

PRESENTATION BY HON. NIMI WALSON-JACK, EXECUTIVE DIRECTOR, RIVERS STATE BUREAU FOR PUBLIC-PRIVATE PARTNERSHIPS, AT THE RIVERS STATE SHOWCASE SESSION HELD AT THE NIGERIAN BAR ASSOCIATION 2017 ANNUAL GENERAL CONFERENCE, IN LAGOS, ON TUESDAY, 22 AUGUST 2017.

INVESTMENT OPPORTUNITIES IN RIVERS STATE

Background

Rivers State is one of the 36 States in Nigeria and the economic hub of the Niger Delta region with a population currently estimated at 5.2 million. It is strategically situated encompassing large swathes of tropical rain and mangrove forest and in addition to oil deposits that can be found in the state, also possesses arable land with untapped opportunities in crop production and animal husbandry.

Rivers is the second largest economy in Nigeria and the centre of the oil and gas industry and the West African sub region with a total GDP of about US \$21 billion annually; Standard and Poor's affirming a 'B' long term credit rating for the State indicating a stable outlook.

Rivers State is home to major refineries, two major Seaports and two Airports. one of which is an international airport. It is home to multinational oil and gas companies such as Nigeria Liquefied Natural Gas (NLNG), Shell Petroleum Development Company (SPDC), Nigeria Agip Oil Company (NAOC), ExxonMobil, Total E & P (Total), and Chevron Nigeria Limited, as well as an oil and gas free trade zone. It also holds the regional headquarters of several national banks.

Port Harcourt is the capital of Rivers state and is one of the fastest growing cities in Africa. It is the chief oil refining city in Nigeria and is home to the 2,500 acres Trans-Amadi Industrial Layout where Tyre, Aluminum products, Glass wares, Paper and other goods are manufactured. Port Harcourt seaport's deep-water facilities handle the export of goods and have bulk storage facilities for both palm oil and petroleum. The State is home to three (3) Universities - University of Port Harcourt, Rivers State University, and Ignatius Ajuru University of Education, as well as two Polytechnics – Kenule Beeson Saro-Wiwa Polytechnic and Port Harcourt Polytechnic.

The Rivers State Government under the leadership of Nyesom Ezenwo Wike, CON, has undertaken an ambitious series of reforms to transform the State. This reform has focused on providing and rehabilitating infrastructure such as road networks, schools, power facilities, tax reforms and in general improved public sector performance and service delivery. Security has since improved in the State and once again Port Harcourt is being restored to its former glory as the "Garden City".

SIGNIFICANT FACTORS

The significant increase in political stability, abundant natural resources and the broadly improving economic infrastructure have all combined to make the State a highly attractive investment destination. We wish to note the following significant factors:



- (1) The position of Rivers State as the most important oil and gas producer in Nigeria means more revenue accruing to the State, and this means more government spending with the attendant ripple effect. With Nigeria experiencing a GDP growth rate projected to trend around two percent in Year 2020, it is expected that improved national wealth will mean increased government and consumer spending.
- (2) This administration's mandate to render transparent and accountable stewardship anchored on integrity and visionary governance will translate to prudent fiscal spending, strengthening of institutional skills and improved delivery of services to the citizens.
- (3) Government's resolve to rebuild Port Harcourt into a major international City through its Greater Port Harcourt Development Programme, it is hoped will continue to achieve success, bring confidence in the business environment, therefore, making Port Harcourt and Rivers State attractive to new investors.
- (4) With high unmet demand for essential infrastructure such as power, housing, telecommunications, an increase in the economic environment can only translate to increase in consumer goods, food, utilities and services. The largely underdeveloped nature of these segments leaves room for new investments and business developments which will in turn drive demand.
- (5) Availability of a young population eager for employment offers an abundant workforce and a large emerging and relatively untapped market for consumer products and services.
- (6) A positive economic outlook in 2018 and beyond means economic activity is expected to continue at a robust pace, supported by continued buoyant drilling, extraction activities, construction and services.
- (7) The current administration's increase in security and surveillance in the State has reduced the perceived crime rate, but importantly the determination of this Government to find lasting solutions to unemployment will continue to reduce the crime rate. We believe the improved security, which the State has witnessed, can be sustained and improved upon within the next few years.

SECTORIAL FOCUS ON INVESTMENT OPPORTUNITIES IN RIVERS STATE

HOUSING AND CONSTRUCTION SECTOR

Nigeria has a housing deficit of over 15 million homes and a recent World Bank document revealed that there is a need to produce 700,000 housing units annually for the next 20 years to overcome this deficit. With such a huge housing deficit Rivers State is seeking for sustainable solutions.

In Rivers State, we have adopted a Public-Private Partnership (PPP) approach with a Housing policy that would enable the public get quality and affordable houses



while the private sector gets new business opportunities. To this end, a Housing Policy has been put in place.

