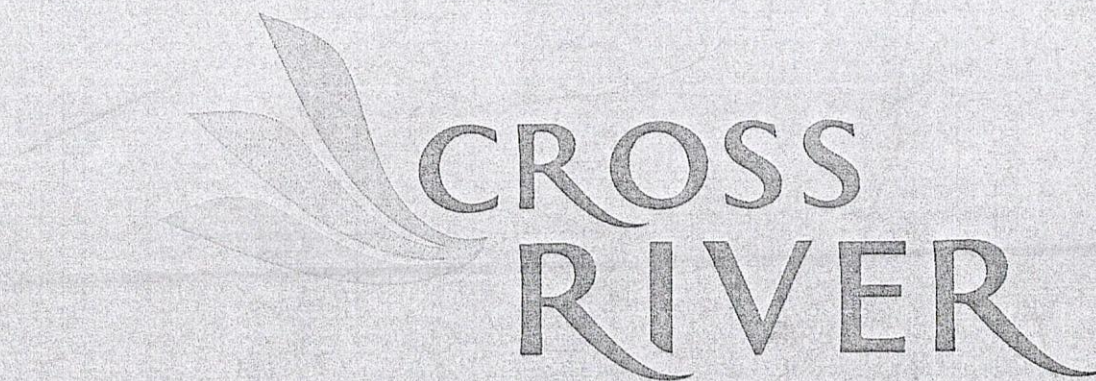


The New Nigeria

Business, Investment and Development
Opportunities in Cross River State



Africa's warmest welcome



State Profile

- Strategically located coastal state in SE Nigeria, with direct access to Cameroon, Sao Tome and other Central African countries.
- Current population of 3 million, with a 4.03% annual growth rate.
- Safest, most secure state in Nigeria with a notably low crime rate.
- State GDP of US\$ 4 billion and an average annual per capita income of US\$1,000.
- Annual GDP growth rate of 6.33%.



State Profile

- Average ROI of about 30% in agriculture, manufacturing etc.
- State's economy primarily driven by the Agrarian and Tourism industries. Significant economic activity in Commerce and Manufacturing.
- Tourism is a leading sector based on natural attractions, rich heritage and culture of the State
- The 15th largest economy in Nigeria and one of the fastest growing at 6.33% per annum.

- Home to the largest limestone belt in West Africa with an estimated reserve of over 2 billion metric tons.
- Presence of large deposits of granite, barites and a strong quarrying industry supporting the construction industry in the South east and south-south regions.
- One of the World's top 25 bio-diversity hotspots with the largest forest reserve in West Africa of about 1m hectares.



Government Focus

- Administration with reformist agenda and improved governance structures, enable stronger partnership with international development Agencies.
- Politically stable democracy, with strong support for the growth of a vibrant private sector-driven economy.
- Firm legal environment with sector-specific state laws particularly designed to protect investment.
- Stable economic environment with prudent fiscal management and targeted CSR partnerships.



Government Focus

- Increased Agricultural productivity and Agro-processing as a driver for economic development.
- Growth of Tourism industry as driver for wealth and employment creation.
- Expanded access to affordable education and basic health care.
- Expansion of the essential basic infrastructure.
- Proactive approach to security and the protection of lives and property.



Government Focus

- Policy geared towards creating a serene and peaceful environment with a strong, traditional culture of hospitality.
- Environmental conservation and sustainable development.
- Responsive social welfare policy for the poor and less privileged which includes a free healthcare system.

- The only State with 2 FTZs:
 - Calabar is home to Nigeria's oldest and largest Free Trade Zone, in which are based of over 30 companies.
 - Tinapa is Africa's Premier Retail Free Trade Zone and Leisure Resort, with Government investment of \$500m in 80,000m² of retail space, a 320-room hotel, off-shore banking, a movie production studio and a water theme park.
- An annual average of US\$ 250 million FDI inflow into the State during the past 4 years.



Business Environment

- Cluster for start-ups and new entrepreneurs with about 2,000 new SMEs created in the tourism, manufacturing and agriculture sectors in the last 3 years.
- 1% of the State's budget allocated to providing support for SME's.
- Only State with an Investment Promotion Agency registered with World Association of Investment Promotion Agencies (WAIPA)
- Presence of a one-stop Investment Centre (OSIC) to facilitate business entry for investors.



Skilled Workforce

- 1.8 million are literate, representing over 60% of the population.
- Over 50% of the population are below the age of 30.
- Two leading Nigerian Universities and other Higher Education Institutions.



Skilled Workforce

- Strong collaboration with world-class universities for skilled manpower development.
- 14.7% of the State's annual budget allocated to the Education Sector.
- Presence of 10 ICT centers, with plans for the development of entrepreneurship centers.



Agricultural Sector

- Agriculture is the State's largest sector, accounting for over 42% of GDP.
- Availability of about 18,000km² of arable land for cultivation of cash crops such as Oil Palms, rubber, Cocoa, plantain, Rice, Cassava, Banana etc.
- Extensive irrigation facilities, rainfall for 9 months in the year. Significant livestock farming and Apiculture for honey production.
- Only state in Nigeria with 3 Climate belts - producing a variety of agricultural produce.



