25TH NIGERIAN ECONOMIC SUMMIT

ANNIVERSARY

EXECUTIVE SUMMARY

THEME:

NIGERIA 2050

SHIFTING GEARS

Achieving Rapid Industrialization

Sustainable Peace & Security

Managing Demography

Transforming Education

THE NIGERIAN ECONOMIC SUMMIT GROUP

Ministry of Finance, Budget and National Planning


RESERVED

Executive Summary of the

25TH NIGERIAN ECONOMIC SUMMIT

NIGERIA 2050: SHIFTING GEARS

The 25th Nigerian Economic Summit NES #25 took place from 7th-8th October 2019, at the Congress Hall of the Transcorp Hilton, Abuja. NES #25 was jointly organised by the Nigerian Economic Summit Group (NESG), and the Ministry of Finance, Budget and National Planning (MFBNP).


#NES25

Nigeria 2050: Shifting Gears

25th Nigerian Economic Summit 2019
Abuja, Nigeria

Nigeria's economic development is at a turning point. The Federal Government's Economic Recovery and Growth Plan will run out next year, the United Nations has projected that the country's population will double by 2050 to 410 million, the Africa Continental Free Trade Area has come into effect, the world is standing on the brink of a Fourth Industrialization Revolution and global economic outlook which has been characterized by economic nationalism and trends towards deglobalization, remains volatile but cautiously optimistic. The outcomes produced by the interplay of these dynamics will fundamentally alter Nigeria's medium to long term trajectory from 2020 to 2050.

This emerging trajectory could create three possible Scenarios as we approach 2050 that will be influenced by domestic factors such as the exponential growth in population and changes in demography, rapid urbanisation, the impact of climate change as well as the unity and safety of Nigeria. There are also global factors like the advancement in innovation and technology, shifts from traditional energy sources such as crude oil to renewable energy driven by the decarbonisation of the energy sector, as well as global migration challenges. Our response to these factors will ultimately lead us to any of the three possible Scenarios or paths.

The first Scenario projects that Nigeria Stagnates, which means that the country neither improves significantly nor withers. However, the best-case scenario is that Nigeria Rises with the economy booming, many people out of poverty and becomes an industrialised nation while the worst-case scenario is that Nigeria Fails, goes into recession and becomes a burden to the global economy while poverty and unemployment become rampant and the country heads towards disintegration.

Some of the basic assumptions for these Scenarios are dependent on:

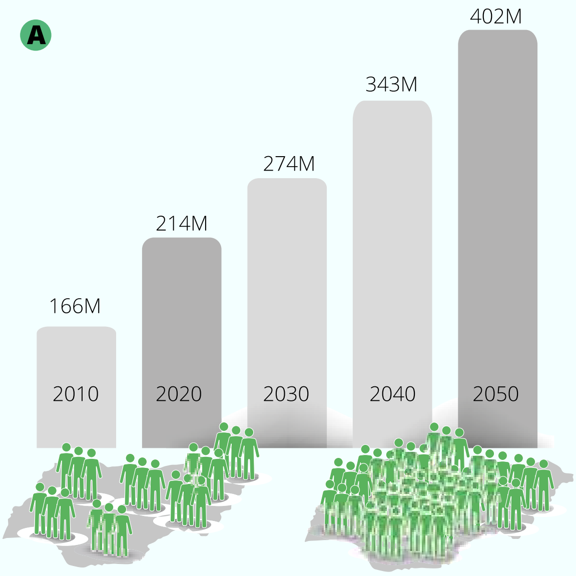
Actual government spending on education, health and emergency readiness;

- Investment in infrastructure;
- Foreign Direct Investments;
- Production efficiency of major economic sectors;
- Policy Efficiency.

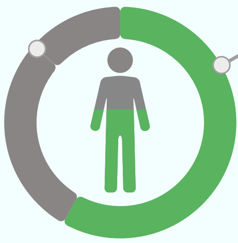
Our approach to these assumptions will produce different outcomes for key social-economic indicators in the three Scenarios: GDP growth, GDP composition, Unemployment Rate, Poverty Rate, Life Expectancy and Access to Education.

Three Scenarios for Nigeria in 2050:

Nigeria Stagnates | Nigeria Rises | Nigeria Fails



Nigeria's Population in millions



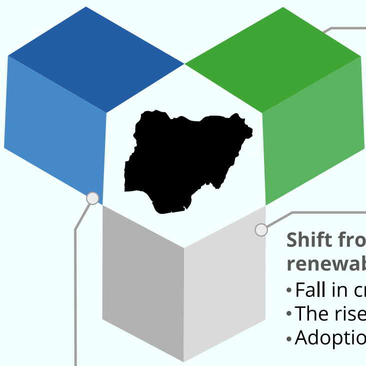
Population of Nigerians that will be under the age of 35 in 2050.

67%

This growing population will create pressure on Social amenities, Infrastructure, Food security, Human capital and Jobs.

C

Key Considerations – External Factors



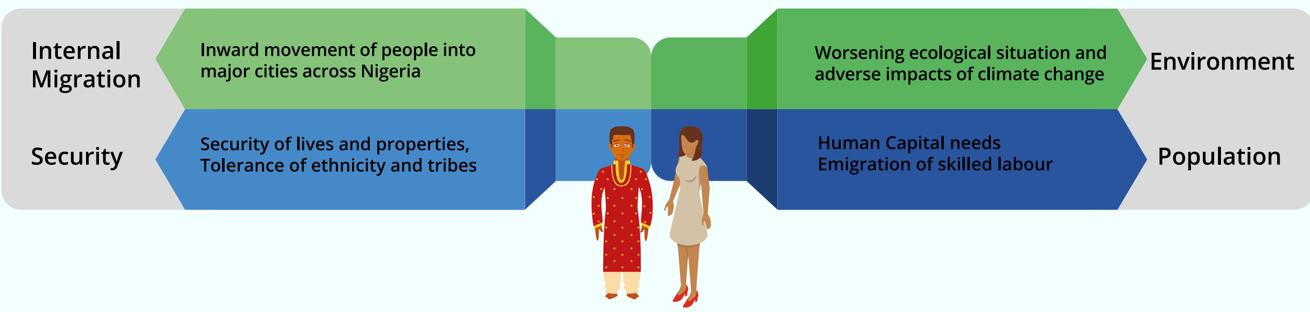
Advancement in innovation and technology
- Exponential growth in entrepreneurship
- Ease of access to products, markets and service
- Competitive pricing

Shift from traditional to renewable energy sources
- Fall in crude oil price
- The rise of electric cars
- Adoption of solar, wind and other renewables

Increased globalisation & migration challenges
- Openness of global economy
- Growth in trade and financial liberalisation
- Reduction in tariffs and import restrictions

B

Key Considerations – Domestic Factors



D Model Assumptions

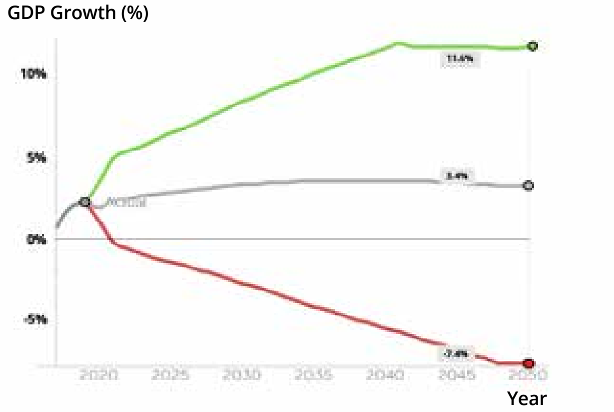
The interplay of all these considerations as well as our response, as a nation, will ultimately lead us to three possible paths as we approach 2050.

Govt. spending on Education and Health	5% increase p.a.	20% increase p.a.	30% decrease
Govt. spending on emergency readiness	No increase	10% increase	20% decline
Private sector investment in Infrastructure	5% Increase	30% increase p.a.	20% decline
Production efficiency of key sectors	1% decline	5% increase p.a.	20% decline p.a.
Foreign Direct Investments inflow	10%↑,6%↓afterwards	37% increase	24% decline

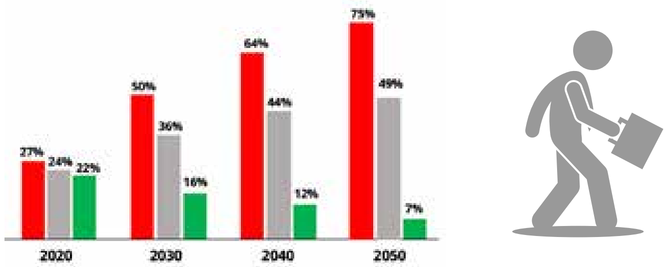
p.a - Per Annum | Govt - Government

Gross Domestic Product (GDP) Growth E

GDP Growth (%)



