

# LEKKI FREE ZONE

## Investment Brochure



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- **A Gateway to Euro-American Markets**
- **A Prime Land for Investment with Huge Market Potentials**
- **A Model for Nigerian & West African Economic Development**
- **A Modern Ecology-Oriented Coastal City to be Developed**

## Preface

In the face of economic globalization with the support of both Chinese and Nigerian Governments, Lekki Free Zone (LFZ), a Sino-Nigeria, joint is being developed as a model of cooperation between the two countries for the purpose of mutual benefits and bilateral relationship.

With a planned area of 30 km<sup>2</sup>, located in Lekki Peninsula to the south-east of Lagos State, Nigeria, LFZ was launched following the execution of a Tripartite Agreement in early 2006 between China-Africa Lekki Investment Ltd., Lagos State Government and Lekki Worldwide Investments Ltd. Subsequently, pursuant to the provisions of the Tripartite Agreement, Lekki Free Zone Development Company FZC (LFZDC) was incorporated and established in Nigeria in May 2006 as a China-Nigeria joint venture exclusively for investment, development, management and operation of LFZ. In Nov. 2007, LFZ was officially approved by the Chinese Ministry of Commerce and regarded as one of the “Overseas Economic & Trade Cooperation Zones” by the Chinese government.



## General Profile

### About Nigeria

Nigeria lies in the southeast of West Africa, with Cameroon to its east, Benin Republic to its west and Niger to its North, and facing the Atlantic Ocean in the south. The country is referred to as Giant of Africa for its natural beauty and rich resources. Nigeria covers a total area of 924,000 km<sup>2</sup>, with a population of over 150 million and consists of 36 states. The city of Abuja is the capital. English is the official language and Naira is the operational currency. As an OPEC member country, Nigeria is the sixth largest oil-producing and exporting country and its oil and natural gas reserve ranks among the top in the world.

