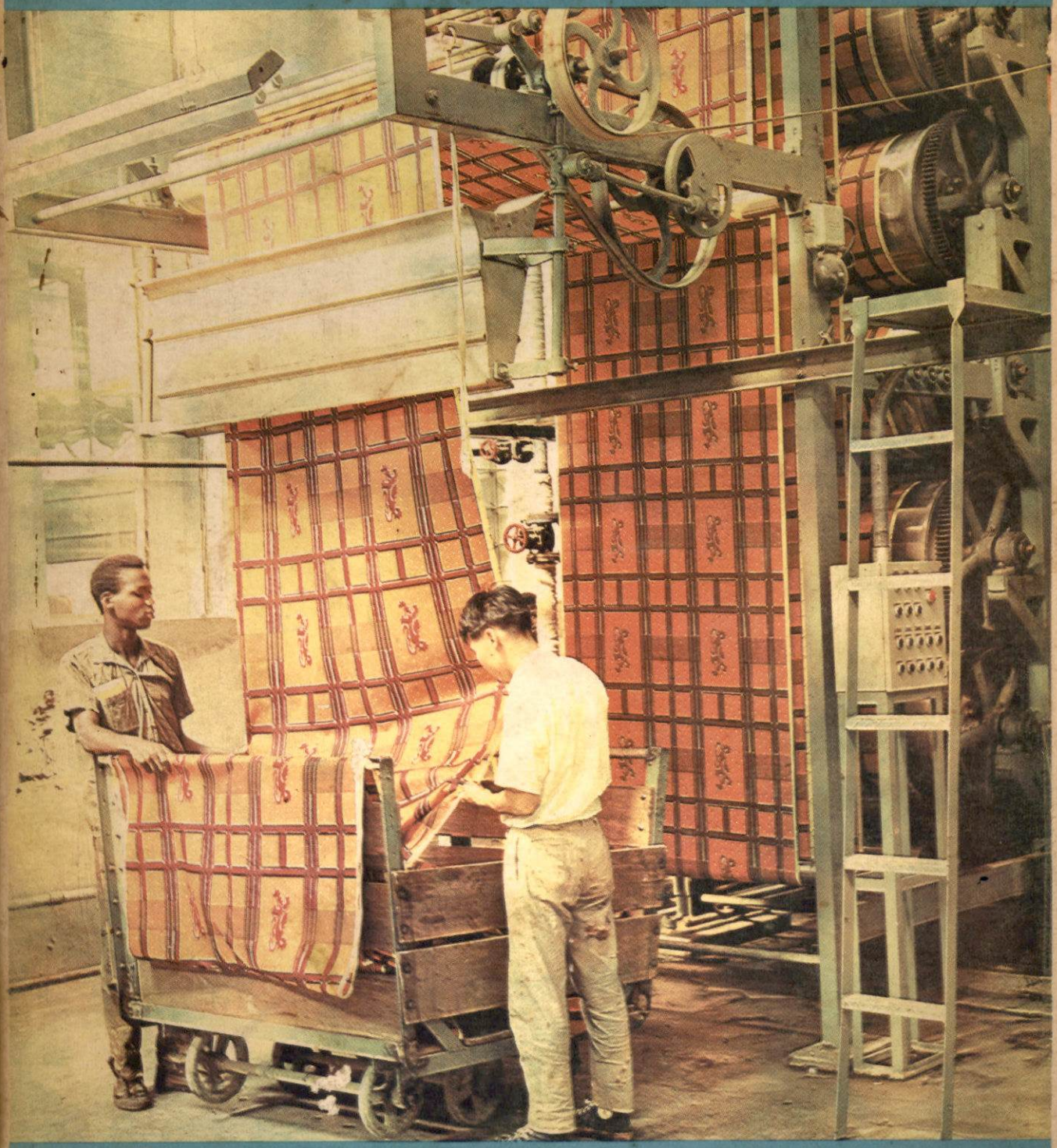
TRADE AND INDUSTRY



A comprehensive review of trade and industrial potential in the six Northern States of the Federation of Nigeria

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N·033



Alhaji Ibrahim Dasuki, C.O.N., Permanent Secretary, Ministry of Trade and Industry, Kaduna.



Ministry of Trade and Industry,
Kaduna.

INTRODUCTION.

This book has been produced with two main objects in view: one is to inform the many friends of northern Nigeria of our commercial and industrial development during the last few years and the other is to provide a useful work of reference for those who are interested in the handsome rewards which can be earned by sharing in our development programme.

Potential investors need not fear that conditions within Nigeria during the last eighteen months have affected the economic stability of our country. Indeed, a new spirit of co-operation has been engendered between the commercial community and Government: all are working resolutely in harmony towards a just solution of remaining difficulties.

Genuine industrialists can be assured of the traditional hearty welcome from all in the northern States and capital can be invested with confidence and security.

Those interested in our industrial opportunities should visit us here in Kaduna and also talk with our expatriate friends in commerce and industry, some of whom have been here for many years. Their capital and expertise has been largely responsible for the remarkable economic development during the last decade, but their sagacity in investing in northern Nigeria has been highly profitable and they face an even brighter future.



by Alhaji Ibrahim Dasuki C.O.N.
Permanent Secretary,

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CHAPTER ONE

LAND, CLIMATE, PEOPLE AND GOVERNMENT

Introduction

The northern States of Nigeria cover an area of 282,000 square miles representing more than three quarters of the area of all Nigeria. For administrative purposes, northern Nigeria has been divided into six self-governing States (except for matters which are the responsibility of the Federal Government) which include the original 13 Provinces i.e. Kano, Katsina, Sokoto, Ilorin, Niger, Kabba, Benue, Zaria, Plateau, Bauchi, Sardauna, Adamawa and Bornu Provinces. The six northern States together comprise roughly a rectangle 700 miles wide and 400 miles deep. The southern boundary lies more 150 miles from the West African coast. North of this lie the two great valleys of the Niger and Benue Rivers, which extend about 450 and 400 miles respectively to the borders of northern Nigeria and join at Lokoja to flow 340 miles southwards to the Niger delta and the sea. The total population of the Federal Republic of Nigeria according to the 1963 census, was in excess of 55 million people, of whom over 29 million inhabit the northern States.

Climate

There are two distinct seasons climatically, the dry and the rainy. The rainy season is longer in the south and shorter in the north. The humidity is less and temperature varies more in the north where it sometimes falls below 50°F in the mornings and where temperatures of 105°F may be experienced in the afternoons in April and May. Northern Nigeria may be classified as tropical savannah grading into steppe, and rises to an average height above sea level of some 2,000 ft. with the highest ground on the Jos Plateau (4,300 ft.), in the centre. Mean annual rainfall over the period of five years is as follows :

Extreme north	—	31.7 inches
Kaduna and Jos	—	54.0 inches
Rivers area	—	47.2 inches.

Some typical temperatures in the northern States are as follows :

	North		South	
	Early Morning	Afternoon	Early Morning	Afternoon
December/Jan.	55°F	85°F	70°F	90°F
April/May	70°F	100°F	75°F	90°F
July	70°F	85°F	70°F	85°F
October/November	70°F	95°F	70°F	90°F

Some Typical Humidities:

	North		South	
	Early Morning	Afternoon	Early Morning	Afternoon
December/Jan.	30%	15%	50%	30%
August/September	90%	60%	90%	70%

A characteristic climatic feature in December and January is the dry cool harmattan wind from the north-east: because of this, visibility is often limited at this time, and air photography is difficult.

Detailed rainfall, temperature and humidity statistics for a large number of stations in the northern States are published monthly and can be obtained from the Director of Meteorological Services, Lagos. Useful studies with maps, of which one is mentioned in the bibliography, are also published from time to time.

People

More than half of the population live in four of the thirteen Provinces — Kano, Sokoto, Katsina and Bornu. Seventy per cent of the population are Moslems: most of them are Hausa (9 millions), Fulani (4 millions), or Kanuri (2.9 millions). These typically are tall, dignified, long-robed and sometimes turbaned people. Many of them live in Emirates like those of Kano and Sokoto, which were powerful organised states of several million inhabitants when the British arrived in 1900. Their capacity for organisation and for accepting responsibility has not been lost, modern ideas are rapidly being assimilated, and the Emirates form the basis of modern local government. Kano Native Authority has a revenue of £1¾ millions for example and provides most local services for its inhabitants. Kano was the first city in northern Nigeria to provide universal, free primary education for its citizens.

In the more southerly States live numerous other tribes, such as Tiv (1.5 million) Yoruba (1 million) and Idoma (¾ million) many of whom are Christians and who have, through the activity of Christian mission schools made greater advances in Western education especially at the primary level. Members of all northern States tribes readily take to work as industrial operatives, though much the greater part of the population are peasant farmers using their skilfully made wrought-iron hoes to produce both food and cash crops. A small but increasing number of these are mixed farmers using ox ploughs.

Hausa is the chief spoken language, being used by many of the Fulani and other tribes besides the Hausas themselves. Unlike many African languages Hausa is easy for Europeans to learn sufficiently to make themselves understood. Though the readiness of all the people to learn English does not make its knowledge essential in industrial undertakings, managements will, in northern parts of the States, find it worthwhile encouraging their European employees to learn some Hausa.

Government

Northern Nigeria was administered as a British Protectorate separate from the rest of Nigeria from 1900 until 1914. Nigerian political advances brought the 1946 and 1952 constitutions which respectively provided for the first Regional House of Assembly, and the beginning of Regional Ministerial responsibilty. In 1954, Northern Nigeria became a Region of the Federation of Nigeria, which was set up in that year, with a Government having its own Ministers responsible to the electorate through the House of Assembly, and to a separate House of Chiefs. Steady constitutional progress led to the Regional Government becoming self-governing for all affairs falling within its responsibility (as opposed to Federal matters) early in 1959. In October 1960, Nigeria became an independent country within the Commonwealth. To make the distinction between State and Federal Government responsibilities clear, it will be stated in each section of this Guide which Government, Federal or State, deals with the subject concerned. In January 1966, the civilian administration handed political power to the Military and the country is now moving stage by stage towards the establishment of a new civilian administration. At the time of writing administration in each of the six northern States is in the hands of a Military Governor advised by an Executive Council drawn from civil and military sources.

The northern States were promulgated by Decree of the Head of the Federal Military Government in May 1967 as follows:

STATE	PROVINCES	CAPITAL
North Western	Sokoto and Niger	Sokoto
Kano	Kano	Kano
North Eastern	Bornu, Sardauna, Bauchi and Adamawa	Bauchi
North Central	Katsina and Zaria	Kaduna
Benue-Plateau	Benue and Plateau	Jos
West Central	Ilorin and Kabba	Ilorin

The functions of the former Northern Nigeria Government have been taken over by an Interim Administrative Council which will hold office until the 31st March, 1968, unless its tenure is extended by order of the Head of the Federal Military Government. Present plans envisage that each State Government will have assumed full responsibility in its area of jurisdiction on or before the 31st March 1968.

The names of States and their capitals have yet to be confirmed by State Governments.

COMMUNICATIONS, TRANSPORT AND ACCOMMODATION

Air

There is a first-class international airport at Kano with daily flights between the United Kingdom and other European countries.

Nigeria Airways maintain daily services between Kano, Kaduna, Jos, and Lagos, with connections to other part of the Federal Republic. There are scheduled services within the northern States from Kano to Kaduna. Jos, Sokoto, Gusau, Maiduguri, Yola and the main centres in other parts of the Federation.

Nigeria Airways offices operating in all the principal towns in the States issue tickets for all journeys on domestic and international routes, and act as agents for several International Air Transport Association carriers.



y international airport at rovides fast, frequent, nd passenger services to parts of the world.

Aero-Contractors and Pan African Airlines of Nigeria operate private charter services to the smaller airfields scattered all over northern Nigeria.

Besides the international airport at Kano, there are twelve aerodromes (including the customs aerodrome at Maiduguri) and some thirty landing strips in northern Nigeria. Aircraft can be chartered through any Nigeria Airways office, or from private companies, chief of which are Aero-Contractors of Nigeria Limited, 30 Marina, Lagos; Bristow Helicopters Limited, P.O. Box 446, Port Harcourt, and Pan Africa Airlines (Nigeria) Limited, P.M.B. 1054, Ikeja.



Tin and other produce en-ro from the Benue/Plateau State world markets through Niger busy seaports. Almost all services are now hauled by d locomotives.

Rail

The Nigerian Railway Corporation has 2167 route miles of 3' 6" track, including the 387 miles Bornu extension, the construction of which was completed in 1964. The towns of Kano, Gusau, Kaura Namoda, Nguru, Jos, Kaduna, Ilorin, Makurdi and intermediate stations are connected with the two ports of Apapa in the Lagos State and Port Harcourt in eastern Nigeria, and with the river port of Baro on the River Niger in northern Nigeria.

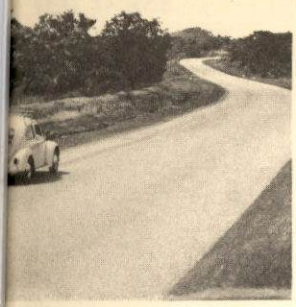
The Nigerian Railway Corporation is a statutory Corporation with headquarters in Lagos. Passenger services with sleeping and restaurant-car accommodation run as 'limited' trains to the seaports five times weekly from Kano and three times weekly from Jos and intermediate stations. The journey from Kano to Lagos takes about thirty hours. It is necessary to reserve accommodation on the 'limited' trains in advance.

A feature of Nigerian railway traffic is that more freight (largely raw materials) is railed down than comes up from the coast (mainly manufactured products). The railway management will consider granting concessionary low rates to industrial concerns requiring large consignments moved up country in order to balance the traffic. This is illustrated by the low freight rate for coal from the mines to Kano as shown in examples of current freight rates below :-

Groundnuts (Owner's risk)	Kano to Apapa	701 miles	£7. 15s. per ton
Coal	Enugu to Kano	557 miles	£3. 9s. per ton
Cement (Railway risk)	Nkalagu to Kano	549 miles	£5. 11s. per ton
Machinery in cases (Railway risk)	Apapa to Kaduna	562 miles	£11. 1s. per ton
Textiles (Baled)	Kaduna to Lagos	561 miles	£12. 3s. per ton

The Railway Tariff (price 20s.) may be obtained from the the Chief Superintendent, Nigerian Railway Corporation, Ebute Metta, Lagos, or from the Corporation's London Representatives, Adelphi, John Adam Street, London, W.C.2, to whom other enquiries should be addressed.

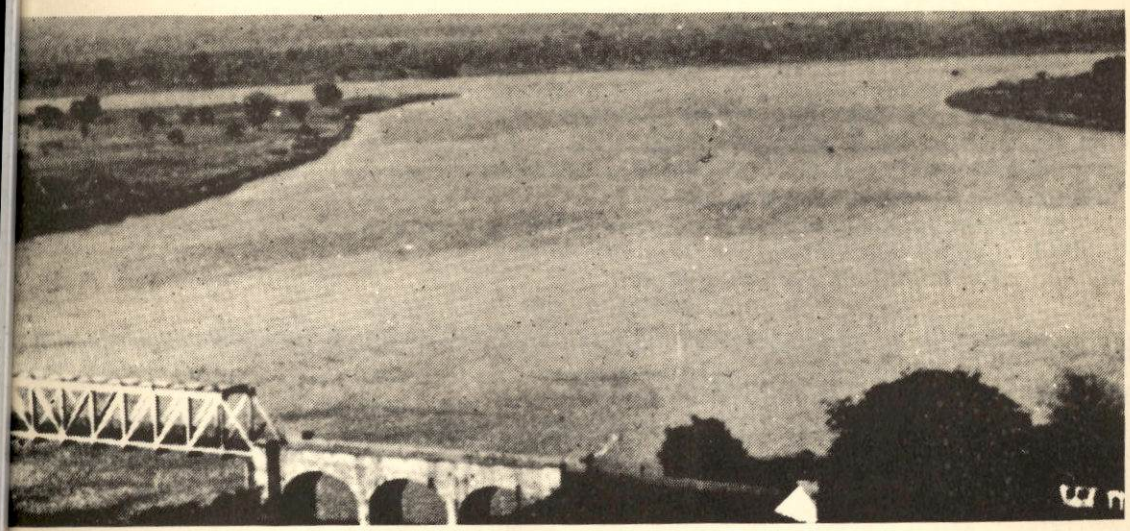
Roads



Kaduna/Zaria road was recently nstructed by contractors to ederal Military Government to in safety an ever-increasing me of road traffic on the country's highways.

A rapidly developing system of Federal and other roads connect all the main centres in the northern States and is shown on the map at the end of this book: of these, over three thousand miles are already surfaced with bitumen. Cars can maintain average speeds of fifty miles per hour or more on these roads over long journeys: other roads are surfaced generally with laterite, the main ones taking up to one hundred vehicles a day satisfactorily. An average speed of forty miles an hour can usually be maintained over long journeys without difficulty.

Towards the end of the rains (late August to early October) there may be delays on laterite roads due to surface deterioration, but it seldom happens that a car cannot reach its destination. Besides the main roads, there is an extensive feeder road system penetrating the most remote areas. Some of these feeder roads are passable in the dry seaon only. Bridges on major routes are generally designed to carry vehicles of twenty tons: other bridges usually take eleven-ton vehicles.



road/rail bridge over the River er at Jebba is a vital commu- tions link with Lagos and eria's major port at Apapa.

