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Nigeria and India: Leveraging on the economies

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Preface

Elections held earlier in 2015 in Nigeria demonstrated that democratic and peaceful elections could be held in this country. About 70 percent of Nigeria's income in 2014 consisted of oil related revenue, and the country's export related income at 95 percent. The drop in the oil price of over 50 percent did not spare the country's economy. The newly elected government is focused on diversification of the economy. This document outlines development and potential opportunities in key sectors of Nigeria.

The publication offers potential investors, particularly Indian investors, insight into Nigeria and India's economy. Sections on investment rules, incentives and the tax regime give an idea of the present investment structure in Nigeria. Nigeria, like many other African countries, has a noticeable presence of the Indians in the business community. Presence of the Indian community and similarities between India and Nigeria have been specifically included keeping the Indian investors in perspective.

In India, which is on an upbeat following elections and the change of government last year, there are many focused programs initiated with the growth agenda in mind. A summary of these programs has been included for our Nigerian readers to get an idea of potential opportunities in India.

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01 | Nigeria – country snapshot

Economic and demographic outlook

Nigeria's real GDP growth performance over the past decade has been robust, driven by the non-oil sectors. Nigeria's external balances are highly dependent on the hydrocarbons sector. Crude oil accounted for roughly 82.1[01] percent of total exports in 2014. The sharp drop in global crude oil prices is bound to hold significant implications for Nigeria's external balances this year. Furthermore, given the broadly held consensus that crude oil prices will only recover gradually over the medium term, Nigeria's external balances might remain under pressure for some time. When turning to imports, it is important to note that fuel and gas-related products represent the largest share of Nigeria's total import bill. As a result, the sharp decline in crude oil prices should also drive down fuel import costs.

Inflation remained relatively stable and averaged roughly 8.1[01] percent in2014, down from 8.5[01] percent in 2013. According to the National Bureau of Statistics (NBS), Nigeria's headline inflation increased for a third straight month in February. The inter-bank exchange rate has remained relatively stable since February, when the Central Bank of Nigeria (CBN) announced that its bi-weekly foreign exchange auctions had been suspended and that the foreign exchange market will hence forth be order-based.

Nigeria demographics

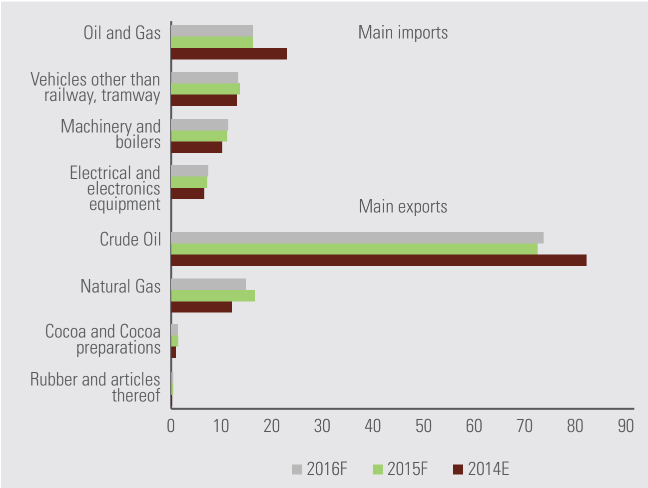
Demographics[01]	1950 -1951
Population	177.1m (July, 2014)
Population Growth Rate	2.47 percent (2014 est.)
GDP (PPP)	USD1.109 trillion
GDP Growth	6.2 percent (Q1, 2014)
Inflation (CPI)	9 percent (May, 2015)
GDP by sector	Agriculture (22 percent), Manufacturing (6.8 percent), Oil and Gas (14.4 percent), Services (52 percent)

Source: Country Snapshot Nigeria – KPMG in Nigeria - 2015 Quarter 1

Wide-ranging reforms in the agricultural and power sectors are ongoing. Agricultural reforms are centered on improving the distribution of fertilisers, scrapping of import duties on agricultural equipment, and easier access to credit for farmers. Elsewhere, the delay in the signing of the Petroleum Industry Bill (PIB) is seen as a challenge to promote investment in the hydrocarbons sector.

The recent decline in international crude oil prices has raised some concern in relation to foreign investment in the hydrocarbons industry moving forward, as margin pressure might force multinational oil companies to postpone investments to improve cash flow.

Nigeria - imports and exports



Source: Country Snapshot Nigeria – KPMG in Nigeria and NKC research - 2015 Quarter 1

Nigeria – imports and exports

Main Imports % share of total	2014E	2015F	2016F
Oil and Gas	22.83	16.12	16.08
Vehicles other than railway, tramway	12.96	13.54	13.20
Machinery and boilers	10.04	10.99	11.28
Electrical and electronics equipment	6.52	7.14	7.32
Main Exports % share of total	**2014E**	**2015F**	**2016F**
Crude Oil	82.08	72.38	73.58
Natural Gas	11.96	16.45	14.74
Cocoa and Cocoa preparations	0.86	1.33	1.31
Rubber and articles thereof	0.21	0.35	0.36

Source: Country Snapshot Nigeria – KPMG in Nigeria and NKC research - 2015 Quarter 1

01. Country Snapshot Nigeria – KPMG in Nigeria - 2015 Quarter 1

Political outlook

Nigeria's population is made up of about 200[02] ethnic groups, 500[02] indigenous languages, and two[02] major religions Islam and Christianity. The largest ethnic groups are the Hausa-Fulani in the North, the Igbo in the Southeast, and the Yoruba in the Southwest. The fragmentation of Nigeria's geographical, ethnic and cultural identity lines is effectively balanced by the country's federal structure and the strong emphasis of the federal government on representing six geopolitical zones and different ethnic and cultural identities. Though Nigeria's socio-political environment is fairly stable, there are pockets of instability in some parts of the country.

The fifth consecutive national elections in March and April 2015 was largely successfully conducted, further consolidating democratic rule which began in 1999. The elections were more peaceful compared to the fourth elections held in 2011 signified substantial progress in electoral and democratic development, and were characterized by observers as freest and fairest in the country's election history. There were some pockets of violence during the governorship elections in some states; however, there have been calls from various stakeholders to resolve elections disputes through the country's judiciary system for resolute actions. The successful general elections in 2015 is largely credited to Independent National Electoral Commission (INEC) and the leadership of the Presidential candidates.

Internationally, Nigeria continues to be a leading player in the African Union, the New Partnership for Africa's Development (NEPAD), and in the Economic Community of West African States (ECOWAS).

Nigeria – at a glance

Infrastructure	Diversity of the Economy	Banking Sector	Continuity of Economic Policy	GDP Growth	Key Balances	Foreign Investment	Socio- economic Development	Forex Reserves
Very weak	Oil dominates exports	Improving	Reform progress has been slow and mixed	Strong	Twin deficits	Strong	Low	Sufficient, though under pressure

Source: Country Snapshot Nigeria – KPMG in Nigeria - 2015 Quarter 1

02. World Bank Country Overview – Nigeria, accessed 1 August 2015

02 | Nigeria sector outlook

Banking

Nigeria boasts the second largest banking sector in the sub-Saharan Africa (SSA) region, with total assets reaching roughly USD156 billion[01] in 2014, followed by Angola with total banking sector assets in the region of USD79 billion. Nigeria consolidated its banking system in 2005 from 89 banks[01] to 24. This was followed by rapid growth in banking assets in a high oil price environment, which led to a stock market bubble and a sharp increase in non-performing loans (NPLs). Higher oil prices led to increased liquidity in the banking system, which facilitated an increase in bank lending.