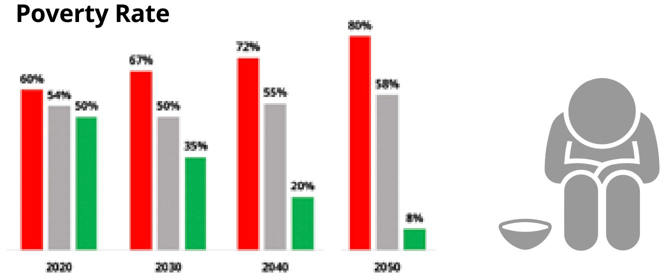
Unemployment Rate



Number of unemployed in 2050

127M 18M 193M

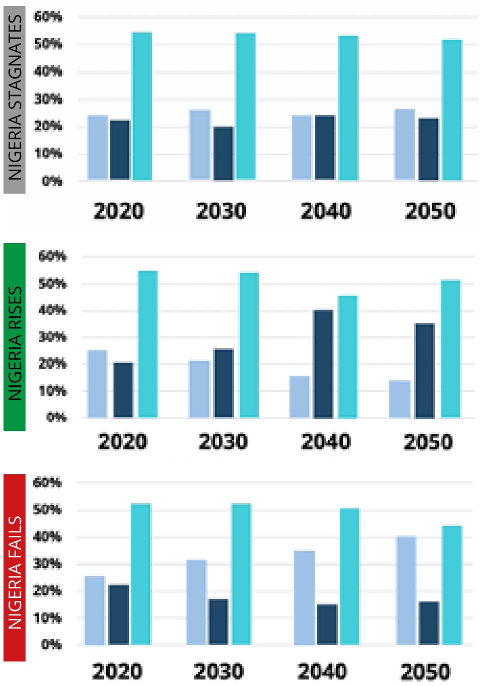
Poverty Rate



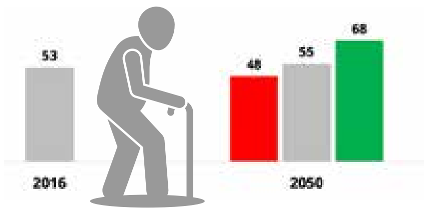
Number of poor people by 2050

233M 32M 321M

F Gross Domestic Product (GDP) Composition



G Life Expectancy



Nigeria Stagnates
Nigeria Rises
Nigeria Fails
Agriculture
Industry
Services

H Conclusion

- Nigeria must begin the process of setting a long term vision of the future.
- This plan must be reflective of regional and States' needs and every stakeholder in this country must be engaged in the planning process.
- Nigeria needs to establish short-medium term plans that are aligned with the vision.
- Summon political will for execution.

Against this background, the NESG firmly believes that Nigeria must shift gears to an economy driven by a private sector that can effectively compete for opportunities in regional and global markets and achieve more sophisticated competitive advantages and higher productivity by 2050. This formed the basis of the discussions at the 25th Nigerian Economic Summit held in Abuja from October 7 to 8, 2019.

Over 800 business, political, civil society and other leaders focused on strategies that can enable the private sector to drive and sustain Nigeria's forward trajectory towards our best-case scenario for 2050 to achieve economic growth, competitiveness and inclusive development.

At the Opening Plenary of the Summit, President Muhammadu Buhari set the tone by reminding the participants that "to address population growth, security and corruption matters in developing economies, our policies and programs must focus on promoting inclusivity and collective prosperity" and that "this shift implies that the concept of having competitive free markets that focus on wealth creation alone will be replaced by those that propagate the creation of inclusive markets which provide citizens with opportunities that will lead to peaceful and prosperous lives." President Buhari challenged the participants to ensure that the outcomes of the deliberations at the Summit "are productive, inventive and innovative keeping in mind that Nigeria's unique challenges can only be solved by made in Nigeria solutions".

NES #25 sessions were anchored on four sub-themes: achieving rapid industrialisation, transforming education, managing demography as well as sustainable peace and security.

Big Picture

- Nigeria is lagging in technological readiness for the Fourth Industrial Revolution. On the other hand, the country's technology adoption has been hindered by the high amount of foreign technology. As a result, we are not keeping pace with new technologies that will enable our industries to create new methods and significantly disrupt existing industry value chains. This is made worse by a lack of supporting digital (broadband) and physical (power and transportation) infrastructure required to drive rapid industrialisation.

- Investment in education has been grossly inadequate, and we currently have a deficit of about 2 million teachers while one in every five of the world's out-of-school children is in Nigeria. In addition to this, there is a clear misalignment that has led to the tertiary institutions turning out unemployable graduates. The largely outdated curriculum cannot provide the skills required in today's labour market and out of sync with the demands of industry.
- Population growth is far outpacing economic growth, and the high fertility rate in parts of Nigeria is one of the key drivers of Nigeria's high population rate. This is attributed to the high level of illiteracy among women and high rate of child marriages because educating the girl-child will lead to women taking ownership and making better decisions on childbirth. Also, religious and cultural orientation is exacerbating this challenge across the country as they often prevent the effective adoption of methods for population control. Furthermore, constitutional provisions that allocate more revenue to states with high population inadvertently encourage population growth.
- There is a disproportionate focus on the Federal Government in Nigeria's economic development, whereas the states and local governments have more direct responsibility for creating the appropriate business environment for a competitive private sector.
- The cumulative effect of this absence of an industrialised economy, poor quality of education and exponential population growth has led to several existential threats to sustainable peace and security in virtually every part of Nigeria.

Strategic Insights

- Craft a National 2050 Agenda for inclusive double-digit economic growth and development over the next three decades that will be driven by the private sector. There is a need for urgency and speed in developing this Agenda while navigating the process with great care to agree collectively on a clear strategy for sustaining the Agenda without the disruptions caused by election-related changes in government. It is also important to break down the 30-year Agenda into five or ten-year plans for national development.
- Identify the key sectors that can drive Nigeria's competitiveness in the global economy and enable us to compete with the giants. There must be a clear roadmap/strategic plan to deepen private investments in the sectors. Besides, conduct a skills-gap assessment of each industry and sector to establish the skills required by each industry and sector to close the gaps between the education sector and the skills requirement of the industries.

- Declare a state of emergency in the education sector to redefine and articulate the education system to fit our national goals, industry trends and focus on STEM courses. This will also include retraining our tertiary education graduates with the relevant skills and knowledge to meet the current, and future labour, industry and market need as well as teaching methodologies via a 12-week programme to fill the classrooms with the right quality of teachers.
- Invest significantly in basic education to significantly reduce the number of out-of-school children. Also, decentralise curriculum development from the federal government to allow state governments to design and develop a curriculum that suits their local environments. In addition to this, stimulate investments in information technology infrastructure, especially in mobile phones and broadband access.
- Incentivise smaller family structures and school enrolment with free education and other social benefits tied to a specific number of children and disincentivise revenue allocation to states with higher populations.
- Enforce the Child Rights Act across all the states so that parents will be held responsible for educating their children and non-compliance attracts punitive measures such as possible jail terms.
- Focus on girl child education, especially in Northern Nigeria through the mobilisation of increased funding for establishing more girls-only schools to encourage the enrolment of more girls in schools. Also, train and deploy female teachers for girls–only schools as a key driver for inclusion as many parents may not enrol their female wards in schools dominated by male teachers.
- Review the Constitution to devolve more powers from the Exclusive List to the Concurrent List to enable the subnational governments to provide more support in creating and sustaining a competitive private sector economy.
- Adopt measures and implement policies promotes the unifying mindset that is imperative to manage our diversity and operate a more inclusive government that creates a sense of belonging among the citizens with a unified vision and purpose.
- Strengthen engagements and collaborations between the private sector and state governments to promote strategies for sub-national competitiveness.

Summit participants expressed firm support for a 30-year national agenda that will adequately respond to the realities of catering to 410 million Nigerians by 2050, the majority of whom will be under the age of 35. The 2050 agenda must focus on creating shared prosperity for all Nigerians that will adequately tackle poverty, income inequality, gender gap, health & wealth being, jobs and industry-ready skills. To achieve this economic prosperity, Nigeria must focus on specific industries (and industry segments) with a competitive advantage that can unleash economic opportunities and fast-track economic development. The Summit extensively discussed these industries intending to unlock their binding constraints, strategies for constant improvements and innovation and the factor endowments that will enhance their capacity to compete in regional and global markets successfully. Following are some of the key outcomes and conclusions that emerged from the various sessions.

Competitive Industries

Unlocking Nigeria's Agriculture and Nutrition Potentials

Nigeria's agricultural sector constitutes one of the most important sectors of the economy, contributing 25.1% of Gross Domestic Product and employing 36.4% of the country's workforce. Nigeria's highly diversified agroecological landscape supports a wide range of value chains. However, despite significant efforts in the last decade to unlock the potential of Nigeria's rich agricultural resources, the sector continues to underperform. The country is facing significant food insecurity challenges, which have led to a malnutrition crisis, particularly in the North-East. Currently, Nigeria has the second-highest number of stunted children under the age of 5 in the world, with over 11 million children affected, and 20% of children between 0-59 months underweight. Therefore, food availability, accessibility, affordability, stability and safety must significantly increase to enable the country to nourish its growing population.

Priority Areas

- Technology for Agriculture
- Sustainable Land Management
- Market Linkages, Value Addition and Processing
- Access to finance for agriculture
- Post-harvest management
- Governance, value chain prioritisation and resource for agriculture transformation
- Access to high-quality input and distribution.

Actions

- Create linkages between technology service providers and farmers (especially smallholder farmers) to leverage agri-tech platforms and build solutions for the value chain.
- Review and revise the Land Use Act (1978). Also, establish land buffering systems.
- Incentivise research institutions to bridge the gap between researchers and the farmers that include end-users and farmers to make them receptive to research outcomes. It is also critical for research outcomes to reach identified targets for it to be valuable and useful. The private sector should also invest in agriculture research and commercialise their research findings.
- Scale the adoption of climate-smart agricultural practices, promote land erosion control, control pollution of rivers, eliminate bush burning practices, provide meteorological services on weather reports for farmers by digitalisation and support mixed cropping, mulching, intercropping, crop rotation and the increased use of organic fertilisers.
- Develop stable sourcing strategies for adequate quantity and quality and establish standards for raw materials used for cultivation, e.g. inputs including seeds and fertilisers.
- Reduce the interest rate for farmers to a single digit, increase banks' lending threshold for farmers, enlighten farmers on available credit facilities and their procedures in their local language for better understanding and effective communication. It is equally important that the farmers are held accountable to the terms of the loan repayment, to reduce the default rates.
- Refurbish government-owned storage facilities which are currently non-functional and concession to the private sector for proper management. Private businesses should also invest in the provision of additional storage facilities to cater for the ever-increasing storage need of farmers. Also, we need commission centres to link farmers to potential customers leveraging technology, thereby reducing waste resulting from non-availability of vendors. The government can understudy similar arrangements which have been successful in other African countries such as Twiga Foods model in Kenya.
- Focus on crops that promote domestic consumption, import substitution and export promotion. Valuable crops with a potential to unlock Nigeria's agricultural potential categorised into three priority areas: Enhance Domestic Consumption (rice, cassava, maize, yam, diary and soya beans), Promote Import Substitution (rice, cassava, and dairy), and Strengthen Export Promotion (Cocoa, Cashew, and Sesame). Our Agriculture Promotion Policy should focus on the identified priority areas.
- Locate distribution systems close to the farmers to make it easy for farmers to access inputs and advisory services, thereby reducing cost and saving valuable working hours. Also, provide subsidised inputs.

