

NIGERIAN GERMAN BUSINESS DIALOGUE

Your Excellency,
The Vice President of the Federal Republic of Nigeria,
Professor Yemi Osinbajo,

Members of the Bundesrat here present,

Your Excellencies, the Nigerian Ambassadors to France, Switzerland, Italy and Austria,

The Chairman
Africa Verein der Deutschen Wirtschaft, the German-African Business Association,

Distinguished ladies and gentlemen,

It is indeed a pleasure and a privilege to welcome you to this special occasion of the Nigerian Business Dialogue in Berlin, jointly organised by the Nigerian Embassy in Berlin and the Africa Verein der Deutschen Wirtschaft. It comes, at a time when Germany is showing renewed interest in the continent of Africa, in the wake of the Chancellor's visit to Nigeria during the summer and last month's 'Compact with Africa Summit. No doubt, any interest in Africa that does not include Nigeria' invites a proverbial elephant into the room, along with its 193 million souls and largest economy on the continent – a huge and diverse single market that is also a gateway to the Economic Community of West African States and our neighbours in central Africa.

Germany and Nigeria share so much in common that makes them destined to be partners in the human project: Both countries are large regional leaders located in the hearts of Europe and Africa, representing the aggregation of the aspirations of the continental populace. Internally, their size and diversity has led them to opt for federal systems, Germany with 16, Nigeria with 36. Similar factors make them suitable for the social market economic model that would enable private sector and business to thrive, fortunes to be made, yet compels government to ensure that low income workers, the poor and the needy are taken care of. Your Excellency, Germany was the first country in the world to develop a national social welfare programme under Bismarck in the 1880s, ensuring no one gets left behind in the long road to prosperity and nation building. It would equally interest our German audience to learn that the Muhammadu Buhari administration introduced a Social Investment Programme that is transforming Nigeria and has touched the lives of over 9 million beneficiaries thus far. Within its fold is the Government Enterprise Empowerment Programme (GEEP) that provides interest-free loans to small businesses- market women (yes, over 56% of beneficiaries are women), traders and artisans. In terms of financial inclusion, over 349,000 new bank accounts have been opened as a result of GEEP, providing more Nigerians with the opportunity to build up assets and giving them access to fintech apps. Other programmes include N-Power, focusing on skills acquisition for the youth, with 500,000 beneficiaries by the end of 2018, a Home-Grown School Feeding Programme 8.2mn school children in 45,394 kindergartens across the country and Conditional Cash Transfers for 297,973 poorest and most vulnerable Nigerian families.

Your Excellency, ladies and gentlemen, the Buhari administration's Social Investment Programme provides a panacea for aspirational migration to Europe by young Africans, if augmented with foreign direct investment. As the Chairman of Nigeria's Economic Council, Vice President Osinbajo oversees the implementation of the Economic Recovery and Growth Plan (ERGP) that saw to the stabilization of Nigeria's macro-economic environment after the current administration took over in 2015 during a low price phase of the crude oil super cycle. At the time, Nigeria depended on hydrocarbons for over 94% of its export and foreign exchange earnings even though the sector accounted for a mere 10% of the nation's GDP, which meant that a decade of high economic growth did not include substantial

sections of the populace. Inclusiveness and diversification of the economy are the *raison d'être* of the ERGP.

The ERGP seeks to build a globally competitive economy for Nigeria and, for that reason, has focused on improving the business environment by creating a Presidential Enabling Business Environment Council (PEBEC) under the able Chairmanship of His Excellency the Vice President. Problem-solving Focus Labs have been created to resolve bureaucratic bottlenecks for investors. For potential investors present here today, be rest assured that you can always approach PEBEC with such problems, as others have done, such that the first Phase of ERGP's Focus Labs intervention targeted private sector projects worth \$22.5bn with a potential for creating 500,000 jobs.

For those of you who may not be aware, Nigeria created a new foreign exchange window for investors and exporters in April of last year. It attracted inflows of more than \$45bn within its first year of operation. For institutional and private investors with concerns about foreign exchange rates and exit strategies, be rest assured that the appropriate mechanisms are already in place. A litmus test of investor confidence in Nigeria is the successful issuance of Eurobonds in the international Capital Market in 2017 and again last month that were not only oversubscribed, but also issued for a 30-year tenor making it one of only two countries on the African continent to do so. Markets deal in cold, hard facts: Nigeria is getting it right. Nigeria out-performed other high population density oil-producers during the slump of 2015-16 on both stability and diversity indices. And now in 2018 compared with other emerging markets in Africa and beyond, Nigeria is again ahead of the pack. Suffice it to say, that our outlook is both West and Ost, as is to be expected of a country that, like Germany, deserves the label of *Gestaltungsmacht*, a shaper and influencer of globalisation.