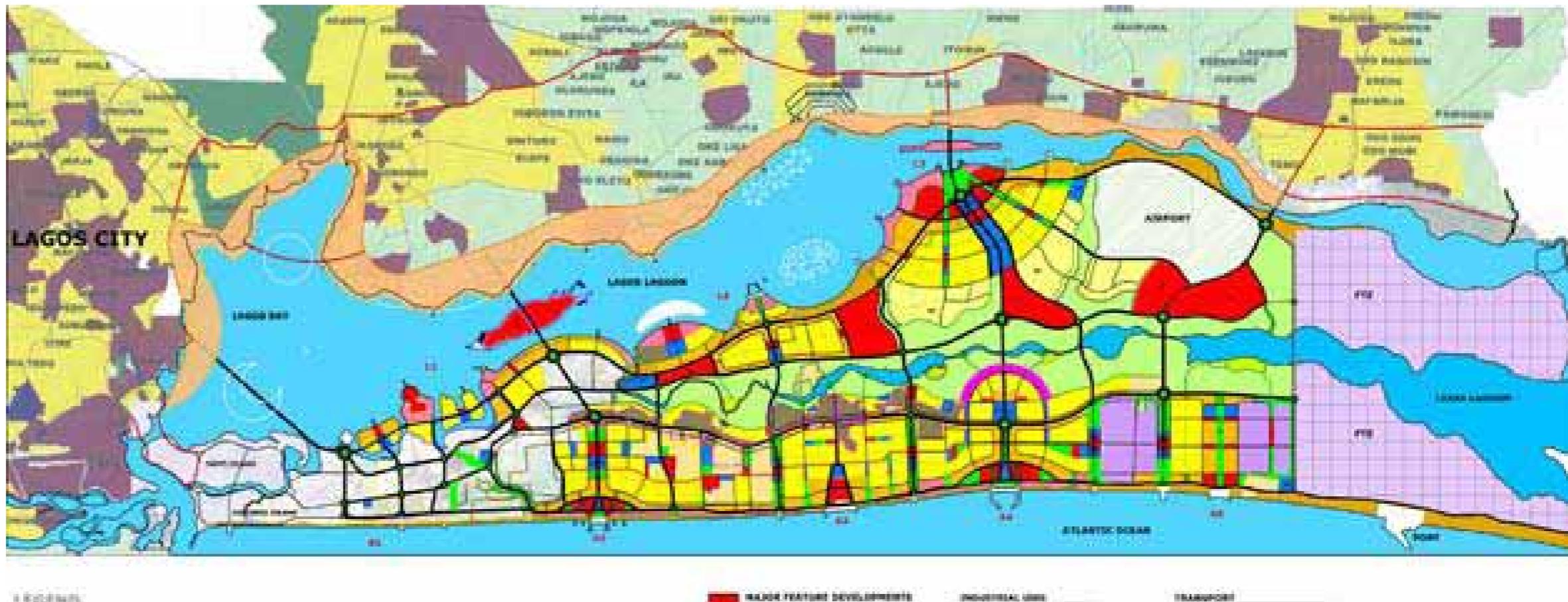
### About Lagos

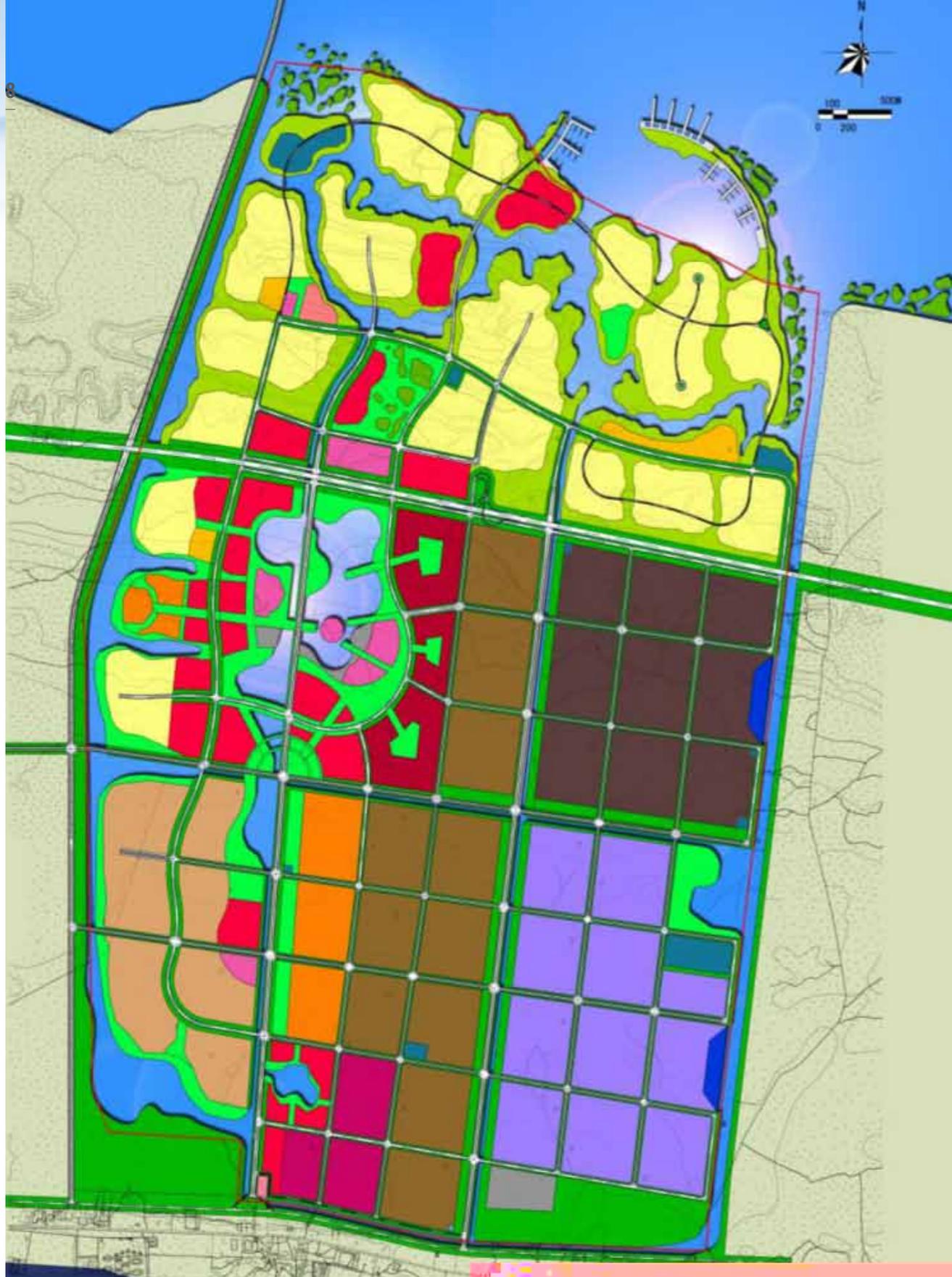
Lagos is located in the southwest of Nigeria, covering 3,345 km<sup>2</sup> and with the population of more than 15 million. It is the economic, financial and trade hub of Nigeria as well as the center of the country's marine transportation and aviation. Lagos is the home of over 60% of Nigerian business enterprises and accounts for 90% of the country's total trade volume of import and export.



