

KEYNOTE ADDRESS BY MRS SARATU UMAR, EXECUTIVE SECRETARY/CEO, NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC), AT THE 2022 ANNUAL NIGERIA INVESTOR DAY CONFERENCE ORGANIZED BY THE ASSOCIATION OF ASSET CUSTODIANS OF NIGERIA (AACN) ON THURSDAY 10 NOVEMBER 2022

Distinguished Participants and speakers: Good Morning, Good Afternoon, and Good Evening to you all in whatever part of the world that you are.

It is my honour and privilege to be in your midst today and indeed, it is an honour to be asked to deliver the Keynote Address at this Annual Nigeria Investor Day Conference, organized by the Association of Asset Custodians of Nigeria (AACN).

I congratulate the Association for organizing this Conference, which provides a platform to enhance the knowledge and confidence of local and foreign Portfolio investors in the Nigerian capital market, raise the visibility of Nigeria in the international market and create a networking platform for custodians, fund/asset managers, broker-dealers, registrars, regulators, government officials, local and international investors in Nigerian markets.

This Conference is a laudable and timely initiative, as the theme “**Nigeria: Capital Flows, Investment and Regulatory Landscape**” cannot be more topical in view of the current challenges facing the Nations of the world, which include post COVID 19 challenges, the slow -down in the global economy, existential challenges with climate change and energy, among others, that are collectively affecting global capital flows. It is also topical to Nigeria’s capital flows because the situation is further compounded by the concern of investors around the liquidity in the foreign exchange market, and a decline in foreign

exchange importation from oil and gas, arising from low exports, oil thefts and so on; which have affected a huge chunk of capital flow to the country.

Government recognizes the daunting challenges, especially the declining capital flow, and has put in place a number of reform initiatives which have recorded some successes, resulting in modest improvement of the business climate, and is still, committed to continuing with some of the on-going reforms in some key sectors of the economy, which include: infrastructure- power, transportation, ICT Oil and Gas, and agriculture , amongst others.

Government is fully aware and mindful of the concern of Portfolio and indeed all investors around liquidity in the foreign exchange market; it is noteworthy to say that the Central Bank of Nigeria is not relenting but fashioning out ways to address the challenge.

Additionally, improving the ease of doing business (EDB) is an issue that the highest level of Government has taken most seriously. Being mindful of the fact that improving the business regulatory environment across Nigeria is key for the country's economic growth, the Presidential Enabling Business Environment Council (PEBEC), was inaugurated by the President of the Federal Republic of Nigeria, President Muhammadu Buhari GCFR and is chaired by Vice President of the Federal Republic of Nigeria Prof. Yemi Osibanjo GCON,. PEBEC was set up purposely to drive the removal of critical constraints and bureaucratic bottlenecks to doing business in Nigeria.

With the setting up of PEBEC, in the last few years, the business regulatory reform agenda has taken on an inclusive approach with the involvement of the Federal and State Governments in the design and implementation of reform initiatives. Accordingly, Nigeria has moved up 39 places in the World Bank Doing Business rankings since 2016 and has improved 11 places in the World

Economic Forum Global Competitiveness rankings within the same period. In the World Bank Doing Business 2020 report, Nigeria moved up 15 places to 131st position and was named one of the top 10 most improved countries for the second time in three years.

In addition, various measures have been taken by Government to still improve the investment climate and as well address the declining capital flow especially from the Oil and Gas sector, by the enactment of the Petroleum Industry Act (PIA) 2021, which provides legal, governance, regulatory and fiscal framework for the Nigerian petroleum industry, and the development of host communities. PIA is also aimed at encouraging investment in the oil and gas sector of the economy. Again, the Companies and Allied Matters Act (CAMA) 2020 was re-enacted, to provide the legal framework for the reform of specific regulatory and administrative bottlenecks which have before now, limited the formation and operation of businesses in the economy, particularly Micro Small and Medium Enterprises. Also, the Finance Act 2019 and 2020 were enacted to provide additional support for investments in Nigeria.

