

LAUNCH OF NIGERIA CHAPTER OF ASSOCHAM

[Hotel Hilton – at 1800 hrs on 28 June 2016]

Address by Mr. B.N. Reddy, High Commissioner-Designate of India

Your Excellency, Mr. Okechukwu Enelamah, Minister of Trade, Investment & Industry, Federal Government of the Republic of Nigeria,

Madame Oby Ezekwesili, Former Minister and Vice President, World Bank,

Engineer Joe Mokoju, President of the Cement Manufacturers' Association of Nigeria & Managing Director, Dangote Cements

Mr. Sunil Kanoria, President, Associated Chambers of Commerce & Industry of India

Mr. Biju Koshy, ASSOCHAM Nigeria-India Chapter,

Distinguished members of the Nigerian and Indian business community,

Excellencies, Ladies & Gentlemen,

It is a privilege and an honour for me to be present at today's launch of the Nigeria Chapter of the ASSOCHAM.

2. As we just heard from Mr. Sunil Kinoria, President, ASSOCHAM that ASSOCHAM is one of the apex Chambers of Commerce and Industry in India. With over 400,000 members, and enormous experience since its establishment in 1920, it contributed immensely in promoting trade and commerce within India as well as globally.

Excellencies, Ladies & Gentlemen,

3. The launch of Nigeria Chapter of ASSOCHAM symbolizes the recognition by the Indian businesses of the importance of Nigeria, as a growing and strong partner and also Nigerian businesses of India.

4. India and Nigeria have a historic and deep-rooted bilateral relationship, which goes back as far as World War-I in which our soldiers fought together in shared trenches, has been strengthened by our engagement in post-independent era. India and Nigeria share democratic norms; bestowed with multi-ethnic diversity; enjoy people-to-people ties and similarity of orientation on a range of global issues.

5. Both countries have similar economic challenges and concomitant opportunities in a globalized world. Our strength lies in young and dynamic populations –in India, with more than two-thirds of its 1.2 billion population less than 35 years old, and more than half of 180 million population of Nigeria less than 20 years old. We both speak English.

6. Both countries enjoy many complementary and comparative advantages which can be harnessed for mutual benefit – for growth, employment generation, and overall progress. In a sense, this provides the enabling environment for further enhancement of this engagement.

Excellencies, Ladies & Gentlemen,

7. India supports the core objectives of the new leadership of Nigeria namely, Security, Transparency and Employment, and the emphasis on diversification of economy to manufacturing and agriculture. We will continue to work towards enhancing our overall bilateral relations, encompassing all the areas of mutual interest. India appreciates the recent forex policy of the Federal Republic of Nigeria and other initiatives so achieve the core objectives.

8. Nigeria is the largest economy in Africa. It contributes to a quarter of Africa's GDP and a fifth of the population of the Continent. Indian businesses recognize that Nigeria is rated among the Next 11 leading Global Growth Generators (3G) over the next 40 years. There are increasing opportunities associated with servicing the growing Nigerian population, including its middle class.

9. Nigeria is an attractive and important investment and export destination. Nigerian economy plays an important role in West Africa and beyond. About 21% of GDP of countries in the ECOWAS region depends on Nigeria.

10. From India's perspective, Nigeria is the largest destination in Africa for manufactured products. Over time, India has widened the scope of its economic engagement with Nigeria. Indian companies have significant presence in Nigeria – in key sectors of economy namely IT, power, telecommunications, agriculture, defence, health, electricity transmission, pharma, steel, herbals, software services, machinery and expertise in the form of joint ventures and consultancy services.

11. India imports about 25% of total Nigerian exports of its crude oil. Indian pharma and automobile sectors have established well in the Nigerian market, though there remains considerable untapped potential. Indian automobile majors such as Bajaj, TVS, Kinetic, Maruti, Tata, Stalion, Chelaram Group, Hero Honda, Ashok Leyland and Mahindra & Mahindra. Our bilateral trade during 2014-15 between the two countries stood at about US \$16.5 billion. To sum up, Nigeria is India's largest trading partner in Africa and India is Nigeria's largest trading partner globally.

