



imports. The volume of U.S. trade with Nigeria is bound to increase within the next few years, as the huge Nigerian market extends to West Africa with the implementation of a regional liberalization system which provides for progressive elimination of trade barriers in West Africa.

U.S. investment in Nigeria was worth 4 billion dollars in 1994, 90% of it in the petroleum sector. It is expected to increase with the recent and continuing discovery of offshore and on-shore petroleum deposits along the coast and in the interior of Nigeria.

INVESTMENT INCENTIVES

The Nigerian Government is implementing an economic recovery program involving guided deregulation of the foreign exchange and interest rates regimes, greater role for the private sector, increasing industrial production, revitalizing agriculture and mining of solid minerals. The Government has adopted an open door policy for foreign investment in any enterprise. It provides generous tax incentives and opportunities for repatriation of capital, profits and dividends, ensures protection of investment and allows the opening of domiciliary accounts which enables foreigners in Nigeria to maintain export proceeds in foreign currency.

The Nigerian Government is also willing to enter into bilateral agreements with foreign countries to ensure mutual protection of investment. A similar agreement with the United States is being negotiated. With the abrogation of the Nigerian Enterprises Promotion Decree, the way has now been paved for reaching the agreement. Abrogated also is the Exchange Control Act of 1962. The two laws have been replaced by two decrees whose effect is to promote rather than restrict foreign investment: The Nigerian Investment Promotion Commission Decree which facilitates investment and the Nigerian Foreign Exchange Monitoring Decree which guarantees unimpeded transfer of funds in foreign currency in and out the country.

INVESTMENT OPPORTUNITIES

There are tremendous opportunities for investment in Nigeria, especially with the Government's decision to diversify its resource base into mining of solid minerals, revitalization of agriculture and increase in industrial production.

In the agriculture sector, which is still the backbone of Nigeria's economy, the policy objectives are to increase food production to meet the requirement of a growing population, provide raw materials for our industries and grow more exportable cash crops to diversify the sources of our foreign exchange earnings.

An appreciable proportion of total livestock and fish in Nigeria is imported. To meet the shortfall, all aspects of livestock and fisheries offer investment opportunities. In

the forestry sub-sector, there is a tremendous scope for investment in establishing plantation and downstream investment in the production of plywood, board and furniture.

In the area of water resources, avenues are open to foreigners in the development of bore holes for water supply, dam construction, underground water resources development, rural water supply and improvement of river channels.

The petroleum sector has the highest growth rate. Petroleum was discovered in 1958 with a production capacity of 5,000 barrels per day rising to about 2.3 million barrels per day by 1979. But, OPEC guidelines restrict the production to approximately 1.8 million barrels. There are upstream opportunities for investors in exploration and production. Downstream activities include gas treatment and crude oil conversion into petrochemical products as well as transportation and marketing of the products. Opportunities exist for the construction of oil refineries under customs bond with adequate facilities for exports especially to the neighboring African countries. There are also tremendous opportunities for small joint ventures in manufacturing of oil by-products with foreign technical partners. Such ventures include warehousing arrangement that would ensure continuity of supply at competitive prices.

Nigeria is preparing to implement a Natural Liquefied Gas Project (NLG) with the participation of the United States M.W. Kellogg Company.

AIRPORT SECURITY

Prospects for investment and trade between Nigeria and the United States would be enhanced by the resumption of direct commercial flights linking the two countries. Now that the Nigerian airport authorities have met all the security requirements by the United States Federal Aviation Authority, Nigerians look forward to their early resumption of direct commercial flights.

COOPERATION AGAINST DRUG TRAFFICKING

A vital area of cooperation between Nigeria and the United States is combatting international drug trafficking. Though not a drug-producing or drug-processing nation, Nigeria is concerned with the use of its territory as a transit point for drug trafficking from East Asia to Europe and the United States. The Nigerian Government is, therefore, leaving no stone unturned to fight drug trafficking in cooperation with other countries, including the United States.

Cooperation with the U.S. in this area of mutual concern has fundamentally improved since General Abacha assumed office as Head of State in November 1993. The Drug Enforcement Administration (DEA) team in the U.S. is cooperating with the Nigerian Drug Law Enforcement Agency (NDLEA) in joint operation, trading and exchange of data. ■

Nigeria...Truly, Peace Makers And Peace Keepers

In 1990, Nigeria led the West African international peace keeping force which succeeded in drastically reducing the fighting in Liberia, created a safe haven in Monrovia and produced a favorable environment for the return to constitutionality in Liberia at a time when that country was the focus of U.S. policy in Africa and when American marines were transferred from that area to the Gulf. It is fitting that Nigeria's capital, Abuja, should be the venue of the most successful peace conference on Liberia resulting in the setting up of a Transitional Interim National Government.

Nigeria also participated and is still participating in peace keeping efforts in Bosnia, the Middle East, the Gulf Region, Rwanda, Somalia and Iraq, in many cases in partnership with the U.S. It votes with the U.S. on many issues in the United Nations including such delicate matters as separation of Zionism from racism, and Haiti. It has led many African countries in resuming relations with Israel in 1992, and on several occasions, assisted the United States in combatting international terrorism. In March, 1995 a Nigerian military unit rescued an American, Mr. Tony Johnson, who had been held hostage by Chadian rebels.

Nigeria's internal problems should not constrain the United States and Nigeria from mutually benefitting from bilateral cooperation in the sphere of trade, investment, combatting drug trafficking, peace keeping operations, resolution of conflicts, or combatting international terrorism. There are many countries with similar and even more serious problems in Africa, Asia, Europe, and Latin America with which the U.S. enjoys mutually beneficial cooperation in all fields. Nigeria hopes that the United States of America will maintain its policy of supporting the process of nation building and democratization in Nigeria by cooperating with the Government of General Sani Abacha towards this end.

NIGERIA: 35 YEARS IN GLOBAL PEACE KEEPING

The Nigerian Armed Forces have participated and are currently participating in the following peace keeping operations:

1960-1964: (ONUC) United Nations Operation in Congo

1962-1963: (UNSF) United Nations Security Force in West New Guinea

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