



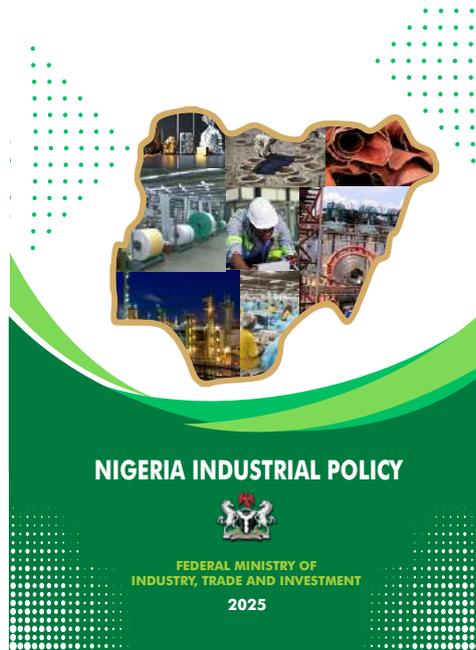
NIGERIA INDUSTRIAL POLICY



FEDERAL MINISTRY OF
INDUSTRY, TRADE AND INVESTMENT

2025





Publisher

*Federal Ministry of Industry, Trade and Investment
Garki Abuja, Federal Capital Territory
Nigeria
www.fmiti.gov.ng*

©2025

All rights reserved.

Table of Contents



Foreword	5
Preface	9
Acronymns	11
CHAPTER ONE	15
1.0 INTRODUCTION	15
1.1 Situational Analysis of Nigeria's Industrial Sector	15
1.2 Key Industries Driving Nigeria's Economy	16
1.3 Framework Analysis (Institutional, Policy, and Legal & Regulatory)	24
1.4 Analysis of the Industrial Environment	29
1.5 Industrial Sector Constraints	33
1.6 Infrastructure	33
1.7 Analysis of the Strategic Environment	34
CHAPTER TWO	36
2.0 POLICY CONTEXT	36
2.1 Policy Direction	36
2.2 Policy Goal and Objectives	37
CHAPTER THREE	41
3.0 ACHIEVING THE POLICY OBJECTIVES	41
3.1 MSMEs and Industrial Entrepreneurship Development	41
3.2 Upgrading Technology	42
3.3 Standards and Quality Infrastructure Development	44
3.4 Strengthening Sectoral Innovation Systems	45
3.5 Establishment of a Coordination Platform	45
3.6 Local Raw Materials Sourcing and Development	46
3.7 Reducing Cost of Production and Improving Ease of Doing Business	46
3.8 Sustainable Energy Supply	47
3.9 Competitiveness and Market Access: Marketing and Distribution	47
CHAPTER FOUR	49
4.0 INDUSTRIAL SKILLS AND INNOVATIONS	49
4.1 Key Actors in Skills and Innovations	49
4.2 Strategies	49



CHAPTER FIVE	53
5.0 INCENTIVES	53
5.1 Fiscal Measures	53
5.2 Monetary Measures	57
5.3 Export Incentives	60
5.4 Industrial Incentives	60
5.5 Strategic Incentives, Existing Instruments and Programmes	61
5.6 Trade Agreement Initiatives	62
5.7 Investment Agreement Initiatives	63
CHAPTER SIX	64
6.0 FUNDING OF INDUSTRIAL DEVELOPMENT	64
6.1 Funding of Micro, Small and Medium Enterprises (MSMEs)	65
6.2 Foreign Capital	65
CHAPTER SEVEN	67
7.0 GROWING INDUSTRIAL SUB-SECTOR	67
7.1 Agribusiness & Agro-Allied industry	68
7.2 Oil & Gas	71
7.3 Chemical Industry	72
7.4 Pharmaceutical and Medical Device Industry	74
7.5 Automotive Sector	77
7.6 Electrical and Electronics	78
7.7 Energy Industry	79
7.8 Information and Communication Technology (ICT)	80
7.9 Fishery and Aquaculture Industry	81
7.10 Production and Consumption	82
7.11 Contribution, Employment, and Sub-sectors	83
7.12 Policies, Strategies, Acts, and Plans on Fisheries and Aquaculture	83
CHAPTER EIGHT	85
8.0 INSTITUTIONAL STRENGTHENING FOR INCLUSIVE AND SUSTAINABLE INDUSTRIAL POLICY DELIVERY	85
8.1 Environmental Sustainability	85
8.2 Monitoring and Evaluation (M&E) Framework	86
8.3 Subnational Collaboration for Effective Industrial Policy Implementation	87
8.4 Communication Strategy	87
8.5 Financing Mechanism	88
8.6 Conclusion	88



FOREWORD

It is with a deep sense of duty and conviction that I present this Nigeria Industrial Policy (NIP): a comprehensive framework that reaffirms our national resolve to diversify the economy, create inclusive prosperity, and secure Nigeria's rightful place as a leading industrial hub in Africa and the wider global economy.

Industrialisation is not an aspiration; it is an imperative. For decades, the absence of a coherent, forward-looking, and actionable industrial policy constrained our ability to unlock the full potential of Nigeria's abundant resources, human talent, and entrepreneurial dynamism. Today, through this policy, we seek to reverse that narrative.

This document sets out a clear and actionable roadmap for Nigeria's industrial transformation. It identifies priority sectors, establishes enabling reforms, and codifies incentives that ensure our industrial growth is not only accelerated but also inclusive, competitive, and sustainable.

Anchoring Industrial Growth Through Incentives and Reforms

At the heart of this policy is a robust incentive framework: fiscal, monetary, export, and industrial measures; that reduces the cost of doing business, spurs investment, and fosters innovation. The recent tax reforms, harmonising multiple levies and creating a fairer regime for businesses, form the fiscal backbone of this agenda. Complementing this are targeted waivers on VAT and import duties to catalyse renewable energy, green manufacturing, and priority industries, alongside the Economic Development Incentive (EDI) that replaces the former pioneer status with a more transparent, performance-linked model.



Deepening Access to Finance

We recognise that no policy succeeds without financing. This is why the NIP strengthens our development finance architecture: recapitalising the Bank of Industry, scaling sectoral intervention funds, mainstreaming credit guarantees for MSMEs, and introducing innovative schemes such as interest-drawback programmes and equity-based financing. By setting aside up to 5% of GDP for industrial financing and leveraging public-private partnerships, this government demonstrates its commitment to matching ambition with resources.

Driving Sectoral Competitiveness

Nigeria's industrialisation must be sector-driven. Accordingly, this policy provides targeted strategies for agro-allied industries, solid minerals and metals, oil and gas downstream, chemicals, pharmaceuticals, automotive, electrical and electronics, ICT hardware, energy industries, and fisheries and aquaculture. These strategies range from modernising agro-processing and textiles, to catalysing downstream petrochemicals, to positioning Nigeria as a pharmaceutical and medical device hub, to building competitive advantage in ICT, EVs, and renewable energy technologies. Each sectoral pathway is designed with value-chain integration, employment creation, and export competitiveness in mind.

Global and Regional Integration

We situate Nigeria's industrial ambition within the realities of a fast-changing global order. From the African Continental Free Trade Area (AfCFTA) to ECOWAS' ETLs, from AGOA to the UK's DCTS, the NIP aligns our national strategy with continental and global trade frameworks. The objective is clear: Nigeria must be a net exporter of manufactured goods, a regional supply-chain anchor, and a trusted hub for sustainable investment.

Sustainability, Innovation, and Inclusive Delivery

Equally critical is our commitment to sustainability and resilience. This policy mainstreams circular economy principles, clean technologies, renewable energy adoption, and eco-industrial parks, ensuring that growth today does not mortgage the future.

We also recognise that policy without delivery is an empty promise. That is why we have built into this framework strong institutional mechanisms: the



Industrial Revolution Work Group (IRWG), the National Industrial Development Monitoring System (NIDMS), subnational collaboration platforms, and independent evaluation systems. These are designed to ensure accountability, coordination, and transparency.

A Shared National Responsibility

Above all, this policy is not government's agenda alone, it is a national compact. It calls upon the ingenuity of our private sector, the commitment of our development partners, the resilience of our MSMEs, and the dynamism of our young people. It also demands closer cooperation across federal, state, and local governments to align objectives and mobilise action.

Conclusion

The Nigeria Industrial Policy is more than a document; it is a statement of intent, a vision, and a covenant. It is our collective declaration that Nigeria will no longer be content with exporting raw materials while importing jobs and prosperity. Instead, we shall build, manufacture, and innovate here at home: creating wealth that endures, industries that compete globally, and opportunities that reach every Nigerian household.

I invite all stakeholders to take ownership of this policy, to hold us accountable for its delivery, and to walk with us in building an economy that is diversified, competitive, and innovation-driven by 2035.

Together, let us turn policy into progress, and vision into impact.

Senator John Owan Enoh

Honourable Minister of State for Industry

Federal Ministry of Industry, Trade and Investment





PREFACE

The publication of the Nigeria Industrial Policy (NIP) represents a milestone in the coordinated effort of government to provide a structured, coherent, and actionable framework for industrial development in our country.

Industrialization is not achieved through aspiration alone; it requires painstaking planning, rigorous consultation, effective coordination, and sustained implementation. As the administrative leadership of the Federal Ministry of Industry, Trade and Investment (FMITI), the Permanent Secretary's Office has ensured that this policy reflects both the technical depth and the institutional breadth required to transform our economy.

This document is the product of wide-ranging collaboration: across Ministries, Departments, and Agencies; with our organized private sector; with development partners; and with subnational governments. It has benefitted from technical inputs from the Industrial Revolution Work Group (IRWG), sectoral task teams, and consultations with labour, academia, and professional associations. The result is a policy that is nationally owned, evidence-based, and aligned with our continental and global obligations.