Due to the critical issue of food security, significant leverage should be given to the private sector to provide the needed investments and invaluable research sphere for the agricultural sector, with the government maintaining the traditional role of support and regulatory oversight.

Driving Future Growth through Innovative and Pragmatic Solutions in Manufacturing

The Nigerian Manufacturing industry consists of several sectors, with three sectors (cement, textile, Food & tobacco) thriving the most. Manufacturing contributed about 11% to real GDP in Q2 2019. There has been a decline in GDP contribution between 2014 and 2018. Capacity utilisation has fluctuated between 50 – 65%. The industry is import-dependent (raw materials, mechanisation, etc.).

While the Nigerian population is on the rise, the manufacturing sector is steadily declining, to cause the country to import more. Some recent government interventions, such as Agricultural Transformation Agenda (ATA), Agricultural Promotion Policy (2016 – 2020), Nigerian Industrial Revolution Plan (NIRP), Growth Enhancement Support Scheme (GESS), agricultural promotions, credit guarantee scheme and sugar masterplan, have been designed to boost the sector. These initiatives have improved access to funds, production of commodities like rice, vegetable oil, tomato, and merged agricultural projects with food production.

Priority Areas

- Backward Integration
- Power
- Labour
- Competitiveness
- Port Operations
- Industrial Parks
- Poor Road Infrastructure
- Foreign Exchange

Actions

- Strengthen the regulatory institution to enforce compliance with the regulatory requirements on standards to make the manufacturing sector competitive and consolidate the different regulatory agencies to ensure that the regulatory requirements are unified. This would also help improve the ease of doing business, especially for MSMEs.

- Resolve inadequate industrial parks infrastructure through an independent assessment of the status of existing industrial parks and implementation of appropriate policy/regulation mechanism to drive the establishment of industrial parks.
- Invest in modern technologies at the Nigerian ports to reduce human interface, which can lead to corruption and exploitation. For example, the scanners at the Nigerian ports need to be replaced to greatly reduce the inefficiencies of the NCS and congestions at the port.
- Unify the market window for foreign exchange rates because multiple foreign exchange market windows give room for manipulation and arbitration so a single market window for foreign exchange will ensure uniformity in the cost of forex.
- Capacity building within the manufacturing sector: Develop human resource capacity, through the improvement of educational facilities, vocational training, apprenticeship programmes and knowledge clusters (public-private partnerships).
- Adopt tiered tariffs to cater to different manufacturing companies based on the size, volume and power requirements and ensure that manufacturing companies thrive regardless of their size
- Decongest Lagos ports by ensuring that the eastern ports are made fully operational. The NCS should reactivate the Fast Track system to allow inspection of goods at designated warehouses.

Facilitating a National ICT Transformation

The ICT sector in Nigeria is fast-growing, with a 12.22% contribution to GDP in 2018. In comparison with other sectors, it is the third-highest contributor to the GDP and the 2nd fastest growing sector in Nigeria after the Transportation sector. This technology contribution spans different industries where spending on technology has taken a front row and among the most directly impacted in Nigeria today are the Telecommunications and Financial Services sector.

Although the private sector is self-incentivised to seek transformational growth, the government is responsible for creating an enabling environment for such growth, hence its inevitable relevance. Two critical technology-related policy drives with near-immediate results are the e-Government Masterplan and the National broadband plan. It is expected that the top 20 economies by GDP in 2050, will be nations who have been prominent during the 3IR and whose economies will be driven by 4IR elements such as blockchain and distributed ledger technology, digital trade, robotics and smart cities, precision medicine, Internet of Things, virtual and augmented reality. For Nigeria to become a top 20 economy by 2050, it must deliver on the drivers of the 3IR, broadband access and digital literacy, because these are prerequisites to the drivers of the 4IR. As the country envisions a 2050 world, the potentials for ICT in Nigeria are enormous as technology is an enabler across industries, notably the Telecommunications and Financial Services sector. Nigeria must leverage ICT and foster an enabling environment for technology players to enable it to participate fully in the digital economy currently shaping the world. It is imperative for Nigeria to quickly expedite its development along the third industrial revolution to make progress in leaps within the fourth industrial revolution.

Priority Areas

- Skills & Digital Literacy
- Infrastructure & Software
- Broadband Penetration

- Business Environment
- Legal and Regulatory Environment
- E-Government Masterplan

Actions

- Develop a national ICT strategy that would drive digital literacy, update educational curriculum and create a baseline for digital literacy.
- Create incentives for private operators to build broadband infrastructure nationwide via cost recovery, guarantees, waivers, concessions, tax breaks and policy on import substitution. State governments should give Right of Way licenses at no cost, to enable infrastructure operators to extend broadband infrastructure. The ROW strategy adopted by the Kwara State Government has attracted and encouraged infrastructure investment in the State and should be emulated by the Federal Government.
- Ensure funding for the ICT and e-Government Masterplans are private sector-oriented and collaborative. It is also important to correctly define the structure that will drive the implementation of ICT Masterplan with industry stakeholders.
- Underpin the implementation of the ICT masterplan through legislation to ensure its sustainability.

Deepening the Intermediation Role of Financial Services

The Nigerian financial services industry has witnessed tremendous turnaround over the last 25 years. This transformation is largely driven by sweeping reforms in the banking, insurance and pension sub-sectors and stronger regulatory regime, increasing adoption of technology, aggressive policy to reduce financial exclusion rate, among others. While the industry has continued to provide the necessary support to industries, consumers and government, there is still a large room for growth in the areas of providing credit at a sustainable cost, penetration of insurance and coverage of pension. The World Bank estimated the rate of domestic credit to Gross Domestic Product in Nigeria as 10.8%, lagging comparable emerging economies such as South Africa, Mexico, Indonesia, Turkey etc. Looking forward, the question facing the industry now is how to scale its impact and deepen credit penetration without losing sight of the changing competitive and regulatory landscape in the industry. The plethora of published data on relevant financial sector indices attests to the enormous opportunities in the Nigerian financial service space. With a mortgage penetration of 0.6%, insurance penetration that is less than 1%, pension penetration below 6% and widening credit gap, it is evident that considerable work is still required to enable the industry to unleash the economic potentials of the country. The financial service industry must address issues such as access to finance for: small and medium enterprises, mortgages, and agriculture and also stimulate consumer credit while leveraging insurance for asset protection and wholesale long term funding for infrastructure. Equally important is the need to deepen financial inclusion across the country to accelerate deposit mobilisation and credit creation, reduce the shadow economy and ultimately upscale the intermediation role of the financial services industry in general.

Priority Areas

- Financial Inclusion
- Consumer and SME lending
- Pension industry
- Mortgage System

Actions

- Unify databank for consumer and SME credit information. Developed countries' consumer credit thrive because of the availability of data. The Federal Government should consolidate the regulatory identity information databases in the country and ensure effective identity management. This will catalyse improved consumer and SME credit.
- Implement the micro-pension scheme to increase penetration, and introduction of incentives (for example, health insurance) to encourage adoption by affected employees and employers. Also, introduce incentives (such as health insurance) to encourage adoption of the scheme by affected employees and employers.
- Stimulate consumer credit through a legislative gap analysis and subsequently introduce laws and regulations for consumer credit financing.
- De-risk SME lending and introduce SME Rating (this has worked effectively in India) Financial institutions should also engage in innovative and structured lending by leveraging technology and "following the money" For example, for product financing, utilise receivables as collateral instead of providing funds directly to SMEs and requesting physical collateral. They should also incentivise SMEs that have a proper structure and good transaction history by lending to them at relatively lower interest rates. Credit bureau companies should create a Credit Guarantee Department, and there should be regulations in place for the creation of Credit Guarantee Companies.

- Remove the cap on commercial banks' mortgage interest rates and let market forces decide the rates.
- Introduce/implement laws and policies that regulate both the formal and informal providers of credit to protect both the borrower and lending institutions, mandate credit bureaus to automate consumer credit data, define the bandwidths for FinTech and informal lending and encourage innovative use of technology to assess creditworthiness through the use of algorithms, biometrics, purchase behaviour, etc.

Sustaining the Rise of Our Creativepreneuers

Nigeria currently is at the forefront of the creative industry in Africa. As such, other countries on the continent are looking to us for leadership, inspiration and best practices to replicate in their various industries. The industry is one of six that have been identified as having major potential for exponential economic growth. To fully harness this potential, there is a need for a concerted effort in implementing a multi-pronged approach to develop the sector sustainably. Nigeria's creative industries have been considered a rich haven of creative assets which if fully harnessed, can help provide more employment opportunities, alleviate poverty and diversify the economy. Although comprehensive statistics on the creative industries in Nigeria seems not to capture the standing of the entire sector, however, disparate accounts show that there is lots of promise waiting to be explored. Attempts at defining and delineating the creative sector in Nigeria have been on-going.

The current state of the industry and peculiarities of the fashion, film and music segments present opportunities for conscious interventions aimed at making the industry competitive for economic opportunities.