Waterways

The Niger and Benue rivers are navigable as far as Jebba on the Niger, and Garoua in Cameroun on the Benue. The "Niger Transport and Trading Company Limited," Burutu; "Holts Transport Limited," Warri; the "Companie du Transport et du Commerce," and "Mobiloil, Nigeria, Limited", operate fleets of river steamers, barges and tankers which work to seaports on the Niger delta. Typical current freight rates are:

Groundnuts	Baro to Burutu	394 miles	£3. 0s. 6d. per ton
Cement	Burutu to Baro	394 miles	£2. 3s. 0d. per ton
Salt	Burutu to Yola	845 miles	£9. 15s. 0d. per ton

At present the Niger and Benue rivers are navigable to steamers and barges from the delta ports in the following months:

Benue		**Niger**	
Garua	August to September	Jebba	August to February
Yola	July to September	Baro	July to March
Makurdi	May to October	Lokoja	June to March

The Federal Government is going ahead with a bold programme of waterway improvements. Buoyage is being improved and experiments in night navigation are being carried out. The construction of the £80 million multi-purpose dam at Kainji, north of Jebba which started in 1963, is expected to provide a cheap source of hydro-electric power, and will improve navigation on the Niger. The dam is scheduled for completion in 1968.

Telecommunications and postal services

In northern Nigeria, automatic telephone exchanges now exist in Kaduna, Zaria, Kano, Jos, Minna, Kafanchan, Makurdi, Ilorin, Daura and Gusau. International calls can be made from any telephone when conditions are favourable.

A VHF link connects Jos, Bauchi and Gombe and extensions are planned to Numan and Yola. Considerable extensions to the main VHF trunk network from Lagos to all major centres in the northern States are proposed for the near future.

Rural carrier circuits connect a large number of the smaller towns to the main trunk system.

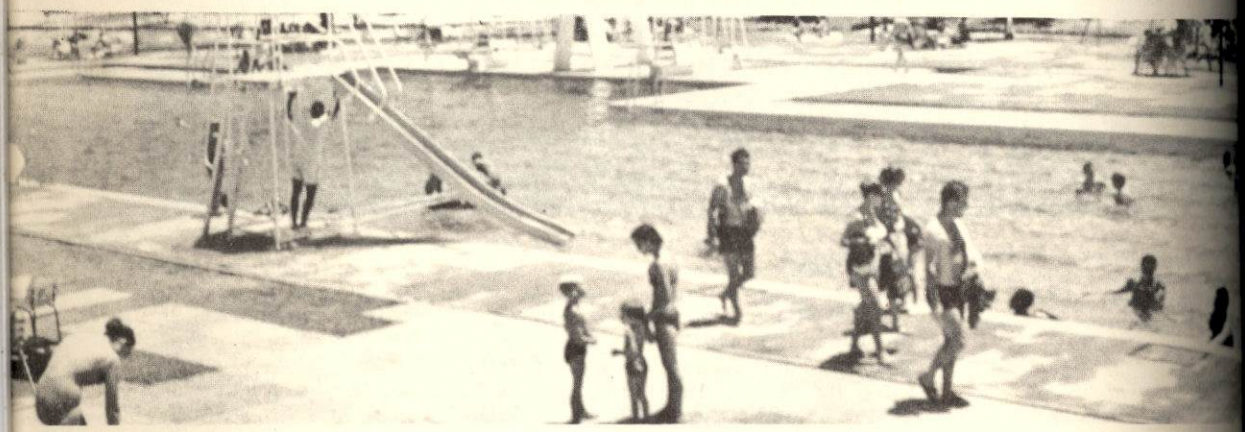
There are Post offices or Postal Agencies in towns throughout the north. Air mail letters to Europe are normally delivered in the following times :

Kano	1/2 days
Kaduna and Jos	3/4 days
Zaria	4/5 days
Makurdi,Sokoto and Maiduguri	6 days

Internal mail to Lagos normally takes one to two days and to the more remote parts of the country, up to a week or ten days depending on road conditions. Surface mail to Europe takes three to five weeks depending on the time of posting.

There are telegraph offices in most towns and cables to Europe usually reach their destination the same day or overnight. Internal telegrams usually arrive the same day.

Full information on posts and telecommunications is contained in the Post Office Guide, obtainable from Posts and Telegraphs Headquarters, Lagos, and main post offices.



The Hamdala Hotel, Kadun a swimming pool of C standard. The hotel's servic cluding the pool, are op non-residents.

Golf, rugby, soccer, polo, and most other sports c enjoyed at major centre

Hotels

At Kano there is a large hotel with air-conditioned rooms and private bathrooms — the Central Hotel (Telegrams "Bestotel," Kano). At Jos, the Hill Station (Telegrams 'Hilltop," Jos, Telephone Jos 72) offers accommodation of a very high standard of comfort. A hotel of international standard, the Hamdala Hotel, is in Kaduna (Telegrams "Hamdala," Kaduna, Telephone 2505). Catering Rest Houses are maintained in the following places; they are clean and offer a fair standard of comfort: Bauchi, Bida, Gombe, Gusau, Ilorin, Jos, Katsina, Keffi, Kontagora, Lokoja, Maiduguri, Makurdi, Minna, Mubi, Potiskum, Samaru, Sokoto, Vom, Yola, Zaria. Accommodation is usually in well-built and furnished chalets with private bathrooms. The telegraphic address is "Restotel" followed by the name of the town, and letters booking accommodation should be addressed to the Supervisor. It is important to book rooms in advance, since accommodation is sometimes limited.

REVIEW OF PAST PROGRESS

Introduction

During the past few years there has been a marked increase in the number of enterprises established by both indigenous and foreign businessmen in which northern Nigerians are taking an active part.

The list of priorities drawn up in the 1962/68 Development Plan has been adhered to but at the same time a flexible approach is being taken with the result that there is now a considerable diversity in the country's industrial development.

Textiles

In the field of textiles, progress has been phenomenal and nine textile mills have been established during the last nine years with an investment of over £12 million. Six mills are situated at Kaduna, two at Kano and one at Gusau.

Leather and leather products

Total investment is about £1 million. Four major canning projects have already been established. In addition, there are many indigenous operators producing leatherwork of good quality by traditional methods.

Vegetable oils

The first major attempt at industrialisation in northern Nigeria started with the operations of the oil crushers a Kano. This aspect of industrial effort has grown considerably and today the northern States have six major groundnut crushing mills. Four of these are at Kano, one at Maiduguri and the other at Zaria.

Wood products and furniture

Total Capital investment £450,000. This is an expanding industry in northern Nigeria. Demand for its products have expanded with the steady increase in the standard of living. The main factories are in Kano and Kaduna but there are also small furniture workshops managed by local people all over the northern States.

Metal industries and metal products

Nigeria is one of the world's largest producers of tin ore, the whole of which is smelted near Jos for export markets. Products manufactured in factories at Kaduna, Kano and Jos include metal doors and windows, trailers, light steel structures, aluminium and brass holloware, enamelware and wrought iron products, the raw materials used being mostly imported.

Sugar

A £5.8 million sugar refinery has been established at Bacita to process locally grown cane and is expected to supply half of Nigeria's consumption in the immediate future. Sugar is cubed and syrup produced in a factory at Ilorin.

Tobacco

There are two tobacco factories in northern Nigeria, one at Zaria and the other at Ilorin. Both manufacture cigarettes and the industry is likely to be expanded shortly.

Other industries

These include the manufacture of cement, gramophone records, matches, mineral waters, beer, asbestos cement products, perfumes, soap, confectionery, meat products, footwear and many others. A map showing the location of major industries is at the end of this book.

CHAPTER FOUR

ANIMAL AND AGRICULTURAL RESOURCES FOR INDUSTRIAL DEVELOPMENT

Introduction

The economy of northern Nigeria is primarily agricultural, the main products being groundnuts, cotton, benniseed, soyabeans, palm kernels, palm oil, tobacco, coffee, ginger, shea nuts, guinea corn, rice, yams, cassava, cowpeas, maize, gum arabic, castor seed and hides and skins. Most of these products are exported but a considerable tonnage of cotton, groundnuts and tobacco are already being processed locally.

Groundnuts

Nigeria is the world's largest exporter of groundnuts which are exported shelled. They are produced by peasant cultivation, chiefly in the northern part of the country and with seed cotton, palm kernels, benniseed, soyabeans, cocoa and other minor produce are bought for export by the Northern Nigeria Marketing Board which offers producers a stabilized price. The Board's purchases of groundnuts for the last five seasons were:

1962	687,060 tons
1963	871,518 tons
1964	786,562 tons
1965	675,884 tons
1966	968,501 tons



oundnuts are stored in pyramids await evacuation to the ports. e 1967 crop was a record 1.2 million tons.

Exports have risen, partly owing to the opening up of new areas of cultivation since completion of the railway extension to Bornu, and also to improved river communications. The quality of nuts has been greatly improved in recent years by making approved decorticating machinery available; also the use of improved seed and of fertilizers is being encouraged. The export of 'handpicked selected' nuts for the confectionery trade was initiated in 1960. In Kano, about a quarter of the crop is crushed to oil and cake, the greatest part of which is exported although several thousands tons of each commodity are consumed locally as oil and animal feeding stuffs. A small quantity of groundnut flour is produced for human consumption. The five largest groundnut producing Provinces in the 1965—1966 season were: Kano, Bornu, Katsina, Sokoto and Bauchi.

Cotton

Medium staple cotton is grown from Nigerian Allen type seed produced by a Cotton Breeding Station at Samaru, near Zaria, and distributed to farmers. Seed cotton is ginned at Mai-Inchi, Gusau, Funtua, Malumfashi, Zaria, Kuru, Gombe, Misau, Lokoja, Keffi, Kontagora, Kumo and Lamurde by the British Cotton Growing Association, on behalf of the Marketing Board.

Purchases of cotton and exports by the Marketing Board for the last five seasons were:

	Seed Cotton (tons bought)	Cotton Lint (bales exported)	Cottonseed (tons exported)
1962	84,764	158,229	42,961
1963	145,622	281,578	65,515
1964	130,114	238,859	62,552
1965	129,911	256,811	70,145
1966	128,886	158,364	61,994

The average length of staple is about an inch. 'Character' is considered fair to good, and the grade is good. There are also a few thousand tons of 'Benue grade' cotton exported annually; this has a staple length of about 15/16ths of an inch with a tougher fibre, and is generally of a fair grade. The two most productive areas are those centred round Zaria and Gusau in the west, and round Gombe in the east. The latter area is expanding and production may be expected to rise considerably now that the railway extension to Bornu has been completed.

Benniseed

Benniseed (sesame) is grown mainly in Benue Province. Purchases by the Marketing Board during the last five seasons were:

Season	Benniseed (tons)
1962	20,436
1963	20,886
1964	19,645
1965	20,845
1966	22,758

Soyabeans

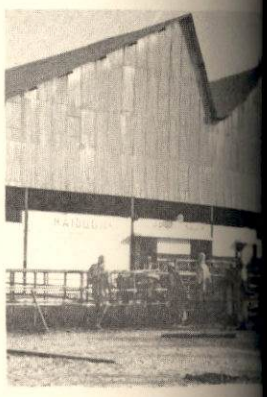
Soyabeans are also grown mainly in Benue Province. The Marketing Board's purchases were:

Season	Soyabeans (tons)
1962	15,138
1963	25,122
1964	10,523
1965	18,944
1966	18,202

Palm produce and cocoa

Palm kernels are produced mainly in Kabba and Benue Provinces. Purchases for export for the last two seasons were about 20,000 tons of each in each year. Over a thousand tons of palm oil are also bought by the Marketing Board annually. Some cocoa is grown in Ilorin and Kabba Provinces, and is bought by the Marketing Board.

Part of the successful abat at Maiduguri, in the Nort Eastern State.



Hides and skins and the cattle trade

Hides and skins are an important Nigerian export dealt with directly by commercial firms, bringing in some four million pounds sterling a year. About 90 per cent of hides and skins exported come from the northern States, the total quantities exported over the last five years being:-

	Undressed Hides cwts	Undressed Skins cwts	Undressed Reptile Skins cwts	Dressed Hides and Skins cwts
1961	125,200	65,000	2,800	n.a.
1962	106,800	65,000	2,600	16,800
1963	90,500	64,800	4,500	11,800
1964	84,800	78,300	3,400	17,400
1965	73,500	94,600	3,400	25,500



Modern agricultural techniques are being employed throughout the northern States to increase yields and develop the country's vast agricultural potential.

The size of the cattle trade may be judged from the fact that about a million cattle, almost all of which have grazed in the northern States, are slaughtered each year in Nigeria, almost all the hides being exported. Some 300,000 cattle come into the States each year from surrounding territories and roughly the same number move southwards either by rail or on the hoof. About 6 million sheep and goats are also slaughtered yearly in the north. The quality of Nigerian dry hides and skins places them among the best obtainable in the world today.

Other Agricultural produce

Nigerian exports of some other agricultural produce are given below with the estimated quantities from northern Nigeria.

	Nigerian exports in tons in 1965	Estimated quantity from northern States in tons
Shea nuts	25,300	20,000
Coffee	620	600
Clarified Butter Fat	350	350
Gum-Arabic	2,600	2,300
Ginger	70	60
Capsicums	100	90
Castor Seed	130	100

Oilseeds not mentioned elsewhere, which are grown in northern Nigeria, include sunflower seed, nigerseed (neuk seed) and kapok seed. Some timber is exported from Plateau and Kabba Province, and there is plenty available for local use. Kapok, beeswax, gutta percha, and animal hair are exported in small amounts and much larger quantities are available. In addition large quantities of foodstuffs are moved each year from northern Nigeria to other parts of the Federation, including yams, cassava, rice, dried fish, onions, potatoes, fresh vegetables and fruit, besides cattle and poultry. There are two large modern piggeries, one at Minna and one at Kano, supplying the southern markets. Groundnut cake and locust beans form an important part of the pigfood. Kola-nuts, palm oil, coconuts and cassava flour are the principal foodstuffs moved into northern Nigeria from the south.

The principal food crops grown for local consumption are: guinea corn (sorghum) and millet in the north generally; rice in Sokoto; some wheat in Bornu, and yams and cassava in the south. Besides meat and fish, quantities of milk and butter are produced for local consumption. Tobacco is grown in considerable quantities both from local seed and Virginia seed supplied by the Nigeria Tobacco Company Limited, (a subsidiary of the British-America Tobacco Company Limited) which has a factory at Zaria. Indigo and henna are grown and the products used locally.

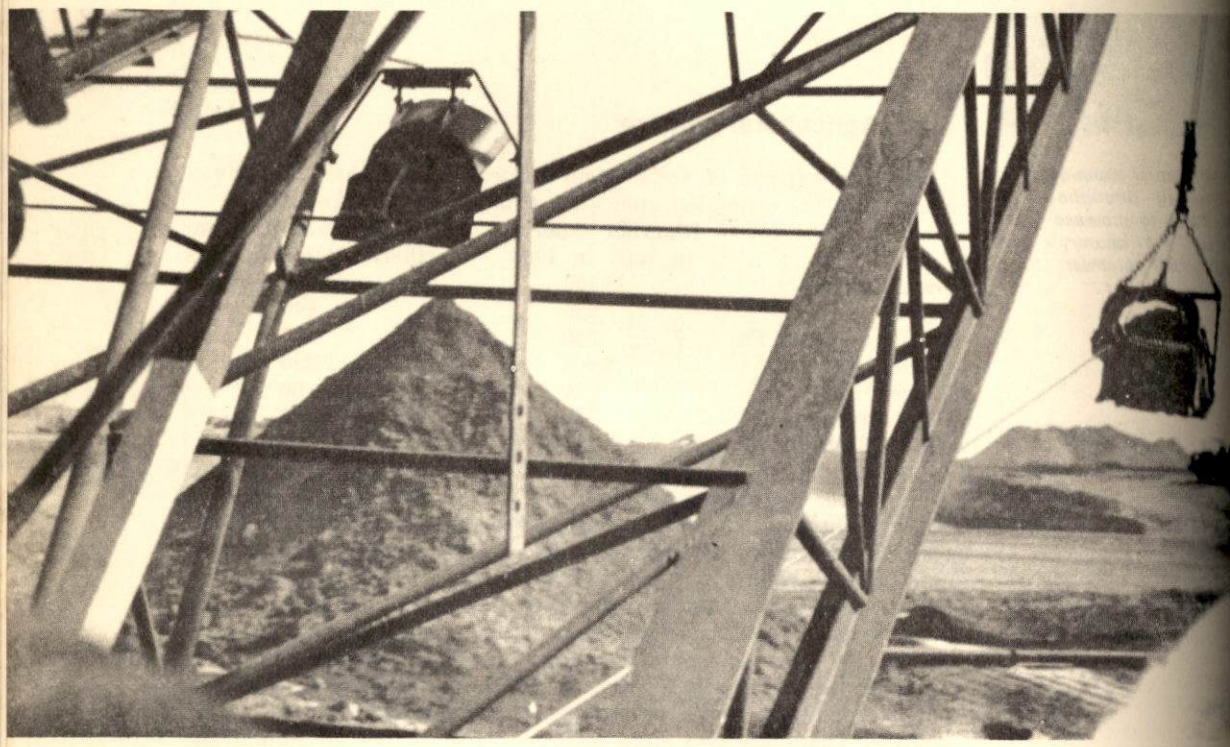
Local cordage is made from fibre derived from kenaf (Hibiscus Cannabinus, and Urena Lobata). Research has been carried out on the cultivation of these fibres for sack making to a point where a company has been formed for the manufacture of produce bags and commercial production has commenced at Jos.