The NIP is also anchored on institutional strengthening. Implementation will be guided by robust monitoring and evaluation frameworks, including the National Industrial Development Monitoring System (NIDMS), with clear Key Performance Indicators at national and subnational levels. We have embedded mechanisms for accountability, transparency, and feedback to ensure that the lessons of the past are not repeated, and that this policy remains a living document, responsive to emerging trends and realities.

Furthermore, the Ministry is committed to building the administrative and technical capacity required to deliver on the policy's



objectives. From harmonizing fiscal and monetary measures, to driving trade facilitation, to supporting MSMEs and promoting innovation, FMITI will continue to act as the coordinating hub for Nigeria's industrial transformation. Emphasis will be towards building on the National Industrial Revolution Plan (NIRP) framework in alignment with global trends such as green industrialization and digital transformation for coordinated skills acquisition programmes for the youths.

This preface is therefore both a statement of stewardship and a pledge of commitment. The Nigerian civil service, under the Renewed Hope Agenda, stands ready to serve as the backbone of this policy's execution. We will provide the continuity, discipline, and institutional memory that ensures the Nigeria Industrial Policy is not only launched, but implemented faithfully and effectively in collaboration with relevant stakeholders.

On behalf of the Federal Ministry of Industry, Trade and Investment, I commend this policy to all stakeholders. It is our collective tool for action, and with it, we move decisively towards building a diversified, resilient, and globally competitive industrial economy.

Ambassador Nura Abba Rimi

Permanent Secretary

Federal Ministry of Industry, Trade and Investment



ACRONYMS

AFRI-EXIM Bank	-	African Export-Import Bank
ARSO	-	African Organisation for Standards
BMOs	-	Business Membership Organisations
BOI	-	Bank of Industry
BPP	-	Bureau of Public Procurement
CAC	-	Corporate Affairs Commission
CACS	-	Commercial Agriculture Credit Scheme
CKD	-	Completely Knocked Down
CBN	-	Central Bank of Nigeria
DBN	-	Development Bank of Nigeria
DFIs	-	Development Financial Institutions
ECN	-	Energy Commission of Nigeria
ECOWAS	-	Economic Community of West African States
EDI	-	Economic Development Incentive
EEG	-	Export Expansion Grant
EIA	-	Environmental Impact Assessment
EIP	-	Eco-Industrial Park
EPZs	-	Export Processing Zones
ETLS	-	ECOWAS Trade Liberalisation Scheme
FBUss	-	Fully Built Units
FCCPC	-	Federal Competition and Consumer Protection Council
FIIRO	-	Federal Institute for Industrial Research, Oshodi
NRS	-	Nigeria Revenue Service



FM&FS	-	Federal Ministry of Agriculture and Food Security
FMEv	-	Federal Ministry of Environment
FMF	-	Federal Ministry of Finance
FMITI	-	Federal Ministry of Industry, Trade and Investment
FMJ	-	Federal Ministry of Justice
FMoP	-	Federal Ministry of Power
FMIST	-	Federal Ministry of Innovation, Science and Technology
GDP	-	Gross Domestic Product
GEN	-	Global Entrepreneurship Network
GIZ	-	German Agency for International Cooperation
GMP	-	Good Manufacturing Practice
GHP	-	Good Handling Practice
HACCP	-	Hazard Analysis and Critical Control Point
ICT	-	Information and Communication Technology
ICRC	-	Infrastructure Concession Regulatory Commission
IDD	-	Industrial Development Department
IFC	-	International Finance Corporation
IID	-	Industrial Inspectorate Department
IPs	-	Industrial Parks
IPR	-	Intellectual Property Right
IRWG	-	Industrial Revolution Work Group
ISI	-	Import Substituting Industrialization
IT	-	Information Technology
ITF	-	Industrial Training Fund
MAN	-	Manufacturers' Association of Nigeria
NBTI	-	National Board for Technology Incubation
MDAs	-	Ministries, Departments and Agencies
MDGs	-	Millennium Development Goals
MEIBS	-	Manufacturers Export-In-Bond Scheme
MFA	-	Ministry of Foreign Affairs
MFBS	-	Microfinance Banks
FMSD	-	Federal Ministry of Steel Development
MPR	-	Ministry of Petroleum Resources
MSMEs	-	Micro, Small and Medium Enterprises
NABDA	-	National Biotechnology Development Agency



NADDC	-	National Automotive Design and Development Council
NAFDAC	-	National Agency for Food and Drug Administration and Control
NAIDP	-	Nigeria Automotive Industry Development Plan
NAPEP	-	National Poverty Eradication Programme
NARICT	-	National Research Institute for Chemical Technology
NASENI	-	National Agency for Science and Engineering Infrastructure
NBS	-	National Bureau of Statistics
NBRI	-	Nigerian Building and Road Research Institute
NCS	-	Nigeria Customs Service
NCDMB	-	Nigerian Content Development and Monitoring Board
NDE	-	National Directorate of Employment
NEDEP	-	National Enterprise Development Programme
NEEDS	-	National Economic Empowerment and Development Strategy
NEPC	-	Nigerian Export Promotion Council
NEPZA	-	Nigeria Export Processing Zones Authority
NERC	-	Nigerian Electricity Regulatory Commission
NESREA	-	National Environmental Standards and Regulations Enforcement Agency
NEXIM BANK	-	Nigeria Export-Import Bank
NGO	-	Non-Governmental Organisation
NILEST	-	Nigerian Institute of Leather and Science Technology
NiNAS	-	Nigeria National Accreditation Service
NIP	-	Nigeria Industrial Policy
NIPC	-	Nigerian Investment Promotion Commission
NIRP	-	Nigeria Industrial Revolution Plan
NIRSAL	-	Nigeria Incentive-Based Risk Sharing for Agricultural Lending
NITDA	-	National Information Technology Development Agency
NISDP	-	National Industrial Skill Acquisition Programme
NOA	-	National Orientation Agency
NOTAP	-	National Office for Technology Acquisition and Promotion



NQIP	-	National Quality Infrastructure Project
OEMs	-	Original Equipment Manufacturers
OGFZA	-	Oil and Gas Free Zones Authority
OPS	-	Organized Private Sector
PRODA	-	Project Development Agency
R&D	-	Research and Development
RMe-regP	-	Raw Materials E-Registration Portal
RMRDC	-	Raw Materials Research and Development Council
SAP	-	Structural Adjustment Programme
SMEDAN	-	Small and Medium Enterprises Development Agency of Nigeria
SON	-	Standards Organisation of Nigeria
SPV	-	Special Purpose Vehicle
S & T	-	Science and Technology
TBICs	-	Technology Business Incubation Centres
TIC	-	Technology Incubation Centre



Chapter

1

1.0 INTRODUCTION

Nigeria's long-term economic development is guided by “Agenda 2050”, a perspective plan aiming to transform the country into an upper-middle-income nation. This plan is supported by a series of medium-term National Development Plans, with the current one spanning 2021-2025. The 2025-2050 period will likely see continued implementation of these plans, focusing on diversification, infrastructure development, and human capital development. A closer look at these plans shows that Nigeria Agenda 2050 has the vision of transforming Nigeria into an upper-middle-income country with a significant increase in per capita income.

Its core objectives are diversification of the economy, poverty reduction, and achieving social and economic stability. This is with focus on Agriculture, manufacturing, oil and gas, solid minerals, infrastructure, digital economy, and human capital development.

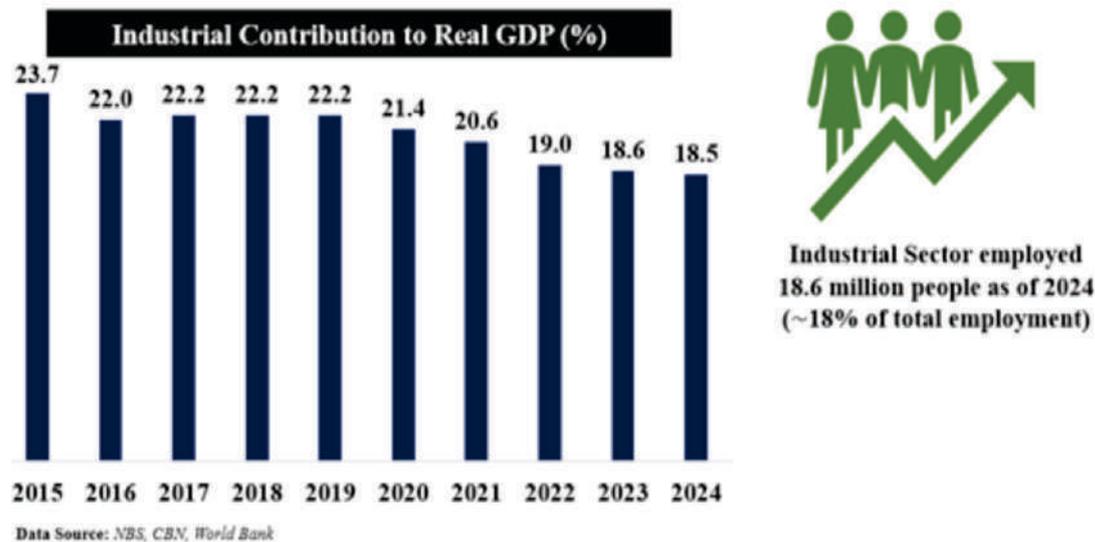
Also, the current plan (2021-2025) aims to achieve average economic growth of 4.6% per num, lift 35 million people out of poverty, create 21 million jobs, and improve health and education, while subsequent plans (2026-2030, 2031-2035, etc.) will build on the foundation laid by the 2021-2025 plan, with a focus on sustained growth and development. The plans go with the key themes and strategies for diversification, infrastructure development, human capital development, private sector involvement, macroeconomic stability. All these hinges on the overall development of the various industries that hold the economy.