### About LFZ

LFZ is located on the tip of Lekki Peninsula to the southeast of Lagos State. It borders Lekki Lagoon in the north and faces the Atlantic in the south with a beautiful coastline of about 5 km stretch. As one of the fastest growing areas in Nigeria in recent years, Lekki area will soon be turned into a modern satellite township of Lagos metropolis.





## Overall Layout & Industrial Orientation

### Overall Layout

According to the masterplan of the 30 square kilometers, the Lekki Free Zone Project is expected to be developed into four main sectors of investments.

The first sector encompasses the integrated commercial service area with professional market, trade exhibition, amusement park, hotel, cultural center, golf course, hospital and school. The other sectors refer to the three leading functional areas, namely, the General Development area in the north, the industrial park in the south west and the logistic and warehousing area in the southeast. The phase one of Lekki Free Zone is planned to be an industrial mega city which will be home for commercial and trading investors, manufacturing, warehousing, logistics and service industries.

Eventually, LFZ will be developed and transformed into a modern multifunctional township for investment, trade, finance and residential with complete infrastructure, sufficient service & supporting facilities, which would serve as a successful model and landmark of the cooperation between China and Nigeria.

### Industrial Orientation

The industrial orientation of LFZ is defined as follows:

Considering the investment environment, the economic development trend as well as the market demand

of Nigeria, LFZ will give priority to manufacturing, warehousing & logistics as the leading industries in the Zone, and take urban services and real estate development as the supporting industries in a bid to achieve rational distribution of industries, markets, and the population, thus gradually turning LFZ into a new industrial city as well as a multi-functional special economic zone of Lagos metropolis, comprising industries, commerce, trade, finance, business, residential, tourism, amusement & recreation, culture, education, etc.

Eventually, LFZ will be turned into a satellite city of Lagos, an ecological city with harmonious development, a dynamic city for suitable residence, a modern industrial city, demonstrating as a successful model of Nigerian economic development.



## Investment Focus

LFZ will focus on the following areas of investment and warmly welcomes investors from all over the world to invest and establish their businesses in the Zone either in the form of sole ownership or joint venture partnership:

1. Electrical home appliances and electronic products, textiles and garments, building materials, processing of agricultural & agro-allied products, machinery manufacturing, automobile assembling and auto parts manufacturing, etc.
2. Oil, natural gas tank farms and chemical industries, transportation, warehousing & logistics, R & D of science and technology park etc.
3. Commercial business, real estate development, tourism and leisure industries, duty free trade markets, shopping malls, hotels, schools, hospitals, office buildings, tourist resorts, and golf course, etc.
4. Infrastructure investment includes: sea ports, power plant, water plant, sewage treatment plant, natural gas pipeline, expressway and mass transit facilities etc.

**Note:** All investment projects in LFZ shall comply with the industrial policies, laws and regulations of Nigeria, shall also be in compliance with the approved master plan of LFZ and also conform to the environmental protection requirements.



## Investment Advantages

### Regional Characteristics

LFZ is about 50km from Lagos city center, 70km from the international airport, only 10km from the new Lekki international airport, 50km from Apapa – the West Africa's largest harbor in Lagos, 55km from Lagos railway station. The planned Lekki new harbor is located right inside the Zone. LFZ will be linked by roads and railway with almost all commercial states of Nigeria and the neighboring countries.



### Market Potential and Prospect

#### Domestic Market

Over the previous years, Nigeria has been experiencing serious lack of commodities and products especially the daily consumables due to its weak industrial capacity and imbalanced economic structure. As a result, more than 905 of products have to be imported from overseas. Moreover, LFZ can not only target the local market of Nigeria with the population of 150 million but also have the easy access to the neighboring countries in West and Central Africa with a total population of about 500 million. Therefore, the domestic market of Nigeria is of huge potential and sustainable development prospect.