Sugarcane is widely cultivated for chewing and making jaggery. A plantation and refinery for the production of white sugar at Bacita, Ilorin Province, in the flood plain of the Niger, where large areas of rich uncultivated land are available, has been established

The Niger river dam, now being constructed at Kainji will, by controlling floods, greatly increase the area of land available and there are interesting possibilities in the Niger valley for the cultivation of rice, sugar and tree crops such as kola-nuts, cocoa and rubber.

CHAPTER FIVE

THE MINERAL DEPOSITS OF NORTHERN NIGERIA



Tin mining in progress in the Benue/Platea

Introduction

There are numerous mineral deposits in the northern States most of which have had insufficient systematic, technical and economic survey work carried out on them to determine the possibilities for exploitation. There are plenty of opinions, often contradictory, based on preliminary surveys of the Geological Survey of Nigeria (G.S.N.) and the work of private firms and individuals with a passing interest in some particular deposit. Unfortunately the information made available by this means, which is sometimes quite extensive as for example in the case of limestone, and the opinions expressed which are worthy of consideration as in the case of clays, has never been properly collated.

The list of confirmed mineral deposits given by G.S.N. is as follows:

Minerals at present being exploited or capable of further exploitation

Building Stone, Clay, Columbite, Gold, Monazite, Thorite, Limestone, Wolfram, Zircon, Tinstone, Barytes, Coal, Diatomite, Galena and Blende, Iron Ore, Topaz.

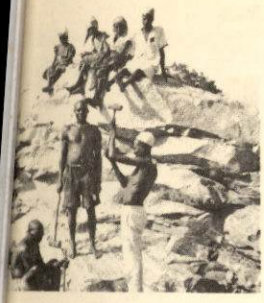
Minerals of as yet no proven economic value

Asbestos, Beryl, Cryolite, Felspar, Fluorspar, Glass sands, Graphite, Kyanite, Lignite, Mica, Molybdenite, Natron, Pyrochlore, Salt, Silver, Talc, Amethyst.

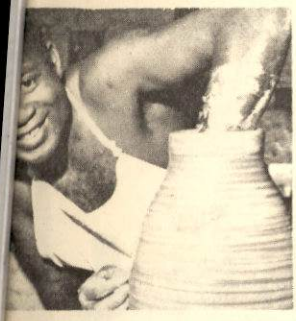
Other probable mineral deposits which have not yet been confirmed

Oil, Gypsum, Alumina.

The following information is taken largely from G.S.N. report No. 1193 "Notes on Minerals and Raw Materials in Northern Nigeria."



ng is rapidly becoming a ndustry and is expected to e to satisfy the demands of s and others who are chang- face of the northern States.



itional pottery manufactured at ja in the Sokoto/Niger State, ys a ready sale to connoisseurs all over the world.

Building stone

Rock outcrops suitable for aggregate and dressed or undressed stone occur abundantly throughout northern Nigeria. The demand for more sophisticated buildings should increase, which will provide opportunities to open permanent quarries engaged in stone cutting for blocks, facings, ornamental stone, terrazzo tiles, etc.

Clays

There are substantial deposits of refractory clays in the northern States which are thought to be suitable for the manufacture of ceramics and which could also be used for fillers, insecticides etc. The kaolin deposit at Ropp on the Plateau has had considerable investigation and according to the Federal Institute of Industrial Research, ceramic ware could be manufactured satisfactorily from this clay provided certain technical problems could be overcome.

There are also deposits of differing types of clay around Abuja and Bida. The clays in this area are worthy of further investigation since the Kainji grid is projected to pass from Jebba through Bida thus opening up the possibility of cheaper power and also possibly cheaper transport by river. There is a large deposit of kaolinite at Dakingari in Sokoto Province, and there are also deposits in Kano and Katsina Provinces.

Columbite

This ore is found in Plateau, Bauchi, Zaria, Kano and Benue Provinces. No estimate of reserves is at present available although it is probable that the present rate of demand can be met for many years.

Tinstone (cassiterite)

According to the latest estimate of the Federal Ministry of Mines and Power, reserves of tinstone in Plateau, Bauchi, Zaria, Kano and Benue Provinces are over 100,000 tons, but it is thought that further geological research and improved methods of recovery of fine ores may result in greatly increased reserves of the mineral

Barytes

This mineral occurs in several localities in the Benue valley principally around Makurdi and also at Dungel in Sardauna Province.

Coal

Some of the thickest coal seams in Nigeria are found in the northern States and good deposits occur at Okaba, Ogboyaga, Odokpono in Kabba Province and at Orukpa in Benue Province: reserves are estimated to be of the order of 17,000,000 tons.

Ironstone

The largest deposits of ironstone found in Nigeria are those of the Agbaja Plateau, Kabba Province; deposits also occur in the Kalgo and Maru districts of Sokoto Province. Thirty million tons of iron ore averaging 50% iron have been proved by drilling on the Agbaja Plateau and considerable additional reserves of variable quality and thickness have also been indicated.

Diatomite

Is used as a refractory material for mineral fillers and filters and for insecticides.

There are indicated reserves of 50,000 tons of good quality diatomite at Bularaba about 40 miles north of Biu, in Bornu Province.

Galena and Blende

Lead and zinc seams occur at Arufu and Akwana in Benue Province and at Zurak in Plateau Province.

Limestone

Considerable investigation has been done on the limestone deposits at Igumale and Yandev in Benue Province, at Jakura in Kabba Province, at Ashaka in Bauchi Province and at Sokoto. The most important use for good quality limestone is the manufacture of cement and in connection with this, gypsum is reported to exist at Guyuk about 30 miles north of Numan. If the report is confirmed and a suitable deposit exists, it will have a very definite effect on the future structure of the Nigerian cement industry. As well as being able to supply southern cement mills, such a deposit with its proximity to the Ashaka limestone deposit north of Gombe might, with the north eastern market in mind, make the manufacture of cement in this area very attractive. Gypsum is also reported to have been found west of the Sokoto limestone deposit.

Limestone from inferior deposits could be burnt to make building and agricultural lime.



The rotary kiln — Cement of Northern Nigeria Ltd., So in the North-Western State. factory produces over 100,00 of first class cement ann

Other minerals

Among the more interesting minerals listed as of no economic value at present are:

Asbestos of the non-spinning variety found near Shemi in Katsina Province.

Felspar of which the fairly extensive deposits around Okene in Kabba Province show the most promise of economic exploitation.

Fluorspar which occurs in small quantities in the lead zinc lodes of the Benue Valley.

Other minerals are being mined in smaller quantities, such as Gold, Monazite, Thorite, Amethyst, Wolfram, Zircon; but are thought to be of little economic value at present because quantities are small and/or economic extraction is difficult.

Two other possible mineral resources are oil and alumina. No significant deposits of oil have been discovered in the northern States but it is thought that cretaceous clays of the central and western parts of the country and the Chad Basin in the north-east could be underlain by oil bearing horizons. Alumina is present in the kaolinite deposit at Dakingari in Sokoto Province.

INDUSTRIAL AREAS OF THE NORTHERN STATES



erial view of part of the a Industrial Area. Kaduna es Ltd. can be seen at the op-centre of the picture.

Introduction

Industrial areas are now a firmly established method of locating industry on fully serviced sites in northern Nigeria. The first industrial area at Kano was established in 1955 and has attracted a wide range of industries: since then six others have been set up and the need for more is receiving urgent consideration.

In locating new industrial areas, Governments endeavour to effect a balance between choosing sites where adequate services already exist and of dispersing industries to the more remote parts of the country.

All land in northern Nigeria, with the exception of land which is governed by either the Minerals Act or the Mineral Oils Act, is covered by the Land Tenure Law, 1962. Industrial areas are unlikely to be sited on lands coming within the purview of the former two Acts and consequently the allocation of land for industrial areas is governed by the Land Tenure Law.

Location

Industrial areas have been established at Kaduna, Kano, Jos, Ilorin, Gusau, Maiduguri, and Zaria and each of these areas has water, electric power, road and drainage systems and, except at Ilorin, railway sidings have or will be provided at Government expense. Governments plan to spend considerable sums on developing new industrial areas and improving the facilities of existing ones during the next few years. New sites under consideration are at Gombe, Funtua, Makurdi and at Sokoto where a cement works is already in production.

The necessity for a good local pool of labour receives due consideration on when a new industrial area is being planned, although this is not of major importance in the northern States where there is a large mobile labour force willing and indeed anxious to find employment within the country's rapidly expanding industrial economy. The need for a good distributive network is taken into account in siting industrial areas or layouts. These are situated on or near main roads, and railway sidings are provided for factories needing this facility.

It is important that adequate supplies of water and electricity are available; provision must also be made for the disposal of factory effluent, particularly for large water-consuming industries. Flat sites are preferable to broken and hilly land because of the saving in constructional work on roads, services and foundations.

The layout and spacing of the road pattern in the estates is determined to a large extent by the needs of industrialists. Experience has shown that rapid industrialisation has made it most difficult to provide a layout with plots of similar size, neatly arranged for occupation by potential enterpreneurs. This is because of the wide variance in the needs of industrialists; some require large rectangular plots whilst others need narrow strips of only two to three acres.

There are, however, some general principles which guide State Governments in the establishment of industrial areas and layouts. The first is that the principal and secondary roads must be wide enough not only to take any possible concentration of traffic but also to provide an attractive setting for the factories fronting on to them. Few industries are not faced with the need for expansion at some time or another; it is necessary, therefore, to consider the need for additional land for this purpose when plots on industrial areas are allocated.

In northern Nigeria, where land is not expensive, an industrialis, is often tempted to acquire a right of occupancy seve. l times in excess of his requirements. This is resisted, as undeveloped land on an industrial area is wasteful, and increases the cost of the installation of roads and other services.

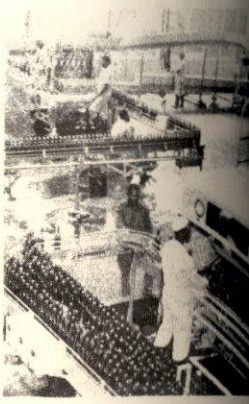
Services to plots on industrial areas are provided free of charg by Governments as an added inducement to enterpreneurs. Roads, pipe-borne water, electricity, drainage and railway sidings are installed before or soon after the area is levelled at no charge to the industrialist who is expected to defray only the cost of the continuation within the boundary of his plot. Spur sidings are also his responsibility.



The light metal industry creased tenfold in the last The picture illustrates the facture of "lisbon pans", a great demand for housel and for decoration in Nigeria.

Kaduna Industrial Area

The Kaduna industrial area was established in 1956 and has been extended twice since then. It now occupies some 550 acres and few plots remain unallocated. Plans have been prepared to take in a further 600 acres which will be fully serviced as the need arises. The popularity of Kaduna as an industrial centre is due to its ideal situation for the distribution of finished goods by road and rail to all parts of the Federal Republic, and the presence of an adequate water supply.



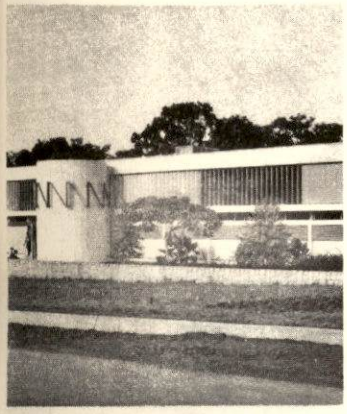
Part of the bottling plan Nigerian Brewery Co. Ltd., makers of the famous "St

The largest textile mill in West Africa was established at Kaduna in 1957, and during the last seven years has expanded from a unit of 10,000 spindles and 288 looms to a giant complex of 40,000 spindles and 1,100 looms producing 37 million yards of cotton piece goods per annum. Another four textile mills are already in operation and one more is expected to commence full production shortly.

The north has been described as the "Lancashire of Nigeria." This is hardly surprising because 98 per cent of Nigeria's cotton is grown, and more textile goods are produced here than anywhere else in the country. Amongst other goods being produced at Kaduna are: steel products, furniture, stationery, reinforced



Textile piece goods being despatched in the finishing department of Kaduna Textiles Ltd. Established in 1957, this textile mill is the largest in Nigeria.



The head office of Northern Nigeria Newspapers Ltd., Kaduna, publishers of the "New Nigerian" newspaper: the most modern press in West Africa.

concrete goods, asbestos-cement products, beer and mineral waters, whilst a large ordnance factory is nearing completion. There is no slackening of interest by industrialists anxious to set up their factories at Kaduna, and other projects are being negotiated. Elsewhere in Kaduna, in addition to small workshops producing a variety of goods, there is a large printing press which is privately owned. Early in 1966, the most modern newspaper press in the country published the first issue of the "New Nigerian" newspaper. This paper has grown steadily in popularity throughout the Federal Republic and is now firmly established as a reliable source of both local and world news and a leader of thought. This book is an example of the excellent work produced.

Kano Industrial Area

There are two fully serviced industrial areas at Kano occupying some 277 acres. Existing industries include groundnut milling, soap, perfumes, cosmetics, confectionery, plastics, textiles, mineral waters, carbon dioxide and dry ice, blankets, enamelware, tarpaulins, brass and aluminium ware; steel furniture, tanning, leather footwear, tyre retreading, printing, kapok cleaning and bone crushing.

Kano is the centre of the area of largest population density in northern Nigeria. It has been estimated that there is a population of some 3,000,000 people within 50 miles of the city. It is evident, therefore, that Kano is eminently suited for industries which manufacture consumer products.

Zaria Industrial Area

This industrial area covers 145 acres. All plots are fully serviced and some are available for immediate occupation. Existing factories at Zaria include an oilseed processing mill producing groundnut oil, cake, flour and hand-picked selected groundnuts, also limited quantities of shea butter and cake.

A large toiletries factory commenced production in 1963 and a cotton ginnery (Nigerian headquarters of the British Cotton Growing Association) has been established for some years adjacent to the industrial area. Quite nearby is a large cigarette factory and elsewhere in Zaria, a large printing press producing first-class work. A factory to assemble bicycles was set up at Zaria some years ago.

Jos (Makeri) Industrial Area

This fully serviced industrial area is situated between the railway and the main Jos-Bukuru road about three miles south of Jos. It occupies 60 acres. Because most plots have now been allocated, plans have been formulated to extend the area.

A tin smelter, large enough to smelt the whole of Nigeria's annual tin production of 10,500 tons has been operating at Makeri for several years, and a factory to produce 11 million produce bags annually has recently commenced production.

Ilorin Industrial Area

Covering an area of 317 acres, the Ilorin industrial area is suitable for industries which do not require railway sidings. The site is being developed and already three factories have been established there to produce matches, syrup and cigarettes. The area is ideally situated for industrialists attracted by the advanages of the large markets of western Nigeria and Lagos, the north's equable economic climate, and the inducements offered by the State Governments.

Gusau Industrial Area

One of the more recently established industrial sites, the Gusau industrial area comprises 75 acres fully serviced with road, rail, water and electric power facilities. A textile mill of 12,000 spindles and 300 looms is already in production and many enquiries for sites have been made by industrialists interested in setting up factories there.

Gusau is the railhead for the cement works at Sokoto, which commenced production in 1967; an opportunity exists, therefore, for enterprising manufacturers of cement-based products to satisfy a large local demand. As a centre of cotton and cattle production, Gusau is well situated for the manufacture of textiles and the tanning of hides and skins.

Maiduguri Industrial Area

This industrial area is well sited to cater for industrial development expected in the north-eastern areas of the country now that the Bornu railway extension has been completed.

The present site provides 79 acres of industrial plots. Already an oilseed crushing mill has been set up in the area, and increasing interest is being shown by industrialists with an eye on the large cattle and fish resources of Bornu Province.

An up-to-date abattoir has been operating at Maiduguri for several years although not on the industrial area. Expoitation of the vast natural resources of Bornu Province, including fish from Lake Chad, and the possibility of export to the Tchad Republic should ensure rapid development of the Maiduguri Industrial Area.



The development of the fishing industry is being ass the United Nations Fo Agricultural Organisation. part of a catch landed Chad, in the North-Easter

Allocation of industrial plots

All applicants for industrial plots must produce satisfactory evidence of their standing. This is followed by discussions between the State Government and the entrepreneur on details of the industry to be developed, including the capital cost of the project, the estate on which it is planned to establish the factory, the size of the plot and services considered necessary. When the project has been approved, formal application is made by the industrialist for a site on an industrial area.

Applications for plots in Kaduna should be addressed to the Administrator, Kaduna Capital Territory; elsewhere, applications should be submitted to the Provincial Secretary of the Province in which the industrial area is situated.



