

China-Nigeria trade ties continue to strengthen

Demand for goods, machinery and more makes nation the second-largest African partner

The world's eighth-largest oil and gas exporter, Nigeria's socioeconomic development is being fueled by massive Chinese investment in key sectors such as energy, financial services, manufacturing, and technology.

With Africa's most populous country embracing privatization and economic diversification, Chinese enterprises are flooding in and taking advantage of the numerous foreign direct investment (FDI) opportunities.

While Nigeria's oil and gas industry is the main FDI destination, Chinese firms also have a solid presence in the construction, agriculture, education, and service sectors. Chinese investment in Nigeria is now worth an estimated \$6 billion.

Increasing demand among Nigeria's 150 million citizens for Chinese-made goods such as motorbikes, textiles and machinery has resulted in the country becoming China's second-largest African trade partner behind South Africa.

The successful strategic partnership based on China's valuable skills, knowledge, and experience is set to strengthen over the next decade as Nigeria looks to achieve its infrastructural, economic and social goals under a development plan it calls Vision 2020.

Charged with regulating the banking sector and managing the nation's macroeconomic policies, the Central

Bank of Nigeria (CBN) has evolved from a government organization into an independent central bank.

Since 1999, the central bank has overseen major reforms in the financial services sector such as the privatization of government enterprises and a series of consolidations and acquisitions.

"It is in Nigeria's interests to diversify the economy and sources of capital and I would like us to enjoy strong relations with banks in Asia and the Middle East," said CBN governor, Sanusi Lamido Aminu Sanusi.

"The market needs a combination of indigenous and foreign financial institutions as this increases competition, raises standards and improves the quality of the system."

By focusing attention on good governance, transparency, and risk management, CBN is building trust in the nation's financial system and helping prepare domestic banks for foreign expansion and global mergers and acquisitions.

"We expect to see significant amounts of capital from China flowing into the construction and oil sectors, with banks trapping these flows," Sanusi says.

A pioneering player in Africa's financial services sector, Stanbic IBTC Bank Plc was established three years ago through the merger of Stanbic Bank Nigeria and industry giant IBTC Chartered Bank Plc.



Sanusi Lamido Aminu Sanusi,
Governor of
Central Bank of
Nigeria

The bank offers a range of corporate, investment, business and personal banking products and is regularly working on major capital market deals. Ties between the group and the Industrial and Commercial Bank of China (ICBC) were strengthened through last year's visit of ICBC chairman, Jiang Jianqing, to its Stanbic offices.

"Nigeria has great potential throughout every sector. Reliability, trust and transparency are highly important in financial sector operations," said Chris Newson, Stanbic IBTC Bank Plc CEO.

"The successful visit of Jiang Jianqing was a very important step for us as our aim was to showcase Nigeria and create an understanding of how the country functions. We believe in Nigeria and that is why we have invested more than \$600 million here as we see the long-term potential."

Founded 19 years ago, the Nigerian Export-Import Bank (NEXIM) is at the core of the country's trade-oriented activities through the provision of loans to exporters. The bank provides short-term guarantees for loans granted by Nigerian banks to exporters, and offers credit insurance against the event of non-payment by foreign buyers.

The government-owned bank has

extended its reach to China through high-level talks and deals with Chinese financial institutions such as the Export-Import Bank of China.

"We were looking for international partners and the first one we saw was China Eximbank," said Roberts Orya, NEXIM MD and CEO.

"We visited China to identify areas of cooperation and want to strengthen our relationship with the appropriate banking institutions there."

Orya expects NEXIM to sign memorandums of understanding in order to boost bilateral trade deals.

"Nigeria is a land of opportunities and NEXIM is the large bridge that connects the two sides," he added. "China has huge business potential and when our clients tell us they plan to buy heavy equipment, we always advise them to buy Chinese-made machinery as the quality is excellent and the price very reasonable."

When entrepreneur M.L. Asnani joined forces with the Shanghai Light Industry Co Ltd to bring the Butterfly brand sewing machine to Nigeria in 1988, he may not have guessed that three decades on, the family business would be a huge conglomerate.

Now responsible for equipping millions of Nigerian homes, farms and offices with affordable goods, Emel is a Nigerian success story, with an ever-growing list of partners and subsidiaries, and a product range that covers everything from suitcases to cars.

"We've come a long way from our first manufacturing order, which was 20,000 sewing machines a year," says Naresh Emel Asnani, son of M.L. Asnani and the company's managing director and CEO. "After the business really took off (after 1993)

we saw growth rising over 8 times its previous size, and we captured 70-80 percent of the market—and that was in sewing machines alone."

According to Asnani Jr, the key to the Lagos-based firm's success has been cooperation and synergy with Mr Ma, director of China Unity. "He has the product knowledge and represents the partners, while I have the relationship building skills, business knowledge, and an ability to recruit the necessary partners and employees."