1.1 Situational Analysis of Nigeria's Industrial Sector

The industrial sector is a key driver of Nigeria's economy, with oil and gas being the largest contributor to foreign exchange earnings at 88.3% and 5.5% of GDP in 2024 (3.4% as rebased). The sector has the potential to drive economic growth and development despite observed constraints. This is evident in the 8.9% (8.2% as rebased) contribution



of the manufacturing sector to GDP in 2024 which is estimated to increase to 10% in 2025, employing about 12% of the formal labour force, and the \$14.1 million market size projection for the Energy Management Systems (EMS) in 2025.



As Nigeria pursues industrialization, economic diversification and export-led growth, it becomes more apparent that success is hinged on skilled workforce and a vibrant innovation ecosystem. The Federal Ministry of Industry, Trade and Investment (FMITI) having unveiled a 2025 roadmap that places human capital development and technology adoption at its core seeks to build a resilient, high-value manufacturing manpower base leveraging on the potentials of the industrial sector.

This chapter, therefore, examines the current skills landscape, identifies key actors, surveys flagship programmes, and aligns its industrial and trade aspirations with leading practices in industrial development leveraging technologies, cutting edge skills and innovative strategies.

1.2 Key Industries Driving Nigeria's Economy

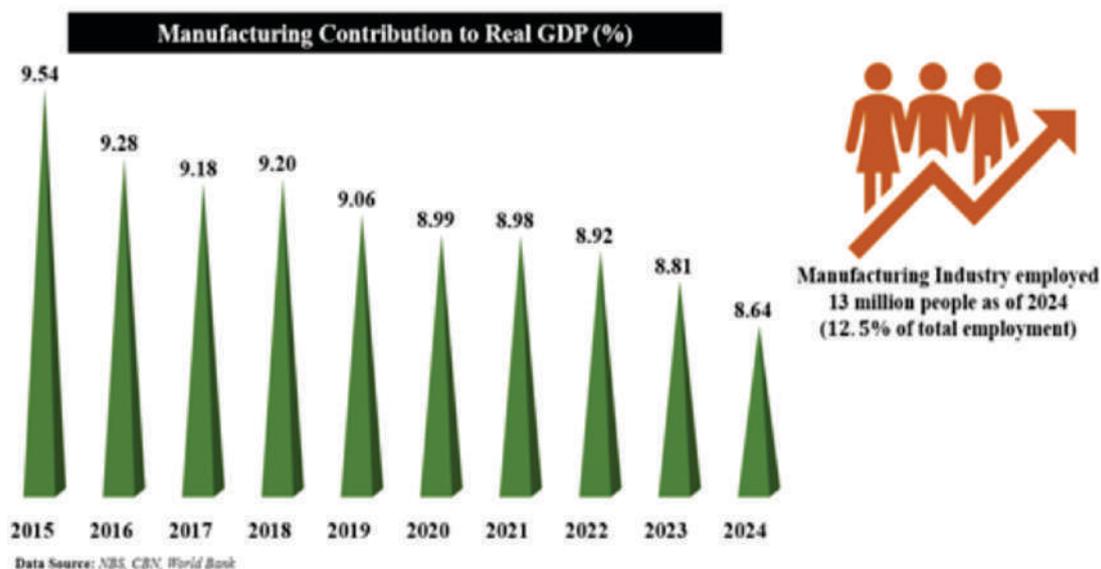
Several industries drive Nigeria's economy, including:

1.2.1 Manufacturing Industry

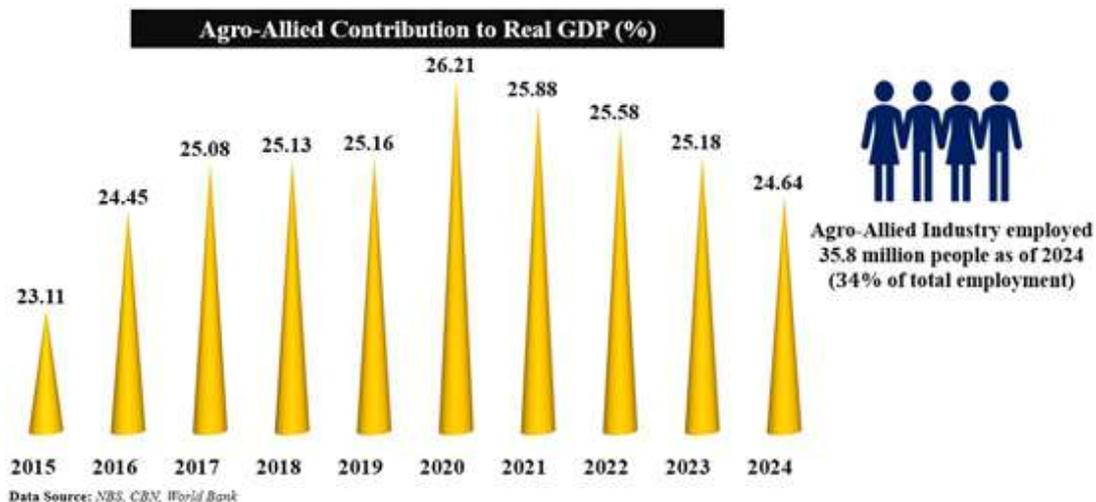
The manufacturing Industry contributes about 9% to GDP and employs 13 million of Nigerians, mainly in food processing, cement production, textiles, pharmaceuticals, and automotive industry. Relevant legal and institutional frameworks are in place to address key challenges such as inadequate power supply, low access to finance and competition from cheap imported products limiting the performance of the industrial sector. The future outlook for the industry is bright with abundant natural resources, massive investment in the



development of Special Economic Zones (SEZs), the growing market size, and participation of Nigeria in AfCFTA and ECOWAS Trade Liberalisation Scheme (ETLS).



Over the past decade, the agro-allied industry has contributed an average of 25% (27% as rebased) to Nigeria's real GDP and currently accounts for 35% of total employment. It serves as a primary source of raw materials for key manufacturing sectors, including food processing, leather goods, and textiles, reinforcing its pivotal role in driving industrial linkages and inclusive economic development.





The industry faces challenges such as limited mechanization and outdated farming techniques, post-harvest losses and insecurity. The future outlook for the industry includes investment in agricultural mechanization, improved seed varieties, and technology-driven agribusiness.

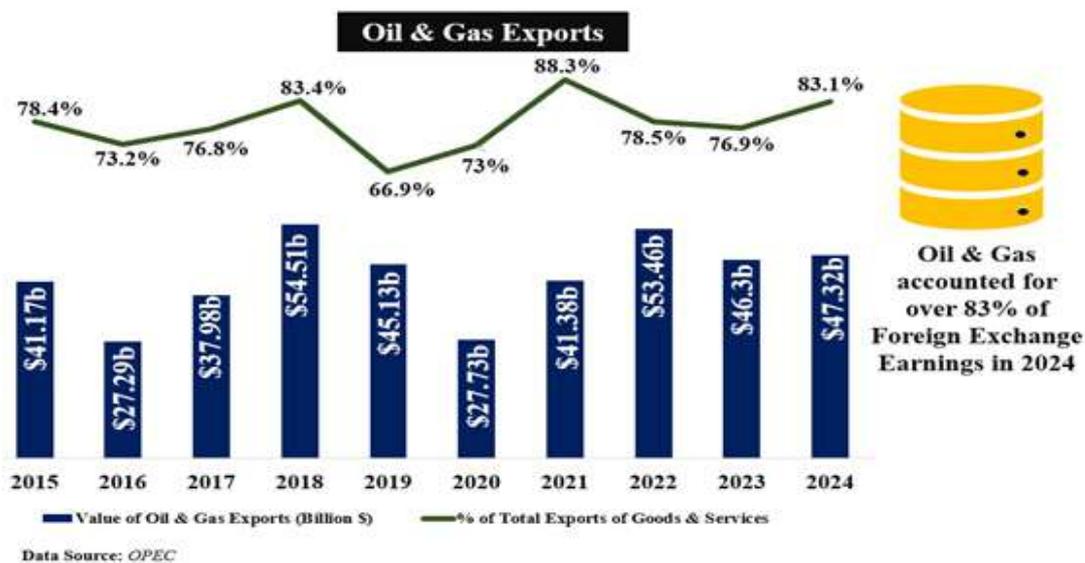
Several policy-related factors have impaired impressive performance of the manufacturing sector. These include high cost of funding (credit and foreign exchange), high cost of inputs, inadequate and unstable electricity and water supplies, poor road network and use of obsolete equipment, all of which impairs the competitiveness of the sector. Other constraints to manufacturing activities include inadequate proper national quality infrastructure, influx of imported manufactured goods particularly textiles, footwear, electronics and electrical appliances, spare parts, communication equipment, food and beverages, wood and wood products as well as furniture products. Also, the consumers' preference (among all economic agents) for foreign goods is high (N26.8 trillion in 2024). The future outlook of this sector shows it can increase its contribution to GDP beyond its present single digit when appropriately harnessed and improved upon.

1.2.2 Oil & Gas Industry

The oil and gas sector is a vital component of Nigeria's economy, contributing significantly to the country's revenue, foreign exchange earnings, and GDP. The sector accounts for 88.3% of foreign exchange earnings 5.5% (3.4% as rebased) of the country's GDP and attracts significant foreign direct investment. Oil-related revenues, including petroleum profit tax, royalties, and NNPC earnings, have historically accounted for 65 - 85% of the federal government's revenue.

The oil and gas sector attracted \$17 billion in foreign direct investment (FDI) in 2024, driven by new laws like the Petroleum Industry Act and a decline in oil theft. Oil production has been growing steadily, with the country aiming to reach 1.9 million barrels per day (bpd) by the end of 2025 and 2 million bpd by 2027. As of July 2025, oil output stood at 1.63 million bpd. Equally, Nigeria's gas production rose from 2.49 million metric standard cubic feet (mmscf) in 2023 to 2.51 mmscf in 2024, positioning the country as a significant player in the global gas market.