An oilseed crushing mill at Kano. Groundnut oil and cake earn valuable foreign exchange for Nigeria.

Statutory rights of occupancy for sites on industrial areas are granted on prescribed terms for periods of up to 99 years. The length of the lease granted depends on the value of 'improvements' the applicant intends to make on the site. In this context 'improvements' means the construction of fixtures such as buildings and roads, to an agreed value which varies between £4,000 for a 40-year lease to £35,000 for a 99-year lease. The improvements are expected to be carried out within two years from the date of the lease being granted.

Rents for plots vary according to location, those now in force being:—

Kano	—	£100 per acre, per annum
Kaduna	—	£100 per acre, per annum
Jos	—	£ 50 per acre, per annum
Zaria	—	£ 50 per acre, per annum
Ilorin	—	£ 30 per acre, per annum
Maiduguri	—	£ 30 per acre, per annum
Gusau	—	£ 30 per acre, per annum

Industrialists are given a free choice of sites, and factories need not be established on an industrial area if indications are such that the industry could be more profitably sited elsewhere.

Future development

New industrial areas will be established as the need arises. The present plan is to allow the established areas to grow as new factories are established rather than to provide over-large fully serviced areas in which industrial plots may remain vacant for several years.

Large industrial complexes usually attract other satellite industries. It is not unlikely, therefore, that the site of the cement works at Sokoto will form the nucleus of an industrial area. Already a first-class road has been constructed to the site to provide access to the trunk road system. The large density of population in the Sokoto area and the chance of exporting to the Niger Republic should act as an incentive for industry at Sokoto, particularly those industries manufacturing products destined for the local market.

The town of Jebba, well situated where the railway crosses the River Niger, is also becoming industrially popular, and the possibility of establishing heavy industries in the Idah and Lokoja areas is being carefully watched. Completion of the Kainji Dam, 80 miles north of Jebba on the River Niger, is scheduled for 1968. Not only is this likely to provide inexpensive electric power for industrial use but an opportunity will occur to further exploit the natural resources of the Kainji area and the improved navigability of the river. Construction of the dam is being financed with the help of the World Bank and the final cost has been estimated as £80 million.

CHAPTER SEVEN

FINANCE, INCENTIVES AND ADMINISTRATION

Finance for industry

Local private capital for industry is, as in all developing territories, very limited. Sources of finance for industry in the northern States of Nigeria are :

The Northern Nigeria Development Corporation

The Northern Nigeria Development Corporation is the main arm of investment in agricultural, industrial and development projects which may or may not be sponsored by private entrepreneurs. Development projects can be defined as those which are unlikely to become financially profitable in the immediate future but which are likely to be of economic benefit to the community.

The Corporation derives its finance from Government sources and has invested over £9 million in the country's development since it was incorporated in 1956. In addition, substantial loans have been given to indigenous businessmen to promote or expand their ventures. The Corporation is prepared to share in the cost of feasibility and market surveys also to assist entrepreneurs in formulating acceptable proposals for potentially viable enterprises. Enquiries should be addressed to the General Manager, Northern Nigeria Development Corporation, Kaduna.

Northern Nigeria Investments Limited

This is a public limited company with an issued and fully paid up capital of £3.6 million subscribed equally by the Northern Nigeria Development Corporation, and the Commonwealth Development Corporation, London. In addition, the partners have provided loan capital of £600,000 and are negotiating the injection of a further £1 million which will also be in loan capital. (C.D.C. is responsible for providing management).

In general the object of the Company is to work as a commercial organisation and to invest its funds in development schemes for the promotion or expansion of economically viable projects that will not only help to increase the wealth of the country but will also yield a reasonable return on the money invested. Methods of investment are flexible and are tailored to suit the particular project. The Company however does not take a controlling interest in any project and must therefore be satisfied that sound commercial and technical management can be provided on a long term basis before it invests.

Total investments and commitments amounted to £4.6 million as at 30th September, 1966, in thirty projects. For the year ended 31st December, 1965, the Company made a net profit of £295,000 and a dividend of 2% was declared.

Nigerian Industrial Development Bank

The Nigerian Industrial Development Bank (NIDB) was established in 1964 with the advice and support of the World Bank group to provide medium and long term finance for enterprises which are privately owned and managed. Normally its operations are limited to the industrial and mining sectors, thus agriculture, trade and transport are outside its activities. N.I.D.B. will finance ventures which, by reason of their size, will make a significant contribution to the development of Nigeria.

The Bank has an authorised capital of £5 million with powers to borrow up to three times the issued share capital, reserves and subordinated borrowings. Among the shareholders are several overseas financial institutions as well as the Central Bank of Nigeria. A World Bank loan of six million dollars has recently been negotiated and total resources are now over £6½ million which may soon be increased to £8½ million.

Besides financial participation, N.I.D.B. offers to assist entrepreneurs, both Nigerian and foreign, to prepare acceptable proposals, also to advise on the provision of managerial and technical services, for which suitable charges might be raised.

Enquiries should be addressed to the General Manager, Nigerian Industrial Development Bank, Broad Street, Lagos.

Banks

Banking is regulated by Federal legislation. Services are being extended rapidly. The Standard Bank of West Africa (Head Office: 37 Gracechurch Street, London, E.C.3.) and Barclays Bank D.C.O. (Head Office: 54 Lombard Street, London, E.C. 4.) have branches in most sizeable towns. Other Banks operating in northern Nigeria are: Bank of the North Limited (Head Office: 9D Civic Centre, Kano): United Bank for Africa Limited (Head Office: 47, Marina, Lagos): National Bank of Nigeria Limited (Head Office: 34, Marina, Lagos): The London offices of banks operating in northern Nigeria welcome enquiries about conditions there from industrialists thinking of establishing themselves in the country. Banks in northern Nigeria are open on weekdays from 8.00 a.m. to 1.00 p.m.; Saturdays 8.00 a.m. to 11.00 a.m.



Groundnuts and other produce from the northern States is shipped to customers overseas by the Nigerian Produce Marketing Co. Ltd. from Apapa Docks, near Lagos.

The Lagos Stock Exchange

The Lagos Stock Exchange officially came into existence in August 1961. The objects of the Lagos Stock Exchange are to provide facilities for share sales and purchases, to control the requirements for listing on the Exchange, to establish and supervise the rules of brokerage firms in Nigeria and in general, to oversee and promote activities associated with security dealings in Nigeria.

Institutional Investors

There are a number of institutional investors in Nigeria such as insurance companies, pension funds, banks and public companies. Prospective investors can very easily get in touch with these institutions through the Banks or through the Lagos Stock Exchange.

The Northern Nigeria Marketing Board and the Nigerian Produce Marketing Company Limited

The Northern Nigeria Marketing Board is a body established by Law on which Government, trade, and farming interests are represented. Marketing Board produce may be sold by the Board to industrialists for local processing, generally at prevailing world prices as delivered at European port, less the freight and

other charges from the point of sale to Europe. Processors may be licensed by the Federal Government (as responsible for external trade) to export their products freely, as the Kano groundnut crushers are. The majority of the Board's produce is at present handed over to the Nigerian Produce Marketing Company, Limited, on which the Marketing Boards of Nigeria are represented. The Company is responsible for shipping the produce and for its sale on the world market. As much as £50 million worth of produce from northern States may be sold by the Company in a year.

Those interested in processing produce (which it is government policy to encourage whenever value is added or freight saved), should get in touch with the Secretary, Northern Nigeria Marketing Board, Kano, concerning supplies. Enquiries as to the grades and qualities of produce available may be directed to :

The Secretary, The Nigeria Produce Marketing Company Limited, Constanza House, 72 Campbell Street, Lagos, where the Head Office is situated, or to the Branch Office at 5 Buckingham Gate, London, S.W.1.

INVESTMENT

Overseas investments

The State governments of northern Nigeria warmly welcome overseas investment and are completely liberal in their attitude to wholly-owned overseas industrial investment. They naturally welcome scope for local people to train for positions in management of industry in the future, and for local investors to participate in the ownership of industry when they are ready to do so, and it is for this reason that the States particularly welcome partnership with local enterprise, though they fully realise how desirable it is for business to have freedom to develop in its own way.

Tax relief for pioneer industries

Under the Federal Industrial Development (Income Tax Relief) Act 1958, companies engaged in 'pioneer' industries may receive income tax relief for up to five years, the period depending on the amount of capital expenditure up to the end of the first two years from production day — £100,000 qualifying for the maximum, £50,000 for four years, and £15,000 for three years. 'Pioneer' industries are generally those that break new ground in Nigeria; those already so declared under the Act include many forms of oilseed processing, the manufacture of cement, footwear, biscuits, textiles, canned foods, travel goods, plastics, tarpaulins, enamelware, paper, cereals, paint, confectionery, asbestos cement products pharmaceuticals, metal goods, sacks, fertilizers, glassware, ceramics, cosmetics, salt, sugar, kapok cleaning, steel processing and bone crushing, but new industries may be added. To qualify, companies must also receive an individual Pioneer Certificate. The text of the Act is given in Appendix IV.

Import duties relief

The Federal Industrial Development (Import Duties Relief) Act, 1957, provides for the repayment by the Federal Government to industrial concerns of the whole or part of the import duties on materials used in manufacture in certain circumstances, for periods of up to ten years. The industrial concern must show that it is operating to the overall economic advantage of Nigeria, and that it could not otherwise compete with imported goods. The Customs Tariff makes provision for the importation of a number of industrial raw materials either free of duty or at concessionary rates for approved manufacturers.

Company Law

There is Federal legislation controlling the incorporation, registration and operation of companies, which follows the general lines of the United Kingdom Companies Act 1948. Enquiries may be directed to the Registrar of Companies, 18 - 24 Ikoyi Road, Lagos.

Taxation

Company tax is exculsively controlled by Federal legislation, though State governments may be empowered to legislate on personal income tax. In general, company tax after deductions which includes an initial capital expenditure allowance and further allowances equal to the net cost of capital assets spread over their life, is at 8s. 0d. in the pound. For individuals employed by Governments and by those commercial firms who have been directed to operate it, tax is deducted at source by the employer under a Pay-As-You-Earn scheme (P.A.Y.E.). An allowance of £240 is granted to each tax-payer whose income exceeds £400 per annum. There are life insurance reliefs to a maximum of 10 per cent of the capital sum assured on each policy, or an overall restriction to one fifth of the taxpayer's income. Relief can be claimed for the maintenance of children being educated outside Nigeria (up to £250 in respect of any one child or £500 overall) and for a dependent relative. The rate varies from 1s. 3d. in the pound on the first £500 of taxable income to 10s. 0d. in the pound on incomes exceeding £5,000. Enquiries may be directed to the Chairman, Board of Inland Revenue, Mosaic House, Tinubu Square, Lagos, or Nigerian High Commissions or Embassies abroad.

Import control

Most goods can be freely imported under Open General Licence although the import of certain limited classes of goods or goods from certain origins are restricted or controlled. Enquiries should be addresssed to the Permanent Secretary, Federal Ministry of Trade, Lagos, or to Nigerian High Commissions or Embassies in overseas countries.



The Control Tower and "Flight Deck" at Kano Airport, one of the busiest in West Africa.

Currency and exchange control

Nigerian currency which is issued by the Central Bank of Nigeria throughout the Federation, is fixed by law at par with sterling, and exchange control arrangements are generally those obtaining in the sterling area. Enquiries may be addressed directly or through a bank to the Exchange Control Office, Federal Ministry of Finance, Lagos, which should also be consulted if it is intended to issue shares to non-residents of Nigeria.

Immigration

Immigration into Nigeria is controlled by the Federal Government under the Immigration Act, 1963. The entry of those interested in setting up industries is welcomed, and applications both for individual residence permits and for industrial expatriate quotas are dealt with expeditiously. Such applications should be addressed to the Chief Federal Immigration Officer, Ministry of Internal Affairs, Lagos. Forms for this purpose can be obtained either from Lagos, or Nigerian High Commissions or Embassies abroad,

Commonwealth citizens do not require a visa, but others should apply to the nearest Nigerian diplomatic or consular representative.

Customs

The Federal Government is responsible for customs tariffs for the whole Federation. There are no customs barriers of any kind between States of the Federation. There are at present no preferential duties and customs and excise accounts for some two-thirds of Federal revenue. In general, import duties average out at about a quarter of the value of imports and export duties at about a tenth of the value of exports. Duties on imports current at the time of writing (1967) are given in the table of some of the more important imports in Appendix III. The Customs Tariff is based on the Brussels Nomenclature, and the general rate of import duty is 33⅓%. There is, however, a number of exceptions designed to assist manufacturing industries in Nigeria. All industrial machinery for example, pays no import duty. Excise duties are payable on certain products of local manufacture. Information on Customs and Excise duties is readily available at the Federal Ministry of Trade, Lagos.



Sugar cane grown on
at Bacita, cut for proce
nearby factor

CHAPTER EIGHT

INVESTMENT OPPORTUNITIES

Introduction

As northern Nigeria is predominantly an agricultural country, the major industrial potentialities lie in the processing of agricultural produce and the development of livestock processing industries but there are ample opportunities for industries utilising imported raw materials and the various mineral deposits, of which clay and limestone may offer the most immediate prospect for exploitation. With the completion of the Niger Dam greater opportunities for industrial development will occur.

Development of plantation farming

A policy of allowing limited liability companies to develop plantations for growing approved crops was sanctioned in September, 1966. The intention in adopting this policy is to promote the swifter development of the agricultural potential of northern Nigeria since good agricultural land is a major resource of the country. It is also intended to promote higher productivity in agriculture, and it recognises that modern large-scale farming methods are necessary for the creation of raw material supplies on a sufficient scale to attract further industrial development.

The main conditions attaching to the policy are that :- land will be sub-leased to foreign investors by the Northern Nigeria Development Corporation; the project is technically feasible and backed by adequate pre-project investigation; management is competent and will be provided either by the sponsor or hired management; the plantation project will be of substantial economic benefit to the country.

Where indigenous companies, co-operatives and others require plantation land, it will be leased direct.

The new policy constitutes a major departure from earlier practice and every effort has been made to protect both local and foreign interests. It is implied in the policy that once a project is proved feasible, the most efficient way of running it will be to form a limited liability company which may then invite investment from both local and foreign sources. In this regard, land can be made available under a lease or sub-lease for a period of up to 99 years in the first instance, depending on the type of crop to be cultivated.

Individuals or firms wishing to establish plantations for any purpose should submit their proposals in the first instance to the Ministry of Finance (Trade and Industry Division) of the State government concerned, which acts as a co-ordinating agency between Government departments and others concerned with the technical and other aspects of plantation development.

Industrial potentialities

The following lists a few of the most obvious potentialities for industrial exploitation. It is not exhaustive but is an indication of where and what are thought to be the best opportunities.

Oilseed processing

There are further opportunities for the crushing of oilseeds especially cottonseed, (present output could support a plant to process about 60,000 - 70,000 tons of cottonseed per annum). Soyabeans, benniseed (sesame) and palm kernels could also be crushed profitably, possibly in an integrated plant. Present production of benniseed is about 20,000 - 24,000 tons per annum and soya beans 15,000 tons, but with a guaranteed market to farmers the production of both could be substantially increased.

Processing to end products of many oilseeds also appears feasible. These include: margarine from soyabean oil or cottonseed oil; protein foods from oilseed flour and plywood glues from groundnut and cottonseed meals.

Fruit and vegetables

A large variety of good quality vegetables is being grown, especially in Plateau Province. These activities could be expanded into a frozen, freeze-dried and/or canning industry together with the sale of off-season fresh vegetables to major overseas markets.

Apart from mangoes, fruit is not yet grown on a commercial scale but with irrigation there are areas where pineapple, melons tomatoes, grapes and citrus fruits, etc. could be grown. The Institute of Agricultural Research at Samaru has conducted many botanical trials and are willing to co-operate with anyone interested in growing trials for various crops.

Sugar

There is already one refinery, based on plantation-grown sugar in operation at Bacita, near Jebba, which last year produced about 12,500 tons of sugar from locally grown cane. Projections of demand show that at least one other estate producing 30,000 tons of sugar per annum could be viable.

Tea and coffee

Trial plantings are being undertaken of Arabica coffee on the Mambila Plateau, and preliminary investigations show that there is good tea growing land available in the vicinity of Gembu and Baissa in Sardauna Province. Excellent Robusta coffee is produced in Kabba Province which is at present exported.

Starch

There is a substantial market in Nigeria for starch especially for the textile industry whose requirements alone may well be over 6,000 tons by 1972 and the overall demand in that year is likely to exceed 10,000 tons. The setting up of an industry, possibly using surplus maize in the riverain areas as raw material, is feasible.

Essential oils

Suitable soils are available in the Jema'a area to grow herbs for the distillation of essential oils.

Dairying

Fresh milk is now being marketed commercially on a small trial scale. There is a substantial demand for milk and milk products, as shown by the import figures which are now running at over £3 million annually.

It is estimated that there is over one million gallons of surplus milk in the northern States and consideration is being given to the organisation of a collection system which will facilitate the establishment of a processing industry.