#### African and European and American markets

**Africa:** The market condition of most African countries is quite similar to that of Nigeria, and the recent years have witnessed a rapidly growing demand for electrical and mechanical equipment, light industrial products and consumer goods. In particular, the African consumers are generally fond of the Chinese products at reasonable prices with considerable durability.

**Europe and America markets:** Traditionally, there has been a close trade relationship between Nigeria and many developed countries including the United States, UK, France, Germany, Russia and Japan. The exportation of Nigeria's textile products to European and American markets is free from quota restriction and granted



favorable customs tariffs. In addition to such favors and incentives, the unique geographic location of LFZ is not only to provide a short-cut shipping route for exports to European and American markets, but also have the easy access to almost all markets and countries in the world.

## Investment Advantages *(continued)*

### Full Support from Both Chinese and Nigeria Governments

LFZ has been accorded with close concern and full support from both governments of China and Nigeria. As early as April 2006 during Chinese President Hu Jintao's visit to Nigeria and in November 2006 at the Beijing Summit of China-Africa Cooperation Forum, the leaders of both countries explicitly expressed their full support to the establishment and development of LFZ on a cooperative basis. Since the kick-off in early 2006, LFZ has been granted with great support and assistance from the relevant government ministries and departments of both China and Nigeria, including Nigeria Export Processing Zone Authority (NEPZA), the State Government of Lagos, Chinese Ministries of Foreign Affairs, Commerce and Finance, etc.

■ Establishment of overseas economic and trade cooperation zones in Africa is one of the eight strategic policy measures for China-Africa cooperation announced by President Hu Jintao at the Beijing Summit of China-Africa Cooperation Forum held in Autumn 2006. In response, the former President Obasanjo of Nigeria personally wrote a letter to the Chairman of LFZ to extend his full support.

■ In November 2007, LFZ, through competitive bidding, was issued with the Letter of Award by the Chinese Ministry of Commerce, which confirmed the official approval of LFZ as one of China's overseas economic and trade cooperation zones in Africa by the Chinese government.

■ LFZ is an indispensable and important part of the much acclaimed new Lekki development plan and Lagos Metropolis blueprint launched by Lagos State Government.

■ The ministers, governors and government officials at various levels from both China and Nigeria have paid frequent inspection visits to LFZ for the purpose of offering their support to the project.



### Progress of Infrastructure Facilities in the Zone

■ The road network and site clearance for Phase I Development of the Zone covering 11.76 square kilometers have already begun to take shape.

■ The Customs office building and four standard workshops have been completed and put into use. The "One-stop" service center will open soon inside the Customs office building, in which the officials from the relevant government authorities, such as Customs, Immigration, NEPZA, etc will be ready to provide all necessary assistance to the prospective investors and enterprises. In addition, the construction of other supporting facilities is being carried out in full swing.

■ **Power:** An Independent Power Plant (IPP) of 12 MW will be completed December 2012 to meet the initial requirement of the investors for power consumption in the Zone.

■ **Water:** Several bore holes have been completed as the transitional measure to supply water for the investors in the Zone. The permanent water plant for Phase I with daily capacity of 60,000 tons of purified water is now under planning.

■ **Communications:** Nigeria's major mobile telecommunication operators' network has already covered LFZ. However, in order to provide better telecommunication service in the Zone, it is planned to erect a telephone base station with capacity of 10,000 sets and a mobile satellite telecommunication base station, which will be able to offer telephone, fax, mobile phone, internet and telecom value-added services for the investors and all staff & employees in the Zone.

## Investment Advantages *(continued)*

### Service Advantages

The One-stop service center will be set up and opened soon to provide highly efficient and convenient services to the investors and enterprises in the Zone mainly as follows:

- Handling and assisting investors and enterprises in the Zone to apply for the operating license and other legal paper on behalf of relevant government authorities;
- Submitting applications to the government authorities and receiving the operating license and other legal paper approved and issued on behalf of applicant investors;
- Coordinating with the government authorities and agencies;
- Visa issuance, extension and renewal for staff and employees of the investors and enterprises in the Zone by Nigeria Immigration authority in the One-stop service center;
- On-site processing of taxes and levies payable as well as customs clearance of imports for the investors and enterprises in the Zone;
- Collecting the service fees imposed on FOB value of the products exported from LFZ;

- Assisting the investors and enterprises in the Zone in recruiting, hiring and training local staff;

■



### Safety and Security

The security fencing will be erected around the Zone to implement a sealed environment for security management. A police station with armed policemen sent by the Nigerian government will be set up inside the Zone. Apart from the above, LFZ has established its own independent security outfit which is manned by well-trained security guards and equipped with sufficient security devices and tools, so as to provide full protection and security for the investors' lives and properties in the Zone.



