaolin Processing Industries,	Tiles, chalk, porcelain and table wares, sanitary wares, sewage pipes, Kilns and furnaces, insulators and uses in Pharmaceuticals, paints, Textile, paper and adhesives industries
Silica.	Mining, Glass industries, silica processing industries	Bottle and Glass making- bulb, fuse, Mirror, head -lamp, louvers etc, abrasive, Glaze and refractory Products.
Clay.	Mining, Clay processing Industry,	Bricks, pottery, ceramic insulators, sewage pipes, paving stones/slabs, tiles and sanitary wares.
Lignite.	Mining	Coal to power electricity plants.
Bentonite	Mining	Dyes and polishes, sealants, emulsifiers, drilling.



# CHAPTER 6 OIL & GAS



Due to the strategic location of Delta State in the oil rich Niger-Delta Region of the Country, it provides the operational base for multinational oil companies. The oil and gas sector is a very viable sector open to both local and international investors. The Delta State Government is committed to diversify and strengthen the State's economic base without neglecting Oil and Gas. Delta State is endowed in this sector as one of the leading producers of both crude oil and natural gas.

Immense investment opportunities abound in both upstream and downstream sub-sectors of the industry as shown below:

- **CRUDE OIL.**

**Upstream:**

- Surveying.
- Geodetic control establishment.
- Mapping tropical and planimetric.
- Sea bottom surveying/ investigation.



### **Civil Works**

- Site surveys.
- Preparation of drilling locations.
- Constructions of access roads to drilling locations.
- Construction of mud pits and slabbing or concreting jobs at rig sites.

### **Seismic Data Acquisition and Interpretation**

- Seismic party services.
- Supply of special consumables such as dry write papers, steel casing used in the short hole as well as recording equipment and spare parts.

### **Geological activities**

- Wireline logging.
- Core analysis.
- Geological Studies.
- Geochemical Studies

### **Drilling Operation**

- Drilling and work over rigs.
- Field transportation of equipment for haulage and rig movement.
- General and specialised services such as case running cementation welding driving and catering.
- Provision of muds and other chemical.
- Crude Oil production, Transport & Storage.
- Construction and maintenance of crude oil production facilities (flow stations, pipelines, wellheads etc.).
- Construction and maintenance of storage tanks, terminals etc.

### **Downstream:**

#### **Refining**

- Establishment of modular refineries and petrochemical plants.
- Establishment, Construction and Maintenance of storage tanks for refined products.
- Transportation of refined products.
- Marketing of refined products.



## Gas

- Establishment of Gas treatment plant for domestic and industrial use.
- Establishment of gas powered generating plants.
- Fertilizer plants.
- Exportation of Gas.
- Domestic marketing.
- Construction of Gas pipelines.
- Pipe laying.

## POWER AND ENERGY

A wide area of investment potentials is open to core investors in the critical sector of power generation, transmission and distribution. For a state that is in the forefront of the generation of thermal electricity in Nigeria, added premium has been given to the establishment of independent power generation through Public Private Participation (PPP). It is trite knowledge that power drives socio-economic activities of a society and ultimately accelerates its holistic development.

In realisation of this important factor in the government's desire to fast track development, the State is currently building an Independent Power Plant (IPP) in Oghara, Ethiope West Local Government Area, to complement power supply from the National Grid. The power and energy needs of the state will be further assuaged if diligent players in the sector invest in IPP with or without the collaboration of the state government.

Investment opportunities exist in the areas of:

- Solar Energy.
- Gas powered.
- Bio Powered.
- Wind Powered.
- Hydro Powered.



# 7 CHAPTER

## ESTABLISHMENT OF INDUSTRIAL ESTATES



Delta state is currently promoting the establishment of two Industrial Parks namely: Kwale Industrial Park (PIK) and Sapele Industrial City (SI-CITY).

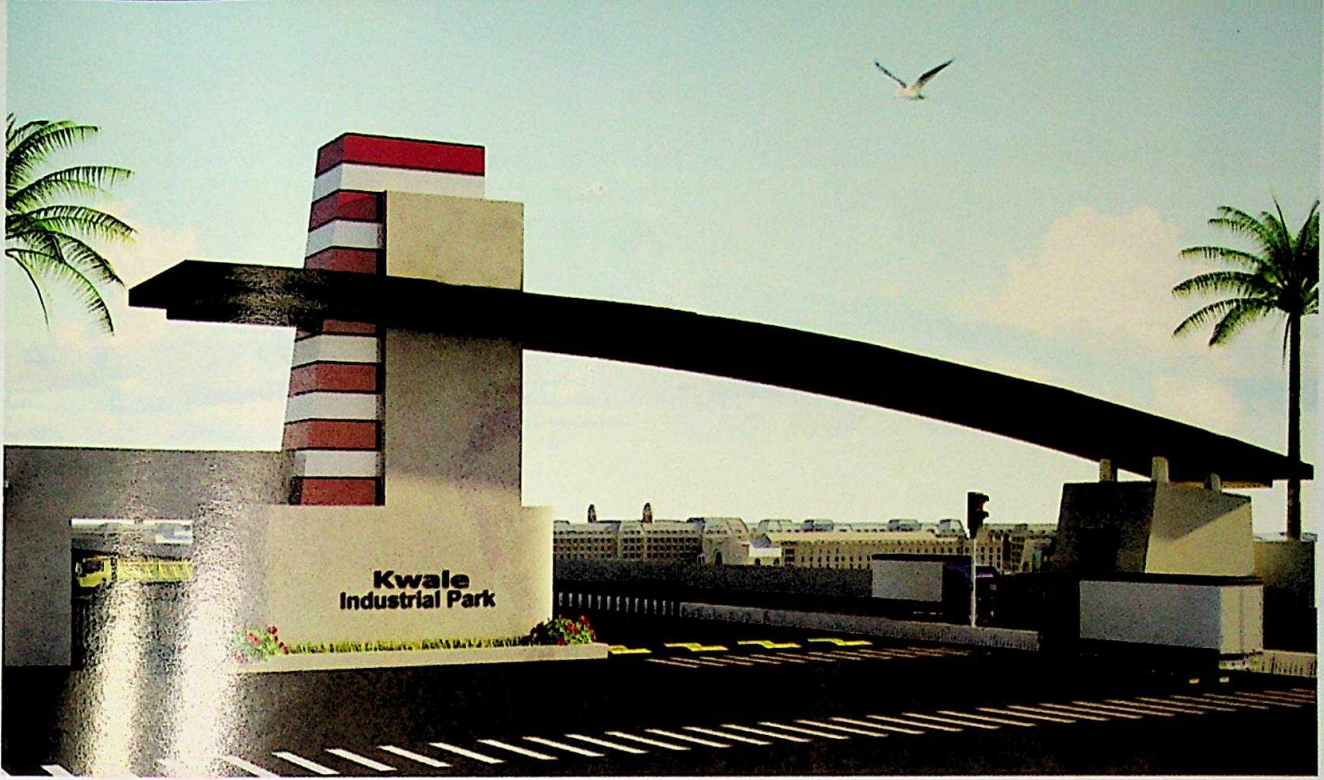
### 1. THE KWALE INDUSTRIAL PARK (KIP)