Meat processing

There are over 8 million head of cattle in the northern States and Governments aim to increase beef production by 5% per annum. There has already been substantial development of the industry particularly by the establishment of modern abattoirs in the more populous areas and as this process continues further opportunities will occur for meat processing.

Tanning

Improved livestock husbandry methods will lead to improved qualities and distribution of hides and skins, thus improving the supply position for tanneries. The type of market for which further tanneries should produce would have to be investigated but the market for leather for domestically produced footwear looks promising. There are also good prospects for partly tanned hides and skins for export.

Fisheries

There is a large fishing potential in the Nigerian waters of Lake Chad but improved catching, processing and marketing methods will be necessary to realise this. The present market in Nigeria consumes about 250,000 tons of fresh and dried fish and of this figure about 15,000 tons comes from Lake Chad. Elsewhere, the lake to be formed on completion of the Niger Dam will provide another large source of fresh water fish.

Ceramic ware, bricks and tiles

There are good deposits of clay and other materials used in ceramic manufacture in northern Nigeria and there is a growing demand for differing types of ceramic ware. Deposits have to be sampled and tested and the structure of markets studied. The present imports of ceramic and refractory products total about £1.3 million per annum.

Chip-board

Experiments have proved that good quality chip-board can be produced cheaply from Nigerian groundnut husks of which there is a plentiful supply. Potential markets need to be investigated before the setting up of a plant can be considered.

Fibre board

Imports of fibre board are projected to increase at the rate of 4% per annum and present demand is estimated to be running between 3,000 and 4,000 tons per annum. Among materials available are vegetable fibres of various kinds and timber waste. Studies have to be done on the market and on the most suitable location relative to the availability of raw materials.

Leather footwear

There is a growing demand for fashionable shoes of good quality. An established factory which is located at Kano, has no difficulty in disposing of its present output and there is a good opportunity to set up another, elsewhere in the northern States.

Furniture

Despite a growing local industry, there is still substantial importation of furniture (£717,000 in 1965) and there are opportunities for the mass production of furniture for the middle income group and for offices.

Surgical dressings

There is a substantial and growing demand for cotton wool, lint, bandages, wadding etc. and an industry to manufacture these products using local raw material is feasible.

Cement

Construction of a works to produce over 100,000 tons of cement per annum at Sokoto is nearing completion and production is expected to commence in 1967. There are other known large deposits of limestone at Jakura, in Kabba Province, Yandev in Benue Province and Ashaka in Bauchi Province. All three deposits are considered to be adequate in all respects to support a second cement works in the northern States subject to satisfactory confirmatory geological and economic surveys.

Lime burning

Lime is not used in large quantities in northern Nigeria but it is being tested as a stabilizing agent for unsurfaced roads. If the tests prove successful, there will be a ready market for slaked lime. There is also a potential market in the tanning industry, building and agriculture. There are deposits of limestone in parts of the country unsuitable for the manufacture of cement in parts of the burning and it is estimated that a market for 10—15,000 tons of slaked lime per annum could quickly be developed.

Iron and steel

There are extensive deposits of iron ore at Agbaja near Lokoja and there are known deposits of coal south of Lokoja. This raises the possibility of developing an iron and steel industry.

Industries based on imported raw materials.

There is a substantial and growing market for goods which could be manufactured or assembled locally from imported raw materials. Agricultural implements and tools, household enamelware, bicycles, motor-vehicles and hurricane lamps are only a few examples of products for which there is a heavy demand.

CHAPTER NINE

COMMERCIAL SERVICES AND LABOUR

Trade channels

Much of northern Nigeria's wholesale trade is still in the hands of large expatriate trading companies. The bulk of the north's exports consists of Marketing Board produce which is purchased and exported under conditions controlled by tne Board. Other produce as well as locally manufactured goods may be exported without restriction subject only to the minor formalities of export licensing. There are a number of reputable shipping and forwarding agents who can assist in these operations.

For imported goods, the large firms are the main wholesalers financing the operations of local retailers, who are often their produce buyers. The tendency is for the large firms to leave an increasing share of the retail trade to local concerns, restricting their own development in this direction to multi-purpose departmental and technical stores.

The advantage to industrialists in this pattern of trade is that it is not necessary for a manufacturing project to become directly involved in the intricacies of local credit problems. There are many large wholesalers who support Governmental policy of encouraging local industries by purchasing industrial products at the factory, paying cash, if necessary.

Government Enquiries

Businessmen interested in the development of commerce and industry in the northern States should address their correspondence to the Permanent Secretary, Ministry of Finance, (Trade and Industry Division), of the State in which they are interested.

The Decree establishing the six State Governments to govern the territory formerly administered by the Government of Northern Nigeria was promulgated in May 1967.

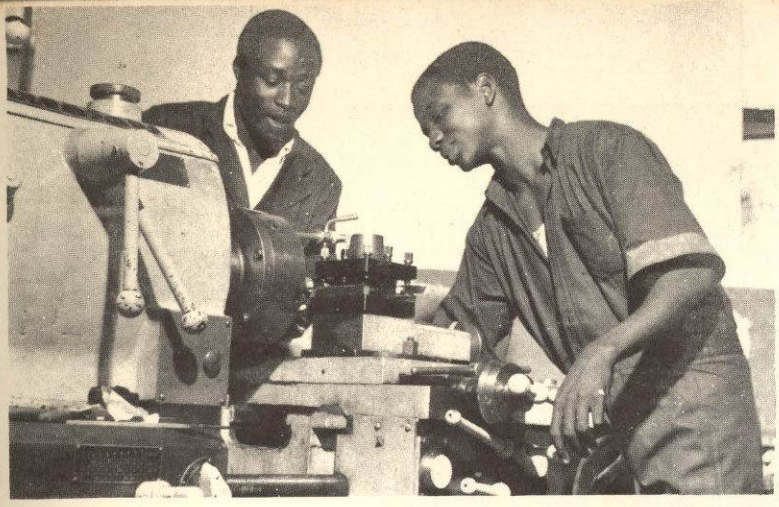
State Governments may not assume full responsibility within their own territories for several months but in case of difficulty during the transitional period, entrepreneurs may contact the offices of the former Ministry of Trade and Industry, PMB 2071, Kaduna, for guidance.

Telephone numbers of sectional Heads of the former Ministry are:-

Chief Commercial Officer	—	Kaduna 2699
Industrial Promotion Section	—	Kaduna 3586
Trade Section	—	Kaduna 3587
Small Industries Section	—	Kaduna 2057
Economic and General Section	—	Kaduna 2222 Extension 66

The Economic and General Section is responsible for matters concerning immigration, customs and excise duties, industrial incentive legislation and exchange control.

On matters concerning other Ministries, letters should generally be addressed to the Permanent Secretary of the appropriate Ministry.



People of the northern States of Nigeria are eager to acquire modern skills in order to take advantage of the opportunities offered by rapid industrial development.

Technical and commercial services

There are technical stores and reasonably advanced engineering services available in Kano, Zaria, Kaduna and Jos. Beyond these, engineering services within the country are limited to local garages, the yards of the Ministry of Works, transport fleet yards at Maiduguri and Gusau, and Government mechanical workshops at Mokwa and Samaru.

The Federal Veterinary Research Centre is at Vom, near Jos. The Nigerian Institute for Trypanosomiasis Research has large establishments at Kaduna, and at Vom, near Jos.

The Institute for Agricultural Research is a branch of the Ahmadu Bello University, at Zaria.

The Federal Research Centre is at Moore Plantation, Ibadan, the capital of the Western State of Nigeria.

There is a Federal Government Statistician in Kaduna and a Chief Statistician in Lagos.

There is a Government Chemist in Kaduna, at the Ministry of Health.

There are survey Departments with offices at Kaduna, Jos, Ilorin, and Kano. There is also a Federal Survey Department in Lagos. The greater part of northern Nigeria is covered by topographical maps on scales of 1/125,000, 1/100,000, 1/62,500 and 1/50,000. Most of the major townships are covered by mappings on a scale of 1/2,400. Maps can be obtained from both northern and the Federal Survey Departments. There are private licensed surveyors practising in the northern States.

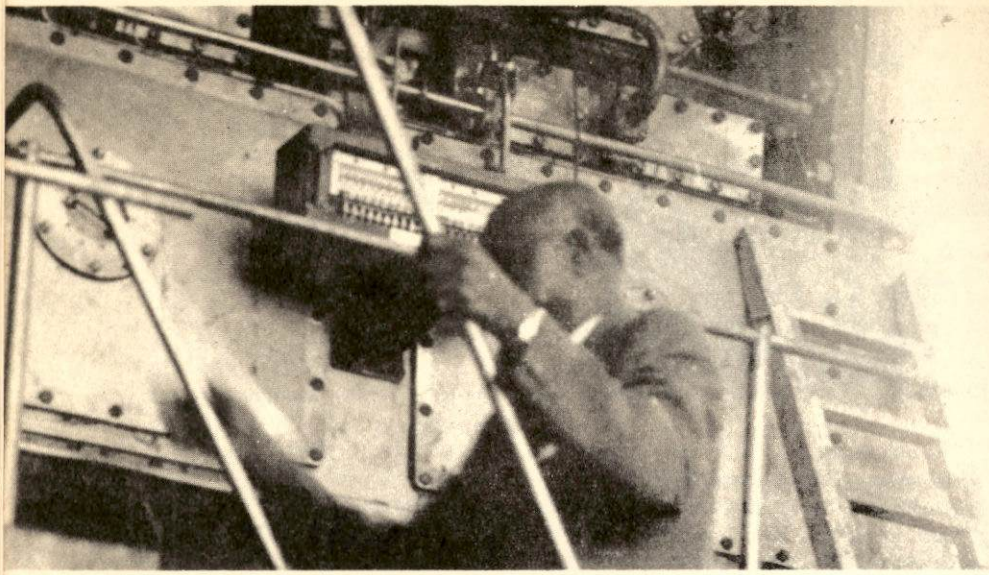
The headquarters of the Mines Division of the Federal Ministry of Mines and Power is at Jos, with a branch at Kaduna. The West African Stored Products Research Unit, have offices in Kano.

There are internationally known construction concerns operating throughout the country and work can be carried out quite speedily. Quantity surveyors and architects may be consulted at Kaduna and Zaria. Factory building costs in Kaduna range around 32s. 0d per square foot and tend to increase with distance from the coast. A company specialising in deep borehole drilling for water, operates in the northern States.

There are Chartered Accountants' offices in Kaduna, Kano, Jos and Zaria. There are reputable insurance companies, both overseas and local, with offices in Kano, Kaduna and Jos and agencies in all the main towns.

There is a Chamber of Commerce in Kano and a Chamber of Mines in Jos.

The West Africa Committee, Blossom Inn, 23 Lawrence Lane, London, E.C.2. and at 208/212 Broad Street, P.M.B. 2184 Lagos, is an organisation with a widely representative membership of firms and individuals from other countries interested in the economic development of Nigeria and West Africa.



Dr. R.A.B. Dikko O.O.N., F Commissioner of Mines and touring the new 14 meg power station at Kaduna. Th 7 megawatt generators are ex to be in full operation by th of 1967.

Electricity

Electric power for industry in northern Nigeria is supplied by the Electricity Corporation of Nigeria; Head Office, Broad Street, Lagos. Power from hydro-electric installations is also supplied in Plateau Province for the mining industry, and for such other purposes as may be authorised, by the Nigeria Electricity Supply Company Limited, Bukuru. The Kainji Dam now under construction at Bussa on the River Niger is expected to provide inexpensive hydro-electric power from 1969 through a national grid. Electricity is available in the major towns of all Provinces with the exception of Sardauna Province. Enquiries concerning availability and charges for electric power should be addressed to the Electricity Corporation of Nigeria, Lagos, or to State Ministries of Finance, (Trade and Industry Division).

Coal

Coal is mined by the Nigerian Coal Corporation at Enugu in Eastern Nigeria. It is of a sub-bituminous type with a calorific value of 11.650 B.T.U. per lb when freshly mined, which falls to about 9,000 B.T.U. per lb after exposure to air. Enquiries should be addressed to the Nigerian Coal Corporation, Enugu, Nigeria.

Petroleum

Oil is produced and refined at Port Harcourt, in the eastern States and distributed by internationally known suppliers of petroleum products. Industrial users taking large quantities may expect a concessionary rate; the State Ministries of Finance (Trade and Industry Division), can assist with information.



Modern road tankers supp rail traffic to carry oil fro coast to the northern Stat increasing number of these serve a dual purpose by trans petrol to the north and ve oil back to the coast, in s tanks.

Water

Piped water is available in most of the large towns in the northern States and supplies are constantly being extended. The quality is usually good and supplies at the largest towns are both filtered and chlorinated, though it is wise to boil drinking water until local enquiry has been made. The cost of water for industry at Kano is 4/6 per 1,000 gallons for the first 10,000 gallons, 4/- for the second 10,000 gallons and 3/6 for the third. At Kaduna, Jos and Zaria the cost is 5/- per 1,000 for the first 500,000 gallons per month, 4/6 per 1,000 for the next 1¼ million gallons per month and 4/- per 1,000 for quantities over 1¼ million gallons per month. The State Ministries of Finance, (Trade and Industry Division), can help with advice on problems of industrial supply.

Labour and staff

Labour legislation is a Federal matter and conditions are governed by the Labour Code Act. There is also a Factories Act regulating conditions in factories on which a short guide is available (see Bibliography). Enquiries about conditions in northern Nigeria may be addressed to the Assistant Commissioner of Labour, Kaduna.

There are no fixed minimum wages in the nothern States; Government daily rates vary in different localties and with length of service.

Most industrial concerns pay rather more than Governments and have no difficulty in recruiting all the general labour they require. There is a large surplus of labour during the dry season when the harvest is over from November to April, especially in the northern part of the country. Some current examples of daily rates of pay in Kaduna are:—

	Grade I	Grade II	Grade III
Welders	17/9 — 21/11	13/8 — 16/9	10/- — 13/4
Electricians	18/3 — 21/-	14/3 — 18/-	8/2 — 10/-
Fitters	17/6 — 22/-	15/- — 17/9	11/- — 14/-
Masons	18/- — 24/-	14/2 — 19/-	7/11— 10/-
Labourers	7/- — 8/2	6/4 — 6/10	5/- — 5/9
Carpenters	18/9 — 21/-	14/- — 17/-	10/- — 13/-

As a rough guide to the salaries of senior staff, most government works superintendents on contract receive salaries starting at £972 p.a. and rising to £1,668, with a children's allowance of maximum £288 for three children, while Executive Engineers of the lowest grade, on contract, begin at £1,440 and rise to £2,070 with the same allowances. Expatriate Government officers from countries with temperate climates who are under thirty-five years of age serve for tours of eighteen months followed by eighteen weeks of leave plus two weeks compensatory leave if they travel by air. Older officers may serve for shorter tours of service. Houses with basic furniture are provided at rentals of up to £150 per annum, and most officers receive advances for cars and a basic allowance towards their upkeep. Commercial firms have different systems; usually they are less generous with leave.

Nigerians take very readily to industrial work and can in a short space of time acquire considerable skill. Local artisans are in short supply, though Governments are making great efforts to increase their availability through Craft Schools, Technical Training Schools and a Technical Institute at Kaduna. A new Polytechnic designed to improve the services provided by the technical establishments has recently been opened in Kaduna. Some of the larger industrial companies run their own training schools. Local clerical and accounting staff are also in short supply, though again great efforts are being made to improve the position. The number of secondary schools in the northern States has increased from one in 1945 to 75 in 1966.

CHAPTER TEN

THE DEVELOPMENT OF SMALL INDUSTRIES

Technical assistance

Efforts aimed at upgrading and expanding small industries in the northern States continue in many directions and include the provision of technical assistance administered by individuals who are specially trained or experienced in overcoming the problems inherent in providing such assistance to:—

i. Industries using traditional manual production techniques owned and managed by individuals with limited education and limited comprehension of the English language.

ii. Small, handloom textile producing and allied industries using traditional equipment and techniques which have not been changed for centuries.

iii. Very small carpentry and building construction enterprises using green lumber and financed only by small advances from customers.

iv. Very small metal working and mechanical repair establishments having a poor selection of worn hand tools and largely unskilled apprentice labour.

v. A wide variety of leather working and processing enterprises in which traditional skills have been refined but modern mechanised techniques have been observed only by a handful of entrepreneurs with overseas training.

vi. Food processing enterprises so small and under-capitalised that they cannot be expected to provide a base for the introduction of new techniques. Completely new enterprises formed along co-operative lines (e.g. with growers, millers and marketeers all involved) will be required to launch more advanced food processing technology.

vii. A variety of arts and crafts which have no long-range industrial development potential but might respond to marketing and management assistance to the extent that workers would be better paid and working conditions improved.

Other small industries

There are other potential indigenous small industries which can be or are being promoted. A large proportion require organisation from scratch before they can be receptive to technical assistance.



Indigenous firms are speedily adopting modern machines and methods to keep pace with demands associated with a rising standard of living.

INSTITUTIONAL CHANNELS NOW EXISTING FOR THE PROMOTION AND DEVELOPMENT OF SMALL INDUSTRIES IN THE NORTHERN STATES

Industrial Development Centre (I.D.C.) Zaria.