However, Nigeria's reliance on oil and gas for its export earnings makes it vulnerable to fluctuations in global oil prices. Overdependence on oil exports, oil theft and vandalism, growing concern over the use of fossils, and global price fluctuations pose significant threat to the vibrancy of the sector.



The future outlook for the industry is predicated on several initiatives taken by government in recent times. They include the Executive Orders issued by President Bola Ahmed Tinubu in May 2024 to enhance the upstream petroleum sector landscape, boost competitiveness, reduce operational costs, and bureaucratic delays, while fostering transparency and predictability in field activities. Others are the Cost Efficiency Incentive (CEI); Declaration of the "Decade of Gas" that signposts its commitment to making Nigeria a gas-powered economy, with initiatives to boost gas infrastructure and utilization; Anti-Theft Measures, including enhanced pipeline monitoring and community engagement initiatives; and Investment in Infrastructure development, particularly gas pipelines and processing facilities, to support the growth of the oil and gas sector.

In addition, Government is implementing regulatory reforms, such as the Petroleum Industry Act (PIA) to provide a framework for the oil and gas sector; promoting local content development in the oil and gas sector through policies like the new Engineering, Procurement, Construction, and Installation (EPCI) policy, which mandates greater participation of indigenous companies in EPCI projects.

A major achievement in the downstream segment is the advent of indigenous refineries, like the Dangote Refinery and other smaller refineries. As the world largest single train refinery, the Dangote has a processing capacity of 650,000 barrels of crude oil per day. The refinery aims to meet Nigeria's entire domestic demand for refined petroleum products, while generating surpluses for export across Africa and beyond.

The government is doing more work in collaboration with the private sector to overcome the sector's deep-seated issues, with a commitment to increase crude oil production to 2.6 million barrels per day by 2027 and 4 million barrels per day by 2030, as outlined in the Renewed Hope agenda.



The Dangote Refinery is a game-changer for Nigeria's oil and gas industry, poised to significantly reduce the country's dependence on imported petroleum products. Here are some key contributions:

- **Increased Energy Self-Sufficiency:** With a processing capacity of 650,000 barrels of crude oil per day, the refinery aims to meet Nigeria's entire domestic demand for refined petroleum products, while generating surpluses for export across Africa and beyond.
- **Economic Growth:** The refinery is expected to drive economic growth, create over 100,000 direct and indirect jobs, and save Nigeria over \$5 billion annually in foreign exchange.
- **Improved Product Quality:** The refinery produces Euro 5 standard diesel, a high-quality fuel that contains less than 10 parts per million of sulphur, reducing pollution and improving public health.
- **Regional Energy Security:** The refinery's influence extends beyond Nigeria's borders, with potential to supply refined products to West African countries, enhancing regional energy security and strengthening Nigeria's position in the African oil market.
- **Reducing Imports:** By producing petroleum products domestically, the refinery will reduce Nigeria's reliance on imported petroleum products, which currently cost an estimated \$10 billion annually.
- **Boost to GDP:** The refinery is expected to boost Nigeria's GDP through increased industrial activity and create new opportunities for local businesses.

However, the refinery still faces some challenges, including:

- **Crude Supply:** The refinery has been importing significant quantities of U.S. crude oil due to gaps in local supply but plans to transition to using only Nigerian crude by the end of 2025.
- **Operational Efficiency:** The refinery's ability to secure a steady crude supply and maintain profitability will be crucial to its success.

The future outlook for the industry includes diversification efforts and improved security in oil-producing regions. It will also continue to play a significant role in its percentage of contribution to foreign earnings and GDP, though there is an increased activity towards diversifying the economy away from oil and gas dependence.



I. Operational Frameworks for Oil and Gas

Several reforms and initiatives are already shaping Nigeria's downstream sector:

- **Presidential Fertilizer Initiative (PFI):** Strengthens backward integration in fertilizer production, combining local urea and imported components.
- **Nigerian Gas Expansion Programme (NGEP):** Supports the development of gas-based industries and infrastructure for LPG, methanol, and gas-to-liquids.
- **Nigerian Content Development & Monitoring Board:** Deepens local value addition across the oil and gas value chain, driving indigenous participation, boosting in-country fabrication, and promoting the production of critical inputs in the downstream sector.

1.2.3 Mining

Nigeria's industrialisation trajectory would be significantly enhanced with the unlocking of the potential of its mineral resources. Government is therefore committed to creating a framework that promotes sustainable development, economic growth, and social responsibility in the mining sector.



To this end, Government will establish clear regulations and guidelines for mining activities, including licensing, environmental impact assessments, and safety standards; offer incentives to attract investments in the mining sector, such as tax breaks, subsidies, or investment guarantees; encourage value-added activities, such as processing and manufacturing, to increase the economic benefits of mineral resources; ensuring that mining activities are environmentally sustainable and responsible, with measures to mitigate the environmental impact



of mining; foster community engagement and participation in mining activities, including benefit-sharing arrangements and social responsibility initiatives; build capacity in the mining sector, including training and development of local expertise, to ensure that Nigerians benefit from the sector's growth, and encouraging diversification of the mining sector beyond traditional minerals, such as solid minerals, to explore new opportunities and reduce dependence on a single commodity.

Nigeria is rich with endowment of solid mineral resources, such as coal, gold, bitumen, gypsum, iron ore, lead/zinc, rock salt, talc, bentonite and baryte, kaolin, and limestone. Other notable minerals include tin, columbite, and gemstones like sapphire, ruby, aquamarine, and emerald. However, its contribution to the economy has been less than expected. The sector's contributions was N400 billion, 0.33% to GDP in 2015, this increased to N4.4 trillion, 5.54% in 2024. The share of the mining sector in total GDP is expected to be 8% by 2030 and 10% by 2035.

There has been a lot of efforts aimed at improving the performance of the mining sector and these efforts have yielded some positive results. the country began a process to deepen reforms, attract new investors and collaborate with a wide network of partners and stakeholders to build an attractive mining ecosystem (KPMG, 2021).

Accordingly, in 2021, the aggregate production of mineral products in Nigeria grew by 39.19% from 64.29 million tons recorded in 2020 to 89.48 million tons, indicating an improvement in production. The sector is contributing **about 0.3% to employment in Nigeria with the potential of raising it to 500,000 by 2030.**

To ensure consistent growth in the sector, government recent efforts have been geared towards attracting local and foreign investments. According to NIPC (2023), mining industry brought an FDI of \$100 million in 2022, up from \$78 million in 2019; with investments coming from countries like China, Brazil and India). The outlook of this industry is bright, as the government is projecting that it will bring in US\$1 billion of FDI annually by 2025.

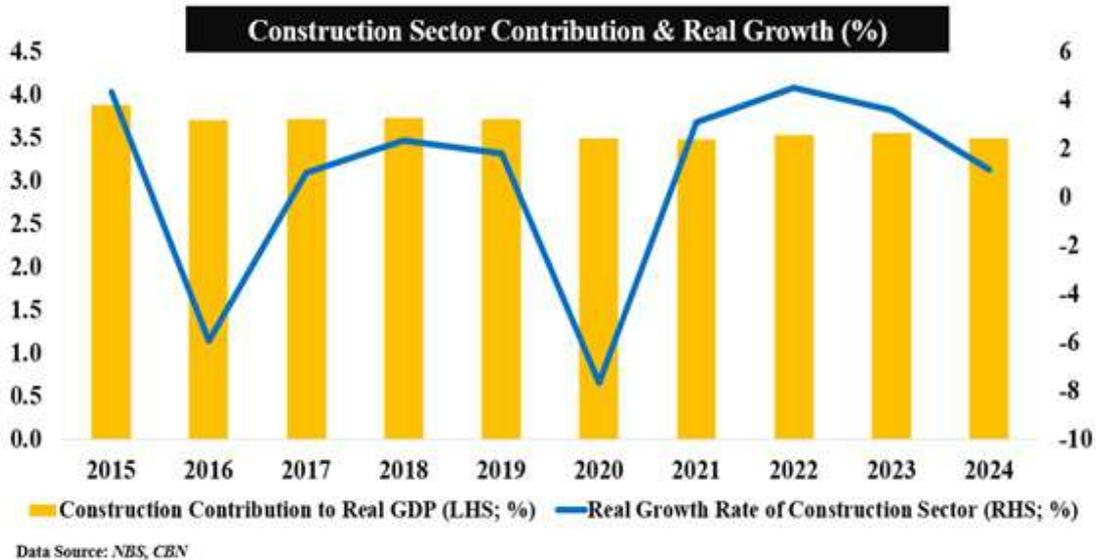
1.2.4 Construction

The construction sector plays a vital role in Nigeria's industrial development aspirations, contributing to economic growth, infrastructure development, and job creation. Its long-term average contribution to the annual GDP was about 3% between 2016-2023, with enormous growth potentials, as exemplified in the consistent sectoral expansion at a year-on-year growth rate of 1.47% and 1.48% in the last two years. The growth in the industry is driven by government-backed initiatives (e.g. CBN approved Infrastructure Company, Executive Order 007 Road Infrastructure Development and Refurbishment



Investment Tax Credit Scheme), public-private partnerships, and increasing demand for infrastructure development in Nigeria.

Going forward, the industry is expected to grow at an annual rate of 6.4%, reaching NGN 25.72 trillion by 2025 and NGN 35.38 trillion by 2029. A compound annual growth rate (CAGR) of 6.4% is projected from 2025 to 2029, indicating a steady upward trend.



The sector is essential for building and maintaining infrastructure, such as roads, bridges, buildings, and public facilities, which are critical for economic growth and development. It fuels employment opportunities, both skilled and unskilled, contributing to poverty reduction and improved living standards; economic diversification by developing infrastructure for various sectors, such as agriculture, manufacturing and services. It also addresses Nigeria's housing deficit by building affordable and quality housing units for citizens; and support industrial development by building infrastructure for industries, such as factories, warehouses, and logistics facilities.