Kwale Industrial Park (KIP) is one of Delta State Government's (DTSG) strategic initiatives for industrialization. KIP is located along the Ughelli-Asaba expressway, 94km from Onitsha and about 92km from Warri port. Onitsha is the commercial nerve centre of South-Eastern Nigeria and home to one of Nigeria's largest markets. Warri is a major gateway to export markets. KIP is being developed to be the go-to place for manufacturing in West Africa, offering compelling competitive advantage that will have direct bottom-line impact for manufacturers.

#### **Scope of Industrial Activities**

The Park spans about 10Km<sup>2</sup> and is a private sector led initiative with significant backing of the DTSG. When completed, it will be Nigeria's Glass, Ceramic and Plastics Manufacturing Corridor offering the most exciting location for primary industries as well as numerous secondary industries that will arise thereof. It will serve local, regional and international markets.



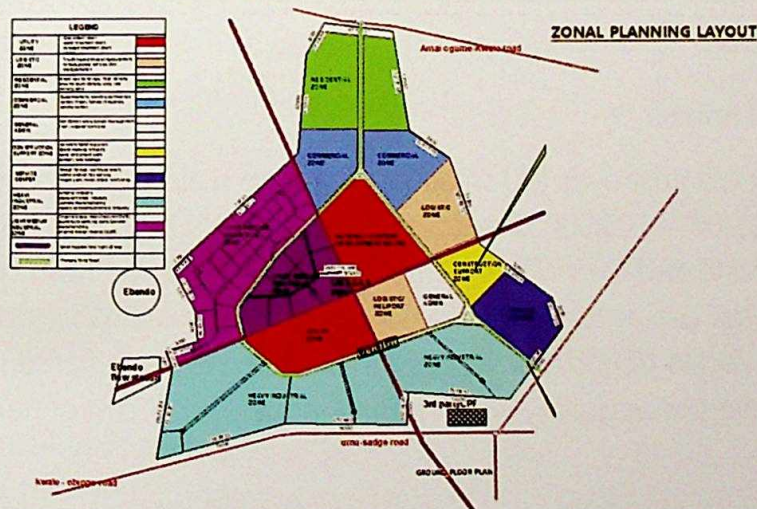


PROPOSED PARK ENTRANCE

## Competitive Advantage of KIP to Tenants

KIP leverages Delta State's abundant natural gas resources to provide a location that offers:

1. Highest reliability in terms of gas and power supply – the Park offers the most robust gas supply and delivery system ever designed in Nigeria to overcome the traditional challenges of gas availability and reliability in other locations across the country. The delivery system comprises near-site captive gas supply from producing gas fields within 10-20km radius, access to the back-bone OB3 gas pipeline for additional supply, on-site LNG storage for back-up gas supply. No other location offers the mix and redundancies in energy sources that will guarantee uninterrupted energy supply.