Careful consideration of the constraints and challenges of the segments are expected to further unlock the industry for regional competitiveness. A major challenge, however, is how to quantify these film, music and fashion segments of the creative industry to articulate policies that support them and help tap into the varying opportunities aimed at stimulating economic activities. While there have been efforts aimed at understanding the sector, there is a consensus that there exist challenges as well as clear opportunities that need to be leveraged in the film, music and fashion segments.

Priority Areas

- Intellectual Property
- Credit Solutions
- Digital Platforms
- Fashion Industry Value Chain
- High-Value Content in Films
- Talent Development
- Licences & Permits
- Self-Regulation
- Domestic Market Access & Penetration

Actions

- Harness and warehouse relevant information to address the data gap because there is insufficient credible data to drive investment inflow.
- Recognise intangible assets and intellectual property as collateral. Therefore, CBN must develop a platform to recognise the intellectual property as collateral to encourage financial institutions to devise a valuation mechanism in which intellectual property and intangible assets can be monetised and used as collateral.
- Establish Skills Development Centres, such as film and theatre schools, with well-structured curricula to help bridge the knowledge gap affecting the industry.
- Set out parameters for self-regulation within the industry.
- Incentivise creative entrepreneurs willing to invest in the creative industry.

Rethinking the Future of Extractives

Nigeria's extractive industry contributed 11% to Nigeria's Gross Domestic Product (GDP) in 2018 and an average of 8% in the last five years. The industry has three (3) broad categories which include the crude petroleum (exploration and production), natural gas and solid minerals sectors. The crude petroleum sector dominates and accounted for 59% of Federal Government's budgetary revenues and 82.3% of the country's exports in 2018. But Nigeria is highly susceptible to the supply-demand dynamics of the global oil sector, thus, putting the country at risk as seen in the plunge into recession following the drop in global oil prices in 2016.

On the other hand, natural gas, which is currently under-explored in the country, is the fastest-growing fossil fuel in the 21st century and is expected to emerge as the main hydrocarbon component of a more sustainable mix to power the world's economy. On its part, the solid mineral sector has a wide variety of minerals including high-value metallic minerals, industrial minerals, and energy minerals, which constitute veritable raw materials for diverse industries and was a significant driver of industrialisation and development in Nigeria during the colonial (pre-independence) era. The discovery of iron ore resulted in the establishment of steel plants and steel rolling mills. Although, the mining sector began witnessing a significant decline in the late 80s, successive governments have attempted to revive the sector since 1999. Accordingly, the mineral and mining sector has more than tripled in GDP growth since 2015, but the sector is still largely underdeveloped and is undergoing reforms. Outside the oil and gas sector, Nigeria's extractive industry is not competitive in comparison to other economies with mineral deposits such as South Africa, Ghana and Zambia. Despite oil's dominance in Nigeria's extractive industry today, the natural gas and mining segments have a stronger

multiplier effect on the economy in terms of job creation & industrialisation and present the greatest opportunity to boost industrialisation, competitiveness and unlock value for the country and its people.

Priority Areas

- Petroleum Industry Bill
- Joint Venture Asset Divestment
- Transition to a Multi-Sector Gas Economy
- Mining Sector Development
- Mining Legal and Regulatory Framework
- Strategic Minerals Development

Actions

- Define and communicate key minerals that would offer Nigeria a comparative advantage Based on research and alignment with economic policies. There is a need to evaluate the mineral resources to prioritise the investment of scarce resources in an area that offers a clear competitive advantage. This policy will enable investors to determine how best to invest in the sector
- Invest in research and development to provide relevant data on mining as a means for providing data for insightful decision making.
- Separate the regulatory agency for mining from the Ministry of Mines and Steel to delineate the Ministry from the regulator and ensure effective collaboration among MDAs. This will enable the regulator to develop capacity and focus on deepening the mining sector
- Harmonise and streamline petroleum industry regulations such that the number of regulators involved is minimised. This will address the issue of multiplicity of laws and land use, ensure the regulations are investment friendly, incorporate community engagement. In streamlining the regulations, care should be taken to ensure that the regulations are investor-friendly and incorporate the interest and concerns of the community and state governments.
- Promulgate, enforce and monitor legislation that promotes fair competition, adoption of environmentally friendly practices, efficient mining practices, use of leading technology, stakeholder management, punitive sanctions for infractions, appropriate revenue allocation to relevant stakeholders and funds/bonds for environmental rehabilitation. These laws should incorporate efficient mining practices, use of leading technology, stakeholder management, punitive sanctions for infractions. There should also be an appropriate revenue allocation to relevant stakeholders and funds/ bonds for environmental rehabilitation.
- Develop and implement a framework for monitoring mining activities to ensure that the desired outcomes are achieved in terms of the growth and contribution of the sector to the economy. It also facilities policy formulation and serves as a deterrent to unwholesome practices.
- Develop a framework for commercial gas pricing to manage the transition to a market-driven pricing regime that will open the sector for investment
- Deploy gas infrastructure (e.g. pipelines) incorporating safety requirements to enable gas supply nationwide. The time to incorporate a safety mindset is now to enable gas to be safely piped to households. For instance, request for permission/ notification before digging and pipe laying.
- Enact the Petroleum Industry Bill into law and define/monitor transition activities, responsibilities and timelines concerning the Petroleum Industry Bill to articulate and monitor transition activities such that shocks to the sector are minimised.

Accelerators of Growth

However, several factors will accelerate the growth and competitiveness of our industries. They create the context in which the private sector can compete and succeed in serving as the engine of growth and development, and when deployed effectively, each in its way, and collectively, prove to be very decisive in achieving rapid acceleration. Twelve of such accelerators were identified, and Summit participants tested current assumptions on them and thought through the key barriers and enablers to the growth of the competitive industries as it relates to each accelerator by focusing on three key areas.

Macroeconomic Stability

Economic Growth |Prices | Debt Sustainability

A stable macroeconomic environment is necessary for sustainable economic development. For Nigeria, emphasis must be placed on achieving consistent high GDP growth rates as well as attaining quality growth, which must encompass major sectors of the economy. MSMEs should be supported with tax breaks in their first five years, amongst other targeted policy initiatives to ameliorate the impact of Nigeria's harsh macroeconomic environment on such businesses as was done in China to transform its economy. Also, it is the responsibility of the country's leadership to inspire confidence in investors by communicating in a welcoming manner because situations where multinational companies that succeed in Nigeria appear to be persecuted, scare existing and potential investors. Also, the role of prices in resource allocation is fundamental in influencing growth of key industries because, price control, whether in the form of subsidies and rationing

creates several distortions in the economy so all general subsidies must be removed, and targeted subsidies introduced for the poor. Such general subsidies include fuel, power, foreign exchange, fertiliser, etc. However, the removal of fuel subsidy removal should be timed and sequenced, to avoid it coinciding with a period of shortage of products. Debt sustainability is also vital because the unsustainable circle of rising debts and declining revenue will have consequences on the country's macroeconomic stability and crowd out private investments, which could result in a much higher domestic interest rate as well as limited inflow of foreign investments arising from poor sovereign ratings of the country. Therefore, the government should stop borrowing, and must speed up reforms in the oil and gas sector to generate revenue over the next ten years, considering the global move towards clean energy. The reform should include the privatisation of NNPC and the liberalisation of the downstream petroleum sector, amongst others. The Taxes and Levies (Approved List for Collection) Act should be amended to ensure that each level of government cannot impose and collect more than five (5) taxes. Nigeria's growth industries require a measure of macroeconomic stability to remain regionally and globally competitive.

Human Capital & Productivity

Employability & Skills | Health & Wellbeing |Productivity

Human capital is critical to the productivity of firms. The World Economic Forum's 2018 Global Competitiveness Index ranked Nigeria as 118th out of 140 countries on healthy life expectancy and 135th on the skillset of its school graduates. The Fourth Industrial Revolution will lead to shifts across all industries that will reshape the future of work. New technologies are disrupting labour markets, shifting job roles and evolving new demand for skills. Businesses can leverage on Nigeria's abundant human capital, but only if the workforce meets the relevant requirements in employability, productivity and wellbeing. Therefore, constantly reskilling, retooling and retraining the existing workforce has become an essential investment imperative for Nigerian firms. There must be an understanding of the labour market in a very granular manner. To upscale the employability and skills set of the labour force, there is an urgent need to introduce digital technology to deliver online courses using mobile devices. The private sector is also confronted by declining workforce productivity, probably due to societal pressures, work culture and stress levels which in turn hurts industry output. Success profiles should be well defined and structured in organisations, to establish the key imperatives for employees to be successful in an organisation, expectations and goals well defined and a more flexible approach to work. Employees should be rewarded based on their performance at work and not just attendance. Also, Nigeria's broken healthcare system has created very

dismal health indicators, especially in diseases such as malaria, AIDS and tuberculosis with an equally damning effect on firm output. To this end, healthcare should be reframed as a complete state of physical, mental and social wellbeing. A thriving healthcare system would result in a thriving workforce, which would yield higher productivity that impacts the economy positively. Managing wellness is linked to contributions to the GDP and this parallel should be emphasised and we must adopt technology as an enabler in healthcare, to catalyse improvements in the healthcare sector.

Investments

Mobilizing Local Institutional | Investors Investment Facilitation | Investment Aftercare

Countries leverage on local and foreign direct investments to accelerate the growth of their economy and key industries as well as for the development of infrastructure. According to the World Investment Report 2019 released by UNCTAD, global FDI flows continued their slide in 2018, falling by 13 per cent to $1.3 trillion. But the report also notes that FDI flows to Africa rose by 11 per cent to $46 billion, despite declines in many of the larger recipient countries. Yet FDI to Nigeria declined by as much as 43% to $2 billion, and Nigeria is no longer the largest FDI recipient in West Africa. It is therefore critical that Nigeria rebuilds and sustains long-term investor confidence. To achieve this, we need excellent infrastructure, favourable and consistent policies, security and political stability. There is also a greater need to mobilise local direct investment especially from institutional investors like pensions funds. It is equally important to not only focus on investment promotion through targeting but also investment facilitation by providing an investment-friendly legal and business climate as well as investment aftercare through incentives that encourage reinvestments.