### Shareholders' team advantages

Lekki Free Zone Development Company FZC (LFZDC)

LFZDC was incorporated and registered in Nigeria on May 5th, 2006 as the sole developer and investor for establishment, development, operation and management of LFZ in the form of joint venture by:

- The Chinese partner—China-Africa Lekki Investment Ltd.
- The Nigerian partner—Lagos State Government and Lekki Worldwide Investments Ltd.

As the sole developer and investor for LFZ on the Chinese side, China-Africa Lekki Investment Ltd. was incorporated and registered in March 2006 in Beijing by four Chinese shareholders as follows:

- China Railway Construction Corporation Ltd.
- China-Africa Development Fund Ltd.
- China Civil Engineering Construction Corporation Ltd.
- Nanjing Jiangning Economic and Technological Development Corporation.



**中国铁建**





## Investment Opportunities in Lekki Free Zone

## Investment Opportunities

**Manufacturing**

**Light Industries**

- Solar Panels Assembly
- Furniture
- Garment
- Building Materials
- Plastic Products
- Telecommunication Accessories

**Heavy Industries**

- Textile manufacturing
- Equipment/Machinery Assembly
- Cement/Fertilizer
- Aluminum Sheets
- Export Processing
- Steel Pipe Mill
- Agro Allied Chemicals

**Oil & Gas**

- Petroleum Product Storage and Distribution
- Blending Plant and Crude processing

**Real Estate**

- Residential
- Middle /High Income Houses
- Hotel and Guest Houses
- Office Apartments

**Tourism**

- Hospitality
- Recreation & Vacation Homes



## Investment Opportunities in Infrastructure Development

- Reception Facility for the Oil & Gas base (Single Point Mooring System) SPM
- Gas pipeline and distribution for industrial and Domestic use
- Independent Power Plant ( Generation & Distribution)
- Water Treatment Plant
- Sewage Treatment & Waste Management
- Dry Bulk Jetty for manufacturing consignments
- General Parking Yard for Trucks and Tankers
- Roads and Railway for Cargo Trucks and Trains

