

Nigeria: 'Investment Forum Will Unlock Our Economic Potentials'

BY FESTUS AKANBI

BAYELSA STATE, Nigeria, JULY 12, 2014 (This Day) --- *As Bayelsa State holds its first Investment Summit next week, the state's Commissioner for Trade and Investment,*

Mr. Kamela Okara

, in this interview with

Festus Akanbi

said the dialogue with private sector operators will unlock the state's economic potentials.

Q:What is the reason behind this investment forum and which country is your model in terms of economic development?

A:The idea behind the forum is the need to create a forum to listen to the private sector operators.

We need to create the platform for a dialogue so that we will be in the position to exchange ideas and to know what we can do for them because it is when you have this kind of confidence that people are ready to spend their money. This forum is to create an environment of trust and confidence and to show that Bayelsa State is serious.

Our target audience are serious investors who want to invest in things like power, agriculture, hospitality, technology and oil and gas value chain. We have also been talking to some investors who want to set up pharmaceutical plants in Bayelsa State. They will be able to

employ a large number of people who will be trained in technical areas. The cornerstone of what we want to do is to create wealth and to increase the number of jobs available. Rwanda is a country that has inspired us on the way they have focused on growing the economy of that country and providing opportunity for business to grow. Singapore is another country that has inspired us. Georgia is another country which has inspired us because it moved from 92 on the ease of doing business to number eight. That is a feat because, our goal is to become a model in Africa.

Q:What is the role of the private sector in this forum?

A:The private sector is the key and central force in this event. The theme of the event is "Unlocking Bayelsa State's Economic Potential, Opportunities and Challenges. As you know, to unlock the potentials of a state, you will require active participation of the private sector. This forum provides an avenue for the private sector to partner with the government in unlocking the potentials that the state has. What the government is doing is facilitating a dialogue with the private sector. We are saying that the private sector can come from the comparative advantage the Bayelsa State has from economic point of view, how they can benefit from that is the entire objective. Private sector is very key. They are the target audience for this event.

Q:Can you list the opportunities that are available in Bayelsa State?

A:The major area which is not only of benefit to Bayelsa State but to the entire country is power. As you may know, Bayelsa State generates one quarter of the total oil production in Nigeria. Gas is actually what we have in greater abundance. Gas is also the feedstock for power generation. So what we are doing is to encourage power companies that want to set up presence in Bayelsa State to take advantage of the accessibility of gas and site their power plant in Bayelsa State because we want the state to become the power hub of Nigeria. We know that in the short time, if we are able to get power companies to site and generate as much as say 3000 megawatt of power, if we add that to the current say 3,500 to 6000 megawatts of power, it will make a huge difference in Nigeria. So that is one major area we are looking for investors.

Bayelsa has a natural geographical environment for cultivation. If you look at rice cultivation belt across the globe, it falls within the same belt such as Thailand, Vietnam and other countries. We have the same kind of environment-mangrove forest which is good environment for rice farming. That is another major area. Aquaculture is another area where we are good. We are

rich in fish and all of that. We also want to expand the value chain in oil and gas through the Nigeria Local content Development and Monitoring Board (NCDM). In partnership with the NCDM, we also want to expand the access of small and medium scale enterprises into the entire value chain. There are a lots of opportunities in the state. These are just a few examples of opportunities that are available in the state and we are ready to explore them.

Q:What are the concessions you are dangling at prospective investors in Bayelsa State?

A:Take the power sector for instance, we are currently working on an industrial masterplan and we have provisions for areas that will be assigned to power. We are already making the preparation, making the land ready, doing the acquisition and getting ready for industrial park. That way, it will make it easy for them to determine the area of focus they have. That is one major area. If you look at it, the cost of land and the cost of preparing the land is quite huge. Land preparation is going to be a major capital discount,

Q:Is there anything like tax holiday for prospective investors?

In reality, tax holidays do not form a major incentive to investors. I have found that what most businesses want is the ease of doing business in the environment. Bayelsa is one of the safest places in the country because we have worked really hard to put the issue of militancy, kidnapping and pipeline vandalisation behind us. Even if you look at the issue of tax holiday, strictly speaking, it is really the incentive of the Federal Government. Taxation is within the jurisdiction of the federal government. It is under the Nigerian Investment Promotion Council (NIPC) and Nigeria Export Promotion Council, among others. But we will try to ensure that there is no local taxation in those free trade zone. One will be in a place called Elemebiri and the other one is planned for a place called Agge.