Technology and Innovation

Infrastructure Assurance | Incentivizing Innovation Technology Absorption

While it may seem trite to observe that the 21st Century is defined by technology, in almost every sphere, and at nearly all levels, the socio-economic and political fabric of communities, nations and the globe is inextricably interwoven with the reality of digital outcomes that the pervasiveness and ubiquity of technology have brought about. By creating a binary platform (analogue/digital), technology becomes a unique catalyst, accelerator and multiplier of transformative potential that necessarily must be harnessed to enhance growth and development. Against the backdrop of a flat and globalising world, Nigeria's private sector is especially challenged by the country's weak level of readiness since technology adoption, proliferation and advancement are critical to competitive differentiation and overall business performance. Across sectors, (and most notably in the finance and services sectors), technology-driven innovation is disrupting value chains and markets, putting a premium on the capacity of the businesses to determine how best to build, nurture and harness corporate innovation capabilities. With its latent potential for spurring quantum leapfrogging, our technological development will hinge on the provision of appropriate resource strategies, incentivisation framework and infrastructure assurance to ensure the delivery of robust and sustainable growth.

For Nigeria to develop technologically, local enterprises and government should be encouraged to patronise indigenous technology operators, like Taiwan, Korea and China and thereby become global manufacturing exporters. It is also important to compel companies to configure their technology applications to resonate more with Nigerians. The localisation of technologies can take the form of translation of system language to local dialects to open access to a larger user base. Nigeria must build the foundational capacity to create and license new local technology and ensure Nigerian operators own and control all the verticals of its technology value chain. We also need a central data repository which will integrate the data silos across the private and public sectors to give researchers and analysts readily available and affordable access to big consumer data which can be used to research consumer behaviour across various verticals. The result of this research can form the basis of developing technologies that address key needs and requirements of the targeted end-users, aiding the growth of technology absorption.

Infrastructure

Reforming the Delivery Framework | Building Local Capacity | Unlocking Private Capital

The critical role of infrastructure in economic growth and the competitiveness of firms is well established. The quality of our infrastructure has affected all areas of the Nigerian economy and has increased logistical and transaction costs, thereby making our industries uncompetitive. It has also reduced the potentials of rural production and, therefore, access to markets with adverse effects on economic activity. In aggregate, our huge infrastructure deficit has delivered a negative impact on productivity and our overall competitiveness. Countries that have invested in critical infrastructure, especially power and transportation, have witnessed improvements in employment, real wages, exports and the inflow of foreign direct investments. There is an urgent need for Nigeria to adopt a more radical and robust approach to closing this infrastructure gap and public-private partnerships hold the key. But this would require reforming the governance framework for infrastructure delivery so that it clearly defines and delineates the role of government and the private sector, addressing the shortage of skilled professionals especially within the public sector in negotiating public-private partnerships and resolving the disagreement on the proper role of private capital in the delivery of public infrastructure. The first step would be to put in place an integrated infrastructure masterplan that clearly states our infrastructure imperatives, delivery mechanisms and financing options that would strongly encourage public-private partnerships and leveraging diaspora and pension funds for infrastructure investment. The masterplan must also take cognisance of the federal and sub-national levels, and must have appropriate statutory and implementation framework. The governance roles for delivering infrastructure should also be delineated: policy, asset ownership, regulation as well as operation and management. In this regard, the relevant laws should be reviewed to establish these delineated roles and functional responsibilities must be allocated appropriately. We also need a comprehensive inventory of the competencies and capabilities in the public service for infrastructure service delivery, an audit of the competency gaps, an aligned capacity building programme towards the effectiveness and performance of infrastructure projects.

Regulations

Focus of Regulations | Enabling Competition| Consumer Protection

For our industries to grow and be more competitive, they must constantly make and sustain investments, especially in technology, people and innovation. However, this requires the right business environment as well as smooth functioning markets. This, in turn, requires smart regulations. When the regulatory environment places a heavy burden on companies by imposing a multiplicity of complex, overlapping and inconsistent regulations, the negative impact is real in high costs. In most instances, regulators tend to also focus on the wrong areas and, worse still, such regulations do not take account of industry and market changes. It is therefore important for the government to work with the private sector to find the right balance between maintaining strict regulations that govern industry and ensuring that businesses within the local economy remain regionally and globally competitive. To avoid the duplication of regulations by MDAs, there must be a periodic review of the regulatory environment/ framework to avoid overlaps. In this regard, there is the need for a reorientation of the institutional role of regulators towards a market-creating and market-growing function, enabling competition and consumer protection. Governments should design regulatory frameworks to foster industry growth and create functioning markets. There should also be collaboration amongst industry operators such that they can approach the regulator as one body. This will enhance the relationship with the regulators and help regulators understand the needs of the operators and ways in which regulation could be crafted to help the ease of doing business for stakeholders.

Reinventing Government

Innovation in Government | Future Public Servant | Agile Governance

The task of delivering public services and implementing public policies is complex and challenging, and frequently the strong will of public servants is insufficient to wade through the deep-rooted difficulties. Governments are generally faced with significant expectations, shrinking budgets, and fragile public trust. This leads to outcomes that become diluted, fragmented and bogged down, with few visible changes in economic development that ultimately affect the growth of industries. To adequately respond to these challenges, governments require new tools and new models for delivering public goods as well as a measure of innovation in managing its interdependent and potentially conflicting functions cohesively, across a wide range of government activities. This comes with the knowledge and capacity for government to re-imagine its role in economic development and, in this regard, civil servants need the right skills and attitudes to innovate as well as adopt new approaches to tackle the complex issues that will define our future. Effective performance management system with the right remuneration levels and opportunities for training and development should be adopted as well as the adoption of technology through automation of systems for efficiency and effectiveness. It is also important to reduce the size of public service through the adoption of the central reserve force model as seen in other countries, such as the United States of America and the United Kingdom in addition to a reassessment of the federal character approach of recruitment into public service, this requires review of the law or Act that established the Federal Civil Service Commission by the National Assembly as the provisions of the Act have become obsolete. To this end, our traditional governance structures and policy-making models must be agile and responsive to the pace of change that creates a more collaborative multi-stakeholder framework.

Trade and Export Promotion

Domestic Trade Corridors | Trade Facilitation | E-commerce

Businesses need domestic and international trade to grow and expand. Nigeria's population presents a huge incentive for local industries to leverage on a huge market for products and services. However, market access is hindered by several challenges such as the poor state of infrastructure (especially transport and logistics) and weak supply chains/distribution channels, even for e-commerce. The potentials for digital trade are huge but bedevilled by its peculiar challenges such as low consumer trust and e-skills, low internet penetration and affordability, uncompetitive delivery infrastructure, fragmented markets and rising barriers to cross-border e-payments. According to the National Bureau of Statistics, Nigeria recorded a positive balance of trade of N5.3 trillion in 2018. The oil and gas sector drives over 80% of Nigeria's export while non-oil export struggles to grow. Therefore, excluding oil export from Nigeria's trade balance will result in a trade deficit. This emphasises the need to accelerate non-oil export. The challenge with non-oil export is that it takes more time to export than import. As the international trade environment evolves (supported by a multiplicity of free trade agreements), there will always be huge opportunities in regional and global markets to support the growth of our industries, but they must have fairer access to those markets. Nigeria must, therefore, have a clear focus on export promotion as an imperative for our export quality goods to support industrialisation and economic diversification. Therefore, trade facilitation also becomes increasingly important for Nigerian businesses to connect with favourable regional and global value chains. Whereas a single window exists for import, there is none for export. Other challenges with trade and export include low utilisation of technology and less emphasis on non-tariff barriers.

Sanctity of Contracts

Enforcement Mechanisms | Alternative Dispute Resolution | Adjudication of Commerce

Nigeria's record of disregarding contractual terms has eroded the confidence of potential investors, thereby perpetuating a scarcity of much need foreign investments required to boost the growth of the country's competitive industries. As a result, Nigeria lags other comparable investment destinations in the developing world, mainly on account of this unsatisfactory investment climate. To adequately take advantage of the increasing volume of foreign direct investments across the world, our redress actions must answer investors' burning questions on respect and commitment to terms of contracts that ensure swift enforceability of terms of contract, alternative dispute resolution mechanisms and the effective adjudication of commercial cases. This required capacity development for legal officers in MDAs concerning specialised contracts as well as for personnel involved in the enforcement of judgments and court orders, especially the Sheriff Departments and Bailiff Sections of the various High Courts of the States. Governments at all levels must also engage professionals who are knowledgeable and specialised in particular fields to ensure that their interests are adequately protected during contract negotiations to prevent the occurrence of situations in which governments fail to honour obligations out of protest against a lopsided agreement.

Business Leadership

Responsibility and Accountability | Entrepreneurial Leadership | Systems Leadership

Business leaders are now expected to go beyond 'business as usual' and just focusing on the bottom line. They must take a systemic view of impact and influence in society. This requires a strategic approach that brings together the challenge of aligning management, boards and shareholder priorities; measuring progress based on values not just profits; and addressing socio-environmental consequences. In this regard, three imperatives come to mind. The first is responsibility and accountability from business leaders for the entire value chain in responding to the disruptive changes that are occurring around us. Another one is the need for an entrepreneurial state of mind that transforms existing leadership methods in a way that creates new ways of doing business and new business models that is ready for the Fourth Industrial Revolution. The last imperative is systems leadership which, according to the World Economic Forum, requires cultivating a shared vision for change and empowering innovation and collaborative action. Business leaders need to set international metrics for measuring organisational performance to be more competitive globally and develop the discipline to self- police, hold each other accountable and responsible for their actions to the nation. Companies should also build lasting legacies by onboarding young people in leadership and organisation governance to sustain the vision and values of their enterprises. It is also important to put in place deliberate efforts to enshrine diversity (gender, age) in organisations which will help to encourage a broader range of ideas that will aid organisational growth.