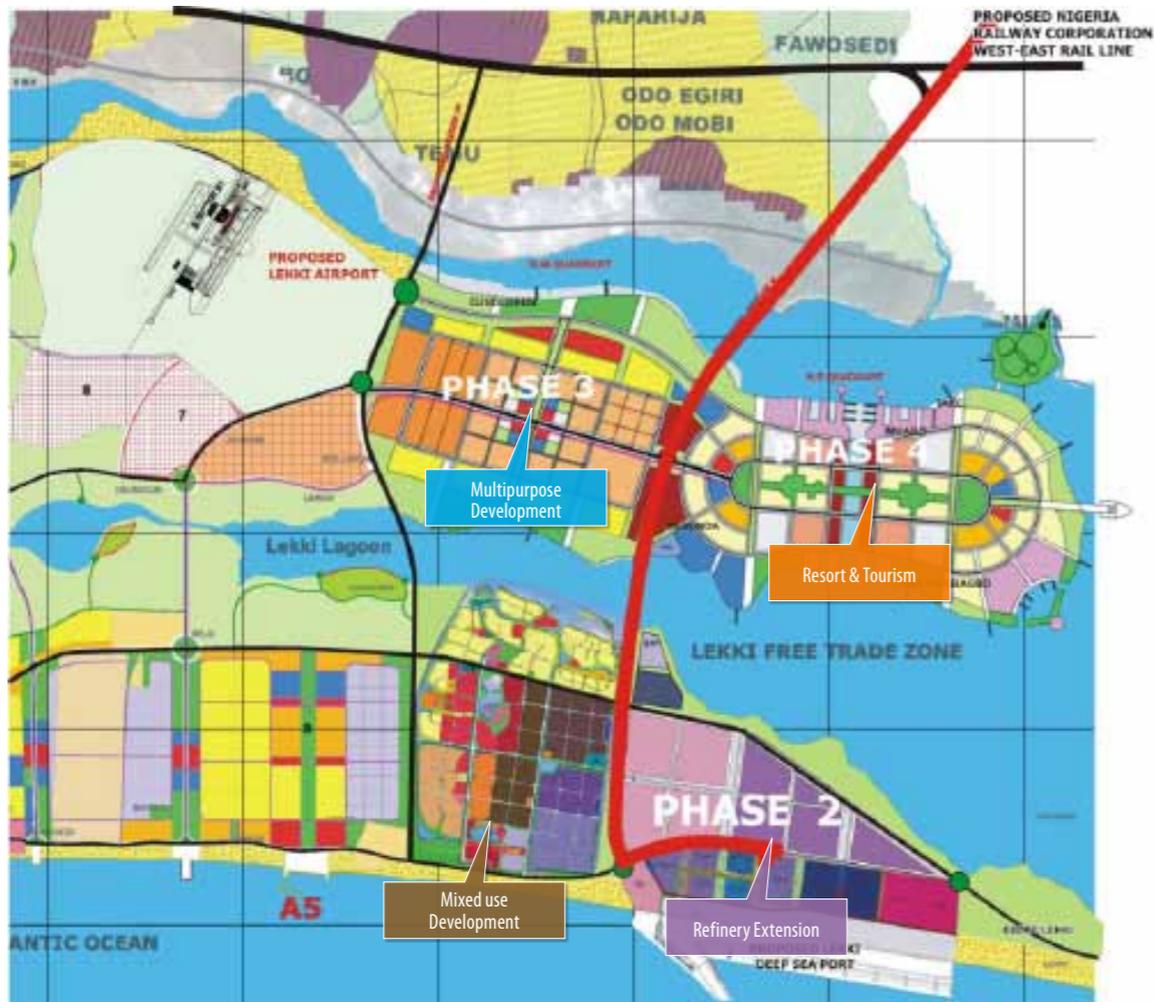


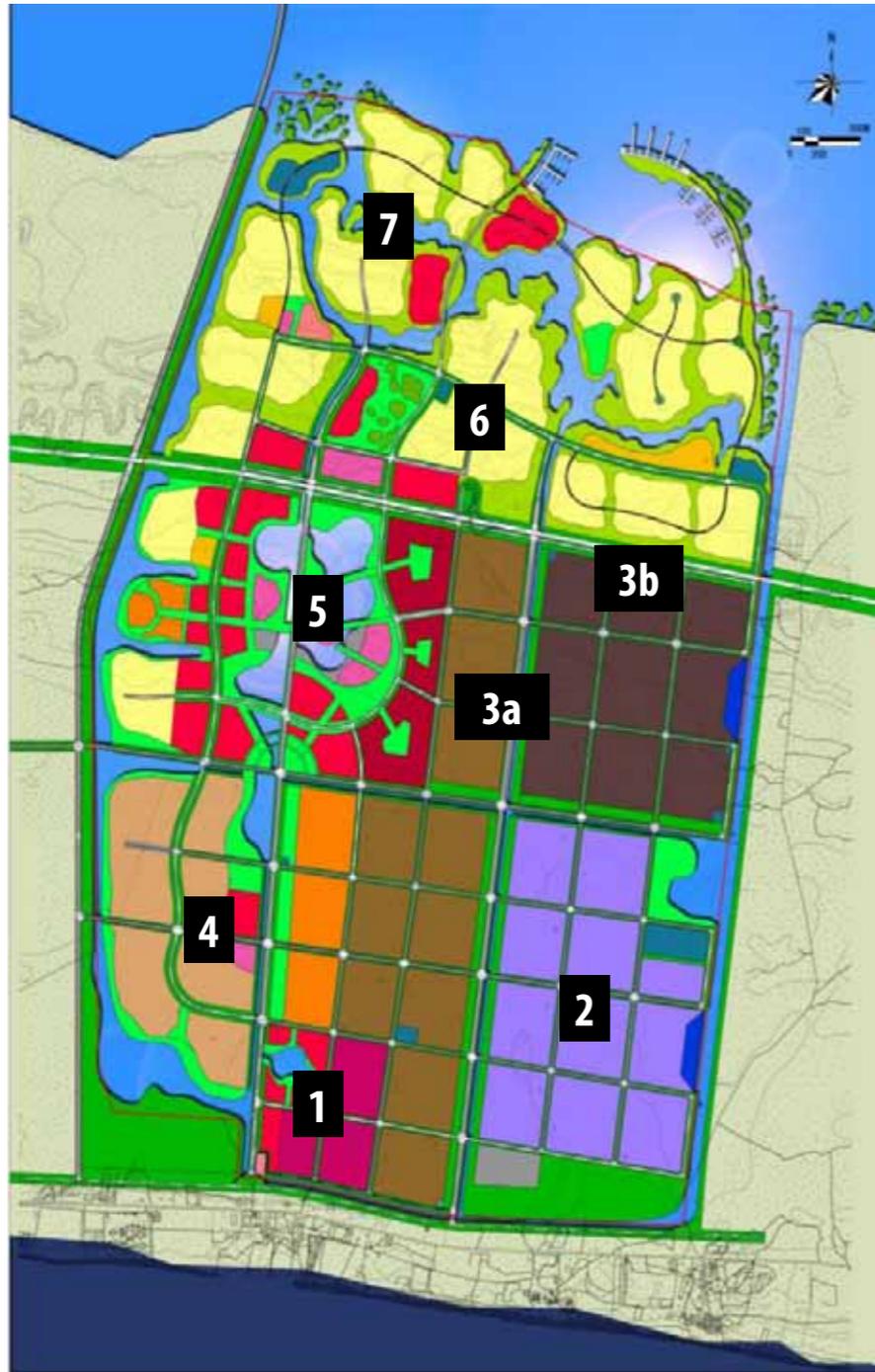
## Investment Opportunities (Contd.)