There is also the site for a deep sea port because we have a natural deep sea port environment. How achievable is the ambition of Governor Seriake Dickson to turn Bayelsa into "Dubai" of Africa? It is very achievable if we remain focused on our drive for human capital development. Aside other things we are doing, we are focused on providing training so that we can build the skill level. What makes an economy really very strong is the strength of human capital you have, so that is the key backbone. When the governor came on board, one of the first things he did was the state of emergency he declared in education and there has been a major drive to build more schools. Not only that, we also have high number of Bayelsa people pursuing various degrees up to PhD level in various universities across the world.

Our bill alone for 2013 was in the region of N6 billion in scholarship for students studying abroad. This effort is geared to ensure we have qualitative human capital. The second thing we are doing is massive investment in agriculture. We are linking the entire state with a serious road network, this is in addition to the seaport I mentioned earlier. The airport, as we speak, is under construction in the state. These are the key things-infrastructure and human capital. Creating the needed conducive environment for business is like creating another Dubai. Dubai ensured there is infrastructure, that they have qualitative human capital, and their laws are business-friendly. That is the same approach we are taking and with that we are sure we can become the Dubai of Africa. We want to be the model of Africa business success story.

Q:How is Bayelsa doing in terms of internally revenue generation?

A:In Bayelsa, the IGR is still on the low side. It is not what we want to achieve yet but we are not so concerned about IGR today because we are now concerned with what we can build for the future. So our focus is how can we transform Bayelsa economy to what we want it to be. Our major focus today is to grow the economy and once we do that, internally generated revenue will grow so our plan is to diversify the economy, provide opportunity, provide the jobs, the foundation will have a knock effect on the IGR that will accrue.

Q:Are you saying the government relies essentially on revenue from oil?

A:There is no state that relies solely on oil but most states apart from Lagos and Kano rely predominantly on oil resources because most states base what they do on revenues from federal allocation. That is the fact for most states in Nigeria. But what we want to achieve in Bayelsa State through this forum is economic diversification because we realise we cannot have dependence on only one source of income.

Q:If the IGR is on the low side, how can the state survive other than from revenue from oil and gas?

A:This forum is not about government's responsibility. This forum is to grow the private sector. It is to encourage the private sector to take advantage of the opportunity in the sector. We aren't

asking the private sector to come and build schools for us. We are capable of doing that and we are doing so. We aren't asking the private sector to come and build hospitals or roads for us. Those are the responsibilities of the state government. What we are saying to Nigerians is we want a people who are successful, who have jobs to come and create jobs, create business opportunities and to do that we have to grow the private sector. So, in terms of our responsibility, we will focus on providing education and providing healthcare.

Right now, we are providing free education up to junior secondary level and we will continue to do that because we want people that come out to be people who are educated, who can go for jobs and work, that is our focus. While doing that, we realise that the community thrives well when there are opportunities for people who can set up business. If we are able to make Bayelsa State a power hub, the subsidiary businesses that can be created out of that are too many to be mentioned. Let me give you an example, when the telecoms company started some years ago, some landlords benefited because they were paying rents, generator sellers were benefiting because telecoms companies need to have generators at all their base stations.

Somebody is supplying those generators, somebody is servicing those generators, somebody is supplying diesel, somebody is printing recharge cards. People are employed along that value chain. That is an economy. Look at agriculture for instance, the model we have adopted is the one adopted in Vietnam where they get small holder farmers to produce on their own farming lots, then you standardise rice production. You get a rice mill that standardises rice, bags it and sells to the market. You have given that rice farmer the guarantee of buyers. Once the rice is bought you have given him wealth. It is a collaborative effort between the small farmers and the mill owners. Ultimately, you will see an increase in the IGR because that rice farmer will pay taxes, the mill owners too will pay tax.

We are doing our bit and we are challenging the private sector to go and do their own. We are open for dialogue, we are open to ideas and that is why we are creating this platform. We expect them to tell us what next they want us to do. If the tax holiday you talked about is what they need to bring investment into the state, then so be it. We are targeting between \$500million to \$1 billion investments from the forum . A number of power companies have indicated their intention to come around and build. A power plant will cost about \$400 million. And all we will do is to provide accessibility to gas. Our focus is to let the investors know that Bayelsa is serious.

(Source: This Day)