Data

Big Data | Data Security & Privacy | Data Analytics & Business Intelligence

"Data is the new oil" implies that data, when harnessed (or, like oil, "refined") properly, can provide high value. Using the unprecedented volume of information (often freely available) to create new, disruptive value chains is the challenge that confronts businesses today. Data has always been critical to areas as diverse as finance and commerce, security and defence, science and innovation, education and health, and governance and politics. A company's ability to develop and exploit intellectual capital determines its 'information superiority' (the human and technical infrastructural capacity to harness, enhance and deploy information to gain competitive advantage as well as improve the efficiency and productivity of the organisation). Access to Big Data unlocks insights to consumer behaviour, product innovation and design, data-driven marketing, financial modelling and informed decision-making amongst others. Data analysis can also be essential in aiding agricultural planning to find optimal parameters to estimate crop yields and animal production. Big data can be used to gain insights from alternative sources to determine the scores for lending purposes. The use of geospatial data an integral element in decisions making, as uses of geo-spatial data now extends to climate change monitoring, carbon footprint management, retail, financial services, health care, transportation and logistics. Other focal issues would include the regulatory framework that is optimised for the support of enterprise while respectful of privacy rights. In the age of sophisticated cyber-attacks and data privacy breaches, there is a need to create governance systems that support data privacy and data security. Thus, it is essential to leverage alternative data to build an enriched data ecosystem.

Market Efficiency

Market Dominance | Barriers to Entry and Exit | Market Distortions

Factors of production are more effectively deployed when the markets for goods and services are functioning efficiently. In such instances, industries are more competitive, and businesses can produce the goods and services that have higher demand from customers and deliver them at the lowest possible price. Therefore, industries operating in a business environment that promote competition are more efficient and invest more in innovation. A market with dominant players like monopolies and oligopolies stifles competition and pushes prices. It is therefore important to put in place antitrust policies and legislation to encourage and protect new entrants while preserving incentives for the growth of older industries. However, while a strong external framework as guided by policies, legislations and regulation is relevant in establishing a healthy degree of competition within industries, low switching costs, which enable customers/end-users easily "migrate" between product manufacturers/service providers, greases the internal wheels of competition, and thus mitigates monopolistic tendencies that may exist. The threat of entry could also enable innovation and drive productivity amongst firms operating in a sector with low barriers to entry. This will also enable consumers to derive better value from the provision of goods and services by firms, relative to sectors, with very high barriers to entry. We also need more organisations that serve as third-party observers and can monitor market behaviour frequently. This is necessary to restrict the excesses of market players and make up for oversights by key regulatory bodies. The business environment should also eliminate barriers to entry and exit to the market by firms as well as also ensure that fiscal policies do not distort the efficiency of markets by artificially supporting unproductive sectors or favouring companies within sectors or industries based on political or other considerations, through the grant of subsidies and waivers. To curb undue government interference or participation in industries that ought to be dominated and propelled by private entities, the government should ensure that direct market entry interventions - either intended to provide support to failing entities or even mitigate an ensuing monopoly – should be clearly time-bound and where possible, short term.

Agenda Pillars

Delivering a Legislative Agenda for a Competitive Private Sector Economy

A competitive private sector economy is capable of leading rapid growth, and is very essential for the speed, quality, sustainability and inclusiveness of Nigeria's economic growth and deliberate efforts should be made to ensure that the private sector is at the centre of our economic development. Nigeria's socioeconomic context makes it clear that reforms in the legislative, regulatory and institutional environment to improve economic competitiveness and the business environment are imperative to create a private sector that can compete regionally and globally. These

reforms need to be focused on the needs of large and formal businesses as well as micro, small and medium enterprises which create the larger number of jobs and contribute half of our Gross Domestic Product. The underlying objective of the National Assembly Business Environment Roundtable (NASSBER) is to provide a framework to engage with the national legislature for the review of legislation that have direct and indirect impact on Nigeria's businesses. The NASSBER engagement will enhance legislature's critical role in ensuring that it can exercise its powers to make, amend or repeal the necessary laws that would facilitate the development of small and medium enterprises. The legislature will be encouraged to use their oversight powers to monitor compliance with extant laws and performance efficiency by government agencies.

These laws underpin the context around which the business environment operates and creates investor confidence in the economy. There is therefore an urgent need for sustained collaboration with the private sector on laws that are specific and relevant to the competitive industries. In addition, legislation that improve and sustain an efficient and stable business environment must be the focus and priority of all legislative agenda over the next 30 years. These include laws on taxation, regulations, investment promotion, infrastructure, business registration, etc. It is also important that Nigeria returns to a stable and predictable appropriation cycle to signal surefootedness to investors on Nigeria's fiscal policy management.

Promoting Sub-National Competitiveness

The over-reliance of states on allocations from the Federal Government and uneven industrial development significantly reflects the lack of competitiveness of sub-national governments in Nigeria. Inadequate domestic revenue mobilisation, economic stagnation, weak industrial base, and state-level economic insolvency are some of the outcomes of the lack of competitiveness. These result in increased poverty, inequality, and insecurity. By the year 2050, it has been projected that the population of Nigeria is estimated to be 410 million. This calls for sub-national governments to develop thriving, inclusive, sustainable and globally competitive state economies. While indices driving prosperity and sustainable development at the state level appear largely influenced by the state governments, the private sector must play a larger role in ensuring sub-national competitiveness. Nigeria moved from 127 in 2016 to 125 in 2017 in the Global Competitiveness Index, implying the possibility of further improvement in human capital, infrastructure, institutions and the overall economy, required to stir sub-national competitiveness. The overarching imperative is to review the Constitution and devolve more economic powers from the Exclusive List to the Concurrent List and to strengthen engagements and collaborations between the private sector and the state governments in promoting strategies for sub-national competitiveness.

Financing the Future

Nigeria (Africa's largest economy with about 200 million people) generates only 6% of its GDP as tax revenue (less than US$ 25 billion) while aggregate revenues for all levels of government (including oil revenue) is under US$ 50 billion. In comparison, South Africa which is the second largest economy has a tax to GDP ratio of 27% and generated R1,216.5 billion (about $80 billion (USD)) for 54 million people as at the end of fiscal 2018. Recent studies show that Nigeria's non-oil revenue remained at 3-4% of GDP since 2011, far below comparator countries: Cameroon, Egypt, Ghana, Indonesia, Malaysia and the Philippines that have non-oil revenues contributing up to 10-15% of their GDP. This low revenue profile has significant financial and economic implications for the scale of the investment required to provide quality, affordable and universally accessible social and physical infrastructure that deliver public services in health, education, transportation (road, rail, water and air), mass housing, electricity, water, digital connectivity etc. While the debt-to-GDP ratio is within

Federal Government approved thresholds, Nigeria clearly has a funding crisis that it must address to fund the future. Therefore, the need to sustain targeted domestic resource mobilization reforms is essential to the future funding sustainability of the Federal Republic of Nigeria. A comprehensive and robust approach to expanding the fiscal space, widening the tax net and upgrading national strategic revenue systems (tax and non-tax) requires a deliberate and decisive approach. A good start will be the simplification of tax laws and implementation of the National Tax Policy. This should be supported by monitoring and the enforcement of compliance with respect to tax laws. It has also become imperative to assess and optimise revenue options from diaspora bonds and remittances.

Incentivizing Private Investments in Research and Development

Innovation drives economic growth, employment, competitiveness and development because rapid national development relies on invention and application of new technologies. Therefore, research and development (R&D) is one category of spending that develops and drives these new technologies. A country that lags in innovation tends to lose jobs to those countries that lead in the introduction of new technology. A common denominator for countries with well-developed innovation systems, is that they commit significant resources to R & D activities. The United States is the global innovation leader, with total R & D expenditures in excess of $500bn, representing 2.744% of GDP. China is the second largest spender on R&D, with annual expenditures of $451.9 billion (2.10% of GDP) The United Kingdom's R&D expenditure of GBP 44 billion stands at 1.7%. South Africa's $4.28bn is 0.73% of its GDP, while India's $66bn equates 0.85% of its GDP. Brazil's R&D expenditure currently stands at $25bn, or 1.3% of GDP, and the government has launched an ambitious plan to achieve 2% of GDP on R & D, to tackle the recent downturn in the economy. In contrast, Nigeria's R&D expenditure stands at 0.22% of GDP. While the government has always expressed commitment to R&D, it has however not been able to spur the development of an innovation driven economy. Nigeria's 2050 Agenda requires that the country must urgently develop a framework that will incentivise the private sector to fund research and development with a research agenda that is based on our national priorities, goals and aspirations aimed at positioning Nigeria to compete with the giants. It is also imperative that the country intentionally encourages Nigerians in the diaspora to contribute and build technical expertise in Nigeria through digital learning, workshops, certificate programmes and the introduction of short courses just as China and India have succeeded in attracting her citizens back to their countries. The Federal Government should also ensure synergy among government agencies, especially the Federal Ministry of Education and Federal Ministry of Science & Technology to enhance effective collaboration with universities and the private sector.