This is financed jointly by the northern State Governments and the United States Agency for International Development (A.I.D.). Its functions include training facilities, ranging from short study courses to sophisticated techniques associated with management and the supervision of small enterprises. When the Centre is in full operation, the accent will be on practical work, training on the job. Technical and management assistance will be rendered to already established small industries capable of sustaining growth, whilst no efforts will be spared to establish new worthwhile enterprises.



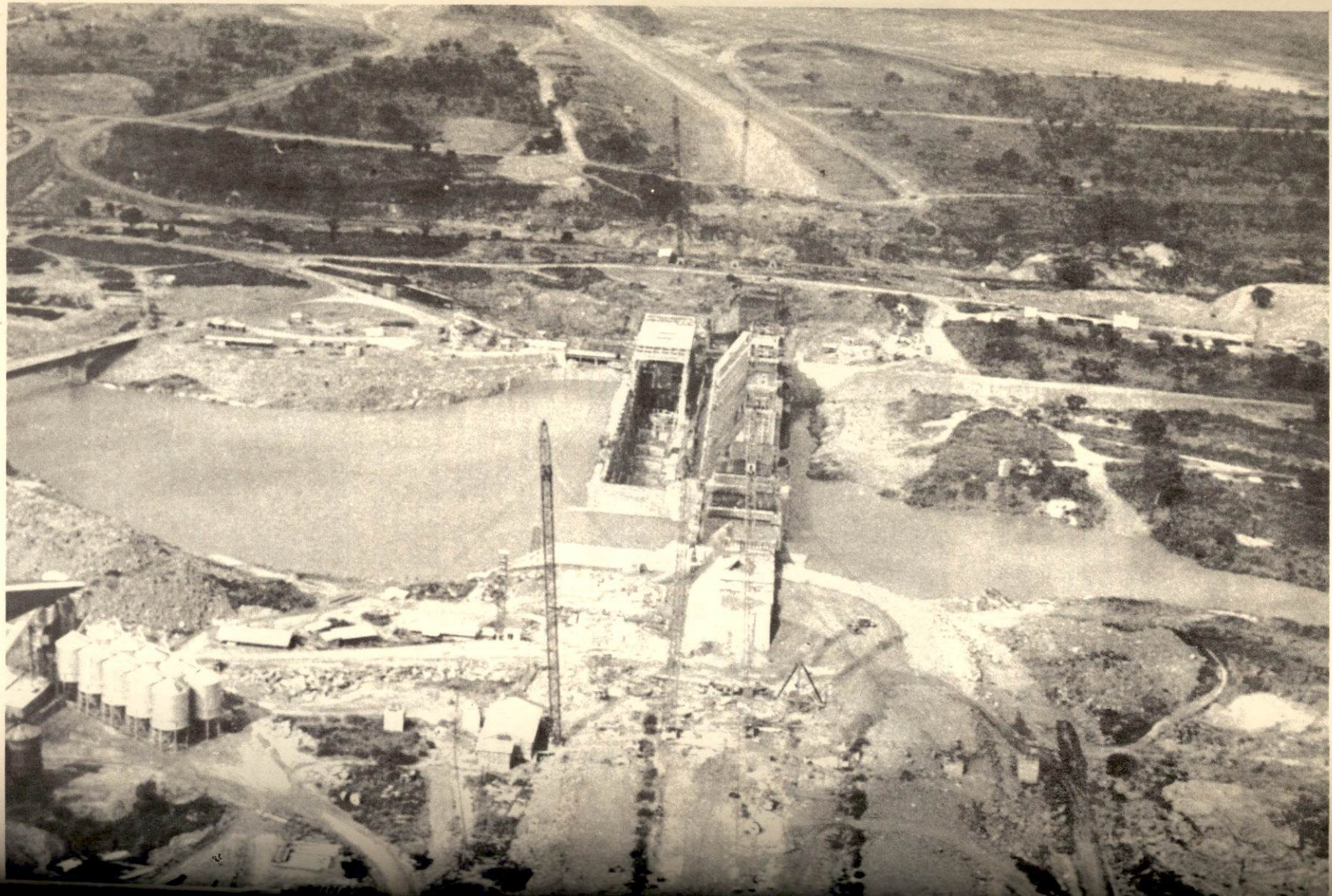
ndustrial Development Centre, assists northern Nigerian people to upgrade their skills.

Business and Apprentice Training Centres (B.A.T.C.)

These are financed jointly by the Governments of the northern States and the Ford Foundation of America. The Centres give training in wood-working/carpentery, motor mechanics, bricklaying, electrical wiring and fitter/machining. These courses are intended primarily for owners of small businesses or their employees who cannot under normal circumstances afford their own training. The B.A.T.C's are vocational improvement centres where lectures are conducted in the evenings. The advantage of this system is that it allows upgrading of skills and re-training of skilled men without interfering with the man's normal job during the day. In addition to the free courses of instruction, tool awards are made to trainees who have not only successfully completed their courses but have attained the best performance in all subjects during the course. B.A.T.C.'s are already in operation at Kaduna, Kano and Jos and it is proposed to establish others in suitable towns in the northern States.

Small Industries Credit Scheme

This is a credit institution established by the former Government of Northern Nigeria with assistance from the Ford Foundation of America. The purpose of the scheme is to grant loans in cash or kind to small industrial enterprises which after investigation, are found to be capable of sustaining economic growth and contributing to the economic development of the country. The maximum loan which can be granted to a single applicant is £5,000, but this is shortly to be increased to £10,000.





Lt.-Colonel Abba Kyari, Governor of the North-Central State



Alhaji Audu Bako, Deputy Commissioner of Police, Governor of Kano State



Colonel Hassan Usman Katsina, p.s.c. Chairman of the Interim Administrative Council of the Northern States.



Lt.-Col. Musa Usman, Governor of the North-East State.



Lt.-Col. D. L. Bamigboye Governor of the Central-West State.



Mr. J. D. Gomwalk, Assistant Commissioner of Police Governor of the Benue-Plateau State.



Malam Usman Faruk, Superintendent of Police, Governor of the North-West State.

PROVINCE	Material Resources	Population (1963 Census)	Area Sq. miles
ADAMAWA	Groundnuts, Cotton, Hides and Skins, Cowpeas.	1,585,290	31,186
BAUCHI	Groundnuts, Hides and Skins, Cow-peas, Cotton, Lime-stone, Lignite, Columbite, Cassiterite.	2,495,329	26,120
BENUE	Soyabeans, Yams, Guinea Corn, Cotton, Benniseed, Maize, Cassava, Sheanuts, Cow-peas, Fruits, Limestone, Coal, Columbite.	2,641,960	29,318
BORNU	Groundnuts, Hides and Skins, Cotton, Gum Arabic, Cow-peas, Fruits, Millet, Fish.	2,853,533	45,733
ILORIN	Yams, Cocoa, Oil Palm produce, Cotton, Maize, Cas-sava, Sheanuts, Cowpeas, Sugar.	1,119,222	17,719
KABBA	Coffee, Cocoa, Yams, Cassava, Cotton, Maize, Iron Ore, Limestone, Marble, Coal, Fruit, Oil Palm produce.	1,287,143	10,953

COMMUNICATIONS BY PROVINCES

Industrial Area	WATER SUPPLY	COMMUNICATIONS
——	Adequate water supply available in towns along Benue River	New roads under construction. River Benue navigable by river craft during rainy season. main ports: Numan, Yola.
Gombe (Proposed)	Domestic supplies only so far available. but water available for development from the Gongola River	Railway extension passes through Bauchi with connections to Maiduguri and all parts of Nigeria. Good road system.
Makurdi (Proposed)	Adequate water from River Benue. Industrial supplies available at Makurdi	Rail and river. Main port and station is Makurdi. Good communications
Maiduguri	Adequate supplies for industry available	Railway extension to Maiduguri completed in 1964. Good road communications to Kano. Jos and thence south.
Ilorin Bacita	Adequate supplies along River Niger and in Ilorin Township.	Good road and rail communications.
	Adequate supplies along River Benue and Niger	Confluence of Benue and Niger is at Lokoja which is accessible to river craft for nine months of the year. This will be extended to twelve months on completion of the Kainji Dam.

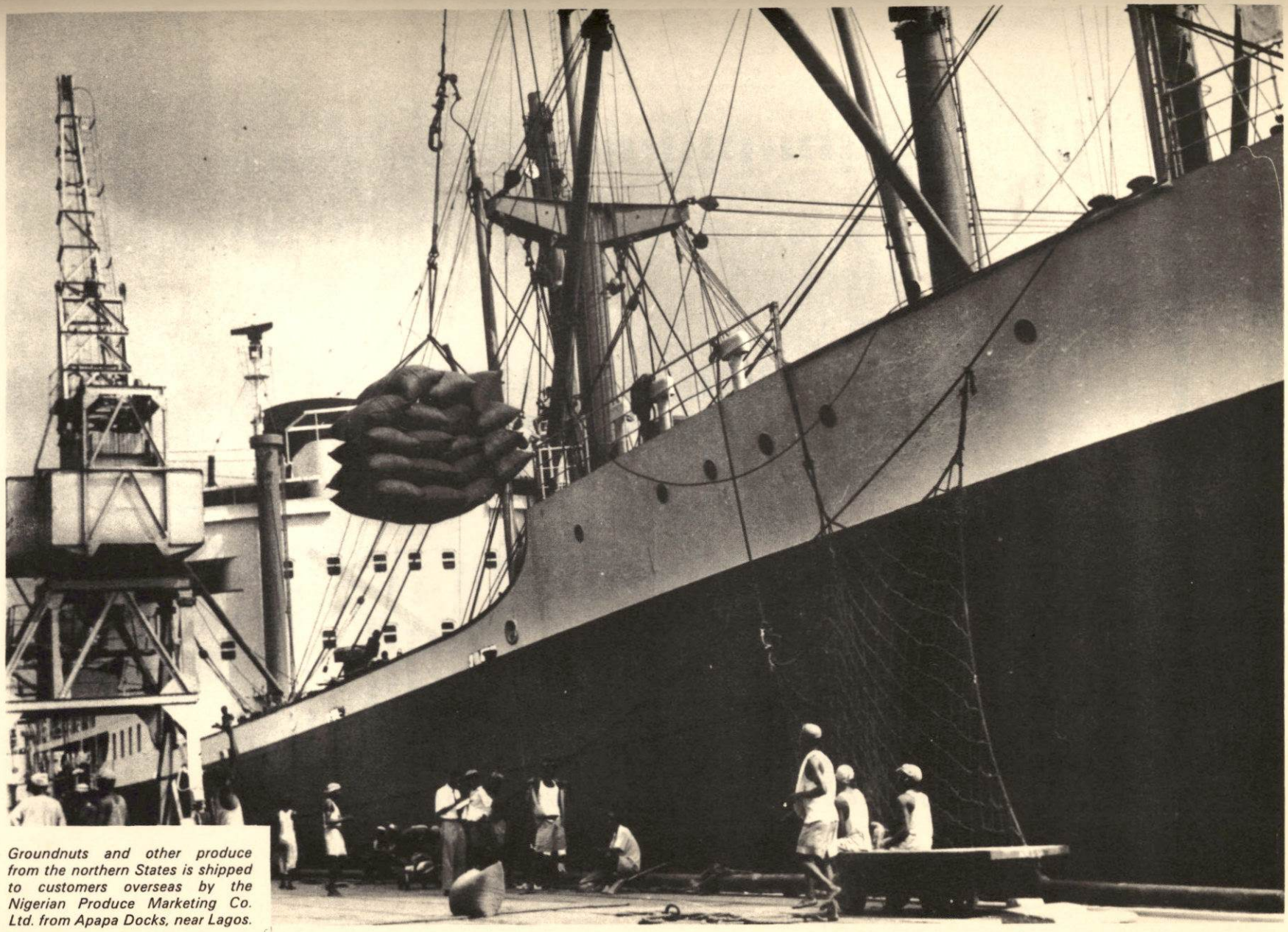
PROVINCE	Material Resources	Population (1963 Census)	Area Sq. miles
KANO	Groundnuts, Cotton, Hides and Skins, Cowpeas, Columbite, Cassiterite.	5,774,842	16,630
KATSINA	Groundnuts, Cotton, Hides and Skins, Cowpeas, Clays.	2,545,005	9,466
NIGER	Yams, Cotton, Guinea Corn, Maize, Sheanuts, Cowpeas, Millet, Clays, Kenaf.	1,404,567	28,666
PLATEAU	Cotton, Guinea Corn, Cowpeas, Zinc, Lead, Silver, Cassiterite, Columbite, and Associated Minerals, Vegetables, Kenaf.	1,367,448	12,426
SOKOTO	Cotton, Groundnuts, Hides and Skins, Cowpeas, Limestone, Clays, Gypsum.	4,334,769	36,477
ZARIA	Cotton, Groundnuts, Hides and Skins, Cowpeas, Sheanuts, Millet, Columbite, Cassiterite, Amethyst, Vegetables, Sugar, Tobacco.	1,403,390	16,488
SARDAUNA	Cotton, Groundnuts, Hides and Skins, Guinea Corn, Millet, Cowpeas, Graphite, Coffee, Tea.	878,271	17,570
KADUNA CAPITAL TERRITORY		145,910	45,300

Industrial Area	WATER SUPPLY	COMMUNICATIONS
Kano	Adequate supplies for industry	Good road and rail communications to all parts of the Federation
——	Domestic supplies only so far available. Wells and boreholes could be developed.	Railway passes through the south of the Province. Main station, Funtua. Good road network.
Minna (Proposed)	Adequate supplies from the River Niger.	River port at Baro with a rail link to all parts. Good road network.
Jos	Adequate supplies for industry when capacity is brought into operation.	Rail Junction for extension to north-east is near Jos. Good road network.
Sokoto Gusau	Adequate	Railway terminates at Kaura-Namoda. Main station is Gusau. Good internal roads.
Zaria	Supplies available for industry.	Main rail junction at Zaria. Good road network.
——	In process of investigation.	Fair internal road communications.
Kaduna	Adequate supplies available for industry	Excellent road and rail communications to all parts.

APPENDIX II

A SELECTION OF NORTHERN NIGERIAN EXPORTS DURING THE YEAR 1965

	EXPORTS	
Commodity	**Quantity (tons)**	**Value (£)**
Groundnuts	512,000	37,805,000
Hides & skins	8,500	4,563,000
Soyabeans	15,000	608,000
Benniseed	20,500	1,451,000
Tin metal	10,575	14,905,000
Columbite	2,776	1,161,000
Cotton	13,500	3,298,000
Gum Arabic	2,600	294,000
Cottonseed	70,000	1,758,000
Groundnut oil	90,700	10,013,000
Leather	1,300	1,459,000
Groundnut cake	112,700	5,251,000
Coffee	600	143,000



Groundnuts and other produce from the northern States is shipped to customers overseas by the Nigerian Produce Marketing Co. Ltd. from Apapa Docks, near Lagos.

APPENDIX III

A SELECTION OF NIGERIAN IMPORTS

Commodity	Quantity	Landed Value (£ thousands)
Canned meat	416 tons	98
Tinned milk	17,00 tons	2,436
Milk powder	5,000 tons	1,085
Butter	500 tons	120
Stockfish	26,500 tons	6,670
Canned fish	4,000 tons	390
Biscuits and Cakes	520 tons	156
Cornflakes etc.	2,600 tons	643
Tomato puree	6,400 tons	682
Refined sugar	97,000 tons	2,500
Tea	490 tons	108
Salt	128,000 tons	2,400
Washing blue	3,500 tons	317
Medicaments	—	3,500
Wadding, Gauze and Bandages	—	500
Essential Oils	326 tons	352
Fertilisers	35,000 tons	770
Insecticides	3,800 tons	977
Fungicides	1,100 tons	433
Starch	—	500
Fibreboard	2,340 tons	170
Cotton yarn/thread	5½ million lbs	1,900
Cotton woven fabrics	210 m. sq. yards	21,500
Other woven fabrics	30 m. sq. yards	6,000
Lime	5,341 tons	104
Bricks	4,100 tons	358
Household chinaware	3,000 tons	440
Wire rod of iron and steel	31,000 tons	1,280
Other materials of iron and steel	180,000 tons	15,000
Cutlery	—	355
Enamelware	5,900 tons	929
Torch batteries	35,000,000	760
Ceramic sanitaryware	1,275 tons	270
Huricane lamps	2,000,000	250
Travel goods, handbags	—	500

Note: *denotes that there are special

Principal Exporting Country	Import Duty Rate
U.K.	50%
Holland	Free
Holland	Free
U.K./N.Z.	1/6 per lb.
Norway	1d per lb.
Various	75%
U.K.	66⅔%
U.K.	40%
Italy	75%
U.K./France	3½d per lb.
U.K.	66⅔%
U.K.	£4 per ton or 20%
U.K.	33⅓%
U.K.	Free to 20%
U.K.	33⅓%
U.K.	50%
Germany/U.K.	Free
U.K.	Free
U.K.	Free
U.K.	33⅓%
Sweden	33⅓%
India	Thread 5/6 lb. or 33⅓%
Various	Yarn 1/2 lb *
Various	1/3 to 3/6 square yard *
U.K.	2/- to 3/- square yard
U.K.	£3 per ton
Japan	33⅓%
Germany	50%
	33⅓% *
Various	33⅓% *
Various	50%
Hong Kong	50%
Japan	40%
U.K.	33⅓%
Germany	33⅓%
U.K.	6/- each or 40%

rates for certain manufacturing processes.