In terms of the banking sector's structure, there are currently 21 commercial banks operative in the country, as well as two merchant banks. By December 2014, banking sector assets had increased further by 13.1[01] percent y-o-y to N27.5 trillion. According to the CBN's most recent Financial Stability Report, the banking sector remains highly concentrated. In December 2014, the market share of the five largest banks amounted to 52.4 percent and 50.9 percent for deposits and assets, respectively.

Net domestic credit reached N16.1 trillion[02] by December 2014. Excess liquidity in the banking sector is a perennial problem for Nigeria due to the large amount of oil revenue relative to the non-oil economy. The central bank has attempted to address the problem of excess liquidity by increasing the cash reserve requirement (CRR) on public sector deposits, first from 12 percent to 50 percent in July 2013, and then further to 75 percent in January 2014.

This seems to have curbed investment in government debt. Private sector credit growth slowed during 2014 H1, but rebounded strongly during 2014 H2. According to the CBN, 'credit to the private sector increased by 12.08 percent[02] [during H2], compared with the growth of 4.88 percent recorded at the end of the first half of 2014.' The central bank ascribes the increase in private sector credit growth during 2014 H2 to 'the impact of various policies of the Bank [CBN] to enhance the lending capacity of banks.'

Turning to capital adequacy, the regulatory capital to risk weighted assets ratio increased to 17.2 percent by end-2014, up from 17.1 percent at the end of 2013. The ratio remains above the required minimum of 15 percent for Systemically Important Banks (SIB) and well above the 10 percent for domestic banks. Meanwhile, according to the CBN, the aggregate liquidity ratio reached 45.8 percent by December 2014, easily exceeding the regulatory minimum of 30 percent. Banks therefore remain well capitalised and liquid.

Oil and gas

Africa's proven oil reserves are concentrated in the four members of the Organisation of the Petroleum Exporting Countries (OPEC). These are Libya (which has 48.5 billion barrels worth of reserves), Nigeria (37.1 billion barrels), Angola (12.7 billion barrels) and Algeria (12.2 billion barrels). In fact, these four countries held 84.8 percent of Africa's reserves at the end of 2013.

Africa's proven natural gas reserves expanded markedly from the mid-1980s up to the early-2000s, owing mainly to a strong increase in Nigeria's reserves. The West African country accounted for nearly half of the increase over that period, while the North African trio of Algeria, Libya and Egypt accounted for most of the rest. As at the start of 2014, five countries accounted for 94.4 percent of Africa's total natural gas reserves. These are Nigeria (5.1 trillion m^3), the North African trio mentioned earlier (combined 8.1[03] trillion m^3 and Mozambique, whose proven gas reserves increased from 126 billion m^3 in 2013 to 2.8 trillion m^3 in 2014. Africa's main gas producers are Algeria, Egypt, and Nigeria, with these three countries accounting for nearly 90[03] percent of Africa's total.

Although Nigeria holds the most reserves in Africa, it has limited infrastructure in place to take advantage of this massive resource. Notably, all of Nigeria's current gas reserves were found while searching for oil, according to the petroleum ministry. The government wants to create incentives for energy companies to explore specifically for gas, and in this regard, that gas will start to 'decouple' from oil in terms of investment. Industry experts have said that Nigeria's proven gas reserves could potentially be as high as 16.8[03] trillion m^3 if deliberate steps are taken to explore for gas as opposed to coincidental discovery during oil exploration. The majority of the country's proven natural gas reserves are located in the Niger Delta and the sector is also impacted by the security and regulatory issues affecting the oil industry. Nigeria's marketable natural gas production has risen strongly over the past 15 years, reaching a high of 43.3 billion[03] m^3 in 2012, although it fell back to 36.1 billion[03] m^3 in 2013. The country's production potential is however significantly higher, as less than half of its gross gas output is marketable.

Insurance

The Nigerian insurance market is underdeveloped and fragmented. Although the number[04] of insurance companies has fallen significantly, there are still 32 non-life insurers, 17 life insurers, and 10 mixed companies, all catering for a total market of USD1.6 billion as of 2013. Larger companies, such as oil companies, tend to use foreign insurers. The government has set capital requirements for insurers in an attempt to consolidate the sector and increase the capacity of domestic insurance companies to handle large risks. Furthermore, a number of agreements have been signed between banks and telecom operators in Nigeria, which is set to boost mobile banking services in the country. This in turn also has the potential to support the insurance industry, which can use mobile money for some insurance products.

01. Sector Report Banking in Africa – A KPMG Africa Limited Publication
02. Sector Report Banking in Sub-Saharan Africa– A KPMG Africa Limited Publication
03. 'OIL AND GAS IN AFRICA - AFRICA'S RESERVES, POTENTIAL AND PROSPECTS' – A KPMG Africa Limited Publication
04. Insurance in Africa - Sector Report 2015 - A KPMG Africa Limited Publication

According to The Africa Report, the Nigerian market 'remains a gem' and 'the sector represents a real opportunity for fast growth, partly because foreign investors are allowed to purchase 100 percent of local companies, avoiding the costs associated with setting up greenfield operations.'

Construction

Despite being the continent's biggest hydrocarbon producer, Nigeria is blighted by persistent electricity outages, which force businesses and individuals who can afford them to rely on diesel generators. The country's current peak power generation is around 4,000 MW[05] compared to peak demand near 13,000 MW[05] . Indeed, Nigeria's net electricity generation per capita is amongst the lowest in the world, with around half of the population not having access to electricity. The government is hoping to connect 1.5 million[05] Nigerians per year to the electricity grid in order to have 75 percent of citizens connected by the year 2020. The country's power sector is currently on an expansion drive after being unbundled into generation and distribution companies and a single transmission company. Nigeria holds the largest natural gas reserves in Africa, but presently still has limited infrastructure in place to take advantage of this massive energy resource. (At present, natural gas that is associated with oil production is mostly flared.) In March 2011, President Goodluck Jonathan formally launched the federal government's Gas Revolution Master Plan, an ambitious programme designed to mark the beginning of the end of gas flaring in the country. The overall strategy is to attract USD25 billion worth of investment into developing the country's gas infrastructure and to create about 600,000[05] new jobs. The Nigerian National Petroleum Corporation (NNPC) expects to see USD16 billion investment into gas-to-power, gas-based industrialisation and gas export activities over the next four years.

Automobile

The market for cars – new and used – in Nigeria is estimated to be worth more than USD6 billion[06] according to government figures. Nigeria is estimated to import more than half a million cars every year, with nine-tenths of those vehicles second-hand imports. As part of its industrialization policy, the government announced the National Automotive Industry Development Plan (NAIDP) in October 2013, introducing tariffs on imports as a key instrument to make domestic production more competitive. The ultimate aim of the policy is to create 70,000[07] skilled and semi-skilled jobs and create the conditions for Nigeria to eventually enter into car manufacturing. The policy also aims to encourage international car makers to assemble their vehicles in Nigeria.

Telecommunication

Telecommunication is an important sector in Nigeria and as on march 2015, contributed to about 8.5 percent[08] to the country's GDP. The tele-density is 106.27[08] and is amongst the highest in Africa. Most of the network is GSM based and as of June 2015 figures from the Nigerian Communications Commission, there are over 148[08] million GSM subscribers in the country. In 2012, the Commission embarked on the development of a five year Strategic Management Plan (SMP) 2014 to 2018 which outlines 41 strategic initiatives. The SMP also defines certain performance measurement metrics such as stakeholder satisfaction index, quality of services index, increasing funding (FDI and operating funds), etc. With these prospects, services such as mobile banking and other mobile-based transactions seem to be a potential growth area.