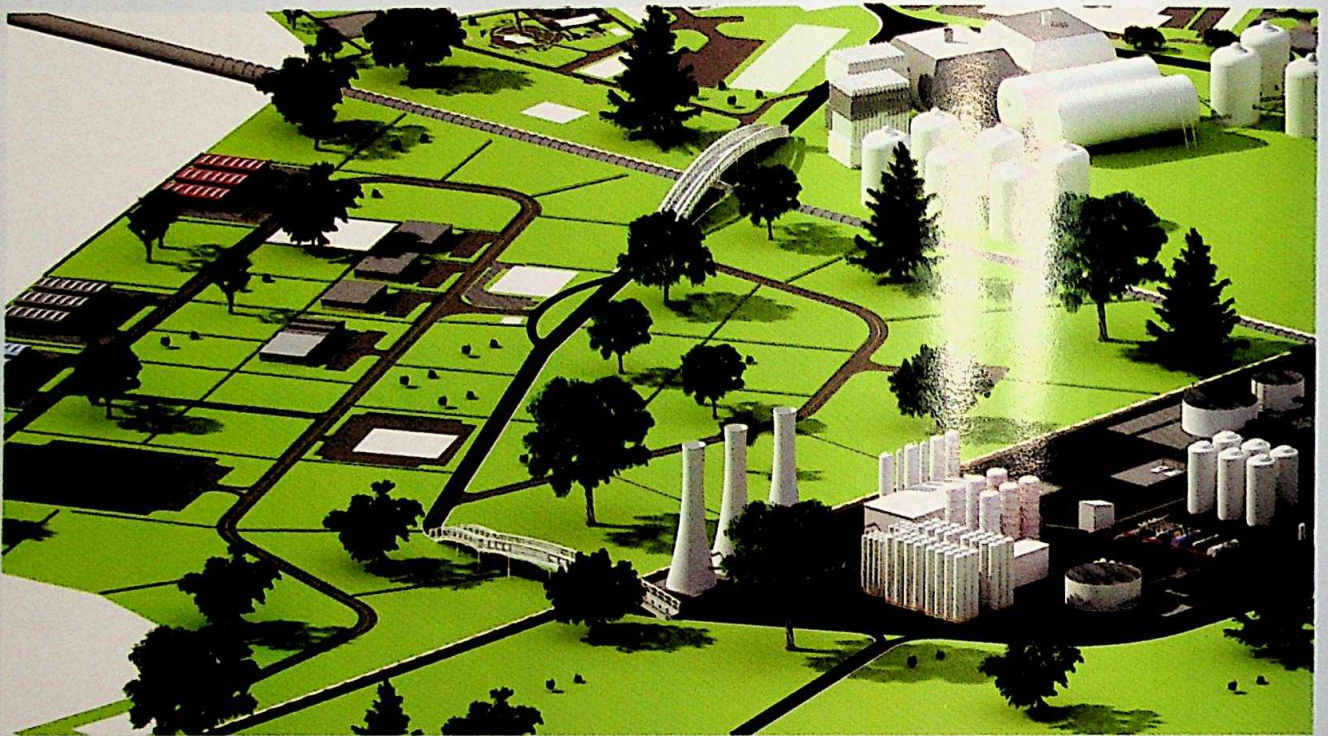


PARK LAYOUT



2. Uninterruptible Power will be provided from a captive on-site 30-50MW IPP
3. Compelling energy end-user price that is designed ab-initio to be 10-20% cheaper than competing industrial park locations across the country whilst still offering superior availability and reliability.
4. An efficient on-site administration and one-stop system to reduce cost and time to setup and begin operations.
5. Unparalleled cost-competitive access to local markets and ports, leveraging bespoke LNG-fired trucks that offer over 25% fuel savings and distribution cost

The Park's bespoke design enables direct bottom-line savings for manufacturers located therein. It will be Nigeria's industrial park location with the most traction.



PANORAMIC VIEW OF PROPOSED ENERGY ZONE IN THE PARK

### **Economic and Social Impact**

Kwale Industrial Park will host over 100 small and medium scale industries when mature. At peak, it will create over 50,000 – 100,000 direct and indirect jobs and about N500m in direct annual tax earnings to the state and over N2.8b in annual national income from corporate tax and VAT. Exclusive use of natural gas as fuel will also contribute to a sustainable operating environment, utilization over 30MMscf/d of gas that would otherwise have been flared. The use of LNG-fired trucks will also improve the air quality whilst reducing the overall cost of transportation.





CROSS-SECTION OF PROPOSED COMMERCIAL AREA

## Investment Opportunities

KIP offers high-return investment opportunities for potential investors. It is designed to attract the best manufacturers to site and to create a high-yield return for all participants. Diverse investment opportunities that exist for investors include;

1. Gas gathering, processing and storage infrastructure. Estimated investment of about \$23m and expected IRR of about 20-30%;
2. 30-50MW IPP for captive generation to the industrial park and scope for future expansion into the national grid;
3. Real estate development covering residential and commercial developments for staff and workers in the KIP. An estimated 40-50,000 workers across all cadres will need to be housed in and around the KIP location, creating a captive market for real estate development;
4. Site infrastructure development including roads, drainages, internet broadband etc.,
5. Water, including waste water treatment investment.

## Status of Park Development

Park is planned to be operational in Phases with the first phase planned for Q4, 2019. Steady progress being made include;

1. Land acquired by the DTSG and being finalized for handover to the project
2. Free Trade Zone (FTZ) status application ongoing
3. Finalized gas supply infrastructure engineering and investment in 20km gas supply pipeline plus 30-50MW IPP commencing
4. Ongoing marketing of anchor tenants



## 2. THE SAPELE INDUSTRIAL CITY (SI-CITY)

The Sapele Industrial City (SI-City) is a safe haven – free trade zone (FTZ) industrial city conceptualized by Exerneum Resources Limited (ERL) to utilize the vast oil & gas reserves within Sapele and its environ as source of energy to drive manufacturing and industrial development with the aim to achieve the economic diversification goals of the Delta State and Nigerian Government.

### The SI-CITY is divided into six districts:

- Oil & Gas District,
- Energy & Power District,
- Manufacturing Estate,
- Marine & Jetty,
- Business District,
- Residential Estate.

### Investment Opportunities and Existing Oil Assets

#### Oil and Gas District:

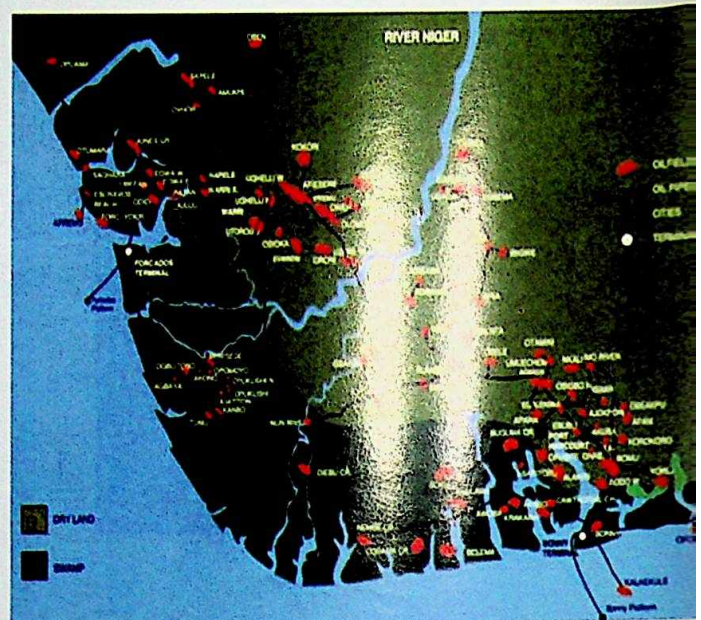
- Crude Oil Terminal
- Refinery and Petrochemical Facilities
- Gas Gathering & Processing Facilities
- LPG Processing Facilities
- Fertilizer Plants

#### Power & Energy District

- Gas to Power Generating Plants,
- Power Transmission Facilities,
- Power Distributing Facilities,
- Alternative Energy Facilities.