1. Start Up Area of 1.5 square kilometers
  - Allocation offer for Commercial Services and Logistic Park (Warehousing Facilities)
  - Hotel and Tourism Park
  - Office Apartments for Banks and Insurance Houses
  - Shopping Mall and Duty Free Retail Outlets
  - Hospitals
  - Gas Station



## Lekki Free Zone Masterplan





### Location of Each Category of Investment within the First Phase

1. Exhibition and Duty Free Retail Trading (Start-Up Area of 1.5 sq.km)
2. Petroleum Products Storage Facility
3. Manufacturing (light and heavy)
  - 3a
  - 3b
4. Entertainment and Culture Creation
5. Central Business District
6. Residential
7. Recreation & Tourism

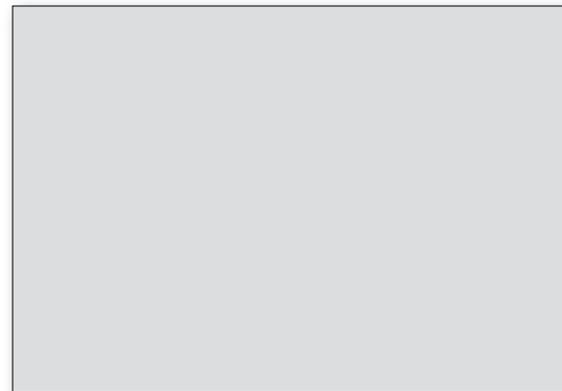
### Merits of Investing in the Lekki Free Zone

- Guaranteed Return on Investment
- Secured Business Environment
- Incentives for investment growth
- Attraction of FDIs
- Availability of market from within and outside the customs territory
- Minimal turn around time for approvals and Permits
- 100% Foreign Ownership of Investments allowed.



### Land Lease Rates

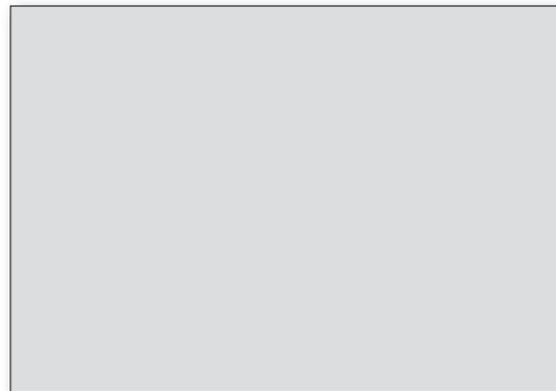
- Manufacturing-\$50 per m2
- Concessionary rate \$30 per m2 (Bush land devoid of infrastructure)
- Oil & Gas- \$50 per m2 ( Bush land devoid of infrastructure)
- Real Estate- Not yet decided
- Hotel & Tourism- Not yet decided
- All rates are subject to review prior to execution of Investment Agreement