Agriculture

As the most populous country in Africa, Nigeria has a potentially massive market from which local producers and agribusiness firms can benefit. The country has large areas of arable land with the potential to cultivate a variety of crops. Nigeria has already come a long way with regard to agriculture development. That said, the West African nation still lists among the countries in Africa with the most untapped commercial agricultural opportunities. The government is presently implementing a transformation agenda to improve agricultural productivity. Value added in the agricultural sector is around 35[09] percent of nominal GDP. However, a number of challenges remain, including infrastructure deficiencies, a lack of access to credit, poor technology, and resistance to new technology.

The cocoa industry assumes a greater importance[10] in the country's medium-term economic future now that oil revenues can no longer be relied upon as an easy source of foreign exchange. There is high optimism that cocoa plantations and processing facilities will continue to receive the public and private sector support needed to move forward. Poultry, dairy, sugar, rice and wheat consumption are also expected to continue to depend very largely on imports to meet demand, although a much greater percentage of demand for each of these commodities (apart from wheat) could possibly be met by local production.

The continuation of recent government efforts to form public-private enterprises in output-inefficient industries is likely to lead to further private investment and increased productivity in industries such as pork production and cocoa. Significant improvements in the reliability of local energy supplies are likely to facilitate investment growth in both agricultural production and processing industries.

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05. Sector Report Construction & Infrastructure – A KPMG Africa Limited Publication
06. Nigeria stakes USD6 billion on importation of automobiles, The Guardian, 5 May 2015
07. National Automotive Council Measures to Transform the Nigeria Automotive Industry and Attract Investments into the sector, Government of Nigeria, 29 January 2014
08. Industry Overview – June 2015, Nigerian Communications Commission
09. Sector Report Agriculture in Africa – A KPMG Africa Limited Publication
10. BMI Research

03 | Ease of doing business in Nigeria

According to World Bank's Doing Business 2015 report, Nigeria ranked 170th, which is a slight improvement from its 2014 ranking of 175. Nigeria fared well in the report's parameters such as getting credit and protecting minority investors. Parameters such as getting electricity and registering property remain a concern. The country has been faced with security issues as well. Corruption also mars the country and it currently ranks 136th out of 175 countries surveyed for the Transparency International's 2014 Corruption Perceptions Index.

Nigeria's Corporate Affairs Commission has taken efforts at speeding up the business registration process to improve the country's ease of doing business rating. The commission has already introduced a twenty four hour business registration service and an online business registration portal to make starting up businesses in Nigeria stress free. With the recent shift in power, the present government is working on making its policy direction clear and spurring socio-economic development by fixing business infrastructure and improving the power sector that holds the key to industrial development of the country.

04 | Nigeria tax regime

Income tax

Generally, all companies (other than those engaged in petroleum operations) are subject to companies income tax on their taxable profits. Companies resident in Nigeria are assessable to tax on their worldwide income, whilst non-resident companies are subject to tax on profits accrued in or derived from Nigeria, to the extent that the profits are not attributable to operations outside Nigeria.

Individuals are subject to tax under the Personal Income Tax Act (as amended). Resident individuals are subject to tax on all personal income, including income derived from outside Nigeria (except those specifically exempted from tax). Generally, the tax is collected by the government of the State in which the individual resides, except for certain categories of individuals whose taxes are payable to the Federal Government.

Non-residents are liable to tax on Nigerian-sourced income. The income of a non-resident from an employment, profession, vocation or business in Nigeria is generally taxed in the same manner as that of a resident. However, foreign income derived by a non-resident by reason of employment exercised in Nigeria is taxable in Nigeria.

Investment income derived from Nigeria by a person resident outside the country is typically only liable to withholding tax.

Resident companies

Company income tax	30 percent
Tertiary education tax	2 percent
Petroleum profits tax (for petroleum companies)	85 percent (standard rate)
Capital gains tax	10 percent
Dividend, Interest and Rent Royalties	10 percent
Rents	10 percent
Consultancy fees, management fees and fees for technical services	10 percent

Source: Nigeria Fiscal Guide 2014/15– A KPMG Africa Limited Publication

Non-resident companies and individuals

CIT	Non-resident companies are taxed at the same tax rate as resident companies. However, they are only taxed on Nigerian-sourced income. TET does not apply.
PIT	Non-resident individuals are taxed at the same tax rate as resident individuals.
CGT	Taxed at the same rate as residents
Dividend, Interest and Rent	Taxed at the same rate as residents
Royalties	Taxed at the same rate as residents
Fees	Taxed at the same rate as residents

Source: Nigeria Fiscal Guide 2014/15– A KPMG Africa Limited Publication

Resident individuals

Personal income tax (PIT)	7 to 24 percent
Capital gains tax (CGT)	10 percent
Dividend, Interest and Rent	10 percent
Royalties	5 percent
Consultancy fees, management fees and fees for technical services	5 percent
Directors' fees	10 percent
Personal income tax (PIT)	7 to 24 percent

Source: Nigeria Fiscal Guide 2014/15– A KPMG Africa Limited Publication

For a company in its first five years of petroleum operations, the applicable rate is 65.75 percent. The petroleum profits tax rate for companies operating in the deep offshore and inland basin areas under Production Sharing Contracts with the Nigerian National Petroleum Corporation, is 50 percent flat for the contract area. There are plans to vary the tax rates in the proposed Petroleum Industry Bill, currently before the National Assembly.

This relates to withholding tax deducted at source. Dividend received after deduction of withholding tax is regarded as franked investment income, and is not liable to further income tax. The withholding tax deducted at source is the final income tax due on the income.

The current PIT table for individuals and unincorporated entities is shown below:

Income tax slabs

Taxable income (NGN)	Rate of tax (per cent)
First 300 000	7
Next 300 000	11
Next 500 000	15
Next 500 000	19
Next 1 600 000	21
Above 3 200 000	24

Source: Nigeria Fiscal Guide 2014/15– A KPMG Africa Limited Publication

The Federal Inland Revenue Service (FIRS) has the discretion to assess non-resident companies (NRCs) to CIT at the higher of actual profit basis (determined based on audited accounts) and deemed profit basis (currently 20 percent of revenue). Until recently, it has been the practice of the FIRS to assess non-resident companies to CIT on deemed profit basis only. However, has recently indicated that it would no longer accept tax returns filed by NRCs on deemed profit basis. The FIRS would now require NRCs to file their tax returns on actual profit basis, in compliance with Section 55 of the CIT Act. These returns would comprise audited financial statements and income tax computations, showing the taxable income, tax-deductible expenses and capital allowances of the NRC.

The FIRS intends to issue an information circular on this change in practice in December 2014 or early 2015. The circular will specify the commencement date for filing on actual profit basis and may also provide relevant guidelines.

Transfer pricing (TP) and thin capitalisation rules[01]

The FIRS issued TP Regulations in 2012. The Regulations, which are based on both the Organisation for Economic Co-operation and Development (OECD) and United Nations (UN) models, require that transactions between related parties be conducted at arm's length.

To satisfy this requirement, taxpayers are required to provide documentation sufficient to verify that the pricing of controlled transactions is consistent with the arm's length principle. In addition, taxpayers are obligated to complete and file TP declaration and disclosure forms with the FIRS in respect of their related-party transactions, at the time of filing their tax returns. TP policies and contemporaneous documentation are to be submitted to the FIRS when requested.

Nigeria has no specific thin capitalisation rules. Thus, generally speaking, there are no ratios which may limit the amount of debt that may be applied to fund a company.

