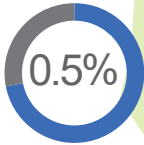


#2

Invest to Increase Stock and Improve the Quality of Infrastructure

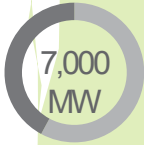
Where we are



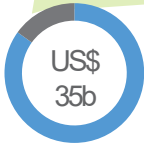
Of annual GDP: amount spent on infrastructure development. Compared to the standard 3%



Core infrastructure stock as % of GDP. Compare South Africa 87%, Indonesia 70% and India 58%



Generation Capacity of Power Sector



Annual Investment required to bridge current gap



Where We Want To Be

Our goal shall be to double our infrastructure stock to approximately 70% of GDP by 2030. This quantum leap would require a commitment to invest a minimum of US\$35 billion annually in the next 5 years to finance all the core public infrastructure projects. We envisage this will come substantially from the private

**25,000
MW**

Target Power Generation Capacity mix of non-renewable energy (hydro, solar, nuclear) and other thermal fuels (coal, biofuel) in addition to natural gas.

**2m
barrels
per day**

Oil refining infrastructure: Prioritize investment to double refining capacity to two million barrels per day by 2027.

**10,000
15,000
MW**

Transmission Capacity over the Short-Term. Target 25,000 MW over the long-term

**5,000
Km**

Rail Infrastructure: Improve freight-based rail efficiency and achieve accelerated construction of up to 5,000 Km of modern railway lines.

**1million
Housing
Units**

Private-sector led delivery of low to medium housing

**70,000
Km**

Paved road network from 60,000 Km which would lead to a reduction in untarred road network to 120,000 km

How We Will Get There

Institutional reforms:

- Establish an Infrastructure Development Unit [IDU] in the Presidency, with a coordinating function and a specific mandate of working with the MDAs to fast track and drive the process of infrastructure development.
- Strengthen the capacity of the ICRC to promote Public Private Partnerships (PPP) in the construction and management of infrastructure across the country.
- Privatize all government-owned refineries and issue new licenses for greenfield investment in crude oil refining.
- Open up the power sector from generation to transmission for private investments.

Innovative Financing of Infrastructure

- Facilitate a review of the financial, legal, and regulatory environment to promote private investment in roads, rail, housing, and power.
 - Incentivize, with tax breaks, a consortium of private sector institutions to establish an Infrastructure Debt Fund [IDF] to primarily mobilize domestic and international private resources for the financing and delivery of large infrastructure projects across all the sectors of the economy.
 - The IDF will have an initial investment capacity of approximately US\$20 billion.
 - Create an Infrastructure Development Credit Guarantee Agency to complement the operation of the IDF by de-risking investments in infrastructure to build investor confidence in taking risk and investing capital.
- 

#3

Policies and Measures to Optimize the Growth Potentials of Real Sectors- including Agriculture, Manufacturing and MSMEs

Where We Are

- The key sectors of the economy, namely agriculture (25% of GDP), oil and gas (9% of GDP and 80% of external revenues) and manufacturing (9% of GDP) are currently under-performing and operating below potentials.
- Agricultural production is constrained by lack of capacity resulting from inadequate access to (a) finance, (b) appropriate technology & high yielding seeds, (c) storage, (d) irrigation. This low storage capacity leaves 95 percent of the produce to consumption and wastage.
- The manufacturing sector faces significant challenges with regards to the investment climate as businesses struggle to survive in a very hostile environment and an uncompetitive economy occasioned by deficit in infrastructure, electricity supply, corruption, access to finance, political instability.
- Despite its huge contribution to GDP (approx. 50%) and jobs, the MSMEs sector is constrained by lack of access to finance and by poor infrastructure, inconsistency in government policies, poor support (business development services) access to market, multiple taxation and obsolete technology.
- Of recent, the oil and gas sector has been a drag, showing a decline in 6 out of nine quarters since 2019.
- Major growth drivers are in the services sector- especially telecommunications.

Where We Want To Be

We envision a new Nigeria without crude oil in which agriculture, manufacturing and MSMEs shall be the growth drivers.

Specifically,

- A fast- growing and productive non-oil sector economy with strong linkages amongst key sectors notably agriculture, manufacturing and MSMEs to strengthen the productive base of the economy. Intersectoral linkages must be created for resilience and sustainability.
- A commercially driven, technology-proficient and competitive agriculture that will ensure food and income security for a growing population and contribute significantly to Nigeria's quest for economic diversification and export of non-oil commodities.
- Food security index to improve to 70% from current 40.1%. Food import share in total import currently estimated at 20% to reduce to 5-10%
- A manufacturing sector that is competitive, nationally, and globally, looking inwards to promote value-addition. This development will be key to reducing informality among MSMEs and to linking the rural primary economy to that of the city
- A dynamic oil and gas sector that is fully integrated into the economy through linkages with agriculture, manufacturing and MSMEs
- A knowledge- based economy with wide application of ICT in health, education, commerce, agriculture and industry.