Industrial Development Income (Tax Relief) Ordinance

Title.

Ordinance No. 8 of 1958.

An Ordinance to make further Provision whereby the Establishment and Development in Nigeria of Commercial Enterprises may be encouraged by way of Relief from Income Tax and for Purposes connected therewith.

Commencement.
Enactment.

14th April, 1958

Be it enacted by the Legislature of the Federation of Nigeria as follows :-

Part I. Preliminary.

Short title & construction.
Cap. 92

1. This Ordinance may be cited as the Industrial Development (Income Tax Relief) Ordinance, 1958, and shall be construed as one with the Income Tax Ordinance (hereinafter referred to as the principal Ordinance).

Interpretation.

Cap. 28

2. In this Ordinance, unless the context otherwise requires
'accounting period' means a period for which accounts have been made up in accordance with paragraph (iii) of section 12;
'company' means a company (other than a private company) limited by shares and incorporated in Nigeria under the Companies Ordinance and resident in Nigeria;
'Minister' means the member of the Council of Ministers charged with responsibility for matters relating to industrial development;
'new trade or business' means the trade or business of a pioneer company deemed under the provisions of section 12 to have been set up and commenced on the day following the end of its tax relief period;
'old trade or business means the trade or business of a pioneer company carried on by it in its tax relief period in accordance within the provisions of section 12, and which either ceases within or is deemed, under those provisions, to cease at the end of that period;
'permissible by-product' means any goods or services so described in any certificate given under section 4 being goods or services necessarily or ordinarily produced in the course of producing a pioneer product;
'pioneer certificate' means a certificate given under section 4, certifying, inter alia, a company to be a pioneer company, or any such certificate as amended under sections 5 or 8;
'pioneer company' means a company certified by any pioneer certificate to be a pioneer company;
'pioneer enterprise', in relation to a pioneer company, means the production and sale of its relevant pioneer product or products;
'pioneer industry' means a particular kind of trade or business declared by an order made under section 3 to be a pioneer industry;
'pioneer product' means any goods or service declared by any order made under section 3 to be a pioneer product;

'production day' means the day on which the trade or business of a pioneer company commences for the purposes of the principal Ordinance;

'relevant pioneer product', in relation to any pioneer company means the pioneer product or products specified in its pioneer certificate;

'tax relief period', in relation to a pioneer company, means the period ascertained in accordance with the provisions of sub-section (1) of section 11 and any extension of that period made under that section.

Part II. Pioneer Conditions.

Powers and procedure for declaring an industry & a product a pioneer industry & product.

3. (1) Where it is represented to the Minister that — (a) any industry is not being carried on in Nigeria on a scale suitable to the economic requirements of Nigeria at all, or there are favourable aspects of further development of any industry; and

(b) it is expedient in the public interest to encourage the development or establishment of the industry in Nigeria by making of an order declaring the industry to be a pioneer industry and any product or products of such industry to be a pioneer product or products, the Minister shall cause to be published in the Gazette a notice.

(i) stating that a representation has been received and setting out the industry and the products which it is sought to have declared a pioneer industry and pioneer products, either as the same have been described in the representation made to the Minister or with such variations therefrom as the Minister may think expedient; and

(ii) requiring any person who may object to the making of the suggested declaration to give notice in writing of his objection, and of the grounds on which he relies in support thereof, to the Minister not later than thirty days after the publication of the notice.

(2) As soon as may be after the period of thirty days referred to in paragraph (ii) of subsection (1) has expired, the Minister shall submit the representations made to him, together with any objections of which he has received notice, to the Governor-General in Council, who may if he considers it in the public interest to do so having regard, inter alia, to the probable effect on existing business engaged in the same industry in Nigeria and on other industries in Nigeria, make an order declaring the industry to be a pioneer industry and its products to be pioneer products: Provided that before so submitting a representation to which notice of objection has been given, the Minister may, if he considers it necessary, call for further particulars of the grounds of any such objection.

(3) An order made under subsection (2)

(a) may describe the industry and its products in the way in which they were described in the notice published in the Gazette in accordance with subsection (1) or may vary that description in such manner as the Governor-General in Council may think fit;

(b) may contain such conditions and restrictions as the Governor-General in Council may think fit to impose; and

(c) may be expressed to take effect from an earlier date than that on which it is published in the Gazette, not being earlier that the date on which the representation in consequence of which the order was made was received by the Minister.

(4) An order made under subsection (2) may be amended from time to time by adding to the product or products, declared in such order to be pioneer products, any further product or products or otherwise as may appear necessary: Provided that before making

an amending order, and in making any such order under this subsection, the principles and procedure laid down in subsections (1), (2) and (3) shall be applied, mutatis mutandis, and any reference in this Ordinance to an order shall, wherever necessary, include a reference to that Order as amended.

(5) Any representation made in accordance with subsection (1) by a member of the public (including a company or a body of persons) shall be accompanied by a deposit of fifty pounds, which shall be returned to the person making the deposit unless the Minister is of opinion that the representation is frivolous, in which event such deposit shall be forfeited to the general revenue of the Federation.

Procedure & power for applying for and giving a pioneer certificate.

4. (1) Any company, or body of persons proposing to register a company being desirous of establishing or participating in any pioneer industry or industries for the purpose of producing any pioneer product or products may make an application in writing to the Minister for a pioneer certificate to be given, certifying the company to be a pioneer company in relation to such industry or industries and product or products.

(2) In any such application the applicant shall

(a) give particulars of the assets on which qualifying capital expenditure will be incurred, including their source and estimated cost

(i) on or before production day; and

(ii) during a period of two years following production day;

(b) specify the place in which the assets on which qualifying capital expenditure will be incurred will be situated;

(c) estimate the date of production day of the company or proposed company, such estimate being expressed, if the applicant so wishes, as at the expiration of a stated period after the date of issue of the certificate;

(d) specify the proposed products and by products (not being pioneer products) which will be produced and provide an estimate of the quantities and value of each during a period of one year from production day;

(e) give particulars of the loan and share capital or the proposed loan and share capital of the company or proposed company including the amount and date of each issue or proposed issue, and the sources from which the capital is to be or has been raised; and

(f) give the names and addresses of the persons promoting the company or, if it is already incorporated, of the directors thereof together with the number of shares held or proposed to be held by each such director or promoter whether directly or through any nominee.

(3) Every application for a pioneer certificate other than one made as provided in subsection (4) shall be accompanied by a deposit of fifty pounds, which shall be returned to the applicant unless the Minister is of opinion that the application is frivolous, in which event such deposit shall be forfeited to the general revenue of the Federation.

(4) Where a company, or body of persons proposing to register a company, makes a representation in accordance with subsection (1) of section 3, it may at the same time apply in the manner provided in subsection (1) of this section for a pioneer certificate certifying the company to be a pioneer company in relation to any industry and any product or products which may be declared a pioneer industry and a pioneer product or products by an order made in consequence of that representation, and, if an order is so

made, a pioneer certificate granted in consequence of such an application may be expressed to be effective from a date not earlier than the date on which the representation was received by the Minister, or the date on which the company was registered, whichever is the later.

(5) At any time after a notice has been published in the Gazette in accordance with subsection (1) of section 3 any company, or body of persons proposing to register a company, may notify the Minister that it proposes to apply for a pioneer certificate certifying the company to be a pioneer company in relation to any industry and any product or products which may be declared a pioneer industry and a pioneer product or products by an order made in consequence of the representation referred to in the notice, and if an order is so made and such company or body of persons makes an application in due form to the Minister for such a pioneer certificate not more than three months after the publication of such order, a pioneer certificate granted in consequence of such an application may be expressed to be effective from a date not earlier than the date on which the notification referred to in this subsection was received by the Minister, or the date on which the company was registered, whichever is the later.

(6) For the purpose of subsections (4) and (5)

(a) an order shall be deemed to have been made in consequence of a representation if the pioneer industry and the pioneer product or products named in the order are substantially the same as those with respect to which the representation was made to the Minister; and

(b) if two or more similar representations have been made to the Minister before the publication of the notice in accordance with subsection (1) of section 3, an order may be treated as having been made in consequence of each of those two or more representations.

(7) Upon receipt of an application submitted under this section the Minister may call for any further particulars from the applicant which he may consider necessary, and shall cause such application, with any such particulars, to be laid before the Governor-General in Council for consideration, and if the Governor-General in Council is satisfied that it is expedient in the public interest so to do and in particular having regard

(a) to the number of pioneer companies already established or about to be established for the production of the product or products mentioned in such application;

(b) to the production or anticipated production of such pioneer companies, and of other businesses established or about to be established in the industry or industries; he may give a pioneer certificate, or decide not to give any such certificate:

Provided that where any such application is made by persons proposing to register a company in connection with that application, and in consequence thereof the Governor-General in Council decides to give a pioneer certificate under this section following the registration of such company, his decision may be expressed to be subject to such conditions as he may specify, and the Minister shall give notice in writing of such decision and of any such conditions to those persons and, if the company is registered within three months of the date of such notice and the Governor-General in Council is satisfied that such conditions, if any, have been or will be complied with, such certificate shall be given accordingly.

(8) A pioneer certificate shall be in the terms of the application, subject to such variations thereof as the Governor-General in Council may think fit and in addition thereto -

(a) shall state the permissible by-products which may be produced in addition to the pioneer product or products and may limit the proportion of the permissible by-products in relation to the pioneer product or products either in quantity or in value or in both; and

(b) notwithstanding the provisions of section 11, may prescribe a maximum tax relief period enjoyable by the pioneer company by virtue of that pioneer certificate in any case where the pioneer company has acquired or proposes to acquire assets from any company to which a pioneer certificate has been given under this Ordinance, or under the Aid to Pioneer Industries Ordinance, 1952, or to take over the whole assets of any other existing company.

Power and procedure for amending a pioneer certificate by adding an additional pioneer product.

5. (1) At any time during its tax relief period a pioneer company may make an application in writing to the Minister to amend its pioneer certificate by adding an additional product to the pioneer product or products specified in such certificate.

(2) Such application shall specify the additional pioneer product and the reasons for the application.

(3) The provisions of subsection (7) of section 4, except the proviso to that subsection, shall apply, mutatis mutandis, to any application under this section.

Provision for case where pioneer certificate operates retrospectively.

6. Subject to the provisions of this Ordinance relating to the cancellation of pioneer certificates, where, by virtue of subsection (4) or (5) of section 4 a certificate is to be operative from a retrospective date, then any act or thing which would not have been done or happened if that certificate had been in force at that date, shall whenever necessary for the purposes of this and the principal Ordinance, be treated as not having been done or not having happened, and if the act consists of the payment of any tax by a company, that tax shall be repaid in the manner provided in the principal Ordinance, as soon as may be after the expiration of three months from the production day of that company.

Fixing of dates of production day and amount of qualifying capital expenditure.

7. (1) In this section 'the material date' means

(a) in relation to a pioneer company engaged in a manufacturing, processing, mining or agricultural pioneer industry, the date on which the company begins to produce a pioneer product in marketable quantities; and

(b) in relation to a pioneer company engaged in a pioneer industry consisting of the provision of services, the date on which the company is ready to provide such services on a commercial scale.

(2) Not later than one month after the material date a pioneer company shall make an application in writing to the Commissioner to certify the date of its production day and shall propose a date to be so certified and give reasons for proposing that date.

(3) Not later than one month after its production day has been finally determined and certified or within such extended time as the Commissioner may allow, a pioneer company shall make an application in writing to the Commissioner to certify the amount of its qualifying capital expenditure incurred prior to production day and shall supply full particulars of its capital expenditure so incurred.

(4) After considering any application made under subsection (2) or (3), together with such further information as he may call for, the Commissioner shall issue a certificate to the company certifying the date of its production day or the amount of its qualifying capital expenditure, as the case may be, and the provisions of Parts 11 and

12 of the principal Ordinance (relating to objections and appeals), and of any rules made there-under, shall apply, mutatis mutandis, as if such certificate were a notice of assessment given under such provisions.

(5) The Commissioner shall notify the Minister of the date of the production day of the company and of the amount of its qualifying capital expenditure incurred prior to that date when the same have been finally determined and certified, and on the receipt of such notification the Minister shall require the company to declare, within a period not exceeding thirty days in what respects the proposals and estimates made in its application for a pioneer certificate, or any conditions contained in its pioneer certificate, have not been fulfilled.

Cancellation & amendment of pioneer certificates.

8. (1) Where a certificate issued under section 7 certifies that a pioneer company has incurred qualifying capital expenditure to an amount less than £5,000 prior to production day, the Minister shall cancel the company's pioneer certificate.

(2) Where a certificate issued under section 7 certifies that the date of the production day of a pioneer company is more than one year later than the estimate thereof given in the company's application for a pioneer certificate, the Minister shall cancel the company's pioneer certificate unless he is satisfied that the delay is due to causes outside the control of the company, or to other good and sufficient cause.

(3) Where, in any case in which the provisions of subsections (1) and (2) do not apply, the Minister is of the opinion that a pioneer company has contravened any provision of this Ordinance, or has failed to fulfil any estimate or proposal made in it application for a pioneer certificate or any conditions contained in its pioneer certificate, he shall report the circumstances to theGovernor-General in Council, who may either cancel the company's pioneer certificate or direct that the company's tax relief shall be restricted to such period as may be appropriate notwithstanding the provisions of section 11.

(4) Where a pioneer company makes application to the Minister for its pioneer certificate to be cancelled, the Minister shall cancel such certificate.

(5) Where any pioneer certificate is cancelled under this section the certificate shall be deemed never to have had any effect in relation to such company.

Publication of pioneer certificate, etc., prohibited except at instance of pioneer company.

9. The contents of any application made or of any certificate given under this Part with respect to a pioneer company shall not, except at the instance of such company, be published in the Gazette or in any other manner: Provided that the Minister shall cause to be published by notice in the Gazette and in the Regional Gazettes the name of any company —

(i) to whom a pioneer certificate has been given; or

(ii) whose pioneer certificate has been cancelled.

Forms.

10. The Minister may from time to time specify the forms of application to be made under this Part.

Tax relief period.

11. (1) The tax relief period of a pioneer company shall commence on the date of the production day of such company and, subject to anything prescribed under paragraph (b) of subsection (8) of section 4 or to any direction given under subsection (3) of section 8, shall continue for two years and thereafter for such further period or periods as may be authorized under the subsequent provisions of this section.

(2) Upon the issue by the Commissioner of a certificate certifying that a pioneer company has incurred, by the end of two years from the commencement of its tax relief period, qualifying capital expenditure of not less than any one of the following amounts, its tax relief period shall ipso facto be extended by the period herein set out after that amount.

(a) £15,000, one year;

(b) £50,000, two years;

(c) £100,000, three years.

(3) Where the tax relief period of a pioneer company has been extended by one year under subsection (2) and the Commissioner certifies that the pioneer company has incurred, by the end of that one year, qualifying capital expenditure of not less than £50,000, or of not less than £100,000, its tax relief period shall ipso facto be further extended by one or two years, as the case may require, from the end of the first extension.

(4) Where the tax relief period of a pioneer company has been extended by two years under subsection (2), or by one year under subsection (2) and by a further one year under subsection (3), and the Commissioner certifies that the company has incurred, by the end of those two years, qualifying capital expenditure of not less than £100,000, its tax relief period shall ipso facto be further extended by one year from the end of those two years.

(5) A pioneer company wishing to obtain a certificate for the purposes of the foregoing provisions of this section shall make an application in writing to the Commissioner not later than one month after the date on which its tax relief period, or any extension thereof, ends, or within such further period as the Commissioner may allow, and such application shall contain particulars of all expenditure incurred by the company by the requisite date which the company claims should be accepted as qualifying capital expenditure.

(6) After considering any application made under subsection (5), together with such further information as he may call for, the Commissioner shall issue a certificate to the company, certifying the amount of the qualifying capital expenditure incurred by the company by the requisite date.

(7) Where the Commissioner is satisfied that a company has incurred a loss in any accounting period falling within a tax relief period ascertain under the foregoing provisions of this section he shall issue a certificate to the company to that effect, and to the tax relief period finally ascertained under the foreign provisions of this section there shall be added a further period of relief equivalent to the aggregate of all accounting periods for which such certificates have been issued to the company.

(8) The provisions of Parts 11 and 12 of the principal Ordinance (relating to objections and appeals) and any rule made thereunder shall apply mutatis mutandis as if any certificate given

by the Commissioner under the provisions of this section or notice of refusal to give a certificate under subsection (7) of this section were a notice of assessment given under the provisions of that Ordinance

Provisions governing old and new trades or business.