"We have grown strong, and successfully, for 10 years, without any problems touching the business. We

port passengers and goods around cheaply. They partnered with Beijing Automobile Works Co Ltd, one of the pioneers of the Chinese automobile industry, to distribute minibuses and lightweight trucks. The company stays close to the customers, Asnani says "by exceeding their expectations and providing an excellent nationwide after-sales service."

Emel is now looking into generators, medical supplies, pharmaceuticals, building materials, and even automobile rental, based on the Beijing Automobile World model.

"Even though these developments are at an early stage, it is my belief that Chinese and Nigerian business links have to develop further," Asnani says. "Chinese products are suitable for the Nigerian market, their labor-intensive industries and product pricing are right, and Nigeria's development has to follow the same path as China and India."

And, to ensure Emel's trusted reputation stays intact, Asnani has been careful not to compromise on quality. "Price alone is not the right tactic for identifying partners," he says. "We have always found Chinese companies that give us the right quality/price balance. Our expertise assures that our products stand up under scrutiny and do not disappoint the customers."

In the same way, Asnani's local knowledge ensures only the best distributors are used back on Nigerian soil. "We have to push for innovation, as local distributors can see little advantage in changing habits," he says. "This is exactly why local knowledge is important, and knowing how to deal with the national business community."

Nigeria is a land of opportunities and NEXIM is the large bridge that connects the two sides."

ROBERTS ORYA
NEXIM MD AND CEO

have taken part in more joint ventures, which has led to an increase in manufacturing.

"The cornerstone is that I am a trader. I know Nigeria, I know how to bring good here, and I know how to sell them."

Of course, Asnani also knows how to spot an opportunity. Living in a country that has some 150 million people spread out in all its corners, he and his team identified the need for reliable vehicles that could trans-

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Oiling the wheels of progress in Nigeria

With expertise and high quality customer service at the top of its agenda, Broron Oil & Gas Ltd. (Broron) is a proven Nigerian success story. The wholly indigenous company boasts a stunning portfolio, earned from having executed major projects for local and international oil and gas firms throughout the country.

Broron offers professional services in the area of energy infrastructural development and asset support services, with great emphasis on engineering, procurement, and construction services (turnkey) both onshore and offshore. With operations technically backed by international joint venture partners in the U.S., Europe and Asia, it has been able to contribute to the growth of local content capacity within the Nigerian energy sector.

As Henry Ojogho, executive vice-chairman, explains: "Operations consists of a great synergy of competent individuals from top management, all through mid-management to the end of the personnel chain."

Broron has an impressive clientele list with many support services offered to international oil companies (IOC's) such as Exxon Mobil Nigeria, Chevron Nigeria Ltd. and also the Nigerian National Petroleum Corp. The company is also linked to associate companies:

Procomtel Nigeria, a telecoms infrastructure giant that provides turnkey GSM and other world-class solutions to large and small telecoms operators.

CMD Construction Ltd., which is engaged in major infrastructural projects such as road construction, water treatment facilities, drainage systems etc. CMD has been involved in major real estate development, such as the Emerald Park Estate for Exxon-Mobil executive staff.

"Our vast scope of activities means we have a good team of engineers, technicians, and tradesmen in our employment who work together to meet project completion targets with clients," Evbodaghe says.

Broron works with the support of specialist technical assistance from its overseas engineering partners of reputable standards, a method of technical alliance that ensures a high degree of specialization, with the constant updating of technology and engineering/planning methods, together with great operative flexibility and optimal utilization of the workforce. This technical co-operation permits Broron to reach high levels of content and accuracy within its services with the consequent technological and economic benefits to clients.



Henry Ojogho
Executive Vice-Chairman
Broron Oil & Gas Ltd



Arnold Evbodaghe
Managing Director
Broron Oil & Gas Ltd

It maintains a local/foreign recruitment policy to ensure staff are of the highest possible caliber and experience. "The company has an exceptionally strong engineering design capability for project development and management," Evbodaghe says. "We are obviously concerned about the quality of the final products to our clients. All work carried out by Broron conforms to the strictest applicable local and international codes. Our project executions are in accordance with the codes and standards being practiced in the oil and gas industry."

Other sectors within the company's immense portfolio of multidisciplinary engineering services include pipeline and piping, project management services, marine and underwater construction and maintenance services. "We have just increased our participation in offshore activities with great emphasis on developing subsea infrastructure," Evbodaghe says. "We want to branch out from just oil and gas and move into independent power projects (IPP) and power generation. There is a huge drive for infrastructure in Nigeria right now."

In terms of technologies, Broron uses state of the art, computer-aided design facilities and drafting systems. "We are looking for synergies and partnerships in finance and equipment supply services. We welcome any reputable Chinese firms that could be of assistance in this regard," Evbodaghe says.