However, companies that intend to engage in the banking or insurance industry are required to have specified minimum paid-up capital, capital adequacy ratios and/or solvency margins. Resident companies that intend to employ expatriates are also required by the Federal Ministry of Interior (FMI) to have a minimum authorised share capital of N10million (about USD60,000 at USD1:N168) which must be issued and fully paid up. We are aware of a move by the FMI to review the minimum authorised share capital threshold upwards to N50million (about USD300,000 at USD1:N168) or more.

Transaction taxes[01]

These include value added tax, capital gains tax, withholding tax and stamp duties.

Value added tax (VAT)[01]

VAT is a consumption tax levied on the supply of all goods and services supplied in or imported into Nigeria, except those specifically exempted from the tax by the VAT Act and the FIRS Information Circular No 2007/02. The current rate of VAT is 5 percent.

VAT on goods and services payable to the following persons is required to be deducted at source by the recipient and remitted to the FIRS:

- Non-resident companies
- Persons supplying goods and services to companies operating in the oil and gas industry
- Persons supplying goods and services to government ministries and parastatals.

Capital gains tax (CGT)[01]

CGT is imposed at a rate of 10 percent on capital gains accruing from the disposal of any asset, corporeal or not, irrespective of where it is situated, and whether it is owned by an individual or corporate entity.

Transactions that are subject to income tax are usually excluded from the scope of CGT, as are gains of exempt organisations and institutions.

Where assets located outside Nigeria (as defined in the CGT Act) are disposed of by a non-Nigerian company, CGT is only charged in respect of that part of the gain which is brought into or received in Nigeria. Generally, gains on transfer of stocks, shares and Nigerian Government securities are exempt from CGT.

Withholding tax (WHT)[01]

Generally, WHT is an advance payment of income tax, deducted at source on qualifying transactions. It may also represent the final tax liability on certain passive incomes. Where WHT is deemed to be an advance payment of income tax, it can utilised as a credit against the beneficiary's income tax liability for the relevant year(s).

Stamp and transfer duty[01]

Stamp duty is levied on most legal instruments including agreements, awards, bonds, and leases. Stamp duty is payable at the rate of 0.75 percent on a company's authorised share capital and any increase thereon. Instruments on which duty would be payable by the government are exempt from duty.

Documents relating to the transfer of stocks and shares are exempt from stamp duties. However, for transactions executed through brokers or agents, an ad valorem stamp duty applies on the contract note.

01. Nigeria Fiscal Guide 2014/15– A KPMG Africa Limited Publication

05 | Investing in Nigeria

Investment rules[01]

Investment in Nigeria is regulated by the Nigeria Investment Promotion Commission Act 1995. Few restrictions are placed on investors.

Foreigners are able to invest and participate in any enterprise in Nigeria, except for those on the following 'negative list' (local investors are also precluded):

- production of arms and ammunition
- production and dealing in narcotic drugs and psychotropic substances
- iproduction of military and parliamentary wear and accoutrement.

A foreign investor is required to apply to the FMI for approval to establish a business and to employ expatriates. The investor should also apply for a Certificate of Capital Importation (CCI) in respect of equity investment in a Nigerian company to ensure remittance of dividends and repatriation of capital. Generally, there are no restrictions on foreign repatriation of profits as long as the documentation requirements are met and the appropriate taxes paid.

Investment incentives - general

- Nigerian companies with a minimum of 25 percent foreign equity are exempt from payment of minimum tax (tax paid by a company that has no taxable profit or whose taxable profit is lower than the minimum tax).
- Income/interest earned from Federal Government short-term securities is exempted from CIT and PIT. Income/ interest earned from bonds issued by the Federal, State and Local governments, and corporate bodies (including supra-nationals) is also exempted from the taxes.
- Proceeds from the disposal of the bonds and securities listed in (ii) above are exempted from VAT.
- Investment allowance of 10 percent on qualifying expenditure on plant, machinery and equipment.
- Rural investment allowance of between 15 percent and 100 percent of the cost incurred in providing facilities/ infrastructure in rural areas.
- Capital allowance of 95 percent in the first year in respect of plants and machineries purchased to replace old ones.
- Tax exemption of between 40 percent and 100 percent of the interest earned on foreign loans advanced to companies in any industry, where the terms and tenor of the loan satisfy the conditions specified in the law.

01. Nigeria Fiscal Guide 2014/15– A KPMG Africa Limited Publication

Incentives for ‘pioneer companies

Under certain circumstances, pioneer status may be granted to companies (including foreign-owned companies registered in Nigeria) involved in designated industries. The fiscal incentives available to pioneer companies include:

- Exemption from income tax for three years with a possible extension of two years
- Capital expenditure on qualifying assets incurred during the tax relief period is treated as having been incurred on the first day following the tax relief period. Pioneer companies are therefore able to fully claim capital allowances on such assets
- Tax-free dividends during the holiday period
- Losses in the relief period may be set off against profits after the end of the period.

Incentives for the agricultural sector

- Companies engaged in agricultural trade or business are not liable for minimum tax.
- Non-restriction of the capital allowance claimable by the companies to 66 percent of assessable profit.
- Tax exemption of the interest earned from agricultural loans, provided the moratorium is not less than 18 months and the rate of interest is not more than the base lending rate at the time of the loan.

Export and mining enterprises incentives

- A wholly-export-oriented company established outside an export processing zone (EPZ) is exempt from CIT for its first three tax years, provided the export proceeds constitute at least 75 percent of its turnover and it repatriates at least 75 percent of the export earnings to Nigeria.
- Plant, machinery, equipment and accessories imported exclusively for mining operations in Nigeria are exempted from customs and import duties.
- A new company engaged in the mining of solid minerals will enjoy a tax holiday of three years.
- Free trade zones (FTZs) and EPZs are designated from time to time and enterprises operating in such designated zones enjoy tax exemption and considerably relaxed exchange control measures.

Incentives for the power sector

- A three (3) year income tax holiday, with possible renewal for additional two (2) years.
- Accelerated capital allowances after the tax-free period in the form of a 90 percent annual allowance with 10 percent retention for investment in plant and machinery.
- An additional investment allowance (uplift on the cost of the asset) of 15 per cent which does not reduce the value of the asset.
- Tax-free dividends during the tax-free period where the investment for the business was made in foreign currency.
- Plant, machinery and equipment purchased for utilisation of gas in downstream petroleum operations are VAT-exempt.
- The Customs, Excise Tariff, etc (Consolidated) Act exempts from custom duties, ‘any machinery, equipment or spare part imported into Nigeria by an industrial establishment engaged in the exploration, processing or power generation through the utilization of Nigerian gas, for its operation.’
- Zero duty on the importation of equipment and machinery.

The Industrial Development (Additional List of Pioneer Industries) – Notice No. S. I. 11 of 2008 includes the Utility Services industry as a pioneer industry and specifies ‘Independent power generation utilizing gas, coal and renewable energy sources’ as a pioneer ‘product’.

Exchange controls

Exchange controls are regulated by the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1995. The Act creates an autonomous market in which transactions may be conducted in any convertible currency through authorised dealers. Investments may be made in foreign currency or imported capital but information on such transactions must be filed by the dealer within 24 hours with the Central Bank of Nigeria (CBN), which will then issue the investor with a CCI. Any person may open, maintain and operate a foreign currency account with an authorised dealer (bank).

Residence and work permits

All foreign citizens are required to obtain work permits, which are generally granted if it can be demonstrated that a Nigerian citizen does not have the required expertise to perform the job.