#### Manufacturing District

- Petro-Chemical industries, Fertilizer, etc
- Food Processing Facilities,
- Rubber Processing Plants,
- Oil Processing Mill,
- Ethanol Processing Plants,
- Flour Mills,
- Wood & Furniture Factories,





- Paper Mills,
- Cotton & Textile Mills,
- Steel Manufacturing Facilities,
- Pipe Rolling and Coating Plants,
- Tyre & Tube Manufacturing Plants,
- Plastic Production Plants,
- Electrical Wares & Cable Manufacturing Plants,
- Bitumen Processing Plants,
- Auto Mobile Assembly Facilities,
- Generators & Heavy Duty Machinery Assembly Plants,
- ICT Manufacturing Plants.

### **Marine & Jetty Terminal**

- Sea Ports and Jetties,
- Benue River Channel Dredging & Maintenance Corporation,
- Oil & Gas Offshore Logistics Base,
- Oil & Gas Fabrication Workshops,
- Subsea Centre of Excellence,
- Offshore and Marine Training Facilities.

### **Business District**

- Office Buildings,
- Bank Buildings,
- Government Regulatory Agencies Buildings
- Ware Houses
- Shopping Malls
- Market Complex Buildings

### **Residential Estate**

- Accommodation Buildings
- Medical Centres,
- Religious Centres,
- Recreational Centres
- Canteens,
- Supermarkets.



## EXISTING OIL AND GAS ASSETS

### OML 41

**Operator:** Seplat Petroleum Development Company Plc

Sapele West Flow Station: 60,000 bpd

Sapele Gas Compressor Station: 30MMSCFD

Sapele Gas Plant: 30 MMSCFD

Ogborhen Oil & Gas Plant 30,000 bpd

### OML 38

**Operator:** Seplat Petroleum Development Company Plc

Amukpe Flow Station: 45,000 bpd

Amukpe Gas Compressor Station: 16.2 MMSCFD

Platform Umutu Flow Station: 5000 bpd Operated by Platform Petroleum

### OML 4

**Operator:** Seplat Petroleum Development Company Plc

ObenFlow Station: 60,000 bpd

Oben Gas Plant: 240,000 MMSCFD

Oben Gas Compressor Station: 50 MMSCFD

### OML 111

**Operator:** NPDC

Oredo Flow Station: 10,000 bpd

Oziengbe Flow Station: 10,000 bpd

Ologbo 1 Flow Station: 10,000 bpd

Ologbo 2 Flow Station: 10,000 bpd

### OML 98

**Operator:** Pan Ocean

Ovade Flow Station: 15,000 bpd

Pan Ocean Ologbo Flow Station: 15,000 bpd

OvadeOgharaefe Gas Plant: 200 MMSCFD

### OML 49

**Operator:** Transnational Energy Limited

Abigbrodo Flow Station: 10,000 bpd

Abigborodo Gas Station: 70 mmscfd

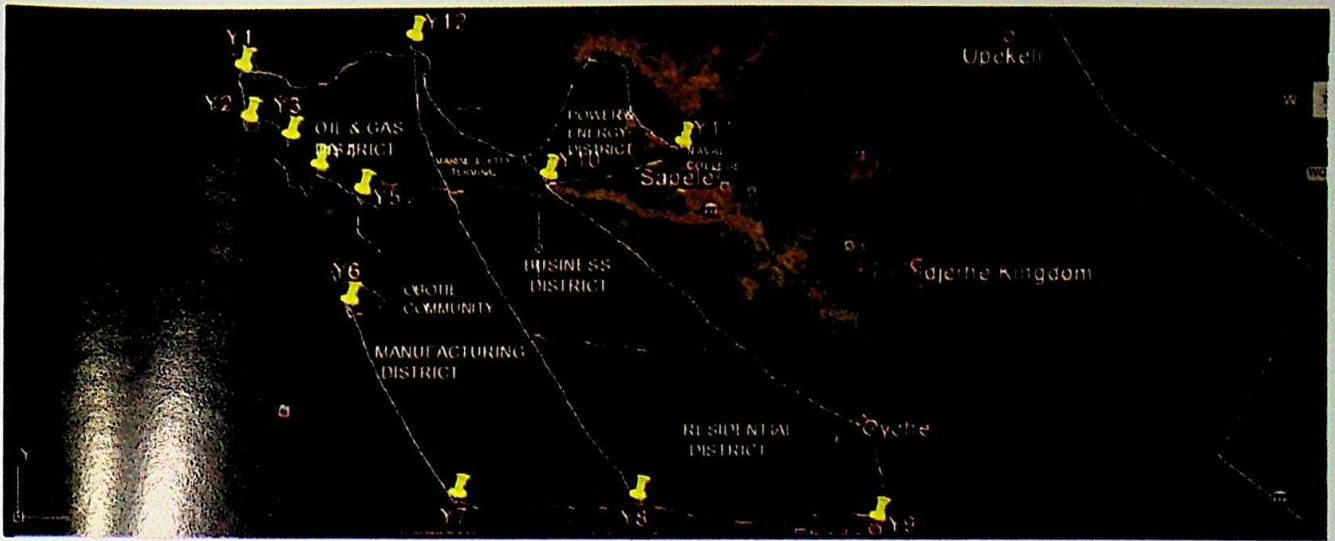
### Ogorode Power Station

**Operator:** Niger Delta Power Holding Company

150MW Proton Energy Gas Plant (New and On-going Project)

**Owner:** Proton Energy Limited.





## Asca Bitumen Company Limited

Owner: Asca Bitumen

### Sources of Raw Materials

- Dafinone Rubber Plantation,
- PAMOL Palm Oil Plantation,
- Ore Agro City
- African Plywood Industry Limited,
- Ajaokuta Steel Company Ltd,
- Delta State Company Ltd,

The SI-CITY is conceptualized to become the largest industrial city in Africa with a proposed land mass of about 12,000 hectares and an independent and integrated source of energy.