The forward-thinking company believes its success in maintaining a stable and experienced workforce has been based on excellent hiring practices, orientation, and training. A comprehensive safety program, regular safety meetings, incentive programs, active management, and the strict enforcement of safety policies have all helped position the company at the forefront of the nation's oil and gas activities. "From its inception, Broron realized the professional capabilities required in both the up and downstream areas of the energy sector, and has prepared for this challenge using the pool of experts available for cooperation," Evbodaghe concludes.

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NEXIM connecting continents

Building bridges between Africa and China, the Nigerian Export Import Bank is at the forefront of the nation's fast-growing financial sector, providing export credit guarantees and insurance, credit in support of exports, trade information and export advisory services. Created in 1991, NEXIM continues to develop successful Sino-Nigerian relations by establishing a vital foothold in the vast Chinese market and has gained international recognition for its integrity, reliability and innovation.

NEXIM

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Energy industry at forefront of foreign investment

Capital and expertise from China create wide range of opportunities in Nigeria

With Nigeria's upstream oil industry generating an estimated \$600 billion in revenues since the 1960s, the sector is the most important component of the country's economic engine.

The government is keen to ensure that the industry develops at a sustainable rate and provides jobs as well as encouraging more foreign investment.

Despite problems in the Niger Delta region, foreign companies remain committed to the industry's development. Nigeria expects total domestic gas demand to jump more than 20 percent a year to 10 billion cubic feet per day by 2015 from around 500 million in 2000.

In addition, the proposed new Petroleum Industry Bill (PIB) will increase transparency across the sector if approved by the national assembly.

"With the PIB, Nigeria will move from being one of the most opaque petroleum nations in Africa to one of the most open and transparent in the world," said former Minister of Petroleum Resources Rilwanu Lukman.

"The texts of all licenses, leases and contracts and any of the changes to such documents will no longer be confidential,"

"China will be our most important market. They need the energy, and we have it, so what better partner for us than someone who needs our resources?"

The insurance sector is a relatively

new industry in Nigeria as increasing levels of risk awareness among leaders of public corporations and directors of private enterprises generates business for a host of insurers, reinsurers, brokers, agents and loss adjusters.

The National Insurance Commission (NAICOM) is the industry watchdog and compiles annual insurance policy and operational guidelines to operators as part of its regulatory and supervisory tools.

"We are still working on expanding the insurance sector and are encouraging insurance companies to develop new products that are



China will be our most important market. They need the energy and we have it, so what better partner for us than someone who needs our resources?"

RILWANU LUKMAN

suitable for people from all social backgrounds," said NAICOM Commissioner, Fola Daniel.

"There is huge potential for growth in the insurance sector as Nigeria is a fast developing country



Ifle Sekibo,
Group MD
International
Energy
Insurance Plc

with a large population and market penetration is less than 10 percent."

One of the most experienced and successful energy insurance enterprises in Nigeria, International Energy Insurance Plc (IEI) is the leader in its field and is well positioned for strong growth as the oil and gas industry continues to expand.

Established in 1969 as Nigeria Exchange Insurance Co Ltd, the company has experienced a series of transformations and now focuses on the fast-paced energy sector.

In 2007, and with a general insurance license from the National Insurance Commission, IEI became a private company, with the firm's security backed by a consortium of domestic and foreign reinsurers.

The enterprise has enjoyed phenomenal growth and won a large share of the market through its innovation and aggressive business development plan in a notoriously conservative industry.

With the slogan "The Energy to Care", IEI attributes its impressive success to its five core brand values: integrity, friendliness, dependability, innovation and proficiency. Its portfolio of financial services products, of which energy insurance is the flagship, includes mortgages, pension funds and asset management.

Under the guidance of Group Managing Director Ifle Sekibo, IEI



Sean Hsu,
Managing
Director,
Netcom

is capitalizing on the many opportunities generated by the industry's deregulation and the growing awareness of risk by public and private sector organizations.

Managing Director IEI Insurance Jacob Erhabor said: "Nigeria's insurance sector has come a long way in recent years and IEI boasts a unique underwriting proposition in the oil, gas, power, and solid mineral sectors. We cover about 90 percent of the oil and gas market and are very competent in our underwritings as we have converted engineers and professionals with great knowledge of the sector into underwriters."

Under its strategic development plan, IEI works with the Economic Community of West African States to achieve its growth goals through environmentally friendly energies like biofuels.

"Our culture is to look to the future and a greener world," Erhabor says.

With the vast majority of Nigeria's oil and gas reserved exported to other countries, an imbalance has developed in which domestic demand for such products far outstrips supply.

To address these problems, the government developed the Nigerian Gas Master Plan (NGMP) — a program that will boost investment in gas infrastructure and transform the domestic market into a vibrant and fully commercial gas market.