Exterior of the Standard Factories



Interior of the Standard Factory



Interior of the Standard Factories



Road infrastructure

## Preferential policies and incentives for investors

- The preferential policies and incentives granted to the investors and enterprises in LFZ are as follows:
- Complete tax holiday from all Federal, State and Local Government taxes, rates, customs duties and levies.
- One-stop approval for all permits, operating licenses and incorporation papers.
- Duty-free, tax-free import of raw materials and components for goods destined for re-export.
- Duty-free capital goods, consumer goods, machinery, equipment and furniture.
- Permission to sell 100% of manufactured, assembled or imported goods into the domestic Nigerian market.
- When selling into the domestic market, the amount of import duty on goods manufactured in the Lekki Free Zone is calculated only on the basis of the value of the raw material or components used in assembly, not on the finished products.
- 100% foreign ownership of investments.
- 100% repatriation of capital, profits and dividends.
- Waiver on all import and export licenses.
- Waiver on all expatriate quotas for companies operating in the zones.
- Prohibition of strikes and lockouts.

## Investment Procedures

### 1. Initial requirement

- a. Applicant to submit written applications to Lekki Free Zone Development Company FZC (LFZDC);
- b. Signing the “Memorandum of Understanding” in Lekki LFZ;

### 2. Registration of the companies in the Zone

- a. Applicant investors to complete and submit application forms and other supporting documents.

- b. Applicant investors to pay a non-refundable registration fee at the amount corresponding to the investor’s investment industry;
- c. “Provisional Approval Letter” to be issued by LFZDC to the applicant investor;
- d. “Operating License” to be issued by LFZDC to the applicant investor.

### 3. Execution of the Investment Agreement and issuance of land sub-lease certificate:

- a. Execution of the “Investment Agreement”;
- b. Investment Agreement and other necessary documents to be public- notarized;
- c. “Land Sub-lease Certificate” to be issued to the investor by LFZDC upon payment of the land lease fee by the investors;
- d. Land Sub-lease Certificate and other necessary documents to be public-notarized.

### 4. Development and Construction of the Investment Project (Land development within 2 years)

- a. Investor to submit the construction plan and design scheme of the investment project in the Zone to LFZDC within six months from the date of issuance of the “Land Sub-lease Certificate”;
- b. Letter of Approval for the construction plan and design scheme to be issued after review of the same by LFZDC ;
- c. Investor to commence construction of the investment project in the Zone within 12 months from the date of issuance of the Letter of Approval;
- d. The on-site inspection to be made and the approval to be issued by LFZDC before the investor commences the equipment installation of the investment project;
- e. Equipment commissioning to be carried out by the investors;
- f. Investor to apply for permit to commence production;

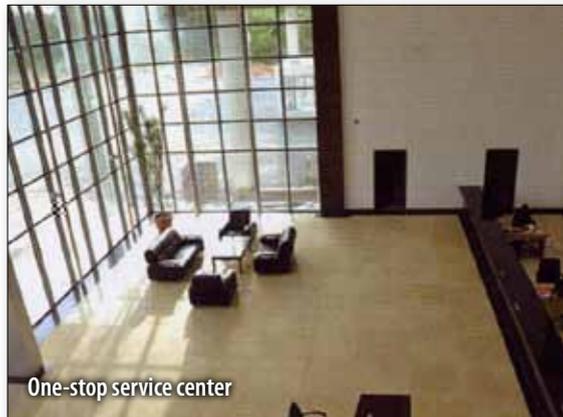
## The New Look of the Zone



The Entrance gate of the Zone



A road in the Zone



One-stop service center



Staff Accommodation Camp



A standard workshop under construction



A completed standard workshop



### **Hotlines of Lekki Free Zone**

#### **Lagos, Nigeria**

Tel:+234(0)7035417440,  
+234(0)8063037118

E-mail: [lfzdc@yahoo.com.en](mailto:lfzdc@yahoo.com.en) [Http://  
lfzdc.org](http://lfzdc.org)

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Fax: (86-10)52689325

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