#3a

Promoting the Agri Business Sector

Land Reform

Collaborate with the States in the design and implementation of robust and sustainable land reforms

Commodities Exchanges

Strengthen the markets for agricultural commodities

Orderly privatization of the Nigerian Commodities Exchange

Facilitate establishment of private sector Commodity Marketing Corporations

De-risking Access to Finance

Improve agriculture sector's access to financial services, through NIRSAL, by de-risking lending to the sector by commercial and development banks

Agro-Processing Clusters

Encourage Investment in Agro-processing Cluster by offering concessional financing, tax breaks and seed funds

Modernization Mechanization and Irrigation

Improve farming productivity through modernization and mechanization of small-scale agriculture to international levels

Elevate irrigation to a top policy priority and long-term investment priority and promote all year-round food production through expansion of irrigation facilities



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#3b

Promoting the Manufacturing Sector

Policy objectives

1. Achieve a sustained increase in manufacturing output from 9% to 30% of GDP by 2025
2. Reduce the sector's dependence on imported raw materials. Looking inwards will promote value addition
3. Achieve a diversified production structure with more processing of domestic raw materials
4. Promote the competitiveness of the sector nationally and internationally



What we shall do

1. Ensure that all major economic and investment policies are formulated after sufficient prior consultation with the organized private sector
2. Work with the Manufacturers Association of Nigeria (MAN), chambers of commerce and other relevant stakeholders to identify ways to reduce the cost of borrowing, tackle incidences of multiple taxation and improve availability of foreign exchange for legitimate production input purchases
3. Review of import duty on raw materials that are available in the country and on imported machinery for local production
4. Support and vigorously enforce the buy- made-in-Nigeria initiative by ensuring compliance with the relevant executive order by Federal Government procurement agencies



#3c

Promoting the MSMEs

Our investment policy shall seek to strengthen MSMEs by removing all identified impediments to their growth and ensuring that they have strong linkage with the productive sectors of the economy.

We shall prioritize efforts for an easier formalization process of our MSMEs including special fiscal incentives for registration, simplification of the registration process and less burdensome tax filing requirement

De-risking Lending

- Extend mandate of NIRSAL to cover de-risking of MSMEs lending
- Increase the MSME funding window currently, N200 billion to N500 billion
- Promote awareness of the National Collateral Registry of Nigeria and further simplify the Collateral registration process
- MSMEs and SMPs (Small and Medium Practitioners) will be given special fiscal advantages including tax breaks and rebates to accelerate business formalization

Productivity Growth

- We shall ensure that approvals needed for the creation of new businesses such as land acquisition, property registration and construction permits are simplified, streamlined and are not subject to excessively complex bureaucratic procedures
- We shall enhance the efficiency and effectiveness of SMEDAN in the delivery of business support/advisory services to MSMEs

Export Orientation

- We shall provide support through the NEPC and NIPC to entrepreneurs who experience restricted access to external markets for goods and services
- We shall promote the harmonization of State and federal tax laws to avoid over taxing businesses
- We shall pursue an aggressive regime of tax credits to critical sectors of the economy

Policy objectives

- 1 Expand oil and gas reserves and boost upstream and downstream production
- 2 More transparency and efficiency in management of institutions in the oil and gas industry
- 3 Implementing the PIA to create a functional, fair and transparent upstream and downstream oil and gas market

What we shall do

- 1 Promote Gas-Power Sector and Gas-Industry linkages
- 2 Create a transparent incentive regime for purposeful growth of the national reserve base for oil and gas
- 3 Incentivize building of modular refineries in all parts of the country
- 4 Re-consider the introduction of the Marginal Fields bid round and Blocks' Bid Round
- 5 Transparency and accountability in the operation of NNPC: Limited and associated enterprises
- 6 Deploy modern technology in pipeline surveillance and other security enhancements
- 7 Intensify our engagement with local communities in the oil production zones



#4

Harnessing the Potentials of the New Economy



- Establish a 'Technology Support Programme' (TSP) to support the tech and ICT sector to meet the demand for technology currently being met by foreign tech, especially in the area of software development.
- Facilitate the development of a more effective and efficient Intellectual Property Rights (IPR) framework that also allows for patenting of software in Nigeria. We shall review current framework which is ill equipped for contemporary IPR issues and replace it with legislation for a single IPR organization.
- Promote, vigorously, ICT literacy at all levels in our schools. The teaching of ICT shall be made compulsory in our schools -if we are to progress and develop.
- Implement a four-year plan for the digitization of major government operations such as procurement in order to achieve transparency and reduce leakages.
- Strengthen the use of business intelligence software to analyse public service productivity.
- Review, with timelines, partnership agreements with experienced foreign incubators and accelerators to improve the penetration of technological advancements in the country.