In spite of the growth prospects of the sector, it remains challenged by myriads of limiting factors, including material costs, inflation, and currency volatility; bureaucratic hindrances to streamlining regulations and enhancing public-private partnership (PPP) frameworks; and supply chain disruptions as Industrial parks and manufacturing expansions opportunities remain limited.

In order to accelerate the pace of development of the sector, Government is increasing investment in infrastructure development to stimulate economic growth and create jobs; promoting the use of local materials and labour in construction projects to promote economic development and reduce dependence on imported goods; providing training and development programs to build a skilled workforce in the construction sector; establishing a clear and efficient



regulatory framework to facilitate construction activities and attract investment; and encouraging public-private partnerships to finance and deliver construction projects, leveraging private sector expertise and resources.

Opportunities abound in the increasing demand for residential construction which drives developers towards cost-effective construction methods. Government backed infrastructure projects, including transportation and energy infrastructure offer stability in construction businesses. Additionally, institutional construction in education and healthcare sectors, including modernization of facilities provide a steady stream of business for operators in the sector.

1.3 Framework Analysis (Institutional, Policy, and Legal & Regulatory)

There is the need to understand the strategic environments in which the Nigeria Industrial Policy will operate; this will give the implementers and investors the insights into how the system operates and what their expectations should be for industrialisation in Nigeria.

1.3.1 Institutional Framework

The institutional framework for the administration of industrial policy in Nigeria comprises various government institutions, regulatory bodies, development finance institutions, and other organizations. These institutions work together to promote industrial development, regulate industries, and provide support to businesses. These include:

a. Government Institutions

The Federal Ministry of Industry, Trade and Investment (FMITI), as well as other ministries, departments and agencies are responsible for formulating and implementing policies that promote industrial development, trade, and investment in Nigeria.

b. Development Finance Institutions

The Federal Government has established several financial institutions to support the funding needs of industrial facilities and incentivize new entrants. They include Bank of Industry (BOI), Nigerian Export-Import Bank (NEXIM), Development Bank of Nigeria (DBN), and Bank of Agriculture (BoA).

Other Institutional frameworks for the administration of industrial policy in Nigeria: include Nigerian Industrial Development Association (NIDA) - a private sector-led organization that promotes industrial development and advocates for policies that support industry growth; and the Organised private



Sector (comprising the Manufacturers Association of Nigeria (MAN), NASSI, NASME and NACCIMA).

c. Capacity Building

A range of capacity-building programmes and institutional frameworks supports Nigeria's industrial development. They aim at enhancing the skills and competitiveness of the workforce, promote entrepreneurship, and provide support to industries. Capacity-building institutions are essential for developing the skills and competencies of the workforce. In Nigeria, the institutions are:

- i. Industrial Training Fund (ITF) and the National Directorate of Employment (NDE) which provide training and development programs for industrial workers.
- ii. Technical and Vocational Education: Technical colleges and vocational training institutions provide skills training for artisans and technicians.
- iii. Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), offer entrepreneurship development programs to support industrial development.
- iv. National Council on Skills.
- v. Nigeria Employers Consultative Association.

d. Institutional Support

Institutional support is critical for promoting industrial development in Nigeria. Key institutions include:

- i. Industrial Development Centres (IDCs): IDCs provide technical assistance, training, and support to small and medium-scale industries.
- ii. Nigerian Investment Promotion Commission (NIPC): NIPC promotes and facilitates investments in Nigeria, providing support to investors and facilitating the registration and operation of businesses.
- iii. Small and Medium Enterprises Development Agency of Nigeria (SMEDAN): SMEDAN provides support to SMEs, including training, capacity building, and access to finance.
- iv. Bank of Industry (BOI): BOI provides financing and technical assistance to



industries in Nigeria.

- v. Nigerian Export-Import Bank (NEXIM): NEXIM provides financing and insurance services to exporters and importers in Nigeria.

e. Other Support Frameworks

Other support frameworks that promote industrial development in Nigeria include:

- i. Industrial Parks and Free Zones: The government established the Nigerian Exports Processing Zones Authority (NEPZA) and the Oil and Gas Free Zones Authority (OGFZA) to manage the creation and management of industrial parks and free zones, as catalysts for industrial development.
- ii. Research and Development Institutions: Research institutions, such as the National Research Institute for Chemical Technology (NARICT), provide research and development support to industries.
- iii. Business Incubators: Business incubators provide support to start-ups and small businesses, including mentorship, training, and access to finance and;
- iv. Raw Material Research and Development Council (RMRDC): promote the development and optimal utilisation of Nigeria's raw materials for sustainable industrial growth and economic development.
- v. Executive Order 003- Support for local content in public procurement: States that all MDAs shall grant preference to local manufacturers of goods and services.

1.3.2 Policy Framework

Nigeria's industrial policy frameworks aim to drive economic growth, reduce dependence on oil exports, and promote sustainable development. Key among these include:

- a. Industrial Park Development Strategy (IPDS) - introduced in 2009, IPDS is a cluster concept strategy aimed at driving non-oil growth through the creation of industrial parks and special economic zones.
- b. Nigeria Industrial Revolution Plan (NIRP) - aims to build Nigeria's competitive advantage, broaden the scope of industry, and accelerate expansion of the manufacturing sub-sector.
- c. National Automotive Industry Development Plan (2023-2033) - this plan



seeks to revitalize Nigeria's automotive sector, reduce reliance on imported vehicles, and boost local production.

Other initiatives driving Nigeria's industrial development include:

- a. National Enterprise Development Programme (NEDEP)- an initiative to coordinate all relevant MDAs responsible for the development of MSMEs in the country.
- b. Nigeria Agribusiness and Agro-Industry Development Initiative (NAADI)- derived from a generic framework produced by UNIDO under the Africa Agribusiness and Agro-Industry Development Initiative (3ADI). This serves as key strategic intervention for achieving the objectives highlighted for food, beverages and tobacco.
- c. Programme for Country Partnership (PCP) - a four-year program launched in 2025, PCP supports inclusive and sustainable industrial development in Nigeria, aligning with national and global strategies.
- d. SME Empowerment - the Federal Ministry of Industry, Trade & Investment provides resources, grants, and training to small and medium enterprises (SMEs) to empower them to succeed, and
- e. African Continental Free Trade Area (AfCFTA) - aims to promote industrialization, export-led growth, and economic development through increased trade and investment.

1.3.3 Legal, Regulatory & Enforcement Framework

a. Legal Framework

The legal framework for the administration of Nigeria's industrial sector is multifaceted, comprising various laws and regulations that govern labour, corporate affairs, industrial development, energy, and environmental protection. Key legislations include:

- i. Labour Laws, Corporate Laws, Industrial Development Laws, Energy Laws, Factories Act, etc. The Labour Act regulates employment relationships and working conditions, the Trade Union Act governs trade union activities and collective bargaining, Employees' Compensation Act provides compensation for work-related injuries and illnesses, and the Factories Act ensures workplace safety and health.
- ii. Corporate Laws include Companies and Allied Matters Act (CAMA) which



- regulates company formation, management, and operations and Investment and Securities Act (ISA) that oversees investment and securities transactions. The Industrial Development Laws include Industrial Development Coordination Act that promotes industrial development and coordination and the Petroleum Industry Act (PIA) 2021 which regulates the oil and gas industry, providing incentives for investments. The Energy Laws consist of the Electricity Act 2023 that regulates the electricity sector and the Energy Commission of Nigeria (ECN) Act which oversees energy policy and development.
- iii. Nigeria Tax Act, 2025 which repeals certain exiting tax laws, related fiscal incentives and consolidates the legal framework governing taxation in the country into a single legislation for simplicity and improved tax administration.
 - iv. Business Facilitation (Miscellaneous Provisions) Act, 2022, which provides for the ease of doing business, ensure transparency, efficiency and productivity in Nigeria and for related matters.
 - v. Other Relevant Laws for the administration of Nigeria's industrial sector includes the Land Use Act that regulates land ownership and use in Nigeria, National Environmental Standards and Regulations Enforcement Agency (NESREA) Act that enforces environmental standards and regulations, and the Standards Organization of Nigeria (SON) Act which develops and enforces national standards.

b. Regulatory Frameworks

For ease of standardisation, competition and appropriate regulations, government over the years has put in place legal basis for enforcing industrial development in Nigeria. This is to ensure fair competition through strict enforcement of anti-trust and anti-dumping laws as well as protection of consumer, Intellectual Property Rights, Weights and Measures legislations. Accordingly, Government has put in place structures to enforce and encourage standard and regulatory framework in the economy. These include but not limited to the following:

- i. Federal Competition and Consumer Protection Commission (FCCPC).
- ii. Weights and Measures Department of Federal Ministry of Industry, Trade and Investment (FMITI).
- iii. Standards Organisation of Nigeria (SON).
- iv. National Agency for Food, Drug Administration and Control (NAFDAC).



- v. National Office for Technology Acquisition and Promotion (NOTAP) and
- vi. Trademark, Patents and Designs Registry of Federal Ministry of Industry, Trade and Investment (FMITI).
- vii. Industrial Inspectorate Department of the Federal Ministry of Industry, Trade and Investment (FMITI).