Furthermore, in addressing the challenge of dominance of Government in the economy and to encourage more private sector participation, the National Development Plan (NDP) 2021- 2025 has been developed to run as public - private partnership policy plan. While Government is expected to provide N49.7 trillion or 14.3 percent, out of the total required investment of N348.1 trillion, the private sector would provide the balance of N298.3 trillion or 85.7 per cent. ‘This implies that successful implementation of the Plan will require a strong partnership between the public and private sectors.

The National Development Plan aims to tackle the obstacles hindering the competitiveness of Nigerian businesses, notably the infrastructure deficit and the challenging business environment. During the Plan period, Government will

focus on sectors with great potential to generate jobs for our people and with multiplier effects on other sectors. It will continue to encourage investment in critical infrastructures such as Power and alternative energy, Rail, Roads, and Housing and ensure macroeconomic stability, enhance the business and investment environment, and improve the living conditions of Nigerians.

As you may be aware, as way to ensure more transparency in business entry processes and simplify administrative procedures, there is the One Stop Investment Centre (OSIC) at the Nigerian Investment Promotion Commission (NIPC). OSIC is an investment facilitation strategy to bring investor-facing government agencies to one location to ease the burden of approval formalities.

NIPC is the Federal Government Agency established by Act No. 16 of 1995 to encourage, promote and coordinate investments in the Nigerian economy. NIPC is Nigeria's Investment Promotion Agency and the Gateway to the Nigerian Economy for Investors. It is mandated to coordinate and monitor all investment promotion activities in the Nigerian economy and to provide all incoming and existing investors with assistance. NIPC, pursuant to its mandate of promoting investment in and outside Nigeria through effective promotional means, has, over the years, initiated, organized, and participated in promotional activities such as conferences, seminars and international business and investment forums to stimulate and attract investments.

Permit me also to state here that in addition to promoting investment, NIPC assists investors to navigate challenges in investing in Nigeria; assist with connecting prospective foreign investors with domestic partners; assist investors with quality information to help them implement their investment plans in the country; and provides the OSIC Lab, a platform for resolving challenges arising from investing in Nigeria or from the implementation of Government policies.

Distinguished participants, NIPC has a critical role to play in the nation's quest for increasing capital inflows by attracting investments, especially foreign direct investment (FDI) to generate employment, create wealth and unlock the value chain in various sectors of the economy. NIPC has therefore prioritized mobilizing investment into the import-substitution and export-diversification sectors and is collaborating with relevant stakeholders to promote and attract the investments. Our aim is for portfolio investors to have so much confidence in investing in Nigeria that they transcend into Direct investors in the Nigerian economy.

I wish to re-assure you, distinguished participants, that efforts have been intensified by Government to shore up the non-oil export base of the Country to further diversify the revenue base and increase foreign exchange earnings of Nigeria. It would interest you to know, that between January-June 2022, the value of our non-oil exports rose to \$2.5B, the highest since Year 2018, and this translates to more non-oil foreign exchange revenue to Nigeria. The issue of liquidity may be a challenge in the immediate term but I can assure you that in the medium – long term, it will be confined to the archives of history. As the ongoing efforts by the arms of Government, particularly, the synergy between the Nigerian Investment Promotion Commission and the Nigerian Export Promotion Council, which sees the NIPC channelling investments to the non-oil exports sector, will translate to increased non-oil revenue of Nigeria.

Distinguished Ladies and Gentlemen, in conclusion, I crave your kind indulgence to once more, remind you that the Government of Nigeria identifies with Portfolio investors on the challenges facing them in the capital market, and it is committed to addressing them. Government has put in place measures, and is still working assiduously to make the investment environment more conducive and rewarding for both portfolio and direct investors.

I commend the organizers of this conference for the effort they put in to bring together these distinguished participants from across the globe, to enhance their knowledge and increase their confidence in the Nigerian capital market.

Once again, it has been my honour to speak to you and I thank you for your kind attention.

SIGNED

Saratu A. Umar

Executive Secretary/CEO

NIGERIAN INVESTMENT PROMOTION COMMISSION (NIPC)

November 10, 2022