#5

Policies and Measures to Expand the Export Base of the Economy

- Undertake a comprehensive review, to assess the efficacy and accessibility of the Non-oil Export Stimulation Facility, Duty Draw Back, Manufacturing-in-Bond Schemes, Pioneer Tax Status and other tax incentives that are targeted at medium and large firms.
- Embolden the Nigerian Export Processing Zone Authority (NEPZA) in the establishment of Special Economic Zones (SEZs) across the 6 geo-political zones.
- Transform some of the current Industrial Development Centres (IDCs) into Industrial clusters.
- Deliver on our pledges to create a hospitable investment climate, including stability in the macro-economic environment and delivery of world class infrastructure and policy coherence and consistency.
- Strive to influence the course of intra-Africa trade by strengthening our position in the ECOWAS and AfCFTA.
- Continuously engage with the organized private sector to identify how best Nigeria can harness the benefits of AfCFTA.

#6

Increasing Flow of FDI into Non-Oil Sector:

By 2030, we shall increase the inflow of direct foreign investment to a minimum of **2.5%** of our GDP

Working towards achieving the lowest corporate income tax rate in Africa



2030



Guaranteeing a level playing field, full repatriation, non-expropriation and easier land titling

Strengthening the credits guaranteed initiatives of infra-Credit by substantially increasing its capital base



2024



Streamlining the multiplicity of, often discretionary, incentives for investment and simplifying the associated complex legislative and regulatory framework

Implementing measures to engender macro-economic stability sustainably and promote the global competitiveness of the economy: EoDB ranking: 100
WEF Competitiveness ranking: 100



2022



Ensuring that the granting of /qualification for tax incentives is automatic, according to predetermined, uniform, and clear criteria

2021



#7

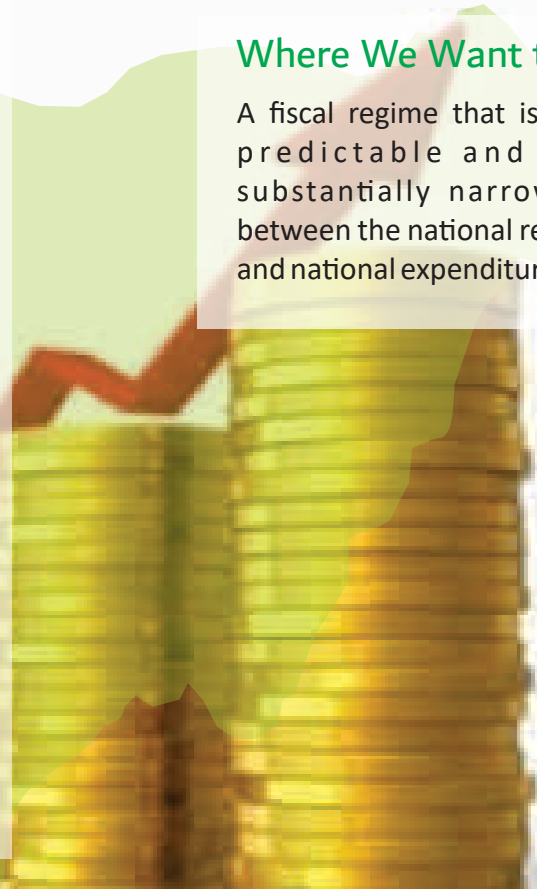
Optimizing the Fiscal Space to Generate More Revenues for Development

Where we Are

- Revenues are small in absolute terms: pose significant risks to Nigeria's long-term growth and development.
- Nigeria's tax to GDP ratio is abysmally low at 6%, is significantly below potential and is one of the lowest in the world.
- Nigeria's development expenditure needs ((14% of output) dwarf the resources provided by revenue collected by the public sector (10.3% of national output)
- Rising debt and high debt service to revenue ratio. In the fiscal year 2021 more than 80% of total revenue was needed for debt service whereas the sustainable ratio by global standards is 20-30 percent.

Where We Want to Be

A fiscal regime that is stable and predictable and that can substantially narrow the gap between the national revenue yield and national expenditure.





Our Fiscal Strategies

01

Domestic:
Reforms to
improve IGR

02

Promoting Export
Growth to
improve FX
earnings

03

Improving
Spending
Efficiency and
Blocking
Leakages

04

Financing
Projects through
strategic
partnerships with the
Private Sector