Annual budget announcement

The President presents the annual budget for the fiscal year commencing on 1 January to the joint session of the National Assembly. Thereafter, the Minister of Finance provides the detailed breakdown of the budget.

Trade and bilateral agreements

Membership: Africa, Caribbean and Pacific (ACP), European Union (EU) Partnership Agreement, Organisation of Petroleum Exporting Companies (OPEC), World Trade Organisation (WTO), African Union (AU) and Economic Community of West African States (ECOWAS).

Investment treaties are in force with France, Netherlands, Germany, Switzerland, Romania, Spain and the U.K.. Nigeria has signed the 1965 Convention on the Settlement of Investment Disputes.

06 | Starting a business in Nigeria

Steps to setup business in Nigeria

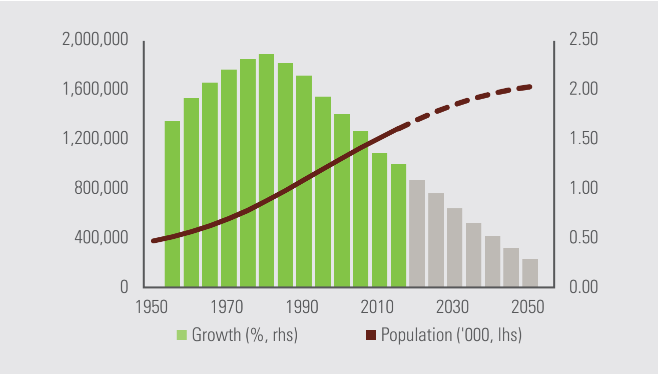
Sr.	Procedure	Time to complete	Associated costs
1	Reserve a unique company name at the Corporate Affairs Commission	5 days on average	NGN 500 application form
2	Prepare the requisite incorporation documents and pay the stamp duty	7 days	0.75 percent stamp duty paid on share capital + NGN 500 for each additional copy of Memorandum and Articles of Association stamped (2 copies)
3	Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public	1 day	NGN 500 at the court or NGN 4,000 - NGN 5,000 with a Notary Public
4	Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC	11 days on average	185
5*	Make a company seal	1 day (simultaneous with previous procedure)	NGN 4,000
6	Register for income tax and VAT at the Federal Inland Revenue Service	4 days	No charge
7*	Register for personal income tax PAYE at the State Tax Office	2 days (simultaneous with previous procedure)	No charge
8*	Register business premises with the Lagos State Government and Pay the business premises levy at a designated bank	1 day (simultaneous with previous procedure)	NGN 10,000 paid at the beginning of first year; NGN 5,000 in subsequent years

Source: Doing Business Guide 2015 - Nigeria
Note: *Takes place simultaneously with another procedure.

07 | Nigeria and India - synergies

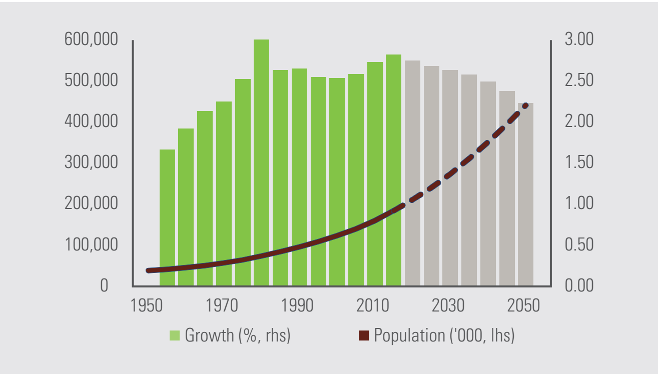
A prominent common theme that India and Nigeria share is the theme of demographics. Nigeria's population is only about one seventh of India's – it stands at 178[01] million to India's 1.28[01] billion – but that figure still means that Nigeria has the seventh largest population in the world. It is by some distance the most populous country in Africa, and accounts for a sixth of the continent's population. India is the second most populous country in the world.

India total population and growth rate (1950-2050)



Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

Nigeria total population and growth rate (1950-2050)

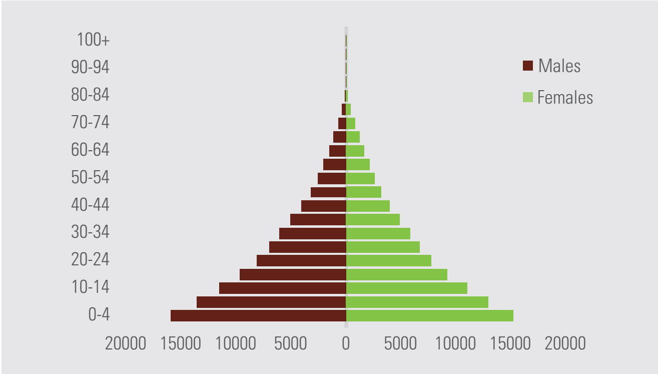


Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

Such huge populations pose opportunities as well as challenges for governments. India and Nigeria both have federal systems of government. The chief ministers of India's 29 states and the governors of Nigeria's 36 states have considerable leeway to govern independently of the federal governments, and this has certainly diffused some political problems.

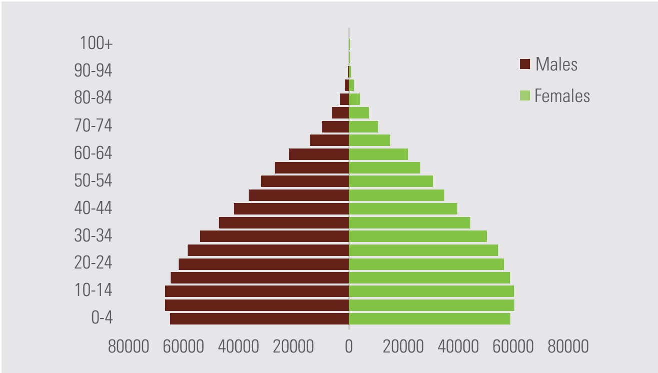
Another aspect of India and Nigeria's colonial history that remains relevant to their current economic and political environments is the fact that the colonising power, Britain, never made industrialisation a priority. In colonial times Nigeria and India were on opposite ends of the British Empire's economic value chain: Nigeria served mainly as a source of raw materials, while India's role was as a massive market for goods manufactured in the industrial cities of Northern England. But the outcome was the same: in both countries the secondary sector was neglected.

Population structure of India 2015



Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

Population structure of Nigeria 2015



Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

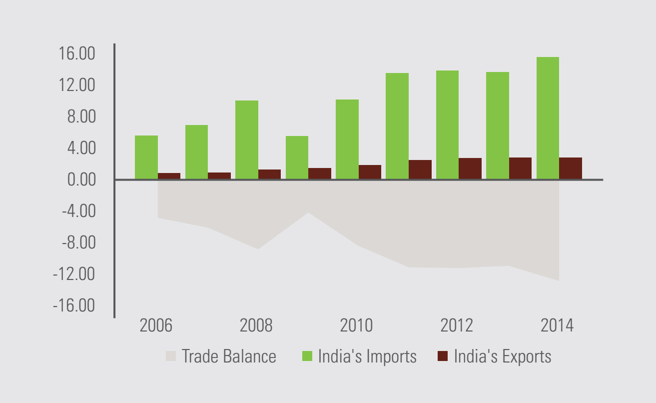
Divergent growth rates mean that the demographic challenges faced by India and Nigeria will become increasingly different in future. While even a low growth rate in a huge population means a fairly rapid increase in total population – India's current growth rate of 1.3 percent adds more than 15 million people a year to its population – the narrowing of the base of the population pyramid implies a shrinking of the dependency ratio. India's workers will have fewer children to support, proportionally, than will Nigeria's.