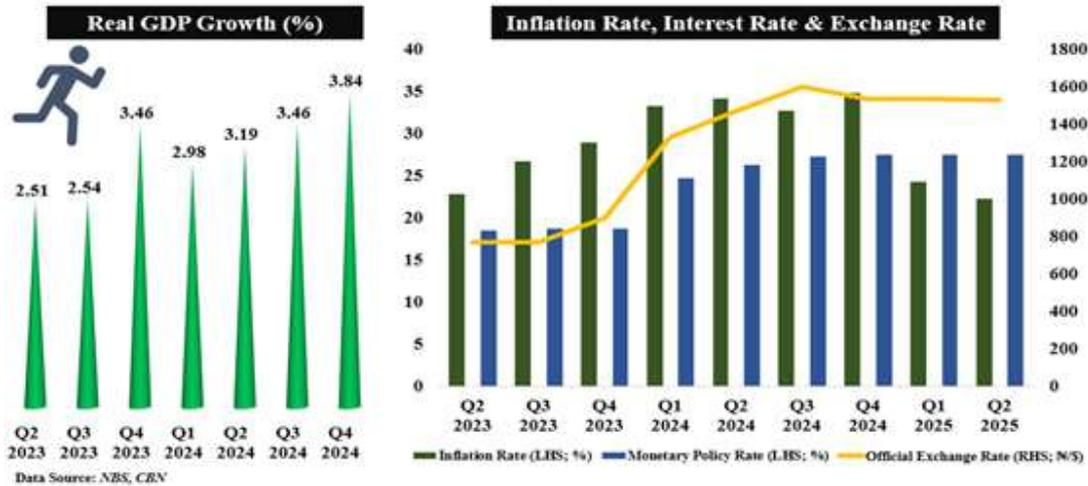
c. Enforcement Agencies

Enforcement agencies play a critical role in ensuring compliance with laws and regulations. Key agencies include:

- i. Standards Organisation of Nigeria (SON): SON is responsible for enforcing standards for goods and services in Nigeria.
- ii. National Environmental Standards and Regulations Enforcement Agency (NESREA): NESREA is responsible for enforcing environmental Standard and regulations in Nigeria.
- iii. Federal Ministry of Labour and Employment: The Ministry is responsible for enforcing labour laws and regulations in Nigeria.
- iv. Federal Ministry of Industry Trade and Investment: The Industrial Inspectorate Department (IID) conducts regular inspections of industrial premises to ensure compliance with relevant laws and regulations.
- v. Industrial Courts: The Industrial Courts provide a platform for resolving industrial disputes and enforcing industrial laws and regulations.
- vi. Nigeria Police Force: The Police Force provides security and enforcement support to regulatory agencies. ; and
- vii. Nigeria Agricultural Quarantine Service (NAQS): It was created for the harmonization of Plants, Veterinary and Aquatic resources (fisheries) Quarantine in Nigeria to promote and regulate sanitary (animal and fisheries health) and phytosanitary.

1.4 Analysis of the Industrial Environment

The political environment is operated under the democratic setting and federal system. This implies that all policies must seek to involve all the stakeholders at the national, sub-national and private levels. The realisation of the content of any policy must have the political backing and will for it to succeed. Nigeria has operated some level of consistency in the political terrain. The government is currently demonstrating convincing levels of tenacity and consistency to alleviate the concern of many investors about policy inconsistency in the country as exemplified in the CBN Business Confidence Report. As a result,



current government activities are geared towards sending the right signals to all stakeholders through the crafting of strategic plans and blueprint and strengthening of the institutional, legal and policy frameworks.

Nigeria's economy from mid-2023 to 2025 has recorded cautious progress, with GDP growth averaging 3.4 percent and inflation easing from 34.8 percent in December 2024 to 22.22 percent in June 2025. The disinflation reflects both tighter monetary policy and a revised Consumer Price Index (CPI) methodology that now more accurately captures household consumption patterns. Key reforms such as fuel subsidy removal, FX unification and tighter monetary policy, have supported macroeconomic stability. The naira has stabilized following initial volatility, while interest rates is being managed to minimise the impacts of inflation. Infrastructure investments, particularly in power, transport and digital sectors, are expanding, offering medium-term growth prospects and modest gains in employment.

As Nigeria transitions from oil dependence toward a digitally enabled, export-oriented manufacturing economy, government recognises that sustained industrial growth depends on implementing structural changes around infrastructure, institutional efficiencies, and security as well as developing skilled workforce that fosters a robust innovation ecosystem. As of Q3 2024, Nigeria's labour force stood at approximately 90.5 million, with a 79.5% participation rate, a sizeable demographic asset. However, this potential remains largely underutilised: 92.7% of workers are employed in the informal sector, and 10.6% remain underemployed. In addition, the economy is leveraging the National Digital Economy Policy and Strategy (2020-2030) which focuses on the development of a vibrant ecosystem that supports Innovative Driven Enterprises (IDEs) and Micro Small and Medium Enterprises (MSMEs).

Nigeria's demographic and social landscape plays a significant role in shaping the country's industrial development. The country's large and growing population, youthful demographic, and diverse cultural landscape all contribute to the dynamism of the industrial sector. The country's estimated population is 230 million people, with a growth rate of approximately 2.8% per annum. This large



and growing population presents opportunities for industrial development. A large population provides a significant workforce and a substantial market for industrial products. The youthful population, with over 60% of its citizens under the age of 30, presents a significant opportunity for industrial development and a dynamic and energetic workforce. Social factors influencing industrial development in Nigeria, include:

- a. Quality of education, availability of skilled labour, large room for training and capacity-building to enhance the capacity of workforce in areas of skilled labour shortage.
- b. Nigeria's diverse cultural landscape can influence consumer preferences and behaviour, requiring industries to tailor their products and marketing strategies to local needs. This diversity can also present opportunities for industries that cater to specific cultural needs.

The technological environment is very dynamic, as industrial sector champions the evolution of emerging technologies to catch up with the landscape where Artificial Intelligence (AI) and Robotics are becoming central to the operations and development of industries around the world. In Nigeria, the pace of adoption appears to be a bit slow, and government has put in place some institutions to fast track the pace of technological adoption. These institutions include the National Agency for Science and Engineering Infrastructure (NASeni), National Information Technology Development Agency (NITDA), Raw Materials Research and Development Council (RMRDC), National Centre for Technology Management (NACETEM) and National Office for Technology Acquisition and Promotion (NOTAP) among others.

At the heart of Nigeria's industrial aspiration is the need to ensure environmentally sustainable industrial practices. The implementation of the practices would engender environmental sustainability in our industrial sector, reduce environmental footprint and achieve sustainable industrial development. Nigeria aspires to net-zero carbon emissions by 2060, with a roadmap outlined in its Energy Transition Plan (ETP). The plan focuses on reducing emissions across key sectors, by fostering energy efficient practices and promoting the use of renewable energy. To achieve these objectives, Nigeria seeks international cooperation, develops climate-friendly policies, increases renewable energy share and promotes sustainable development. However, funding gaps of about \$1.9trillion has been identified to achieve its net-zero ambition. There is also the challenge of limited infrastructure and economic dependence on fossil fuel.



Therefore, mainstreaming environmental sustainability into the industrial policy, will ensure alignment with the developmental aspiration of Government and the acceleration of industrial development in line with the Sustainable Development Goals (SDGs).

The legal environment contained frameworks that are designed to encourage investment, regulate industrial operations, and promote sustainable development. To facilitate seamless implementation of this policy, government shall continue to provide clear and stable legal frameworks to support business and investment; ensure protection of property rights and promote efficient contract and business dispute resolution; as well as business and investment through balancing of regulations. Some of the laws, regulations and the regulatory bodies that govern businesses and industries in the country include:

- i. Companies and Allied Matters Act (CAMA) 2020.
- ii. Nigerian Investment Promotion Commission Act among others.
- iii. Industrial Inspectorate Division (Act, CAP I8, LFN 2004).
- iv. The Federal Competition and Consumer Protection Commission Act 2018.
- v. The Weights and Measures Act (CAP W3, LFN 2004).
- vi. Standards Organisation of Nigeria Act, 2015.
- vii. National Agency for Food Administration and Control (NAFDAC) NAFDAC Act (Cap N1, LFN 2004).
- viii. National Office for Technology Acquisition and Promotion (NOTAP) (Cap N62 LFN 2004).
- ix. The Trademarks, Patents, and Designs Registry of Federal Ministry of Industry, Trade and Investment (FMITI) Act, (Cap T13, LFN 2004).

Security of lives, properties and investment remains paramount in the agenda of the Federal Government of Nigeria. As such, several frameworks are in place to address the security situation in the country, deploying kinetic and non-kinetic approaches involving military, para-military organisations and other strategic stakeholders.



1.5 Industrial Sector Constraints

The industrial sector is a vital component of the country's economy, contributing significantly to GDP and employing millions of Nigerians. This sector is largely driven by sub-sectors, including manufacturing, mining, construction, oil and gas. The Government has put in place articulated strategies to address familiar constraints in the industrial sector such as inadequate skills, low access to finance/funding, limited synergy among the research institutes, government and the organized private sector, and low pace of development of locally available raw materials.

Robust monitoring and evaluation frameworks are in place to ensure effective implementation of policies aimed at addressing insecurity, climate change, and promoting good governance, while leveraging our potential for growth towards sustained economic development. In essence, Nigeria's economic plan for the period 2025-2050 is a long-term vision supported by a series of medium-term plans, with focus on diversification, infrastructure, human capital, and private sector involvement.

1.6 Infrastructure

Over the years, successive administrations have been investing in critical infrastructure to ensure adequate electricity supply, portable water, efficient transport system, ICT, etc; and enhance rapid industrial development. The investments in infrastructure are tailored to achieve:

- i. Full implementation of an integrated plan for the development of modern infrastructure by increasing the construction of new roads, intensifying rehabilitation of roads, and rail networks and building water transport system, especially within industrial corridors.
- ii. Encourage private sector investments in critical infrastructure through provision of adequate incentives and the development of industrial cities and clusters.
- iii. Revamp the power sector to increase competitiveness and improve infrastructure and services at the ports.
- iv. Promote exploitation of renewable energy resources such as solar and wind, for power generation to complement conventional sources of energy.



- v. Provide broadband infrastructure at competitive prices and encourage companies to implement Energy Management Systems and join Energy Efficiency Networks.