12. Another area of strong cooperation is the ICT sector. Indian IT professionals are training Nigerians in accountancy, oil and gas industry, banking sector, medicine and education. Indian IT companies such as Infosys, NIIT, Aptech and SSI have set up their franchises in Nigeria. An estimated 150,000 Nigerians have been trained in ICTs since 1990.

13. We are happy to note that the ITEC (Indian Technical and Economic Cooperation) scheme has also been popular, and 200 Nigerian students receive fellowships for technical studies in India each year besides 20 scholarships under ICCR and other programmes and 94 defence personnel were imparted training last year in India under ITEC.

Excellencies, Ladies & Gentlemen,

14. Let me briefly share the recent trends in India. India is now the fastest growing economy in the world. The Government of India has taken a series of initiatives to stimulate economy such as 'Make in India', which was launched globally in September 2014 - a flagship economic initiative to boost manufacturing by facilitating easy conduct of business, improving competitiveness of domestic industry and creating millions of jobs. Among other important initiatives include 'Start up India', 'Stand-up India', 'Digital India', '100 smart Cities' and 'Skill India'. These initiatives are intended to foster innovation, encourage new-age entrepreneurship and create millions of new job opportunities.

15. Despite a slowdown in the global economy, the measures taken by the Government of India have resulted in FDI inflows of \$55.5 billion in 2015-16 - the highest ever in any one financial year till date. To sustain the momentum and to further increase the FDI, a second major reform in Foreign Direct Investment (FDI) norms were announced last week, including 100% FDI in few sectors.

16. Major changes announced include increase in the sectoral cap in certain sectors, bringing more activities under the automatic route, and relaxing certain conditions governing FDI to improve the ease of doing business. Some of the sectors that saw a radical liberalization for FDI purposes include food products, defence, broadcasting carriage services, pharma, civil aviation, private security agencies, animal husbandry and single brand retail trading.

17. With the above initiatives that Government of India has taken to stimulate the economy, India has now emerged as the first amongst the world's most attractive investment destinations, first amongst world's fastest growing economies, first among 100 countries on the growth, innovation and leadership index, first amongst 100 investment destinations polled globally, seventh most valued national brand in the world. India's rank jumped 12 positions in East of Doing Business 2016 list by World Bank and India moves 16 places in the Global Competitiveness Index 2015-16.

Excellencies, Ladies & Gentlemen,

18. India is also fully committed to the progress and prosperity of Africa. Under India-Africa Summits held thrice, India has taken a series of initiatives. India-Africa bilateral trade, which stood barely at US\$ 5 billion a decade ago,

has reached US\$ 72 billion in 2015. India is currently the fourth largest trading partner of Africa. In this context also, Nigeria has an immense role to play.

19. In conclusion, given the India-Nigeria long standing relationship, the strong complementarities that exist, and India's experience, proven track record and affordable technologies, there is enormous potential for furthering this engagement in diverse sectors of the Nigerian economy –be it power, agriculture, small and medium industries, information Technology, health and education. India remains ready and committed to work with Nigeria in all key sectors of its economy.

20. I am confident that the Nigeria Chapter of ASSOCHAM will make its presence deeply felt among the business community and with its vast experience, will help provide the business community on both sides the opportunities to explore, identify and converge on mutually beneficial projects and programmes.

21. I wish the Nigeria Business Promotion Council all the very best and assure of High Commission of India's fullest cooperation in its endeavours to contribute promoting and strengthening economic relations between the two countries.

22. I now have the pleasure of inviting His Excellency Mr. Okechukwu Enelamah, Minister of Trade, Investment & Industry, Federal Government of the Republic of Nigeria, to deliver the keynote address.

Excellency, you have the floor.

Thank you.
