

**DINNER ON UK-NIGERIA PROSPERITY AND ECONOMIC DEVELOPMENT, UK RESIDENCE LAGOS. 31 AUGUST, AT THE LAGOS RESIDENCE. 18.20 – 20.00**

**STEER:** An opportunity to understand the scale and importance of UK-Nigeria business partnerships and potential, and to reaffirm UK commitment to deepening and broadening commercial engagements in Nigeria.

**ATTENDEES:** Nine external guests representing British business interests in Nigeria.  
[REDACTED] Economist and Director of Financial Derivatives  
[REDACTED] MD Unilever Nigeria  
[REDACTED] VP Shell  
[REDACTED] CDC  
[REDACTED] Sahel Capital  
[REDACTED] Managing Director LADOL  
[REDACTED] MD Guinness Nigeria  
[REDACTED] Director Clients & Mkts, PWC Nigeria

UK attendees: Foreign Secretary, Development Secretary, High Commissioner, Deputy High Commissioner, Head of DFID Nigeria, Director of DIT West Africa.

**FORMAT:** Sit down dinner at the residence of the Deputy High Commissioner in Lagos.

**MEDIA:** No

**SPEECH:** No

**OBJECTIVES:**

- Reaffirm UK commitment to deepening and broadening commercial engagements in Nigeria.
- Understand private sector perspective on Nigeria's investment potential, and enduring appeal despite challenges.

- Share ideas on improving Nigerian business environment.
- Set out the role that UK-supported development finance can play in driving inclusive economic development and creating jobs.

## **BACKGROUND**

1. It has been a difficult 18 months for the Nigerian economy, with recession, high inflation and rising unemployment. The global oil price slump has put the Nigerian economy and government revenue under immense strain, but also provides impetus for diversification and structural reform to expand Nigeria's non-oil export base.
2. The Nigerian Government is committed to diversifying its economy, particularly its external revenue, and has announced a series of reforms, including on the ease of doing business, revitalising key sectors (especially agriculture), and investing in much-needed power and transport infrastructure. It is essential for Nigeria to deliver on its reform promises to send a clear message that Nigeria is open for business, increase the confidence of potential investors, and build new opportunities for trade.
3. There are some signs of improvement. Investment has started to come back into the country – with the UK being consistently the largest source of capital importation into Nigeria (mostly portfolio investment). Major businesses remain confident about Nigeria's medium to long-term prospects. It is the largest economy and most populous country in Africa – and is on course to be the third most populous nation in the world by 2050. Lagos by itself is the 5th largest economy in Africa, with a lively business scene, a major regional port, and a large and growing wealthy class.
4. The UK and Nigeria are strong trade partners. In 2015 our bilateral trade was worth £4bn – though this is a declining trend. The UK was Nigeria's top trade partner in 2000, but had fallen to 5th by 2014 [and has likely fallen further since]. This is largely a function of lower oil prices reducing the value of Nigerian exports to the UK. Surging trade relations with newer partners such as China and India has also affected the UK's ranking in Nigeria's trade partners. A PWC analysis carried out for the FCO assessed that non-oil UK exports to Nigeria

could reach £7bn by 2030 (from £1.9bn in 2014), and non-oil FDI could grow from £1bn to £4.5bn.

5. This assessment was dependent on Nigeria enhancing its regulatory framework, tackling corruption, and improving supply of utilities, especially electricity; it was also dependent on UK businesses raising their level of ambition and engagement, particularly in growth sectors such as ICT, retail & consumer products, and business & financial services.
6. Many UK businesses operate successfully in Nigeria, and have done for a long time. BA's first flight from the UK to Nigeria was 81 years ago; Diageo (Guinness), Shell, Unilever, PZ Cussons, and Reckitt Benckiser (among others) have strong and long-established operations in Nigeria.
7. There is significant potential for further UK deals beyond oil & gas, in agriculture, infrastructure development, education, and technology in particular. DIT has a strong team in country to support this.
8. London is a major hub for Nigerian finance, selling Nigeria's oversubscribed Eurobonds in February 2017, as well as its first ever Diaspora Bond in June 2017. [REDACTED]
9. Through DFID's core development programme, we are providing Nigeria with support in a range of areas – particularly in the areas of capacity development and empowerment to reinvigorate its agricultural sector and domestic manufacturing base; boost employment opportunities and tax collection; increase transparency and remove constraints on the ease of doing business; attract quality investment, and improve competitiveness.
10. The UK High Commission regularly supports British businesses in their activities in Nigeria – engaging on behalf of airlines, oil companies, retailers, manufacturers, and traders; [REDACTED]

11. Consistent engagement across issues – security, prosperity, and anti-corruption – combined with significant programmatic activity across these areas ensures that we have both access and influence.

12. The High Commissioner chaired a series of roundtables with key diplomatic partners (e.g. US, France) and IFIs (World Bank, AfDB, IMF)



13. Working with DIT, the Deputy High Commissioner in Lagos hosts monthly “British Business Breakfast groups” with the largest and most significant British companies (about a dozen) to hear about their work and their challenges and support them through our engagement with Government.

14. The FCO has led year 1 Prosperity Fund activity supporting a suite of small, targeted “political advocacy” projects focused on promoting foreign exchange policy dialogue, mapping opportunities for Nigeria-UK technology cooperation, franchising as a business model to increase investment and diversification, trade facilitation, and a states-level study of the business environment. These have offered opportunities to engage business and government in a wide field of sectors and locations



## **SPEAKING NOTES/ QUESTIONS**

- The UK and Nigeria are strong trade partners. In 2015 our bilateral trade was worth £4bn. [We are committed to re-gaining our position among Nigeria’s top trade partners]
- UK investors can also be allies in President Buhari’s agenda for economic transformation. UK businesses have much to offer to make the Nigerian economy stronger and help with economic diversification.

- This will be a long-term process – but what are the key issues to address now, and what milestones should we be targeting in the medium term?
- We welcome the President Buhari's commitment to reform, and to transparency, and his administration's dedication to fighting corruption, increasing investment and diversifying the economy.
- Despite the challenges over the last few years – security, recession, inflation foreign exchange –you are all still here and going strong: what are your perspectives and expectations for Nigeria's longer-term business opportunities?
- What more can FCO DFID and DIT do to support British business interests in Nigeria? What stories should we be telling British companies who are not yet trading with or investing in Nigeria?