Under the Rivers State Housing policy, the State provides opportunities for affordable housing that enable the supply of diverse types of houses at affordable prices. We provide land subsidy to private developers and a shared equity scheme where a percentage of the units provided on each project is set aside for affordable housing to be sold under the scheme.

In partnership with the private sector we have embarked on projects that are expected to provide over 3,000 housing units in the Greater Port Harcourt City Area, the Rainbow Town, and Golf Estate projects. The housing deficit in Rivers State translates into vast investment opportunities in residential, commercial as well mixed development.

There is also the option of infrastructure alone on a PPP basis so that the public can buy serviced plots of land covered by a Certificate of Occupancy from the State.

AGRICULTURE

Agriculture remains a priority sector because of its ability to immediately create employment opportunities for a vast number. Rivers State indisputably has one of the best natural environments for crop and animal husbandry production in Africa.

The State has over 280,000 hectares of arable land, topography in general is mild, rain is seasonal, variable and heavy and is adequate for all year-round crop production. In general, being low land terrain, water is highly abundant in the State. A number of important competitive advantages also exist for the enhancement of long term profitability such as the availability of low cost natural gas and electricity.

The policy of the Rivers State Government on Agriculture is to encourage Private Sector participation in the value chain of agricultural production, processing and transportation in order to attain food security and sufficiency.

By virtue of our location, we welcome investors interested in partnering with the State to accelerate fish production. Investors are encouraged to investigate the artisan fisheries input supply, fish processing, feeds production, amongst other activities.

The agricultural resources of Rivers State are legendary, creating an allure for food and cash crops, as well as fish and other sea food production. Investors are encouraged to investigate the artisan fisheries input supply, fish processing, feeds production, amongst other activities.

Opportunities exist in meat production in Rivers State. In an effort to eliminate illegal slaughter slabs the Rivers State Government is negotiating a PPP arrangement to construct modern mechanized abattoirs in the State.



The State Government has recorded a few successful partnerships, which include the Risonpalm oil palm plantation and is doubling its effort in ensuring vibrant food availability with the ongoing negotiation for the Concession of Songhai Rivers Initiative Farms and other Government–Owned Farms.

Investment Opportunities in Food and Cash Crops

The agricultural prowess of Rivers State is awesome. Some of the crops richly produced in the State are: Cassava, Plantain, Banana, Yam, Vegetables, Groundnut, Corn, Sweet Potatoes, Pepper, Tomatoes, Oranges, Mangoes, Pineapples, Pawpaw etc.

However, the challenge remains that these opportunities have not been maximized to generate optimum productivity to satisfy local needs and support export. This is the door that investors need to open and Rivers State Government is ready for partnership.

Investment Opportunities in Fishing

Rivers State has vast potential for fish farming. Rivers State is traditionally a fishing area and the principal occupation of the riverine people is fishing and its associated industries. The State is characterized by various types of water bodies such as rivers, fresh and brackish water, creeks and estuaries as well as marine water bodies. These water bodies provide great opportunities for aquaculture.

Rivers State, being a maritime state with access to the sea, is endowed with some major inland water bodies and their valuable resources, which could be harnessed to augment capture fisheries production. The fish farmers cannot meet the fish demand of the people and that makes fish to be expensive, which also makes the fish to be food for the rich. The population of the state is increasing daily and fish demand is also increasing but the production is still low due to non-investors in the sector. This is one area we can rapidly invest with quick returns.

Investment Opportunities in Tiger Shrimps Farming

There is prospective investment opportunity in the shrimp farming business in Rivers state. This is not just primarily, because of the soaring demand for shrimp in international market and the attractive foreign exchange it earns, but because of the global high demand for this very extra special shrimp called the “Tiger Shrimps”. It is said to be found in monumental quantity only in the Niger Delta and majorly in Rivers State.

Incentives and Government Support in the Agriculture Sector

To promote agricultural activities, the Rivers State Government has put in place a variety of incentives to attract investment into the sector, including:

- Registration of all farmers;
- Farmer training program to teach farmers modern agricultural techniques and supply them with inputs to improve their yield;
- Credit facilities to farmers’ co-operative societies;
- Swift allocation of farm land to interested investors; etc.



RESUSCITATION OF MORIBUND INDUSTRIES/COMPANIES

In a bid to further stimulate economic activities, the Government has prioritized the resuscitation of moribund industries in the State; it is believed that these industries if resuscitated will enhance economic growth in the State. We are eager and welcome more ambitious investments in this aspect.

POWER

The availability of sufficient and predictable power is a huge concern not only for Rivers State but for Nigeria as a whole. Some of the key challenges facing the power sector include inadequate power generation capacity, insufficient usage of capacity, ineffective regulation, poor collection rates and inadequate transmission and distribution infrastructure.