"There is a correlation between energy availability and economic development," Nigeria's former Minister of State for Power Nuhu Somo Wya said. "Our strategy is focused on getting new investors and partners to explore alternative energy sources such as solar and wind power."

China's wealth of experience with coal-fired power plants gives it a major advantage when it comes to exploring ways of developing Nigeria's vast coal resources.

Up to 80 percent of China's energy production comes from coal so China knows how to generate the maximum amount of power from this material.

The government looks forward to Chinese technology being transferred to Africa so it can provide Nigeria with more environmentally-friendly energy solutions.

With responsibility for the development and regulation of the country's energy industry, the Energy Commission of Nigeria (ECN) ensures the Nigerian government has the proper planning structure in place to achieve its goals in power development

"We expect Chinese companies to

invest in the Nigerian power sector by building hydro-electric plants and developing the power grid," says Abubakar Sani Sambo, ECN director general and CEO.

"Renewable energy is a very important issue for us and with China's cooperation we can easily develop those resources. We already have pilot projects in wind and solar energy through which we could join forces with Chinese companies."

With the aim of becoming one of the top five chemical distributors this year, Jidanette Holdings Nigeria Ltd is a star performer in the lubricating additives and petrochemicals sectors. The Lagos-based company, which is building two new factories, sells goods to major blending plants across Nigeria and West Africa, and has strong business relationships with major manufacturers in Europe.



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ABUBAKAR SANI SAMBO
ECN DIRECTOR GENERAL AND CEO



Our mission is to exceed our customers' expectations every time with our superior customer and technical support."

SEAN HSU
NETCOM MANAGING DIRECTOR

"As Nigeria develops, so more people will own cars, increasing the need for blending plants.

"In addition, government investment in the railways will create more opportunities in that sector," said Jide Taiwo, Jidanette's managing director. "China should definitely look at the opportunities in Nigeria's lubricant and petrochemical additives industry."

Nigeria's Information and Communications Technology (ICT) industry and environment is one of the largest and most modern in Africa, with demand for the latest mobile phone and Internet technology growing at an astounding rate.

Playing a leading role in the creation of this ideal growth environment is the Ministry of Information and Communication.

The ministry is responsible for regulating and supervising activities across the sector and as part of its remit, takes the lead in informing and educating citizens and businesses about the government's ICT programs and projects.

"We want to reposition, develop, and improve the major industries that are linked to our ministry so that they benefit the nation," said Dora Nkem Akunyili, former Minister of Information and Communication.

Netcom Africa Limited is one of Nigeria's most successful ICT companies and enjoys a proud reputation as West Africa's leading provider of telecommunications infrastructure, and satellite and wireless broadband solutions.

Founded in 2004, Netcom has grown quickly through its winning combination of next-generation technology in satellite communications and around-the-clock support from the industry's most experienced technical engineers.

The dynamic and award-winning organization has established key operations in 14 countries and gained a domestic share of the market that took its main competitor more than 20 years to achieve.

The success has been built on an aggressive growth strategy that blends outstanding reliability with first-class customer service. By working with some of the biggest commercial and industrial names in the region, Netcom enjoys a diverse customer base and is the best choice for enterprises seeking a reliable Internet service.

Through an advanced communications system that boasts direct connections to top global carriers such as AT&T and Cable & Wireless, Netcom's technology employs state-of-the-art fiber-optic cables and the best satellite technology.

As an experienced provider of ICT services to many Chinese companies in Nigeria, Netcom is the ideal partner for Chinese enterprises and organizations that are eager to succeed in a competitive environment.

"We have worked closely with many Chinese conglomerates in our short history and are always open to mutually beneficial approaches from Chinese companies in the future," states Netcom's managing director, Sean Hsu.

"We see tremendous potential throughout Nigeria and West Africa as we strive to empower people with faster, reliable, unhindered access to information and ideas, making their jobs easier and enriching their lifestyles. Our mission is to exceed our customers' expectations every time with our superior customer and technical support"

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Netcom Africa is one of the largest providers of wholesale IP solutions to West Africa. Access to global networks is guaranteed by a direct connection to multiple Tier 1 carriers in the US and UK. Our combination of satellite and fiber services are among the best in the industry. We are the first company in Africa to be certified by both ISO9001:2000 and TL9000 standards which exemplifies our dedication to quality as well as benchmarking us against other global companies. Netcom is the ideal partner for any global customer requiring high quality services in Africa, which is just another example of how smart thinking can really take you places.

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A solid partnership across continents

With its hugely successful joint venture with the Chinese government—China Unity—having recently celebrated its 21st anniversary, Emel Group's innovative strategic alliances continue to allow its diverse portfolio of quality products to be enjoyed in global markets. As one of Nigeria's most dynamic, trusted, and respected enterprises, Emel is actively seeking more healthy joint ventures to fuel future growth.

Emel Group/China Unity

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