The SI-CITY is not just to make Delta State remain centre of attraction for oil and gas exploration and development investment in Nigeria but also to become the centre of attraction for manufacturing in Africa.

### COMPARATIVE ADVANTAGES AND ATTRACTION OF LOCATION

- i. SI-CITY has potentials to attract 50 billion USD investments to the economy of Delta State and create 2 million jobs within the next 25 years.
- ii. Strategic Geography & Geology
- iii. Independent Source of Energy – 10Tscf of Gas & 1bbo
- iv. Dry Land for Construction Works
- v. Access to Atlantic Ocean through Benin Deep River (20m @ quay side and 8m @ Escravos Bar that required dredging maintenance works)



- vi. Accessible Road Networks – East West Road
- vii. Proximity to Osabi International Airport within 20 minutes drive and Benin City in 30 minutes.
- viii. Proximity to Potential Raw Materials Supplies Chain - Rubber Plantations, Oil Palm, Delta Steel Company, AT&P, Songhai Amukpe, etc
- ix. Existing facilities - Sapele Oil & Gas Plant, Amukpe Oil & Gas Plant, NGC Pipelines, Existing Ports & Jetties, Ogorodo Power Station, Asca Bitumen Depot, Flower Mill, Top Feed Plant etc
- x. Existing Companies – SEPLAT, Ogorode, Asca, Flower Mill, TEL, Top Feed, NGC, NPDC, Pan Ocean etc
- xi. Huge Market Potentials
- xii. Safe and Secured Heaven – Nigerian Navy Logistics Base & Engineering College
- xiii. Potentials to attract investors – Master Planning to explore optimum potentials

#### BUSINESS MODEL

The SI-CITY is conceptualized as a public-private partnership business involving strategic partnership between:

**The Host Communities** - to provide land resources measuring 12,000 hectares as equity participation.

**The Delta State Government**- to provide the enabling environment, peace and security and facilitate procurement of Core Investors and Anchor Tenants/Off-takers through investment promotion activities. In particular, the functions to be performed by Delta State government shall include the following:

1. Land Survey & Mapping,
2. Land titles & C of O,
3. Facilitation of Government permits/approvals,
4. Facilitation of involvement of international NGOs like the UNIDO, World Bank, IMF etc
5. Provision of security and guarantees for private investments.

**The Technical Partner** - technical supports services in the development and management

#### CORE INVESTORS/DEVELOPMENT PARTNERS:

1. Funding for the development of the SI-CITY districts and infrastructure.
2. Technical expertise for development and operations of SICITY.

**Sapele industrial Corporation:** A special purpose vehicle shall be established by the primary



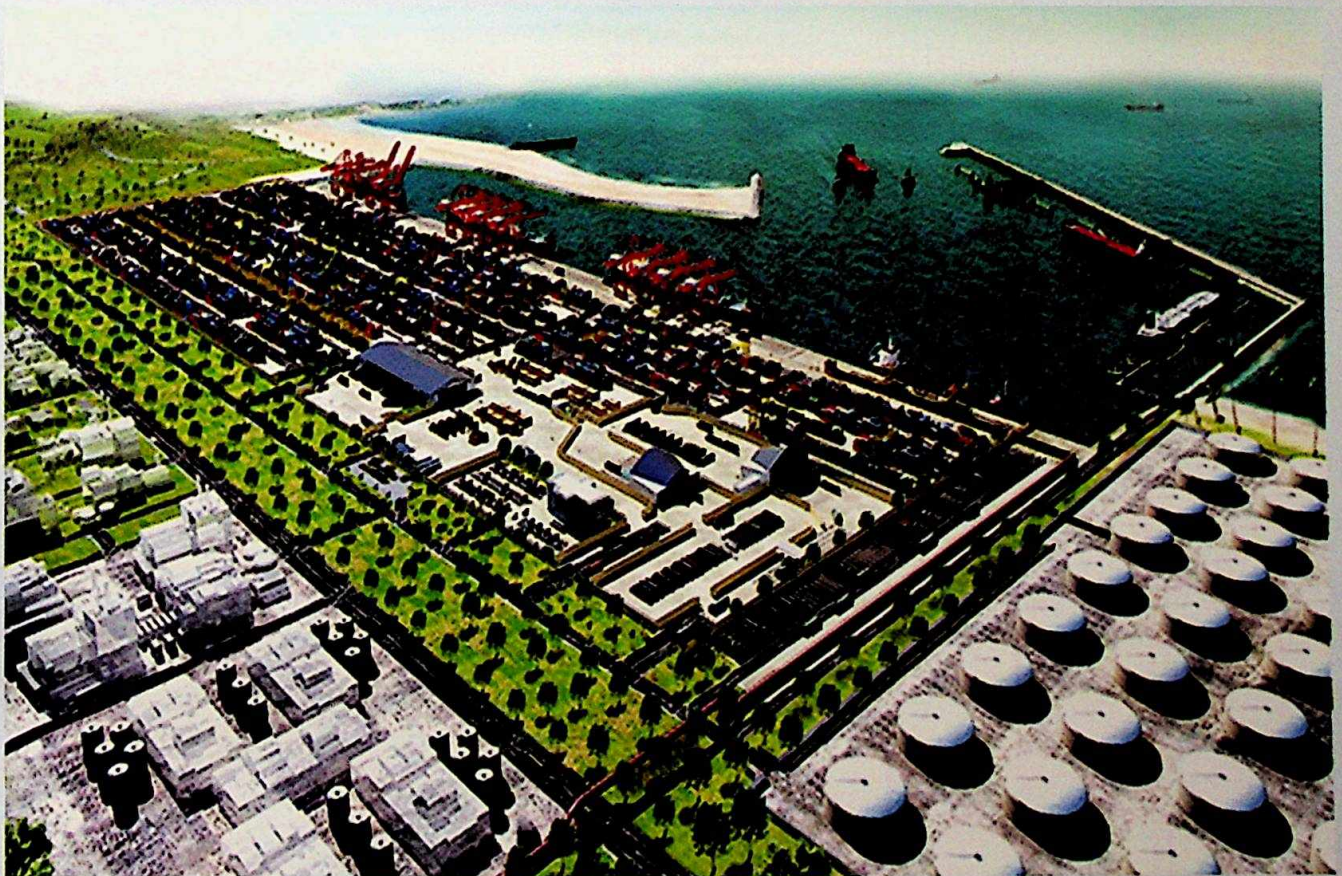
stakeholders for the purpose of developing and managing the SI-CITY.