Bridging Nigeria's Electricity Deficit

In June 2019, a Dalberg Access to Energy Report for Nigeria stated that at its peak, the available capacity of Nigeria's grid is approximately 5.4 GW, which is insufficient for current consumption needs. Over 42 GW of small petrol generating sets are operated daily (comprising 41% for businesses), to close the electricity supply deficit. With the current pace of electrification at an aggregate level of 55%, Nigeria is not on track to achieve its ambitious target of providing reliable power to 90% of its population by year 2030. Nigeria's electricity grid faces many challenges, including inadequate infrastructure that requires huge investments to upgrade, modernize and expand the grid to deliver greater integration and exploitation of the country's abundant energy resources. The slow progress with regards to connecting households and businesses to reliable power supply stands in stark contrast to the rapid population growth and industrialization currently experienced in the country. In view of Nigeria's rapid industrialization drive, the country would require approximately 400 GW of installed capacity by 2050, based on the general rule of thumb that suggests that an industrial nation requires 1 GW per million inhabitants (Brazil is currently implementing this rule of thumb).

It is important to note that the global average minimum electricity consumption per capita for developing economies is (500 kWh), four times Nigeria's electricity consumption per capita which is only (144 kWh) compared to Brazil's (2,601 kWh) which currently supplies about 160 GW to a national market similar to Nigeria's population size. The International Renewable Energy Agency (IRENA) estimates that Nigeria has a total of approximately 580 GW technical potential for renewable energy comprising: 492 GW of Solar PV, 171 GW of Solar CSP, 44 GW of Wind, 7 GW of Biomass, and 735 MW of Small hydro. In order to exploit these variable renewable energy (VRE) resources, Nigeria's electricity grid must undergo a profound transformation from one that is dominated by gas-fired thermal power plants to one that is modern; enhances efficiency; is based on renewable energy and pursues extensive electrification while increasing system flexibility. This requires better data coordination across stakeholders to reveal actual demand. The Nigerian Electricity Regulatory Commission should reflect actual energy demand and affordability in tariff setting and customer classes. In the short term, the Federal Government should issue the 14 solar PPAs and apply appropriate tariffs.

Unlocking Growth in New Industries: A Focus on the Sports Industry

The sports industry is a key strategy asset capable of driving economic growth, employment generation, wealth creation and export expansion in developing countries while offering a potential catalyst for improving the productivity of the work force and a healthier, physically active population. A study by KPMG notes that the entire global sports market – including infrastructure, events, training, and sports goods – is estimated to be worth between $900 billion and $1.1 trillion each year and its growth outpaces the GDP growth of most countries. The sports industry impacted the United States economy contributing roughly $14.3 billion in earnings in 2013 while combined jobs in

sports-related industries between 2010 and 2014 in the U.S. increased by 12.6% from 314,125 to 353,654 jobs. According to the Chinese National Bureau of Statistics, the sports industry had a total output of $295 billion and an 11.1% growth outpacing the Chinese national economy that was in recovery in 2016. In the same period more than 4.4 million people were working in the domestic sports industry. In Dubai (which has established itself as a global sports hub and destination for events), the sports industry inbounded over 1 million visitors to its various sports events and facilities. The Nigerian sports sector is still largely government dominated. Corporate investment is seen largely as Corporate Social Responsibility (CSR), despite the phenomenal growth in global sports financing and the centrality of sports business and marketing that forces corporate organizations in developed countries to compete for sports properties and investments in other countries. A private sector driven sports industry would ensure the commitment to the required investment to deliver on the potentials of the sports industry to add value to the Nigerian economy, whilst also assisting the government in its core objectives of social integration, economic empowerment and youth engagement. The Federal Government will have to review governance process and structure of sports federations/ associations to make them more responsive to the development of a private sector driven sports industry. Nigerian businesses should also develop strategies to promote local capacity in manufacturing of sports goods and equipment and make needed investment in other elements of the sports value-chain: content and media development, sports medicine, training and capacity development, professional clubs and leagues management, events development and sports management. To sustain these, Nigeria needs an inclusive national sports programme and a bouquet of incentives that captures and encourages grassroot-focused initiatives and ensure other sporting activities such as basketball, cycling, badminton, table-tennis, and athletics are included in the programme framework.

Empowering Nigerian Women

Nigerian women constitute the majority of our MSME entrepreneurs and are a powerful force driving the country's economic development. Empowering women is crucial for alleviating poverty and reducing the unemployment rate as seen in case studies of other developing economies like Indonesia. An effective tool for closing the gender gap is mentoring women to become leaders in key economic sectors. There are significant opportunities to empower our women as both business owners and a growing consumer market. Women play a significant role in the labour force and if well harnessed could change the dynamics of productivity in Nigeria. Nigerian and multinational businesses across our competitive industries must adjust their traditional business models to empower and benefit from the creative entrepreneurial spirit of Nigerian women. For example, in the agriculture industry, women impressively account for 60% - 80% of the farming population working as suppliers of labour and farm managers, mostly on rural smallholder farms. However, studies have reported prevalent lower agricultural yield and output by women farmers relative to their male counterparts, which is largely attributable to limitations in customary land tenure system (with particular restriction to women holding land titles), minimal access to agricultural social investment incentives (such as high quality seeds & fertilizers, poor access to financial services/formal credit, extension services, advisory services, markets, etc.) due to inability to meet set criteria. These limitations keep women from participating in higher income-generating activities. To reverse these trends, institutions should use platforms that are easily accessible to women to disseminate information. There are gaps in information available to women especially on accessing funds and businesses opportunities, this can be bridged by identifying communication platforms and mediums that are easily accessible to women and disseminate same through these platforms. Companies should also include gender

statistics in their business audits and reports to enable stakeholders track areas where further empowerment for women is needed. It is also important for Nigeria to replicate the Equileap Gender and Equality Report which provides gender rankings so that public and private sector stakeholders can progress across a range of indicators.

Capitalizing on Opportunities in AfCFTA

The African Continental Free Trade Area provides a broad range of opportunities which includes enhancement in intra-regional trade and investment, increase in price competitiveness and production/ investment efficiency, improvement in investor gains from specialization, increase in the availability of variety and the level of innovation, etc. However, to fully utilize the opportunities of AfCFTA, each Member State is expected to develop an AfCFTA Strategy that identifies the key trade opportunities, current constraints, and steps required to take full advantage of the continental African market, such as export review, opportunity sectors, constraints to target sectors: analysis of the constraints faced by exporters in target sectors in their intra-African trade and strategic actions for boosting identified target sectors. For Nigeria, it offers the benefit of penetrating a continental market of 1.2 billion people and a GDP size of $3.4 trillion. Africa's trade pattern of primary product exports and finished product imports is indicative of the generally low level of value addition across the continent and a viable window of economic opportunity for Nigeria to advantageously change its trading dynamics from primary trade to value-added trade at a penetrative scale for the African market. Therefore, Nigeria and Nigerian businesses must take deliberate steps to seize the growth opportunities that AfCFTA presents. Nigerian businesses must understand AfCFTA and the opportunities it provides. This requires practical, sectoral delineation of the opportunities across the value-chain and different strategies for large and medium enterprises to leverage these opportunities.

Also, identified opportunities across the value-chain for the various scales of enterprises would require strategic promotion of several incentive options needed for the achievement of specific time-bound goals. Another clear imperative is to improve ports facilities and other infrastructure to enable Nigeria's competitiveness. To this end, port activities must be decentralized from Lagos to other existing ports in the country and relevant government agencies should ensure that their facilities are standardized to provide world-class services.

Building Sustainable Urban and Rural Cities

As Nigeria's population continues to grow exponentially, it will put tremendous pressure on mobility, quality of life, employment opportunities, resource consumption, inequality, etc. Without careful planning, the rapid rate of urbanization could lead to overcrowding, severe poverty and widespread slums. If urban millennium cities are to become important drivers of growth and innovation, they need to differentiate themselves in their capacity to attract and retain talent. Quality of life, human experience, and capacity to adapt to unforeseen change, create the platform to attract people and spark innovation and competitiveness. It is projected that 7 out of 10 people will be living in urban areas in the next 30 years. The supply of services, infrastructure (physical & social) and jobs have not kept up with growing demand, leading to inequality, slum and long-term declining productivity. Physical and social infrastructure which include housing, energy, transport, water, waste, sanitation services, education and health services in most of these cities are generally regarded as being poor. Therefore, the future of cities largely depends on the way urbanization is managed and public-private collaboration is leveraged to advance sustainable urban development. To respond to the challenges of urbanization, the role of the private sector in the delivery of urban infrastructure and services is critical. The private sector contribution is increasingly required for all aspects of the urban value chain, including policymaking, planning, design, implementation, operation and maintenance, and monitoring, as well as for the financing of urban services delivery. Sub-national governments must develop long-term urban development master plans appropriate public-private partnership frameworks for urban development, which includes urban renewal and regeneration programme.

Unleashing Nigeria's Entrepreneurs

Nigeria has the largest consumer market in Africa making it a highly attractive market for prospective businesses. This large domestic market provides opportunities for business growth and expansion across industries and value chain segments particularly within the MSME sector. Despite government's efforts, MSMEs continue to struggle with regulatory, funding, access to markets and business support issues which hinder them from attaining and maintaining potential scale. While it is positive to see the entrepreneurship sector expanding, the expansion that will create the desired outcomes proposed for Nigeria's socio-economic development are such that will see micro businesses grow/move across the micro, small and medium enterprise space while also creating enterprises that scale. Scale-ups are businesses with average annualised growth in employees or turnover greater than 20% per annum over a three-year period, and with more than 10 employees at the beginning of the observation period. They have been proven to have very strong potential to deliver massive economic impact in terms of job creation, income generation and wealth creation. They also create business opportunities and value chain additions under MSMEs. Given the harsh realities of the business environment, most MSMEs prefer to operate in the informal sector and conduct their activities outside of the formal environment. This not only creates issues that impact tax collections but also their access to funding. Government (state and federal), development finance institutions and commercial banks should rework the stringent conditions for accessing funds. These key funders need to understand that in order to grow the MSME space, they should be ready to give funding that assume some level of risk. They should also establish offices to provide business support services to MSMEs and assist them in navigating common bottlenecks. The government can build facilities where products can be tested to meet global standards to enable entrepreneurs to produce for the global market.