Bilateral trade and investment

Economic, trade and investment relations between India and Nigeria have improved significantly following the end of military rule in Nigeria during 1998-99.

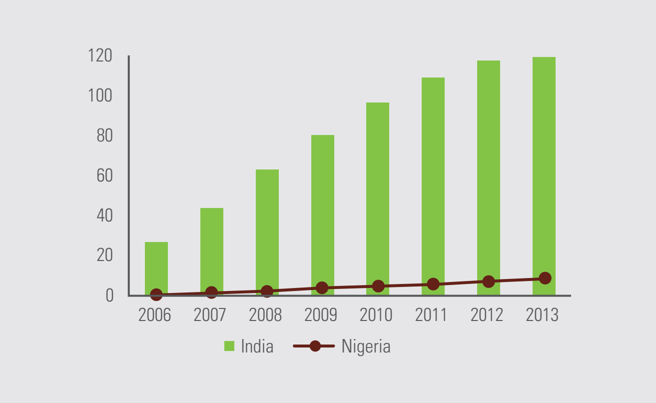
01. NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

India's trade with Nigeria (USD billion)



Source: Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

Outward FDI stock (USD billion)



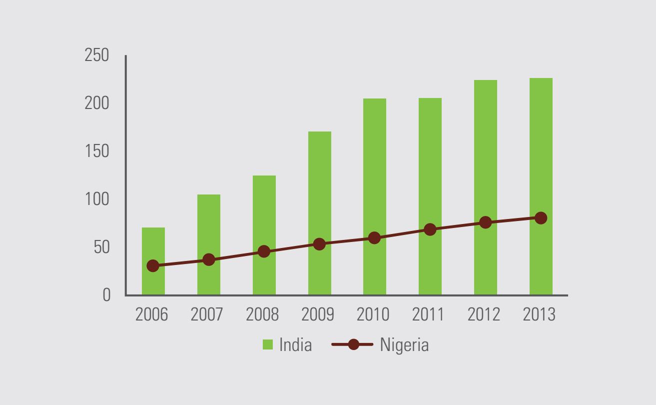
Source: Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

The sharp decline in the US's oil imports from Nigeria during especially 2012-13 resulted in India overtaking the States as the biggest buyer of Nigerian oil. In actual fact, media reports highlight that Nigeria represented India's largest oil supplier during the month of May 2015, a position usually occupied by Saudi Arabia. According to the Nigerian National Bureau of Statistics (NBS), India was the African country's main trading partner during 2015 Q1.

India's imports from Nigeria have risen sharply from USD5.7 billion in 2006 to roughly USD15.7 billion in 2014, according to Trade Map. Crude oil accounts for more than 98 percent[02] of India's total imports from Nigeria. Meanwhile, Indian exports to Nigeria rose gradually during the 2006 to 2012 period, but have stabilised since then. India's exports to Nigeria reached USD2.9[02] billion in 2014, according to Trade Map. Nigeria mainly imports vehicles, pharmaceutical products, machinery and electrical equipment from India. Nonetheless, mainly as a result of Indian demand for Nigerian crude oil, the Asian giant habitually records a fairly large bilateral trade deficit with Nigeria.

Both India and Nigeria have attracted healthy levels of foreign investment in recent years. According to the United Nations Conference on Trade and Development (UNCTAD), Nigeria's inward FDI stock has increased gradually from USD31.2 billion in 2006 to USD82 billion in 2013. Foreign investment in India has increased at a faster rate in recent years. UNCTAD estimates that India's inward FDI stock increased from USD70.9 billion in 2006 to USD226.7 billion in 2013.

Inward FDI stock (USD billion)



Source: Source: NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

The majority of India's inward FDI usually flows from Mauritius and Singapore. Turning to outbound investments, Nigeria's outward FDI stock has increased from USD0.6 billion[02] in 2006 to USD8.6 billion[02] in 2013. Again, the same picture for India reflects a steeper upward trend. India's outward FDI stock increased from USD27billion in 2006 to USD119.8 billion[02] in 2013, according to UNCTAD.

Indian community in Nigeria

The Indian presence in Nigeria has a long history. In 2010, the Indian High Commission estimated that there were about 35,000 Indians in Nigeria, including 8,000 Nigerian citizens of Indian descent. The figure shows a substantial increase from an estimate by the High Level Committee on Indian Diaspora, an organ of the Indian Ministry of External Affairs, of about 25,000 in 2000.

Many Indians in Nigeria are resident in Lagos. Ilupeju, a district on the mainland part of the city near airport, has become known as an Indian neighbourhood and has a Hindu temple (the Geeta Mandir), a bazaar where merchants sell clothes designed to appeal to Indian shoppers, and even an Indian Language School in Lagos, founded in 1982 by India's High Commission. In a sign of the strength of the Indian population, the school has around 3,000 learners and 150 teachers, and offers classes from the start of primary school to Grade XII. The Hindu congregation observes the most important annual holidays – Ganesh Chaturthi, the holiday devoted to Ganesh, has become a particularly popular calendar fixture in Lagos.

Many Indians in Nigeria are involved in business, many of them in Indian-owned companies. Nigeria and India have strong commercial ties. India-domiciled organisations operating within Nigeria's borders are fairly widespread. There are a number of such companies with a substantial economic footprint in Nigeria. The High Commission of India based in Lagos highlights that more than 100 Indian companies currently have operations in Nigeria. India-domiciled organisations are especially prevalent in the electricity distribution, manufacturing and pharmaceutical industries.

Given the fact that India represents one of the principal buyers of Nigerian oil, it is not surprising that Indian firms have also established a foothold in the West African country's hydrocarbon sector.

02. NKC research - INDIA AND NIGERIA: A COMPARISON, July 2015

08 | The India update

India is the world's largest democracy with a population of over a billion. This large population base offers a large pool of skilled manpower across various sectors. With the advent of the new government last year, the Indian investor sentiment has been riding high. India's GDP grew over 7 per cent[01] in the last year. International Monetary Fund has projected that India will outpace China during the current fiscal year. The government also intends to bring down the fiscal deficit to 3.9 per cent[02] of GDP in FY 2015-16. The government is backing its development agenda with a series of programs that are expected to set pace for the country's growth. The government is confident that the reforms that it has on agenda may help grow the economy at even higher growth rates. India continues to remain amongst the fastest-growing economies. According to UNCTAD's World Investment Report 2015, India ranks third among most prospective host economy for 2015 to 2017. There are several announcement of multi nationals making huge investments in India. With FDI now being allowed across sectors, potential for investments exists in sectors such as biotechnology, retail, real estate, roads and highways, power, telecommunications, civil aviation, special economic zones, healthcare among others.

01. http://economictimes.indiatimes.com/news/economy/indicators/q4-gdp-growth-at-7-5-economy-grows-at-7-3-in-fy15/articleshow/47471403.cms
02. India Union Budget 2015-16

09 | India sector outlook

Agriculture

Agriculture plays a vital role in the Indian economy. Despite the focus on industrialization, agriculture remains a dominant sector of the Indian economy both in terms of contribution to gross domestic product (GDP) as well as a source of employment to millions across the country. Over 70 percent[01] of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, accounts for one-third[01] of the nation's GDP and is its single largest contributor.

The country is also the largest producer, consumer and exporter of spices and spice products in the world and overall in farm and agriculture outputs, it is ranked second. From canned, dairy, processed, frozen food to fisheries, meat, poultry, and food grains, the Indian agro industry has plenty of areas to choose for business.