The *Gestaltungsmacht* label also makes us cognizant of our responsibilities to the planet and, as a party to the UN Convention on Climate Change, Nigeria is advanced in transforming its Nationally Determined Contributions into Climate Investment Plans. This dovetails into the ERGP's focus on diversifying the economy beyond hydrocarbons and it is for this reason that Nigeria launched the world's first fully certified Sovereign Green Bond, creating even more opportunities for investors in its renewable energy sector.

Your Excellency, Distinguished Ladies and Gentlemen, there is an urgent need to bring together and support Nigerian Small and Medium Enterprises with German *Mittelstands*- that constitute the backbone of Germany's sustained *Wirtschaftswunder* or economic miracle, in order to unleash what Immanuel Kant described as *Asocial Sociability*, that draws men (and women) together to fulfil needs for security and social welfare, which remains the only lasting solution to sustainable development and irregular migration. This, I might add, also remains the best approach to tackling the strong currents of identity politics riding on xenophobic jet streams. No country is autarkic in our globalised world that is guided by some irreducible *jus cogens*, or peremptory norms of international law.

Under the able leadership of our President Muhammadu Buhari and Vice President Yemi Osinbajo, Nigeria seeks to meet Germany and other countries halfway, by already putting in place instruments and structured solutions to de-risk investment. In the agricultural sector, it has the Nigeria Incentive-based Risk Sharing System for Agricultural Lending, a \$500mn credit risk guarantee fund. An Anchor Borrowers Programme has provided funding for 350,000 farmers on 400,000 hectares of land and doubled local production of rice with the knock-on effect of 8 new rice mills. The private sector has responded by investing over \$1bn from 2015 to date, equally taking advantage of the Presidential Fertilizer Initiative that has brought back on stream 14 blending plants with an installed capacity of 2mn metric tonnes. In the power sector, generation output has increased by more than 2,000MW and an Energizing Economic Programme seeks to bring power to economic clusters and markets. The government has launched a N701bn Payment Assurance Programme to guarantee payments to generating companies and gas suppliers. An ongoing Transmission Expansion and Rehabilitation

Programme has expanded grid capacity by well over 50%. A Distribution Expansion Programme kicked off earlier this year, which presents opportunities in the procurement of distribution substations and electrical equipment. A Public Private Partnership Scheme aptly named "Beyond the Grid Programme" has delivered 20,000 solar home systems across the country, as part of the government's strong drive towards captive or embedded power. Investment in key transport arteries, including highways, railways, bridges and airports, delayed and diluted for a generation, are underway and already delivering real changes to the lives of ordinary people.

But make no mistake, in order for Nigeria- with a population of 193mn (half of which is under the age of 20)- to bridge the huge employment gap, it needs to create sustainable jobs in the industrial sector. For this reason, a 'Made-In-Nigeria for Exports Programme' focuses on Special Economic Zones, presenting opportunities for developers and tenants alike. Such SEZs cannot run exclusively on renewable energy, which is why opportunities abound in gas pipeline projects in a country with 187 tcf reserves.

Nigeria's youthful population is stimulated into creative activities with the expanding availability of high-speed data connectivity and increased access to the internet, not just in our cities but also into rural areas. The dual track of old economy industries and new economy fintech and digitalization is clearly the chosen path towards job creation.

As we deliberate here today on business opportunities in Nigeria, I know that safety and security concerns will be playing in our minds. Boko Haram will almost certainly be contemplated by some. Suffice it to say that public secondary schools reopened in Borno State two years ago and flights to Maiduguri, what was arguably ground zero of the conflict, resumed in May 2017. Even the local soccer team El Kanemi football club returned two years ago. I do not need to detain you with explanations of why terrorism happens in a country, as you have also had your drawn-out experience of dealing with its psychoses. Terror and violent extremism are an international phenomenon against which all civilised countries must – and do – stand together. Security and the rule of law, tolerance in our national diversity, is the foundation of the Buhari programme.

I am happy to inform you that his Excellency the Vice President is accompanied here today with many heads of departments and agencies that are at the very coal face of the ongoing reforms in Nigeria so that you may engage them directly for clarifications.

Thank you, God bless.