1.7 Analysis of the Strategic Environment

The analysis of the strategic environment (internal and external) within which the industrial policy is implemented consisting of the strength, weaknesses, opportunities, and threats is presented as follows:

- i. **Strengths:** there is large workforce and consumer market, abundant natural resources (oil, gas, solid minerals, agricultural products as feedstock), and a growing telecommunications sector. The commercial availability of raw material serves as industrial feedstock. Similarly, there is potential for higher standard of living, translating to higher purchasing power, which will be leveraged to promote industrial production.
- ii. **Weaknesses:** Identified weaknesses include infrastructural constraints (power, supply and transportation), insecurity issues, limited access to finance and high interest rates, and bureaucratic bottlenecks. There is also challenge of preference for imported goods and foreign technology. These are being addressed through effective development of value chain for abundant resources, development of road infrastructure to reduce distribution cost, and alternative financing mechanism to support companies at different points, and effective regulatory frameworks to overcome likely bureaucratic bottlenecks.
- iii. **Opportunities:** Nigeria is ranked the 3rd among the African manufacturing countries after South Africa and Egypt, with the potential of being a manufacturing hub for the continent, creating business opportunities for foreign direct investments and value-added export. With a comparative advantage in the region, Nigeria's industrial environment can also leverage on growing demand for digital services and e-commerce, potential for agricultural development and food security, increasing investment in infrastructure, and AfCFTA and other regional trade agreements. These opportunities will be used to address the threats of global economic volatility, climate change, and external market influence among others.
- iv. **Threats:** Nigeria's industrial landscape is not totally insulated from global economic volatility and price fluctuations, international trade politics, climate change and environmental degradation, declining FDI



to developing countries, and brain drain. Leveraging opportunities presented by AfCFTA and other trade agreements, strategic regional industrial strength, and potentials for increased foreign direct investment, developing climate resilient infrastructure, growing digital awareness among others will be leveraged to address the identified threats.

It is pertinent to use the external factors of opportunities to address the weaknesses, to convert them to strength. Nigeria also needs to put mechanisms in place to use her strength to tackle the external threat inherent in the environment.



2.0 POLICY CONTEXT

This chapter establishes the context in which this policy will operate; having given the situational analysis, it explains the reasons behind the decisions, strategies and activities that will be used to achieve the objectives that is set. All activities will be geared towards achieving the \$1 trillion target of economic growth, as stated in the Stabilisation Plan for the country.

2.1 Policy Direction

The policy direction is anchored on the development of four sectors: Metals and Solid Minerals, Oil and Gas, Construction, and Manufacturing. Each of the sectors comprises multiple sub-sectors that offer strategic opportunities for industrial development.

These sectors have been prioritized due to strong comparative advantages, potential to generate large-scale employment, and deepen local value addition and expand export. Agriculture contributes over 25% of Nigeria's GDP and employs around 35% of the workforce, yet value addition is minimal. Scaling up agro-processing, including food and beverages, animal feed, bio-based inputs, and textiles, will reduce post-harvest losses, boost rural incomes, and drive industrial growth across the country.

Nigeria's 2025 economic diversification agenda call for a shift from import dependency to a high-value, innovation-led manufacturing base, anchored on AfCFTA opportunities and RIBS (Responsible, Inclusive, Balanced, Sustainable) investment principles.

Seven strategic thrusts will be considered as follows:

- i. Industrial Diversification and Value Chain Development: promote sectoral diversification by deepening domestic value addition across priority sectors (e.g., agro-processing, minerals, petrochemicals, ICT manufacturing).



- ii. Infrastructure and Industrial Ecosystem Strengthening: develop and expand industrial infrastructure (e.g., industrial parks, transport/logistics networks, power supply) to enable efficient production and market access.
- iii. Technological Innovation and Skills Development: build national capabilities in technology adoption, R&D, and skills training to enable productivity and innovation-led industrial growth.
- iv. Nigeria First Policy, anchored on Patronage of Made in Nigeria Product, Local Content and Backward Integration: prioritise mandatory preference for locally manufactured goods by government and citizens, strengthen local sourcing of raw materials, components, and services to reduce import dependence and create upstream industrial linkages.
- v. Industrial Financing and Investment Facilitation: expand access to long-term, affordable industrial finance and attract domestic and foreign investments into targeted industrial sectors.
- vi. Green and Inclusive Industrialization: foster sustainable and climate-resilient industrial practices while ensuring inclusion of youth, women, and MSMEs in industrial growth.
- vii. Trade-Driven Industrial Development: leverage regional (e.g., AfCFTA) and global trade opportunities to scale Nigerian industrial exports and integrate into regional/global value chains.

By defining clear targets, timelines and partnerships, these four pillars transform strategic intent into measurable action, positioning Nigeria to capture new export markets and attract sustainable investment.

2.2 Policy Goal and Objectives



Goal:

To accelerate Nigeria's industrial transformation by leveraging its natural and human capital to promote inclusive, sustainable, and competitive manufacturing, deepen economic diversification, and generate mass employment through innovation, infrastructure development, investment and export



Objectives: The key objectives of the policy are to:



Objective 1:
Economic Growth and Development

- Increase manufacturing contribution to Nigeria's GDP to 15% by 2030 and 25% by 2035
- Increase the mineral sector contribution to economic growth and the share of mining sector in total GDP to 8% by 2030 and 10% by 2035.
- Broaden and increase government's sources of income through increasing manufacturing activities thereby contributing to the \$1 trillion dollar economy by the year 2030.



Objective 2:
Competitiveness and Export

- Enhance Global Competitiveness for Nigerian Manufactured goods
- Diversify Nigeria's export by increasing export of manufactured products



Objective 3:
Employment and Skill Development

- Expand gainful employment and skills development in the manufacturing sector
- Promote entrepreneurship and development of technical skills in the manufacturing sector



Objective 4:
Financing and Investment

- Encourage the development of innovative financing strategies that will facilitate manufacturers' easy access to



affordable long-term funds

Objective 5:

Industrialization and Local Content

- Promote geographical dispersal of industries, particularly in rural areas.
- Increase local raw material sourcing and utilization
- Patronage of made in Nigeria products
- Promote the development of local technologies and encourage the integration of ICT and emerging production technology



Objective 6:

Sustainability and Environment

- Encourage industrial processes that will promote environmental sustainability and the concept of eco-Industrialization
- Promote circular economy that builds supply chain resilience, resource efficiency and waste prevention
- Encourage collaborations that address or solve circular economy barriers.
- Encourage sustainable power supply and reduction of greenhouse gas emissions in the industrial sector
- Promote the adoption, development and application of industrial energy efficiency and conservation best practices
- Provide incentives to promote energy efficiency in small and medium scale enterprises (SMEs)

The Metals and solid minerals sector contribute less than 1% to GDP, despite the country's endowment with over 40 commercially viable minerals in more than 500 locations. Developing the processing of industrial minerals such as limestone for cement, and barite for oil drilling will deepen local supply chains, attract investment, and reduce raw material imports in key industries like construction, energy and electronics.

Nigeria produces over 1.4 million barrels of crude oil daily and holds over 200 trillion cubic feet of natural gas reserves. Prioritizing petrochemicals, fertilizer, plastics, and textile inputs from gas-based feedstock can anchor new value chains, reduce import dependence, and support job-rich downstream industries.



Manufacturing, including textiles & apparel, leather goods, furniture, packaging, electrical fittings, and basic consumer goods, offer a high-employment potentials for industrialization. The sector can absorb Nigeria's large, youthful labour force, reduce the over \$10 billion annual import bill on manufactured goods, and increase the share of non-oil exports, which remains below 10%.

Developing the identified sectors will conform to the objective of resource-based industrialization and the greater use of domestic raw material in the process. Presently, adequate efforts are being made to develop these sectors. The policy direction also include expanding marketing and distribution networks of Nigerian manufactured products in alignment with the trade policy to promote and achieve rapid, and sustainable growth of the economy.

According to the 2021 Circularity Gap Report, global circular economy needs to double by 2030 to make noticeable impact. The key principles associated with the transition to a circular economy action plan: eliminating waste, keeping raw materials and products in use, and regenerating natural systems are parts of the policy direction



3.0 ACHIEVING THE POLICY OBJECTIVES

The successful attainment of the policy objectives depends on the deployment of coherent, practical and forward-looking strategies. This chapter outlines the key strategic interventions designed to stimulate industrial development, strengthen value chains and position Nigeria for sustainable industrial transformation.

3.1 MSMEs and Industrial Entrepreneurship Development

MSMEs subsector plays an important role in the industrial landscape. Its importance is embedded in its size and ease of establishment. This sector contributes 50% to the country's Gross Domestic Product (GDP) and provide more than 80% of employment through creating wealth, reducing the prevalence of poverty and sustaining economic growth and development. There is the need to promote cluster concept for provision of infrastructural support for MSMEs, which also offers opportunities for industrial synergies by increasing ability to share resources and costs (e.g. supply chain, utility sharing, by-product/waste, service and urban-industrial synergies). Entrepreneurial skills and trainings are therefore critical to the rapid growth of MSMEs.

Programmes aimed at inculcating necessary entrepreneurial and technical skills are being developed and promoted. This policy will give the subsector due recognition through:

- i. Expanding the industrial landscape by encouraging entrepreneurship through sensitization, periodic hands-on training workshops for MSME operators, and establishing start-up hubs.
- ii. Strengthening the agencies responsible for service delivery to this subsector.



- iii. Providing extension services to specialised clinic for MSMEs through SMEDAN; registration with regulatory agencies; facilitating access to finance; increasing number of MSMEs registered and captured in the data base.
- iv. Encouraging the establishment of new Technology Business Incubator Centres (TBICs) in States and expanding the existing ones.
- v. Providing integrated and coordinated support such as concessional loans, industry-based skills, incubators and clusters, mainstreamed into industrial value chains to spur sustainable MSME development.
- vi. Revamping TVET programs to align with current industrial and technological needs (such as mechatronics, machining and digital manufacturing).
- vii. Adopting digital workflow that support mobile-based platforms for productivity tracking, especially in manufacturing.
- viii. Providing requisite technical support through the establishment of skills acquisition centres
- ix. Fostering international partnership and linkages for skills improvement.
- x. Creating awareness on, and provide training for Renewable Energy Technologies, Energy Efficiency and Energy Management System implementation.
- xi. Encouraging information sharing and awareness creation on the available funding opportunities among potential beneficiaries such as MSMEs ; and
- xii. Promoting industrial linkages through synergy and networking among MSMEs.