Humanitarian-Development-Peace Nexus: The Investment Piece

The protracted conflict in North-East Nigeria has created a deepening humanitarian crisis. A situation which has been exasperated by a rise in communal clashes across the country, clashes between herdsmen and farmers in the middle belt of Nigeria; and the activities of militant saboteurs across the Niger Delta region of Nigeria. Boko Haram raids and suicide bombings targeting civilian

populations, and atrocities of armed militia in the South-South have destroyed vital infrastructure, prevented access to essential services and caused widespread trauma, suffering and displacement. Understandably, the crises have attracted global attention, and the recent wave of devastating brutalities and clashes across several states have underscored the need for disaster preparedness and coordination. There has been significant contribution from the private sector towards a multi-sectorial response to both humanitarian assistance and achieving the Sustainable Development Goals. In the context of dwindling global resources, new and innovative approaches to partnership between the private and public sector are an essential prerequisite to achieving the vision of a sustainable development in a more peaceful and prosperous world while ensuring that "no one is left behind". Humanitarian actors are typically accustomed to operating unilaterally within settings without strong democratic government and institutions in place. Nigeria is however forging a new model of nationally led coordination efforts having established the mechanism required to promote better coherence and coordination of support to recovery and peace consolidation throughout the country and across the Humanitarian-Development-Peace Nexus. However, humanitarian action is not always as fast as it should be, and needs are unevenly met. Even as huge sums are raised, growing levels of vulnerability have resulted in a stubborn and harmful gap between need and response. Hence, it has become apparent that traditional funding models are no longer enough for the complex and protracted crises we face today. A lot of work has been done and efforts have been put into private sector participation in humanitarian assistance and encouraging investment in communities in Nigeria. It therefore becomes critical to take these efforts further by expanding the level of private sector investment and closing the funding gap and revamping humanitarian financing. Various organisations in the private sector have different solutions which are being tested, promoted and deployed on multiple platforms and this leads to confusion and disruption. They should come together and develop a single platform to be jointly promoted more efficiently. The federal and state governments should implement investment-friendly policies to encourage much-needed investments in the crisis areas to jump-start economic development. In this regard, banks should be incentivized to deepen financial inclusion in the crisis areas, especially deploying technology such as mobile money and mobile banking services.

Risks and Opportunities in Climate Change

Climate change has the potential to slow our economic growth in the coming decades as temperature changes could reduce incomes globally by roughly 23% by 2100. A 4.5°C increase in global temperatures could cut the global domestic product by $72 trillion. Hidden within these global economic estimates are the effects on private businesses and individual companies – and unpredictable weather will only intensify these effects, reducing the availability of raw materials and disrupting supply chains. 84% of the world's fastest growing cities as at today are experiencing rapid growth, rising temperatures and increasingly severe weather induced by climate change, which are putting companies and investments at high risk. As Nigeria seeks to achieve rapid industrialization, the degradation of our environment will be exacerbated by climate change, unsafe levels of air pollution, depletion of fishing stocks, toxins in rivers and soils, overflowing levels of waste on land and in the ocean, loss of biodiversity and deforestation. The scale of the challenge can threaten capital flows and investments. It is important to set a balance between the need for new investment growth and environmental sustainability in Nigeria by highlighting key policies which the government must put in place to ensure that companies thrive in environmentally sensitive businesses. Already the impact of climate change in Nigeria is speedily becoming a catastrophic reality. For

example, Coscharis Farms had about 20% of its rice farm submerged in floodwaters in Anambra State in September 2018. Climate change, as we now know it, will continue to be a long-term risk to businesses and the economy at large but forward-thinking companies are seizing the opportunity to get ahead of their competitors. Today, many companies are focusing on sustainability, but it's time to put a greater emphasis on climate resiliency – a focus that is essential to adapt and thrive in the era of unpredictable weather. Climate resiliency rejects the concept of business as usual and focuses on continuous transformation. Nigerian consumers expect that private companies' actions and their products are morally and ethically right for the environment and human health, or that the Nigerian government hold private companies accountable when something goes wrong. The best way to prosper with these climate issues is if the private sector shapes their actions towards a better future and policymakers, create opportunities that allow these companies to do the right thing. NESG should lead the conversation on potential private sector engagement in creating and sustaining a green economy by bringing together the "big players" who will drive behavioural change and institute a business council on sustainable development. Also, the adoption of fiscal measures such as the imposition of tax on fossil fuel consumption and reallocation of resulting revenue to subsidise renewable energy are key. Nigeria also needs to implement an electrification rebalancing tariff to discourage the use of generators. Climate financing should be denominated in local currency to mitigate risks in the exchange range volatility. Nigerian researchers and the private sector should study the Nationally Determined Contributions (NDC) and consider areas for partnership.

In Conclusion: A Shared Prosperity

Nigeria's 2050 Agenda must ensure high economic growth that stimulates jobs and economic opportunities for a large and youthful population. It must also generate economic activities that open more economic sectors within the country. With a rising population and fundamental shifts in our demographic architecture, we require innovative strategies and approaches to ensure that policies, programmes and projects that are developed and implemented by governments at all levels as well as the private sector exponentially improves our human development indicators. The focus areas are poverty, income inequality, gender gap, education, health and wellbeing, jobs and industry-ready skills. This requires strong commitments from policymakers and corporate executives. The Summit agreed on key actions:

Investment in human capital development consisting of:

- a declaration of a state of emergency in the education and health sector;
- the development of a 30-year national health and education plan that is insulated from disruptions caused by changes in government;
- the redesign of the educational system to fit national goals and industry trends;
- the articulation of an all-inclusive education plan that covers the gaps and needs of all the regions of the country;
- identification of competitive areas for skills and human capital development across all sectors, and comprehensive skills-gap assessment of each industry and sector;
- the acceleration of workforce development programmes for young working-age Nigerians to close the gaps between the education sector and the skills requirement of industries; and
- the investment in healthcare institutions, infrastructure, equipment, workforce and services to significantly improve national health service delivery outcomes.

Public Private Partnership in economic development consisting of:

- The creation of an enabling environment to stimulate private sector investment in the economy, to ensure conducive policy and regulatory environment for private-sector risk-taking is stable, predictable, safe and cost-efficient.
- the review of national public private partnership (PPP) framework for effectiveness, efficiency and speedy design and delivery of PPP projects in Nigeria;
- the strategic alignment of fiscal, monetary, trade and sector-specific policies, regulations and legislations; and
- the implementation of reforms that allow private sector-led investments to increase in sectors where government spending is constrained by revenues.

Effective Public Service Reforms consisting of:

- the mobilisation of the political will to support the development of institutional capacity required to implement agreed reform initiatives;
- establishment of meritocracy and performance-oriented recruitments and appointment within the public sector to create systems that attract and retain exceptional talent in the public sector;
- deepen evaluation capacity development to foster evidence-based policies, decisions, accountability and performance management;
- review SERVICOM public service-wide charters, standard operating procedures and service level agreements to deepen accountability for government processes.

Research and Development (R&D) to promote digital innovation and growth:

- increase the budgetary provisions for R&D, set up the needed infrastructure to optimise value from research and innovation activities, and incentivise private sector investments in R&D;
- create a central coordinating body for research & development, tentatively called "National Research Foundation", responsible for coordinating need-driven research in Nigeria;
- tap into knowledge resource of Nigerians in the diaspora;
- develop a policy framework to incentivise the private sector to fund research and development in Nigeria;
- encourage synergy among government agencies, (e.g. between Ministry of Education and Ministry of Science and Technology) academia/universities and the private sector; and
- build centres of excellence through research and development.

The Summit also advocated for improved monitoring and evaluation of donor-funded projects to ensure that they achieve the desired outcomes and that targeted social investments should be sustained to bridge the income inequality gap.

NES #25 participants were resolute in concluding that the government and private sector should drive an agenda of shared prosperity for all Nigerians from 2020 to 2050.

NESG ENTERPRISE STRATEGY MAP

VISION: To become Africa's leading private sector think-tank committed to the development of a modern globally competitive and inclusive Nigerian economy

MISSION: To promote and champion the reform of the Nigerian economy into an open, inclusive, sustainable and globally competitive economy

STRATEGIC PRIORITIES I: Promote Inclusive Growth	STRATEGIC PRIORITIES II: Drive Deep & Impactful Economic Policy Reform	STRATEGIC PRIORITIES III: Ensure Stakeholder Satisfaction
STRATEGIC RESULTS I: Macroeconomic Stability through Prudent Economic Policy for Broad-based, Sustainable Growth & Social Inclusion	**STRATEGIC RESULTS II:** Policy Advocacy Effectiveness and Reform Support Efficiency	**STRATEGIC RESULTS III:** Multi-stakeholder Action for Impact

IMPACT

- Policy/Legislative Change
- Collective Capacity of Public, Private & Civil Society in Implementation
- Policy and Legislative Impact
- Improvement in Business, Policy and Reform Environment
- Reformer Willingness

STAKEHOLDERS

- Corporate Membership Engagement and Satisfaction
- Individual Member Engagement and Satisfaction
- Government Relations Effectiveness
- Development Partner/ Donor Cooperation
- World Class Programmes, Projects, Products and Services

OPERATIONAL EFFICIENCY

- Strategic Advocacy and Communications Management
- Effective Stakeholder Relationship Management System
- Research, Statistics Development and Data Management
- Public Policy Intelligence and Reform Management
- Fundraising, Grants and Donor Relations
- Effective Programme/ Project Management

INNOVATION, TECHNOLOGY & GROWTH

- Strategic Workforce Development and Readiness
- Policy Commission and Membership and Community Capability Development
- NESG Next Generation and Succession Development
- Intervention Capability via Fellowships and Technical Assistance
- Robust Data and Information Management Ecosystem
- Specialist/ Economist/ Researcher Network Readiness

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