Manufacturing

With launch of the 'Make in India' initiative, Narendra Modi, the Prime Minister of India, aims to give global recognition to the Indian economy and also place India on the world map as a manufacturing hub. India has also set for itself an ambitious target of increasing the contribution of manufacturing output to 25 per cent[02] of gross domestic product (GDP) by 2025, from 16 per cent[02] currently.

The Government of India has an ambitious plan to locally manufacture as many as 181[02] products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the USD29.74 billion[02] Indian capital goods business.

India is an attractive hub for foreign investments in manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

Banking and financial services

India is today one of the most vibrant global economies, on the back of robust banking and insurance sectors. The country is projected to become the fifth largest banking sector globally by 2020, as per a joint report by KPMG and CII. The financial sector in India is predominantly a banking sector with commercial banks accounting for more than 60 per cent of the total assets held by the financial system.

The Government of India has introduced reforms to liberalise, regulate and enhance this industry. Challenges remain, but the future of the sector looks good. The advent of technology has also aided the growth of the industry. The size of banking assets in India reached USD1.8 trillion in FY13 and is expected to touch USD28.5 trillion by FY25. The total market size of the insurance sector in India was USD66.4 billion in FY13 and is expected to breach the USD350 to USD400 billion mark by 2020.

Financial inclusion is among the topmost priorities of the Indian government. Exclusion of a large number of people from access to financial services affects the growth of the country. Prime Minister Narendra Modi launched the Pradhan Mantri Jan Dhan Yojana in August 2014. He said that that the objective to cover 75,000,000 households with at least one account under the scheme will be achieved by January 26, 2015.

Oil and gas

Policies such as the New Exploration Licensing Policy and the Coal Bed Methane Policy have been put in place to encourage investments across the industry value chain. Several domestic companies such as the Oil and Natural Gas Corporation, Reliance Industries Limited and Gujarat State Petroleum have reportedly found natural gas in deep waters.[03]

As part of pricing reforms for the natural gas sector in 2013, the government approved a new pricing scheme to further align domestic prices with international market prices and to raise investment for the sector. India has technically recoverable shale gas resources of nearly 96 trillion[03] cubic feet. 48 percent[03] of the country's sedimentary area is yet to be explored. The city gas and distribution sector offers opportunities for both incumbents and new companies.

Telecommunication

India is currently the world's second-largest[04] telecommunication market and has registered exceptional growth in the past few years. Driven by strong adoption of data consumption on handheld devices, the total mobile services market revenue in India will reach USD29.8 billion[04] in 2014 and is expected to touch USD37 billion[04] in 2017, registering a compound annual growth rate (CAGR) of 5.2 per cent[04], according to research firm IDC.

With the government's favourable regulation policies and 4G services hitting the market, rapid growth is expected in the Indian telecommunication sector in the next few years.

Mining

Sectors such as infrastructure and automobiles are expected to receive a renewed thrust, which would further generate demand for power and steel in the country. India has the world's sixth largest reserve base of bauxite and fifth largest base of iron ore, accounting for about 5 percent[05] and 8 percent[05] respectively of total world production and India's per capita steel consumption is four times[05] lower than the global average. India is the second largest[05] producer of steel. Minerals like manganese, lead, copper, alumina are expected to witness double digit growth in the years ahead. There is significant scope for new mining capacities in iron ore, bauxite, and coal. India ranks fourth[05] globally in terms of iron ore production.

01. Latest update on Agriculture by Ministry of External Affairs, Govt of India, Investment and Technology Promotion Division published on March 24th 2015
02. Latest update on Manufacturing by Ministry of External Affairs, Govt of India, Investment and Technology Promotion Division published on March 24th 2015
03. Sector Summary on Oil & Gas Sector- Make In India report made by Investor Facilitation Cell
04. Latest update on Telecommunications by Ministry of External Affairs, Govt of India, Investment and Technology Promotion Division as on April 14th 2015
05. Sector Summary on Mining Sector- Make In India report made by Investor Facilitation Cell

10 | Key developments in India

Make In India

This initiative was launched with an aim of providing global recognition to the Indian economy. The program includes major new initiatives designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure. India via this initiative has emerged as the largest market for public-private partnerships in the world with more than 900[01] projects in various stages of development. Government of India is building a pentagon of corridors across the country to boost manufacturing and to project India as a Global Manufacturing destination of the world.

Skill India

This is a multi-skill development program initiated with a mission for job creation and entrepreneurship for all socio-economic classes. It endeavors to establish an international equivalent of the Indian framework on skill development, creating workforce mobility and enhancing youth employability. This is a USD 956[02] billion scheme that aims to train 400[02] million Indians by 2022.

Digital India

This is a USD15 billion[03] initiative of Government of India to integrate the government's departments and the people of India and to help ensure effective governance. It also aims at ensuring government services made available to citizens electronically by reducing paperwork. The initiative also includes plan to connect rural areas under high-speed internet networks. All these initiatives open up numerous opportunities for investments across various sectors, including infrastructure.

Foreign Direct Investment

According to the World Investment Report 2015 released by the United Nations Conference on Trade and Development (UNCTAD) India is among top 10[04] countries to attract highest FDI in 2014.

Apart from being a critical driver of economic growth, foreign direct investment (FDI) is a major source of non-debt financial resource for the economic development of India. Foreign companies invest in India to take advantage of cheaper wages, special investment privileges like tax exemptions, etc. For a country where foreign investments are being made, it also means achieving technical know-how and generation of employment.

The continuous inflow of FDI in India, which is now allowed across several industries, clearly shows the faith that overseas investors have in the country's economy.

GST

The proposed levy of Goods and Services Tax ('GST') is slated to change the very manner in which the indirect taxes are levied and perceived in India. It is bound to usher a paradigm shift in the way business is done in India. The bill is currently in discussion in the lower house.

100 Smart Cities

The Union Cabinet cleared Prime Minister Narendra Modi's vision - 100 smart cities spread across the country - and the new urban renewal mission named after Atal Bihari Vajpayee (AMRUT), replacing the existing one named after Jawaharlal Nehru (JNNURM), with a total outlay of USD15 billion[05] for the next five years. The move is expected to recast the urban landscape of the country to make them more live-able and inclusive. The 100 smart cities mission intends to promote adoption of smart solutions for efficient use of available assets, resources and infrastructure with the objective of enhancing the quality of urban life and providing a clean and sustainable environment.

01. Weekly Economic Bulletin, Issue no 621 - ITP Division, Ministry of External Affairs Government of India
02. PM launches Rs 1500-cr 'Skill India' mission to train 40 crore youth, Rediff News, 15 July 2015
03. http://www.ibnlive.com/news/india/digital-india-will-ensure-jobs-for-18-lakh-people-says-pm-modi-1014360.html
04. World Investment Report 2015, UNCTAD
05. A Report on 'Proposed 100 Smart Cities & Industrial Corridors' – A CII Publication

11 | Ease of doing business in India

Over the last year, the Government of India has undertaken large scale and fast paced reforms for improving the regulatory environment and Ease of Doing Business in India. There is also an exercise conducted by Government of India to rank the states on Ease of Doing Business. The government's objective is to bring India in top 50[01] rank of Doing Business Report by 2017. An Investor Facilitation Cell[02] has been created to guide, assist and handhold investors during the entire life-cycle of the business. The central government is taking significant steps to simply application processes, making the approval processes online, promote self-compliance and self-certification, etc. It has also recommended[02] state governments to prescribe time-lines for each service delivery including time-lines for seeking clarification/rejection along with reasons. Many of the process can now be initiated simultaneously. Such steps are not only reducing the time but also making the entire process hassle-free. Importantly, the Companies Amendment Act, 2015 has been passed[02] to remove requirements of minimum paid-up capital and common seal for companies. It also simplifies a number of other regulatory requirements.