INVESTORS to acquire or lease lands within districts of the SI-City to develop their factories, plants, facilities and businesses etc within the design specifications and requirements of the SICITY Master Plan.

### PHASED DEVELOPMENT OF SI-CITY

SI-CITY Development shall be in Phases as presented below:

- Phase 1 Development: Master Planning and Basic Infrastructure Development
- Phase 2 Development: SICITY Major Infrastructure and Districts Development
- Phase 3 Development: Development of Associated Infrastructure for Transportation and Raw Materials Supply.





## **Advantage Of The Proposed SI-CITY Over Others Industrial Parks:**

- i. Safe Haven - FTZ
- ii. Independent Source of Energy (10tcf)
- iii. Integrated Energy & Power District
- iv. Proximity to Potential Raw Materials Supply
- v. Access to Atlantic Ocean
- vi. Accessible Road Networks
- vii. Proximity to International Airport
- viii. Existing Capital Infrastructure & Assets
- ix. Huge Market Potentials

## **Benefits Of Si-City To Delta State**

- Serves as prime-mover for industrial development and diversification of economy of Delta State and Nigeria in general.
- Attracts investments in excess of 50 Billion USD to Delta State within the next 15 years.
- Creation of jobs and wealth for the people and Government of Delta State with an objective of accelerating economic growth, reducing poverty and achieving the Millennium Development Goals.
- Massive infrastructural development and urbanization of Delta State.
- Potentials of developing multi-billion USD allied agricultural raw materials industry within Delta State.
- Provide opportunity for research and development in the tertiary institutions in Delta State.
- Provide opportunity for human capacity development through technology transfer.
- To change the socioeconomic equation of Nigeria, thereby making Delta State the centre of commerce and industries in Nigeria.

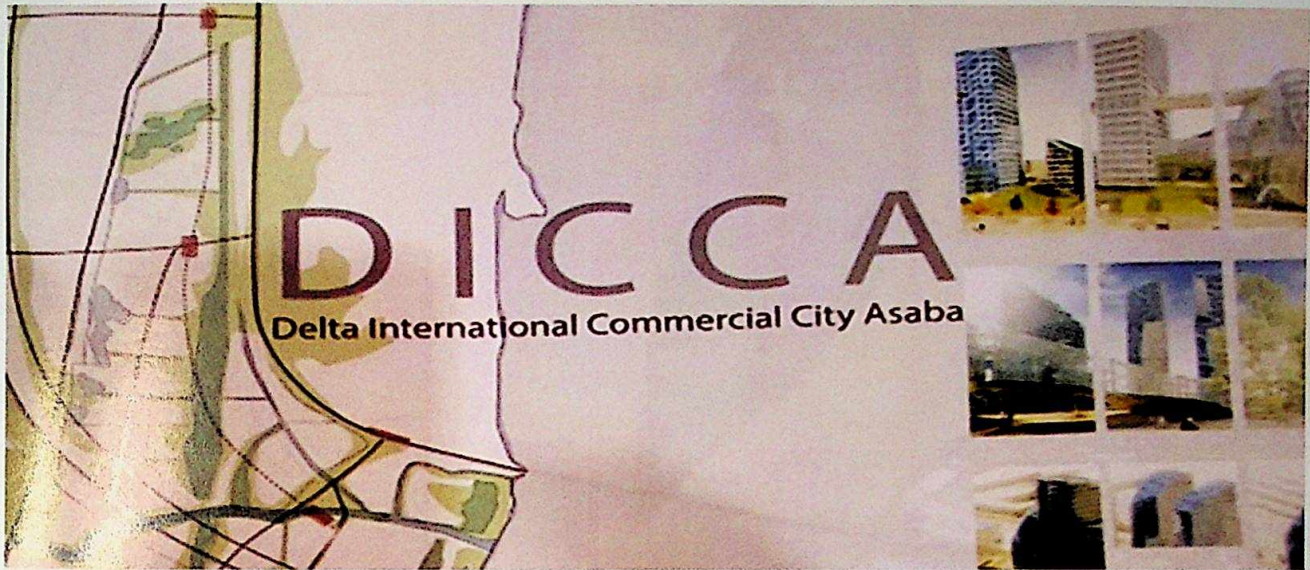
## **3. DELTA INTERNATIONAL COMMERCIAL CITY (DICCA)**

### **The Purpose**

A Special Purpose Vehicle (SPV), DICCA Ltd, has been established to accommodate the Public Private Partnership (PPP) to develop 366 hectares of virgin land that is straddled in between the existing and the proposed second Niger Bridge in Asaba, Delta State – Gateway to the South East and South-South.