Agricultural Sector

- Current land cultivation is 30%, with 70% available for commercial agricultural development.
- Largest producer of Oil palm and Cassava.
- Second largest producer of Cocoa in Nigeria.
- 70% of population employed in sector.
- Continued development of the sector designed to support expansion of Agro-processing.



Agricultural Sector

- Average ROI in Agriculture is approximately 30%.
- Major Foreign Investment: \$300m Oil Palm & Rubber Plantations and \$50m Cocoa Plantation.



Tourism Sector

- Cross River proudly claims to offer...

“Africa’s Warmest Welcome”

- Second largest revenue earner for the state, with a diversity of natural assets:
 - Largest tropical and Mangrove forests reserves in the country
 - Mountain Ranges with a resort hotel
 - Scenic waterfalls
 - Captivating festivals and carnivals
 - The historic slave trade heritage
 - Culinary tourism
 - Primate and wildlife sanctuaries.

- (industry annual growth rate??, % of popn employed in sector??)
- Over 61 registered hotels and 226 registered restaurants.
- State investment in the industry amounts to over US\$1.bn in the past decade.
- Hospitality Training Institution to expand industry capacity.



Tourism Sector

- Contribution of 30% to annual economic growth.
- Annual tourist traffic of 1.4 million visitors.
- Host to the Obudu Mountain Race, largest fee paying road race in the world.
- 32-day Festival incorporating a 2- day Carnival -
“Africa’s biggest street party!”.



Infrastructure

- Calabar Port is the 4th largest port in Nigeria and has a free trade status.
- An International Airport with a capacity to handle over 120,000 flights annually.
- Airstrip to service the Obudu Mountain resort.
- 560 mw Power plant located within Calabar metropolis and plans to develop an additional 52 mw plant.



Infrastructure

- Gas supply infrastructure.
- Potable water supply.
- Over 1,450 km of well constructed access roads and over 1000 km of inland waterways.

- Income tax of 30% in all sectors.
- Pioneer status: tax holiday of 5 years in urban areas and 7 years in economically disadvantaged areas.
- Investment in infrastructure attracts 20% tax holiday on the cost of providing facilities.
- Industries with local value-addition enjoy 10% tax concession of up to 5 years.



Incentives

- 100% repatriation of profits and dividends for foreign investors.
- 100% ownership or option for JVA for foreign investments.
- One-Stop Investment Center (OSIC) to support and administer 'open-door' investment policy.
- Additional incentives for businesses in the Free Trade Zones.



Major Players

- Larfarge, Holcim – major investors in the \$1 bn UNICEM Cement Plant (Annual capacity of 2.5 million metric tons)
- Transcorp Group – Large shareholder in Hospitality industry
- Niger Mills Ltd – Food processing plant
- Addax – Oil and Gas
- Wilmar Group and PZ Cussons – Oil Palm Plantation and Agro-processing



Major Players

- Dangote – Flour Mills and Agroprocessing
- Real Oil – Oil palm plantation
- Oando – Gas supply
- PAMOL – Oil Palm, Rubber and Agro-processing



Major Players

- Julius Berger – Construction
- INTELS – Logistics
- EcoMarine – Shipping and logistics
- African Sun – Hospitality Management
- CCECC – Construction



Future Outlook

- Forecasted economic growth rate of 7.5%, with an expected GDP of US\$ 6 billion by 2013, figures based on expected net job growth, improvement in labor productivity, export of services and increase in public consumption expenditure.
- Department of Investment Promotions expects more than US\$ 750 million FDI in the agro-processing, power generation, business and professional services and mining sectors in the next 3 to 5 years.



Future Outlook

- Calabar designated as location for one of three gas processing plants by the Government of Nigeria; this should increase the number of employees on non-tourism and agricultural payrolls, significantly reduce cost of doing business and boost overall industrial production through providing cheaper and constant power supply.
- Government of Cross River State initiated projects:
 - “Tinapa Knowledge City” is conceptualized as an Information & Communication Technology (ICT) park for entrepreneurs seeking skill and knowledge improvements in ICT; this programme will provide an educated, skilled and reliable work-force with adequate capacity to adapt and meet the States manpower needs.

- Government of Cross River State initiated projects:
 - Development of a 200-bed international standard of care hospital project with strong and renowned international affiliations and partners to provide In and Out patient specialist service's; this project will strengthen the health-care sector and reverse a past trend where medical doctors preferred working for the federal rather than state government.
 - Calabar Energy City is designed to develop and energy sector cluster with residential, commercial and industrial areas; conceived as part of a vision to make the state the foremost service based economy in Nigeria.

- Government of Cross River State initiated projects:
 - Calabar International Conference Centre (CICC) has been conceptualized as the leading international standard hosting venue for meetings, incentives, conferences and exhibitions in West Africa, with a seating capacity of between 1,500 to 10,000 people when the amphitheater is fully functional.



Opportunities

- Extensive opportunities in Manufacturing, Mining, Commercial Agricultures and Agro-processing
- Retail trading and Commerce
- Entertainment – Amusement Parks, Casinos
- Film Industry – Nollywood is 3rd Largest in the World
- Hospitality Industry- hotels, development of tourist sites, package tour operations.
- 1million hectares of forests - deep forest sink, forest concessions and carbon off-sets.

See you soon in
Cross River State!



Africa's warmest welcome