12. If the trade or business of a pioneer company is carried on by it before and after the end of its tax relief period. Then for the purpose of the principal Ordinance and this Ordinance

(i) that trade or business shall be deemed to have permanently ceased at the end of the tax relief period of the pioneer company;

(ii) in respect of that trade or business, the pioneer company shall be deemed to have set up and commenced a new trade or business on the day following the end of its tax relief period;

(iii) the pioneer company shall make up accounts of its old trade or business for a period not exceeding one year commencing on its production day, for successive periods of one year thereafter, for the period not exceeding one year ending at the date when its tax relief period determined under subsections (1), (2), (3) and (4) of section 11 ends, and, where the tax relief period has been extended under subsection (7) of section 11, in similar manner as though the first day of such extension were the production day of the pioneer company; and

(iv) in making up the first accounts of its new trade or business the pioneer company shall take as the opening figures for those accounts the closing figures in respect of its assets and laibilities as shown in its last account in respect of its trade or business shall be made up by reference to the closing figures in such first accounts and any subsequent accounts shall be similarly made up by reference to the closing figures of the preceding accounts of its new trade or business.

Restrictions on trading prior to end of tax relief period.

13. Prior to the expiration of its tax relief period, a pioneer company shall not carry on any trade or business other than a trade or business the whole of the profits of which are derived from its pioneer enterprise.

Power to direct in certain events.

14. (1) For the purpose of the principal Ordinance and this Ordinance, the Commissioner may direct that (i) any sums payable to a pioneer company in any accounting period which, but for the provisions of this Ordinance, might reasonably and properly have been expected to have been payable, in the normal course of business, after the end of that period shall be treated as not having been payable in that period but as having been payable on such date after that period as the Commissioner thinks fit, and where such date is after the end of the tax relief period of the pioneer company as having been so payable on that date as a sum payable in respect of its new trade or business; and

(ii) any expense incurred by a pioneer company within one year after the end of its tax relief period which, but for the provisions of this Ordinance, might reasonably and properly have been expected to have been incurred, in the normal course of business, during its tax relief period, shall be treated as not having been incurred within that year but as having been incurred for the purpose of its old trade or business and on such date during its tax relief period as the Commissioner thinks fit.

(2) Where a direction has been made under this section with respect to a pioneer company and thereafter the length of the tax relief period of the pioneer company is varied under any of the provisions of this Ordinance. the Commissioner may amend such direction accordingly.

(3) In determining whether a loss has been made in an accounting period for the purpose of subsection (7) of section 11 of this Ordinance, and for that purpose only, the Commissioner may in his absolute discretion exclude any sum which may be in excess of an amount which appears to the Commissioner to be just and reasonable paid or payable by the company in respect of

(i) remuneration to directors of the company;

(ii) interest, service, agency or other similar charges made by a person who is or is controlled by a shareholder of the company.

Capital allowances and losses.

15. (1) The income of a pioneer company in respect of its old trade or business failing to be ascertained in accordance with the provisions of the principal Ordnance for any accountng period, shall be so ascertained (after making any necessary adjustments in consequence of a direction under section 14) without any regard to the provisions of section 20 of the principal Ordinance.

(2) where an asset is used for purposes of the new trade or business of a pioneer company, any capital expenditure incurred by the pioneer company in respect of such asset before the end of its tax relief period shall, for the purposes of the Fourth Schedule to the principal Ordinance, be deemed to have been incurred on the day following the end of its tax relief period :

Provided that where such expenditure gives rise to an initial allowance under the provisions of the said Schedule, and the tax relief period of the pioneer company has been extended under subsection (7) of section 11 of this Ordinance (on account of a loss in one or more accounting periods) the rate at which such initial allowances shall be computed shall be the appropriate rate per cent determined from the First Table to the said Schedule reduced at the rate of one fifth for each year comprised in the total period of such extension.

(3) Where a pioneer company incurs a loss during an accounting period in its old trade or business that loss will bedeemed for the purpose of computing total income but not income to have been incurred by the company on the day on which its new trade or business commences. For the purposes of this subsection a loss shall be computed in the same manner as income is computed under the provisions of subsection (1) of this section and without regard to the provisions of subsection (3) of section 14 of this Ordinance.

(4) For each accounting period the Commissioner shall issue to the pioneer company a statement showing the amount of income ascertained for the purpose of subsection (1) or loss computed for the purpose of subsection (3) and the provisions of Parts 11 and 12 of the principal Ordinance (relating to objections and appeals) and of any rules made thereunder, shall apply, mutatis mutandis, as if such statement were a notice of assessment given under such provisions.

Returns of income.

16. So much of the provisions of Part 10 of the principal Ordinance as are applicable in the case of a company, shall apply in all respects as if the income of a pioneer company in respect of its old trade or business was chargeable to tax.

Profits exempted from income tax.

17. Subject to the provisions of subsection (6) of section 18, including the effect of a cancellation as therein mentioned, where any statement issued under subsection (4) of section 15 has become final and conclusive, the amount of the income shown by such statement shall not form part of the assessable income, total income or chargeable income of the pioneer company for any year of assessment and shall be exempt from tax under the principal Ordinance: Provided that the Commissioner may, in his absolute discretion and before such a statement has become final and conclusive, declare that the whole or a specified part of the amount of such income is not in dispute and such undisputed amount of income shall be exempt from tax under the principal Ordinance, pending such a statement becoming final and conclusive.

Certain dividends exempted from income tax.

18. (1) As soon as any amount of income of a pioneer company has become exempted under section 17, that amount shall be credited to an account to be kept by the pioneer company for the purposes of this section.

(2) Where at the date of payment of any dividends by the pioneer company such account is in credit, those dividends, or so much of those dividends where (after the end of its tax relief period) the amount thereof exceeds such credit as equal the amount of such credit, shall be debited to such account.

(3) So much of the amount of any dividends so debited to such account as are received by a shareholder in the pioneer company shall, if the Commissioner is satisfied with the entries in such account, be exempt from tax under the principal Ordinance in the hands of that shareholder and shall for the purposes of the principal Ordinance be deemed to be paid out of income on which tax is not paid or payable.

(4) Any dividends debited to such account shall be treated as having been distributed to the shareholders or any particular class of shareholders of the pioneer company in the same proportions as those shareholders were entitled to payment of the dividends giving rise to the debit.

(5) The pioneer company shall deliver to the Commissioner a copy of such account, made up to a date specified by him, whenever called upon so to do by notice in writing sent by him to its registered office, until such time as he is satisfied that there is no further need for maintaining such account.

(6) Notwithstanding the foregoing provisions of section 17 and this section, where it appears to the Commissioner that any amount of exempted income of a pioneer company, or any dividend exempted in the hands of a shareholder, ought not to have been exempted by reason of

(i) a direction under section 14 having been made with respect to a pioneer company, after any income of such company has been exempted under the provisions of section 17, or

(ii) the cancellation of a pioneer certificate, the Commissioner may at any time within six years of the date of any such direction or cancellation make such additional assessments upon the pioneer company or any shareholder as may appear to be necessary in order to counteract any benefit obtained from any such amount which ought not to have been exempted, or direct such company to debit its account kept in accordance with subsection (1) with such amount as the circumstances require, and the provisions of Parts 11 and 12 of the principal Ordinance (relating to objections and appeals), and of any rules made thereunder, shall apply, mutatis mutandis, as if such direction were a notice of assessment given under such provisions.

Dividend and loan restrictions during a tax relief period.

19. During its tax relief period a pioneer company shall not

(a) make any distribution to its shareholders, by way of dividend or bonus, in excess of the amount by which the account, to be kept by such company under section 18, is in credit at the date of any such distribution; or

(b) grant any loan without first obtaining the consent of the Minister, whose consent shall only be given if he is satisfied that the pioneer company is obtaining adequate security and a reasonable rate of interest for any such loan.

Exclusion of small companies relief

20. A pioneer company shall not be entitled to any relief under section 27A of the principal Ordinance.

Provisions for plantation industry

21. For the purpose of the principal Ordinance and this Ordinance the trade of a company which operates a plantation and to which a pioneer certificate has been granted shall be deemed to have commenced on the date when planting first reaches maturity, and any expenditure incurred on the maintenance of a planted area up to that date shall be deemed to have brought into existence an asset and be qualifying plantation expenditure for the purposes of the Fourth Schedule to the principal Ordinance.

Repeal, savings & transitional provisions. No. 10 of 1952.

22. (1) The Aid to Pioneer Industries Ordinance, 1952 (hereinafter in this section referred to as the former Ordinance) is repealed: Provided that subject to the provisions of this section, the former Ordinance shall continue to apply in relation to any company to which a pioneer certificate has been given under the former Ordinance before the date on which this Ordinance comes into operation.

(2) Any representation, application or objection made under the former Ordinance shall be deemed to have been made under this Ordinance.

(3) Any industry declared to be a pioneer industry under the former Ordinance and any products so declared to be pioneer products shall be deemed to have declared to be a pioneer industry, or pioneer products, under this Ordinance.

(4) Any company to which a pioneer certificate has been given under the former Ordinance may, at any time within one year after the date on which this Ordinance comes into operation elect to be treated as though it had received a pioneer certificate under this Ordinance and not under the former Ordinance: provided that

(a) where the tax relief period of any company so electing has begun before it so elects, the date of commencement of that period under the former Ordinance shall be accepted as the date of commencement of the company's tax relief period under this Ordinance;

(b) any direction given under section 12 of the former Ordinance shall be effective for determining the length of the company's tax relief period for the purposes of this Ordinance.



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APPENDIX V

Notes for Guidance in formulating Draft Proposals for Agricultural Projects

This questionnaire has been prepared for your guidance and help. your detailed and carefully prepared answers will enable sympathetic and expeditious consideration to be given to your proposals.

All information received will be treated as strictly confidential and officials are prepared to explain any points in the questionnaire which may not be fully understood.

I — The sponsor

(a) Name and address

(b) Nature of business including place of previous operation.

(c) List of directors or proposed directors and details of their qualifications and experience.

(d) If the sponsor is a company give a list of principal shareholders and their respective holdings: in the case of enterprises in process of formation, give the precise nature of commitments to be subscribed, if any.

(e) Previous agricultural, industrial and commercial experience of sponsor. If sponsor has no agricultural experience details should be given as to how it is proposed to run the project successfully.

(f) Copy of draft or actual Memorandum and Articles of Association (if available).

(g) Bank and Credit references with authority to approach either or both.

II — Summary of the proposal

Brief description of the proposed venture and its economic value to the development of Nigeria.

III — The project

(a) Site of the project and its proposed acreage.

(b) Type of soil and availability of water.

(c) Crops to be grown. Give the main crop on which the venture will depend and any subsidiary crops to be fitted into the rotation.

(d) Agricultural Calendar. Give full details of the proposed farming calendar for the initial stages of the development of the project (the first 3-5 years). This should give acreage to be cleared each year and the crops to be grown on it.

(e) Marketing plan. This should give methods of disposal of crops (e.g. sale to Northern Nigeria Marketing Board, processing into other forms, direct exporting, local sale, etc.)

(f) Details of agricultural machinery and implements to be employed, their origin of supply and their estimated cost. e.g. tractors, trailers, pumps, harrows, etc.

(g) Details of farm buildings and other constructions required and their estimated cost (e.g. farm roads, dams, culverts, staff houses, etc.)

(h) Details of other materials to be used in the project and whether they are indigenous or imported (e.g. seed, fencing materials, fertilizer, insecticides, etc.).

IV — Labour

(a) Number of expatriates required, their proposed functions and salaries.

(b) Permanent indigenous skilled or semi-skilled labour required and proposed rates of pay.

(c) Unskilled casual labour required in season and off-season.

V — Financial plan

(a) Total cost of project. This is best given in the form of an appendix and should show the cost of :

Land clearance and initial preparation
Fencing (if any)
Machinery and implements
Farm buildings and works
Houses and furniture
Vehicles
Working capital.

(b) Capital Structure. Give sources of the total capital cost; (e.g. sponsors' investment, shares, debentures, bank overdrafts, credit from suppliers of machinery etc.). Also provide a time table for the anticipated call up of capital during the early stages of land clearance and development. An indication of the acreage to be cleared annually should be given.

(c) Estimated Trading Results. Give in the form of an appendix, the fullest possible details of operating costs and profit.

(d) Degree to which Government incentives will be involved e.g. Pioneer Status, Import duty relief on machinery and other materials (if any), Provision of seed, etc.

(e) Names of Bankers, Auditors, Solicitors appointed or to be appointed by the sponsor.

VI — Additional information required if produce is to be further processed

(a) Nature of product to be produced by the factory.

(b) Capacity of the processing plant and quantities of raw materials to be used.

(c) Will the factory depend solely on products of the proposed farm or will products be bought from farmers? Give details and indicate the extent to which peasant production will be required.

(d) Indicate how peasant production will be purchased — on the open market, through a contractor, directly from peasants, etc.

(e) Will the processed product be exported or sold on the local market. If it is to be exported give details of quantities and possible destinations.

(f) Give an indication of the profitability of the processing section of the project. Also cash flow estimates for 5-7 years. (See Appendix VI).

VII — General

State Ministries of Finance, (Trade and Industry Division), are prepared to advise and assist in the preparation of proposals to establish agricultural projects, if the need should arise.

APPENDIX VI

Notes for Guidance in formulating Draft Proposals for Industrial or Commercial Projects

This questionnaire has been prepared for your guidance and help. Your detailed and carefully prepared answers will enable sympathetic and expeditious consideration to be given to your proposals. It has been drawn up on the assumption that the proposal is being made on behalf of a Company: if such is not the case some of the questions will not apply and the wording of others will not be strictly appropriate but the nature of the information required will be clear.

All information received will be treated as strictly confidential and officials are prepared to explain any points in the questionnaire which may not be fully understood.

I — The sponsor

(a) Name and address

(b) Nature of business including place and date of incorporation.

(c) List of directors or proposed directors and details of their qualifications and experience.

(d) List of principal shareholders and their respective holdings: in the case of enterprises in process of formation, the precise nature of commitments to subscribe, if any.

(e) Previous experience of sponsor. (A brief outline of previous industrial and commercial experience, not necessarily connected in any way with the proposed scheme).

(f) Copy of draft or actual Memorandum and Articles of Association (if available).

(g) Bank and Credit references with authority to approach either or both.

II — Summary of the proposal

Brief description of the proposed venture and of any manufacturing process.

III — The project

(a) Product to be manufactured.

(b) Full details of the production plan including proposed output of each product (if more than one).

(c) Marketing plan including estimated demand, advertising and distribution proposals.

(d) Details of plant indicating whether new or used machinery will be employed and origin of supply.

(e) Electric power, steam and water requirements.

(f) Proposed location of factory and/or other buildings.

(g) Services required other than at (e) above. This should include comment on the availability of existing services e.g. road and rail communications, sewage and waste disposal etc.

(h) The dimensions and acreage of the site required.
(i) Layout plan and production flow.
(j) Details of raw material to be used and whether indigenous or imported.
(k) The number of expatriates required and their proposed functions and salaries.
(l) The estimated labour requirements and proposed wage rates.

IV — Financial plan

(a) The total project cost. This is best given in the form of an appendix and should show the total cost of:-
Land.
Buildings and Constructions. (Nature, purpose and erected cost of individual buildings.)
Fixed plant and machinery. A full schedule should be prepared as far as it is known, showing freight to site and costs of erection or installation separately.
Electrical and process water installations.
Treatment plant for effluent disposal (if necessary).
Power supply and steam raising plant (full details of requirements should be given, including peak loads).
Moveable plant.
Vehicles.
(b) Time schedule for construction, installation and start up.
(c) The proposed capital structure with details of sources of total capital cost and usually consisting of:-
Ordinary Share Capital.
Preference Share Capital.
Debentures or Loans.
Bank Overdrafts.
Credit from Suppliers of Plant and Machinery.
(d) Estimated production costs.
(e) Estimated trading results.

N.B. The information required at (d) and (e) should show in the fullest possible detail the estimated operating costs and profits. If the proposal is for the expansion of an existing project, trading accounts and balance sheets for previous years should be submitted.

(f) Pro forma balance sheets and earnings statements for the first 5 years of operation indicating the possibility of expansion.
(g) Cash flow estimates for the same period with provision for tax and service of loans.
(h) The degree to which Government incentive legislation will be involved i.e. Pioneer Status; Import Duty Relief on raw materials etc.
(i) The names of Bankers, Auditors, Solicitors appointed by the sponsor, proposed or actual.

V — General

(a) It should be appreciated that this document has been prepared primarily to assist entrepreneurs considering the establishment of an industrial project in northern Nigeria in partnership with a Government investment agency. If a Nigerian investment is not required sponsors need not divulge the detailed financial information required, it will suffice to provide a figure for the total capital cost of the proposed project. It is however, very necessary to give full details of services, incentives, management staff, labour, site, raw materials etc. required, in order that Government may assist in the provision of these facilities.

(b) Entrepreneurs concerned with setting up commercial ventures should submit proposals in accordance with these "Notes" but appertaining only to the commercial project.

(c) State Ministries of Finance, (Trade and Industry Division), are prepared to assist in the preparation of industrial or commercial proposals if need be.



Appendix VII

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HADEJIA
KANO
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KADUNA
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GOMBE
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50 – 100 128 – 256
20 – 50 51 – 128
10 – 20 25 – 51
5 – 10 12 – 25
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BOUNDARIES
INTERNATIONAL
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PROVINCIAL
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DISTRICT
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MILES
NORTHERN NIGERIA
POPULATION DENSITY
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