As a result of the inadequate power supply the majority of households and businesses in the State rely on expensive self-generated electricity. This has major implications for the competitiveness of Nigerian business.

The State Government is discussing with the private sector to provide 24 hours captive power to cover critical Government assets and free power from the National grid to the public. The State Government has built enough power generating capacity to meet local needs but the national problem of distribution has remained a stumbling block.

Investment Opportunities in Electricity / Power Supply

The passing of the Electric Power Sector Reform Act in the 2005 signaled Nigeria's commitment to reforming the sector. The Act aimed to improve the performance of the sector by for the first time allowing private companies to invest in and operate power companies in Nigeria. The Government through the Ministry of power has also outlined a detailed roadmap for reforming the sector in the coming years.

The Rivers State Government itself is committed to tackling the state's power problems and is actively collaborating with the private sector in finding solutions. The Rivers State Government is dedicated to developing and improving power supply in the state. The state has expended considerable resources to either complete or maintain the following power stations namely Omoku 150 Megawatts, Trans Amadi 130 Megawatts, Eleme 75 mega Watts while seven transmission stations 132/33 Kv has been built. Distribution sub-stations 33/11 KV have also been built.

We welcome investors to key into our modest efforts as there is already market for power in Rivers State.

HOSPITALITY

The Hospitality business is assuming a very important dimension in the Nigerian economy with new entrants springing up daily. The Federal Government having approved billions of Naira intervention fund for the rebuilding of the hospitality and leisure sub sector to international standards has also recognized the role this sector has to play in our economic development.



Local and foreign investors can also perceive the huge investment potential that abound in the sub sector, and explains why this sector boost many local and international hotel brands.

The Rivers State Government welcomes investment in this sector. We are hopeful that as Port Harcourt returns to the “Garden City”, investments opportunities in this sector will become most attractive.

TOURISM

The cultural policy of the Government is to make Rivers State a Tourism Haven taking advantage of the rich culture of the state.

The local and expatriate population in Port Harcourt has renewed confidence in the safety of its outdoors and is exploring it with energy and enthusiasm. The Government is taking full advantage of this and the private sector is welcome in this sector.

The Government is desirous of negotiating PPP arrangements aimed at creating worldwide class eco-friendly indoor/outdoor facilities. Government have currently completed the construction and commissioning of the Port Harcourt Pleasure Park and positive reports of visits to the park especially on weekends and public holidays is a pointer that Rivers State is the place to invest.

This project is aimed at providing an excellent leisure, recreational, shopping and entertainment experience. We welcome opportunities in the development of Hospitality resorts, Amusement parks, Children entertainment centres, Cinema, relaxation spots and Water parks.

***TOURISM** today is the world’s largest employer of labour and major source of revenue earner. Nigeria is over-dependent on oil because of negligence of agricultural sector and other sub-sectors particularly tourism.*

*In Rivers State, we have tourism sites which can be developed into mini event centres. The coastal shore lines and beaches, relaxation sites such as Isaka holiday resort, the Agaja Beach, - (Hippotamus village in Bony), the slave trade transit route through **Ndele Town** in Emohua Local Government Area to **Bonny** will attract both local and international tourists to the state. Also, the fishing villages of **Elelenwo** in Obio/Akpor Local Government Area and **Unyeada** in Andoni Local Government Area, the river confluence in **Isiodu** in Emohua Local Government Area, if properly harnessed, will attract tourism in Rivers State.*

In the recent development, the State Government has mad bold steps in the movement of the Port Harcourt Zoo to the Grater Port Harcourt where she intends to develop a wild life with modern facilities, while the present Zoo site after the relocation will be used to develop an Amusement park with Five Star Hotels including modern facilities of international standard.

The State Government also intends to build a Film Village for tourism purposes.



*It is traditional for Rivers State to host a cultural event annually called **Carniriv**. If this event has a stable date like the **Rio Carnival** of Brazil and **Northinghill Carnival** of the United Kingdom, it will also attract both local and international tourists.*

*Recently, during the **Rivers at 50**, His Excellency, made a pronouncement that a day will always be set aside for display and exhibition of the rich cultural heritage of the entire Rivers State.*

From the foregoing, Rivers State has a lot of tourism investment opportunities and if properly harnessed, will be a major revenue spinning sources to the State.

ENERGY AND NATURAL RESOURCES

Interested investors are invited to invest in the development of special clay raw material found in Egi land in Ogba/Egbema/Ndoni Local Government Area of Rivers State. Very rare clay that is used for the construction of clay zinc, clay cement bricks among others. Egi community has been found to have the raw material required for such project in huge commercial quantity. In other words, there are natural deposit of clay reserve that has been specified suitable for the brick and roofing sheets.