01. Government Initiative on Ease of Doing Business, Special Service and Features, PIB GoI – 22 May 2015
02. Major Initiatives on Improving 'Ease of Doing Business' in India, Ministry of Commerce and Industries Department of Industrial Policy and Promotion – 31 May 2015

Conclusion

Nigeria is rapidly advancing and the key supporting factors for this growth are the huge, young and urbanized population, large oil and gas reserves and increasingly diversified economy and enormous transport infrastructure projects. In the last decade petroleum has claimed the top position in Nigeria's export list, constituting a very fundamental change in the structure of the country's international trade. The Indian economy has witnessed a promising growth trajectory. Today, the Indian economy boasts a stable annual growth rate, booming capital markets, and rising foreign exchange reserves. India is likely to become one of the largest economies of the world by the year 2025 as per projections made by internationally renowned consultants and IMF. Incessant efforts are being made by the Indian Government to attract investors to partner in the economic progress. With oil prices unlikely to regain their former heights, Nigeria's future is dependent on a diversified economy that includes agriculture and wider agro-businesses, manufacturing and services.

- The cement industry is another major and growing contributor to Nigeria's GDP. If this progress can be combined with greater security and transparency, then Nigeria has every chance of fulfilling its undisputed potential as a future economic powerhouse.
- In a growing economy like Nigeria with investments in infrastructure and more production from agriculture, among other things, also leads to a demand for more and improved transport. The Nigerian automobile market is undergoing a change which can be another potential area for Indian investor to explore.
- In the Indian construction sector, FDI policy has been revised, easier exit norms have been created, area restrictions are normalized and due emphasis is given to affordable housing – which is another agenda of the new government.
- Growth in Nigeria's manufacturing sector is usually quite good, although it is at times hampered by supply bottlenecks, including disruptions to the electricity supply. The issue of electricity is one of the biggest obstacles for the development of the this sector, and therefore improving electricity generating capacity will be an important driver of manufacturing growth.
- The healthcare in Nigeria has become quite critical in the backdrop of epidemics such as the recent Ebola crisis. Nigerians tend to undertake medical tourism to countries such as India where the healthcare facilities are available and more importantly at affordable rates. The feasibility of collaborating on healthcare initiatives is another area that can be of interest to the Indian investors.
- Nigeria has seen development in the agriculture sector but there is still some potential to explore commercial opportunities. The government is presently implementing a transformation agenda to improve agricultural productivity.
- In Nigeria, the lack of oil-refining capacity and infrastructure required further down the electricity value chain leaves a vacuum in the domestic energy market, while the country is Africa's largest energy exporter. Nigeria's falls short to meet peak demand of electricity, leaving considerable room for private investors. India is also targeting to provide electricity for all by end of 2016. This is a common challenge shared by the countries.
- Although formal retail sector in Nigeria is growing rapidly, informal channels continue to dominate the market. Nigeria represents a large and growing opportunity for fast-moving consumer goods companies and retailers. The low-income consumer by far dominates the Nigerian retail scene, which will provide a lot of opportunities for FMCG companies. Investors that can quickly establish a foothold or expand their presence will be well positioned to capture the value at stake as the continent's consumers increase their spending in the years to come.
- As aspiring economies, India and Nigeria both have a good volume of their respective domestic markets and can build potential synergies through partnerships. These sectors with the highest potential are directly linked to the expected plans of the new governments and the respective country's biggest challenges and potential.

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About us

CII

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India´s development process. Founded in 1895, India's premier business association has over 7900 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 200,000 enterprises from around 240 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

In its 120th year of service to the nation, the CII theme of 'Build India- Invest in Development, A Shared Responsibility', reiterates Industry´s role and responsibility as a partner in national development. The focus is on four key enablers: Facilitating Growth and Competitiveness, Promoting Infrastructure Investments, Developing Human Capital, and Encouraging Social Development.

With 66 offices, including 9 Centres of Excellence, in India, and 7 overseas offices in Australia, China, Egypt, France, Singapore, U.K., and U.S., as well as institutional partnerships with 312 counterpart organizations in 106 countries, CII serves as a reference point for Indian industry and the international business community.

KPMG in Nigeria

KPMG Advisory Services is the KPMG member firm in Nigeria and has had a presence in the country since 1978. The firm provides multidisciplinary professional services to both local and international organisations within the Nigerian business community. Our focus is to turn knowledge into value for the benefits of our clients, our people and the capital markets. At KPMG, we are committed to working with our clients, finding potential solutions and adding value. KPMG assist organisations in cutting through the complexities of doing business.

KPMG in Nigeria boasts a combination of international and local market knowledge and perspective. This combination helps enable the Nigerian practice to add real value by developing strategies that can give our clients a distinct edge over their competitors. As one of the leading providers of professional services, KPMG knows that the success and growth of the firm also depends on the success and growth of the Nigerian economy. Hence, it champions progressive change and makes the future happen for its clients, people and communities. The firm is involved in the formulation of economic policies for Nigeria through the Nigerian Economic Summit Group.

KPMG has worked for clients in the public and private sector in Nigeria and in several other countries, helping to transform business performance and operations.

KPMG in India

KPMG in India, a professional services firm, is the Indian member firm of KPMG International and was established in September 1993. Our professionals leverage the global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. KPMG has offices across India in Delhi, Chandigarh, Ahmedabad, Mumbai, Pune, Chennai, Bengaluru, Kochi, Hyderabad and Kolkata. Over 10,000 Indian and expatriate professionals, many of whom are internationally trained are part of the Firm. KPMG in India is currently offering services to over 3,000 national and international clients in India across sectors. We strive to provide rapid, performance-based, industry-focussed and technology-enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.

KPMG International

KPMG International is a global network of professional firms providing Audit, Tax and Advisory services. KPMG member firms operate in 155 countries and have more than 162,000 outstanding professionals working in member firms around the world.

The KPMG Audit practice endeavours to provide robust and risk-based audit services that address member firms' clients' strategic priorities and business processes.

KPMG's Tax services are designed to reflect the unique needs and objectives of each member firm client, whether firms are dealing with the tax aspects of a cross-border acquisition or developing and helping to implement a global transfer pricing strategy. In practical terms that means, KPMG firms work with their clients to assist them in achieving effective tax compliance and managing tax risks, while helping to control costs.

KPMG Advisory professionals provide advice and assistance to help enable companies, intermediaries and public sector bodies to mitigate risk, improve performance, and create value. KPMG firms provide a wide range of Risk Consulting, Management Consulting and Deal dvisory services that can help their clients respond to immediate needs as well as put in place the strategies for the longer term.

KPMG's dedicated India-Africa corridor program

In view of the significant growth in trade and investment between India and Africa, a dedicated team has been setup to help clients having interests between the two geographies. The corridor program is an initiative of KPMG in India and KPMG's Global Africa Practice. Through this program our clients can experience seamless services across India and their business interests in African countries and vice-versa.

Our focus is to develop, support and facilitate Africa-India bilateral business opportunities – both for Indian businesses entering the African market as well as African businesses setting up in India. In addition, our team has deep insight and up-to-the minute experience of the opportunities and challenges that businesses face in India-Africa cross-border activities. Our network of specifically identified KPMG professionals in both Africa and India work seamlessly together to ensure our clients are best equipped to operate effectively and optimally in this Corridor. The team also regularly produces through leadership articles and newsletters in the marketplace in which the latest relevant insights and experiences are shared.

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