DICCA Ltd SPV is seeking Build Operate and Transfer (BOT) partners/investors to undertake specific developments within the new city. Its strategic focus is to drive Economic Growth and Urban Regeneration; DICCA's Vision is that of "A place where people want to Live, Work, Play and Invest".





### **DICCA: Overview Of Key Locational Advantages**

DICCA possesses the following locational advantages:

- i. Sandwiched between two states –DELTA AND ANAMBRA with a cumulative Population of 11 million people apart from the high transit population as a gate way to the SOUTH EAST with its attendant high commercial activities.
- ii. Located on prime 366-hectare site along the Benin – Asaba Expressway;
- iii. 10 minutes' drive from the Asaba International Airport to the west and Onitsha market (largest commercial hub in West Africa) to the East.

### **DICCA: Current Status**

The following have been accomplished in partnership with private sector through DICCA Limited partnership with DTSG and the Private sector;

- Spatial Master Plan (SMP) concluded; and
- Land (Title) issued to the SPV.

### **DICCA: Investment Opportunities**

The following are the expected investments during Phase 1 (4years) which are estimated to cost about \$4billion.



**WHERE TO INVEST:**

**Luxury apartments**

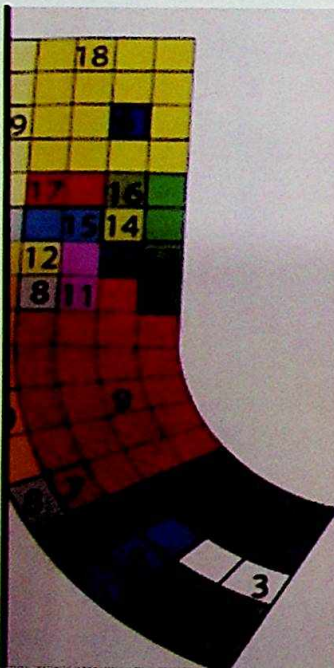
**Hotels, shopping malls**

**Light industrial Units**

**Schools and Community Facilities**

**Power Supplies**

**Sewage Treatment Plant.**



**DICCA**

Delta International Commercial City Asaba

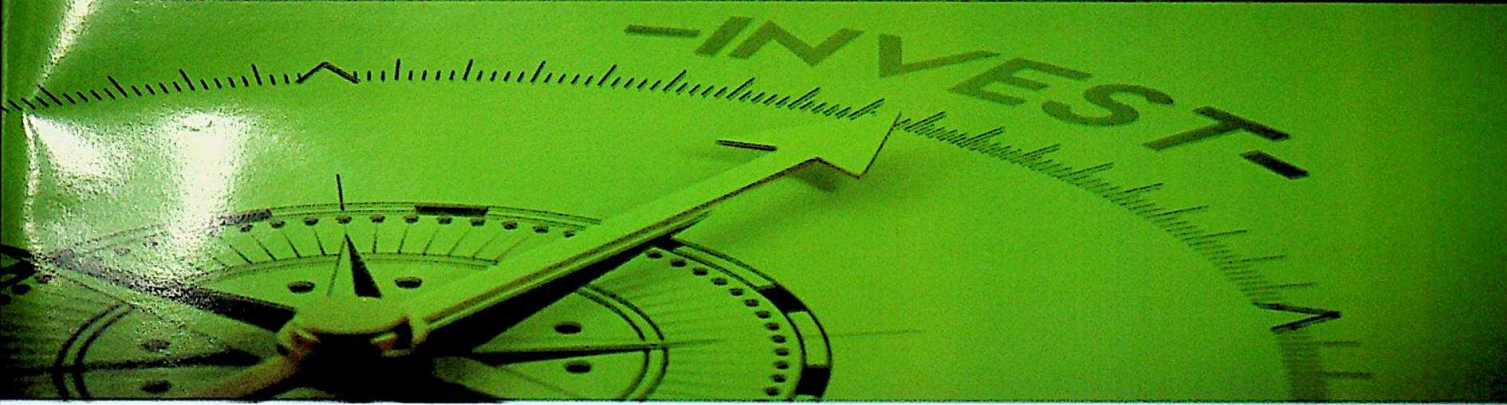
ZONING	LAND AREA Ha	CONSTRUCTION VALUE (USD MILLION)	GRAND TOTAL LAND BUILDING Ha	RATIO OF CONSTRUCTION LAND TO TOTAL LAND BUILDING	BUILDING SURFACE PROPORTION Ha
1	24	12	12	1	12
2	16	8	8	1,2	9,6
3	8	4	4	1	4
4	18	8	8	0,5	4
5	12	6	6	1	6
6	12	6	6	0,5	1
7	4	2	2	1	2
8	12	6	6	1	6
9	84	42	42	0,5	21
10	20	10	10	1,5	15
11	8	4	4	1	4
12	4	2	2	1	2
13	16	8	8	1	8
14	4	2	2	0,5	1
15	8	4	4	0,5	2
16	4	2	2		2
17	8	4	4	1	4
18	60	30	30	1	30
19	20	10	10	1	10
<b>TOTALE</b>	<b>340</b>	<b>170</b>	<b>170</b>		



CHAPTER

# 5

## EXISTING INVESTMENT INCENTIVES



At the national level, there are investment incentives enunciated by the Federal Government of Nigeria, which apply throughout the country.

### **Tax-Related Incentives**

Tax holiday for “pioneer” industries Pioneer status is a 7-year tax holiday granted to qualified industries anywhere in the Federation in respect of industries located in economically disadvantaged local government area of the Federation. The grant of pioneer status to an industry is aimed at enabling the industry concerned to make a reasonable level of profit within its formative years. The profit so made is expected to be ploughed back into the business.

At the moment, there are about 69 approved industries declared pioneer industries, which can benefit from this tax holiday.

To qualify, a joint venture company or a wholly foreign-owned company must have incurred a capital expenditure of not less than five million Naira whilst that of qualified indigenous company



should not less than N150, 000.00. In addition, an application in respect of Pioneer Status must be submitted within one year the applicant company starts commercial production otherwise the application will be time-barred.