More interesting is the fact that in a bid to make investment in the Egi clay industry more seamless, multinational oil giant, Total Exploration and Production Company has expressed commitment in partnering with potential investors to provide gas required to blast the clay in the course of production at very minimal cost.

COMMERCIAL AND INDUSTRY

Free Trade Zones (FTZ)

The Government is encouraging the establishment of Free Trade Zones at various locations in the State to stimulate economic growth. Applications for permission to operate in the free trade zones are granted by the Nigerian Export Processing Zones Authority (NEPZA), and are required to provide the following information:

- Project Description
- Market Survey
- Funding Proposals
- Five-year Financial Projections
- Environmental Impact Assessment

Applicants receive notification of approval or otherwise from NEPZA within five working days of receipt of the application. Upon receipt of approval to operate in the zone, the applicant applies to the zone management Authority for licensing as an approved enterprise as well as for serviced land or factory space within the zone.

An approved enterprise that has secured a lease of land in a free zone is required to commence development and operations within the time agreed in the lease agreement with the Zone Management Authority.



Once the approved enterprise has completed all pre-production activities (installation of machinery, power, water supply, etc.) an application for approval to commence operations is submitted to the zone Management Authority. The Authority within 24 hours of receipt of an application will complete an assessment of the factory site (to ensure compliance with relevant building, factory and other regulations) and upon the satisfactory completion of this inspection will issue the permit to commence operations within 24 hours.

The Onne Oil and Gas free trade located in Rivers state was established by Government Act No 8 and issued on the official Gazette No 12 on the 29th of March 1996, as a tax free centre for processing, manufacturing and assembly of goods 35% is fully developed while 65% is undeveloped. Opportunities exist for building petrochemical industries, residential/ancillary facilities for the oil and gas clientele, Tourism development facilities and local manufacturing of pipes to support the oil industry.

In addition, Rivers State Government is currently looking for partners to explore various opportunities that exist for the establishment of Free Trade Zones in the State.

Medium and Small-Scale Business Investment Opportunities

1. Palm oil Production
2. Oil Servicing Company
3. Chemical Industry
4. Consignment Business
5. Cleaning Business

OPPORTUNITIES FOR PUBLIC-PRIVATE PARTNERSHIP

Regulatory Framework

The Rivers State Public-Private Participation in Infrastructure Development Law 2009 (PPP Law) has the objectives to:

- (a) Strengthen institutional governance;
- (b) Improve managerial skills and accountability;
- (c) Attract private funds for investments;
- (d) Improve management of State resources;
- (e) Increase the employment generation potential of the State economy;
- (f) Provide a clear, transparent and well defined legal, regulatory and institutional framework;
- (g) Enhance private investments;
- (h) Strengthen human capacity development;
- (i) Provide quality, efficient and affordable services to residents of the State;
- (j) Minimize financial, technical and operational risks on the part of the Government;
- (k) Provide an enabling environment for private sector participation;
- (l) Reduce the unit cost of infrastructural development, procurement and investment.



Government PPP Agenda is to

1. Create Opportunities for the Private Sector to participate in the Infrastructural Development of the State.
2. Increase the Value Chain in Agriculture.
3. Seek Genuine Opportunities for Economic Growth.

Rivers State Government Incentives

The enactment of the Rivers State Public-Private Participation in Infrastructure Development Law 2009 (PPP Law) provides the framework for an enabling environment and offers different incentives to encourage private sector participation in the infrastructure development of the State. These include:

1. Equity participation – Establishment of Special Purpose Companies;
2. Grant of loans;
3. Infrastructure Credit Guarantee;
4. Viability Gap Funding;
5. Minimum Revenue Guarantee;
6. Provision of Land for Development Purpose;
7. Provision of Subsidies;
8. Reduction of or Exemption from payment of taxes and levies;
9. Facilitation of the processes and regulatory approvals.

Ongoing PPP Projects:

- (i) Rivers Adama;
- (ii) RivMetal Recycling Plant;
- (iii) Raddison Blu Hotel;
- (iv) RivTaf Golf Estate
- (v) The Reserve @ Golf Estate;
- (vi) Sterling Ridge Estate;
- (vii) Reef Court Estate;
- (viii) Garden City Villa;
- (ix) 1Km Toll Road;
- (x) Other unregistered projects

PPP Projects under Negotiation:

- (i) Port Harcourt Shopping Mall;
- (ii) Songhai Rivers Initiation Farms;
- (iii) Elingbu Poultry Farm;
- (iv) Poultry Farm at Atali;
- (v) Construction of Abattoirs in Rivers State;
- (vi) Housing development, provision of Site and Services at Greater Port Harcourt City.
- (vii) Golden Jubilee Hostels and Mall

CONCLUSION

The existence of the Legal Regulatory Framework, private investments in Rivers State are safe and secured. Investors are warmly welcomed.

Rivers State awaits you.



Thank you.

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