


CAPITAL CITY: ABUJA

Key Facts



POPULATION

224.3 million (2023)



CURRENT GDP

US\$ 477.4 billion (2022)



LEADER

President Bola Tinubu



PAST ELECTIONS

February 2023



PRIMARY EXPORT

Crude Petroleum
US\$ 41.8 billion (2021)

CFC COUNTRY FACTSHEET: Nigeria

Nigeria is the largest market in Africa with a population of over 205 million people and the biggest economy in Africa. It is a resource-rich country and one of the most strategically situated countries in Africa.

Nigeria had been making efforts to diversify its economy beyond oil and gas, with a focus on sectors like agriculture, manufacturing, and technology. These efforts aimed to reduce its dependence on oil revenues and create a more balanced and sustainable economy.

The country's priorities include adopting a single, market-responsive exchange rate, refocusing the central bank on its mandate to reduce inflation, and increasing non-oil revenues.



INTERESTS & CURRENCY

Monetary policy rate :
18.75%

Currency :
Nigerian naira (₦/NGN)

EXCHANGE RATES

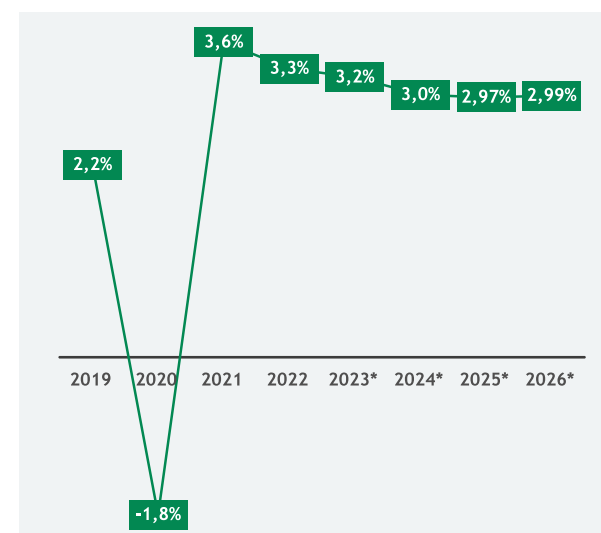
USD 1 = NGN 785.5

EUR 1 = NGN 838.9

Central Bank of Nigeria, September 2023



GDP GROWTH



Source : World Bank data, IMF, Reuters

22.8%

Inflation (July 2023)

4.1%

Unemployment rate (Q1 2023)

2.4%

Demographic growth (2023)

0.2%

Current account (2022)

US\$ -186.8 million

FDI (Net Inflows)

53 years

Life expectancy (2021)

US\$ 2184

GDP per capita (2022)

62%

Literacy Rate (2018)

Source : World Bank data, IMF, Reuters

Attractive Industries in Nigeria

Here are some of the attractive industries in Nigeria:



Oil and Gas: Nigeria is one of the largest oil-producing countries in Africa and has significant reserves of both crude oil and natural gas.



Agriculture and Agribusiness: With its fertile land and diverse climate zones, Nigeria has the potential to be a major agricultural hub.



Financial Services: The financial services sector, including banking, insurance, and fintech, has been growing due to an expanding middle class and the adoption of digital financial solutions.



Nigeria's Trade Relations

Memberships:

- Economic Community of West African States
- African Union
- Organization of Petroleum Exporting Countries
- New Partnership for Africa's Development
- African Continental Free Trade Area (**AfCFTA**)

International Organizations:

- International Chamber of Commerce
- African Development Bank Group
- World Federation of Trade Unions
- World Trade Organization
- World Customs Organization

Leading Companies in Nigeria

1. Nigerian National Petroleum Corporation (NNPC)
2. Airtel Africa PLC
3. MTN Nigeria Communications PLC
4. Dangote Cement PLC
5. United Bank for Africa

What is the tax regime in Nigeria?

Corporate income tax rate:

- The corporate tax rate for large, non-oil, and gas companies (i.e., companies with turnover exceeding **NGN100 million**) is **30%**.
- **20%** rate applies to medium sized companies (i.e., those with turnover exceeding **NGN25 million** but under **NGN100 million**).
- **0%** rate applies to small companies (i.e., those with turnover up to **NGN25 million**).
- The tax rate for petroleum companies normally is **85%**, although a reduced rate of **65.75%** applies to companies operating for less than five years.

Hydrocarbon Tax (HT):

Effective 16 August 2021, companies operating in the upstream petroleum sector are subject to new hydrocarbon tax including the regular corporate income tax.

The HT applies on profits from crude oil in each accounting period at the following rates:

- **30%** on converted or renewed onshore and shallow offshore; and
- **15%** for new onshore and shallow onshore acreage and for licenses/leases converted into the new petroleum prospecting license.

Withholding tax (WHT):

Type of income	Rate for Resident	Rate for Non Resident
Dividends	10%	7.5%/10%
Interest	10%	7.5%/10%
Royalties	10%	7.5%/10%

Personal income tax rate:

Individuals in Nigeria are taxed at progressive rates ranging from **7%** to **24%**.

Value Added Tax:

- The **standard rate is 7.5%**.
- Non-oil exports and goods purchased for use in humanitarian donor funded projects are exempt from VAT tax.

Tax treaties

Nigeria has concluded tax treaties with the following countries:

Belgium, Canada, China, Czech Republic, France, Netherlands, Pakistan, Philippines, Romania, Singapore, Slovakia, South Africa, Spain, United Kingdom.

Investment incentives offered in Nigeria

Tax Incentives

Incentives for 'pioneer companies'

The Nigerian investment promotion commission grants pioneer status to industries or products that are deemed crucial for the country's development. The fiscal incentives available to pioneer companies include:

- Exemption from income tax for three years with a possible extension for another 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 after the pioneer period.
- Tax-free dividends during the holiday period.
- Losses in the relief period may be set off against profits after the end of the period.

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% of its turnover and it repatriates at least 75% of the export earnings to Nigeria.
- Plant, machinery, equipment, and accessories imported exclusively for mining operations in Nigeria are exempted from customs duties.
- Any Nigerian company (other than companies engaged in the upstream, midstream, or downstream petroleum operations) with export proceeds used to purchase raw materials, plant, equipment, and spare parts, is exempted from CIT on such proceeds.

As a foreigner, do I need a work permit ?

All non-residents/citizens must obtain visas before entering Nigeria, except citizens of ECOWAS (Economic Community of West African States), who only need ECOWAS cards upon arrival.

Foreign citizens who plan to take up employment in Nigeria will need to obtain a temporary residence visa. However, this visa alone does not give the holder the legal right to work in Nigeria. To do so, they will also need to obtain a Combined Expatriate Residence Permit and Aliens Card, or CERPAC, which is a combined permit for residency and work in Nigeria.



Useful Links / Sources



1. [Central Bank of Nigeria](#)
2. [Nigerian Investment Promotion Commission \(NIPC\)](#)
3. [World Bank](#)
4. [World Investment report](#)
5. [Nigeria fiscal guide 2023 \(KPMG\)](#)