Agricultural, agro-based and agro-allied industries are among the approved industries designated as pioneer industries, which can benefit from tax holiday. Accordingly, they can benefit from 7-year tax holiday from establishment.

### **Tax relief for research and development**

Industrial establishments are expected to engage in Research and Development (R&D) for the improvement of their processes and products. Up to 120% of expenses on R&D are tax deductible, provided that such R&D activities are carried out in Nigeria and are connected with the business from which income/profits is derived. Also, for the purpose of R&D on Local raw materials, 140% of expenses are allowed. Where the research is long-term, it will be regarded as a capital expenditure and will be written off against profit.

Agricultural, agro-based and agro-allied industries who embark upon research and development with respect to local raw materials are qualified to enjoy tax deductible expenses up to 140% of the total amount spent on research and development.

### **Tax concession for in-plant training**

Agricultural, agro-based and agro industrial establishments which have in-plant training facilities can enjoy a 2% tax concession for a period of five years.

### **Tax relief for spending on critical infrastructure**

Agricultural, agro-based and agro-industrial establishments that provide facilities that should have been provided by government, such as access roads, pipe borne water and electricity, have their tax deducted up to 20% of the infrastructure cost

### **Tax concession for labour-intensive investments**

Industries with high labour/capital ratio are entitled to tax concessions. These are industries with plants, equipment and machinery, which essentially are operated with minimal automation. Where there is automation, such automation should not be more than one process in the course of production.



The rate is graduated in such a way that an industry employing 1,000 persons or more will enjoy 15 percent tax concession, while an industry employing 200 will enjoy 7 percent and those employing 100 will enjoy 6 percent and so on.

### **Tax credit for local raw materials utilization**

A tax credit of 20% is granted for 5 years to industries that attain up to 70% level of local raw material sourcing and utilization. The minimum levels of local raw materials sourcing and utilization by sectors are: Agro-allied – 70%; Engineering – 60%; Chemicals – 60%; Petrochemicals – 70%.

### **Capital allowance**

The amount of capital allowance to be enjoyed in any year of assessment is restricted to 66-75%, except agro-allied industries which are allowed 100%.

### **Import Duty Concessions**

All agricultural and agro-industrial equipment and machinery enjoy 1% import duty.

## **SPECIAL FINANCING FACILITIES**

### **Nigeria Incentive-based Risk-Sharing Agricultural Lending Scheme (NIRSAL)**

Agricultural and Agro-industrial establishments can benefit from loan under the special credit derisking scheme of the Central Bank of Nigeria known as the Nigeria Incentive-based Risk Sharing Agricultural Lending Scheme (NIRSAL). Under the scheme, commercial banks are covered by loan guarantees up to 70% of default by borrowers.

### **Real Sector Support Facility (RSSF)**

Agricultural and agro-industrial establishments can benefit from the special funding from the Central Bank of Nigeria (CBN)'s Real Support Facility (RSSF). The facility provides funding for start-ups or production expansion at single-digit interest rate (9% p.a.), tailored moratorium and long-enough tenor (up to 15 years). The funding amount ranges from N500 million (about \$2.5m) to N10 billion.

### **Micro, Small and Medium Enterprise Development Fund (MSMEDF)**

Agro-industrial establishments benefit indirectly from MSMEDF which provides concession- al credit (e.g. lower interest rates and moratorium) to small lenders such as farmers, cooperative societies, agro-processors, market agents, youths and women. With increased access to credit,



these economic actors can respond more effectively to the supply and services needs of agro-industries.

## **Investment Protection Measures**

### **Transferability of funds**

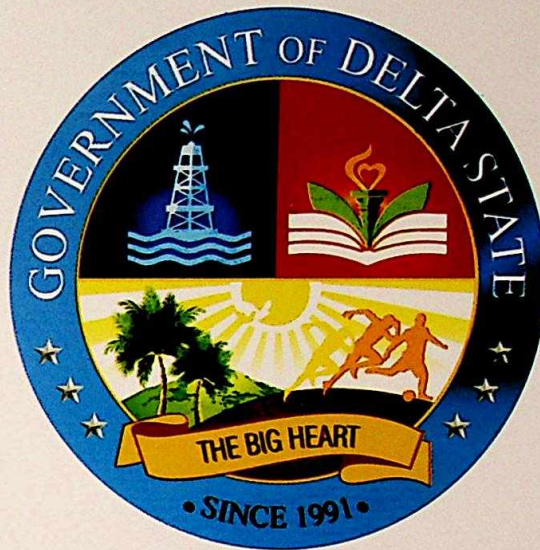
Section 24 of NIPC decree provides that a foreign investor in an enterprise shall be guaranteed unconditional transferability of funds through an authorized dealer in freely convertible currency of:

- Dividends or profit (net of taxes) attributable to the investment;
- Payments in respect of loan servicing where a foreign loan has been obtained;
- Remittance of proceeds (net of all taxes) and other obligations in the event of a sale or liquidation of the enterprise or
- Any interest attributable to the investment.

### **Guarantee against expropriation**

By the provision of section 25 of the same NIPC decree, no enterprise shall be nationalized or expropriated by any government of the federation, unless the acquisition is in the national interest or for public purpose; and no person who owns either wholly or in part, the capital of any enterprise shall be compelled by law to surrender his interest in the capital to any other person.





## PROSPERITY FOR ALL DELTANS

A vision to take Delta State to the status of the pacesetter in the Nigerian Federation by building an enduring legacy of wealth and prosperity through;

# SMART AGENDA

**S**trategic Wealth Creation Projects and Provision of jobs for all Deltans

**M**eaningful Peace Building platforms aimed at Political/Social Stability

**A**gricultural Reforms and Accelerated Industrialisation

**R**elevant Health and Education Policies

**T**ransformed Environment through Urban Renewal