To promote geographical dispersal of industries, enhance patronage of made in Nigeria products and increase local sourcing of raw materials, industrial linkages will be advanced through the industrial synergies.

3.2 Upgrading Technology

Global competition is based on technological capabilities, which are needed to strengthen the nation's industrial output. Therefore, Government will:



- i. Support Nigerian manufacturers' initiatives to acquire technological capabilities through technology development, acquisition, adoption, adaptation and innovation.
- ii. Support public research institutions to undertake industry relevant research as well as foster linkages between the research institutions and industry.
- iii. Promote and encourage private firms and individuals to carry out research and development and to adopt technology.
- iv. Support the sourcing of science and technology requirements of industries in those areas where the country lacks comparative advantage and support the development of research and development capacity for upgrade and development of indigenous technology.
- v. Support the adoption of the use of appropriate ICT and emerging technologies in manufacturing sector through the compendium of incentives provided by the government.
- vi. Provide adequate and appropriate legal framework to protect intellectual property rights.
- vii. Encourage the establishment of production centres by global Original Equipment Manufacturers (OEMs) to accelerate the domestic accumulation and diffusion of technological capabilities.
- viii. Assist in the introduction and implementing of Industry 4.0 by helping connect physical and digital systems to produce infrastructure that is efficient, transparent and intelligent. This will be done by providing sufficient resources and investments in digital-physical systems and IoT devices. Major potential areas of applications include:
 - Packaging Sub-sector: Smart factories with automated packaging lines.
 - Oil & Gas Sector: Remote monitoring of pipelines and equipment via IoT. Use of robotics and AI for precision assembly.
 - Cement Sub-sector: Drones and AI for plant inspection and logistics optimization.
 - Textile Sub-sector: Use of AI for design automation and



customization; Smart sewing machines and digital printing.

- Pharmaceutical Sub-sector: Smart warehousing for raw materials and finished drugs.
- ix. Support an annual Made - in - Nigeria expo involving the Federal Ministry of Industry Trade and Investment (FMITI), Federal Ministry of Science and Technology, Research Institutes, Organized Private Sector (OPS) and Manufacturers Association of Nigeria, MAN to showcase available local technology.

3.3 Standards and Quality Infrastructure Development

For Nigeria's product to be competitive in the domestic, regional and global market, adherence to requisite standards becomes imperative. Therefore, Government will:

- i. Ensure that all products adhere to specified standards.
- ii. Enhance standards development processes as well as the quality infrastructure by providing support to all agencies involved.
- iii. Ensure strict adherence to the requirements of Hazard Analysis and Critical Control Point (HACCP), Good Manufacturing Practice (GMP), Good Handling Practice (GHP) and Good Hygienic Practice (GHP) of manufacturing sectors for global competitiveness.

Support will be given towards:

- a. Developing quality standards for Nigerian products to provide competitive advantage in the global market.
- b. The continuous harmonization of standards to promote regional integration that will facilitate trade within ECOWAS and the AfCFTA countries.
- c. Developing programmes that will enhance standards uptake, which will result in the reduction of counterfeiting and elimination of substandard products in the Nigerian market.
- d. Enhancing the national testing capabilities through the support for existing testing laboratories to drive accreditation, and compile standard specifications, regulations and guidelines for the production, importation and certification of export products.



- e. Driving and supporting compliance with standards by MSMEs in a graduated and progressive way to enhance global competitiveness of Made in Nigeria product.
- f. Accelerating the provision of extension services by SMEDAN to MSMEs to enhance their capacity to meet standards.
- g. Providing link standardization with export incentives and matching grants for quality certification such as International Organisation of Standardization (ISO) and Hazard Analysis Critical Control Point (HACCP).

3.4 Strengthening Sectoral Innovation Systems

Domestic firms will be encouraged to adapt and build local technological capabilities to enhance competitiveness of locally manufactured goods. The development of national and specific sectoral innovation systems is critical in this respect. Innovation will be driven by:

- i. Promotion of learning and capabilities of domestic firms.
- ii. Enhancement of Entrepreneurship and development of MSMEs.
- iii. Spearheading of innovation by key large firms.
- iv. Increasing the protection of intellectual property.
- v. Strengthening NOTAP in its mandate on patent application process.
- vi. Strengthening Technology Incubation Centre.
- vii. Enhancing collaboration with international entrepreneurship bodies such as Global Entrepreneurial Network, Competitiveness institute, etc.

3.5 Establishment of a Coordination Platform

FMITI to superintend the Policy Coordination Platform for effective implementation. The mandate of the platform include:

- i. Convening relevant MDAs (e.g., SON, NOTAP, NITDA, NASENI, NCC), MAN, other organised private sectors in Nigeria, Subnational actors, academia and international partners to align on national standards, infrastructure needs and innovation policies.
- ii. Coordinating the domestication of international standards, supporting



indigenous technology commercialization and accelerating the uptake of research outputs and new technologies by local industries.

- iii. Guiding investment priorities for industrial infrastructure (such as labs, industrial parks, testing facilities) and supporting the creation of innovation hubs and R&D clusters across strategic sectors.

3.6 Local Raw Materials Sourcing and Development

Manufacturers have access to a large market within the country, ECOWAS, and indeed, the whole of African region. According to the Manufacturers Association of Nigeria, as of 2024, Nigeria imports about 42.9% of the required raw materials. Encouraging domestic utilization of raw materials could transform the country from a resource-dependent and import-reliant economy to an industrialized, export-competitive and economically self-sustaining nation. Government would be committed to encouraging local manufacturers through the following measures:

- i. Implement backward integration policy, particularly in areas of comparative advantages including, agriculture, solid minerals, oil and gas.
- ii. Support the utilization of RMRDC's Raw Materials Information Management System (NRMIMS) and the Raw Materials E-Registration Portal (RMe-regP).
- iii. Promote value addition to locally sourced primary products and de-emphasize export of unprocessed natural resources.
- iv. Provide adequate incentives to industries that embark on backward integration policy.
- v. Address issues of scarcity of imported manufacturing inputs.
- vi. Consider the need for environmental sustainability in the local sourcing of raw materials.

3.7 Reducing Cost of Production and Improving Ease of Doing Business

The Federal Government have established the Presidential Enabling Business Environment Council (PEBEC) with the mandate to simplify the processes of doing business in Nigeria by streamlining regulations, embracing digital solutions, and supporting investors for a thriving business environment.



Furthermore, there are relevant laws that are in place to protect producers and property rights and acceleration of development of Special Economic Zones, Industrial clusters and parks.

The Import Duty Exemption Certificate (IDEC) portal and the One Stop Investment Centre (OSIC) provides a singled window platform to streamline application processes for exemptions and coordinated government activities for investors, thereby enhancing the ease of doing business. There are plans to extend these initiatives provided by government such as the economic development incentives in line with the new Nigerian tax laws.

3.8 Sustainable Energy Supply

Power supply remains a major constraint to industrial development despite the unbundling of the power sector into generation, transmission and distribution companies.

Providing alternative renewable energy and sustainable grid power to the sector will increase productivity, reduce energy intensity and thereby improve competitiveness in the international market. This will be backed by the nationwide enforcement of the Electricity Act 2023 to facilitate private sector energy-solution models such as:

- Establishment of Independent Power Projects within industrial estates or clusters.
- Installation of renewable energy systems (solar PV, hybrid systems) at no upfront cost to users and recovery of investment through long-term energy service contracts (lease-to-own, power purchase agreements).
- Scalable franchising of private mini grid in underserved or rural areas.

3.9 Competitiveness and Market Access: Marketing and Distribution

The primary objective of marketing and distribution is to enhance access and expand distribution channels for made-in-Nigeria products in line with national goals. Effective market access promotes rapid, equitable and sustainable economic growth. Current market-access efforts in Nigeria are delivered through multiple public and private instruments and programmes involving stakeholders such as the Federal Ministry of Industry, Trade and Investment (FMITI), Nigerian Export Promotion Council (NEPC), Nigerian Investment Promotion Commission (NIPC), Standards Organisation of Nigeria (SON), Nigerian Export-Import Bank (NEXIM), Nigeria Customs Service (NCS), Nigerian Ports Authority (NPA), Ministry of Communications, Innovation & Digital Economy, members of the Organized Private Sector of Nigeria (OPSN), and diaspora business networks.



Appropriate measures will be put in place to effectively promote competitiveness in marketing and distribution through:

- i. Promotion of upstream, midstream and downstream in agro-processing, textiles, leather apparel for garments, footwear and accessories sub-sectors and construction materials, targeting a 30% increase in export volumes by 2028.
- ii. Implement mandatory public procurement of made-in-Nigeria goods and services (under EO003 and the Nigeria First Policy), nationwide consumer awareness campaigns, and retail incentives to increase domestic market share by 25% over three years.
- iii. Establishment of specialized export-readiness initiatives and training modules in international market, branding, packaging and quality certification to enhance export promotion.
- iv. Negotiation and implementation of bilateral and multilateral trade agreements, bolster trade negotiation capabilities, and integrate Nigerian firms into global value chains, aiming to onboard 1,000 new exporters to AfCFTA markets by 2027.
- v. Infrastructure Development – Support and facilitate fast-tracking of inter-state road upgrades, logistics hubs and cold-chain corridors to reduce trade costs by at least 15%. Support port modernization and warehouse finance schemes under PPP arrangements.
- vii. Deploy Digital and Technological Solutions Scale nationwide through e-commerce platforms, integrated logistics-management systems, data-driven market-intelligence dashboards and mobile payment solutions, onboarding 25,000 SMEs onto digital trade channels by 2026.



4.0 INDUSTRIAL SKILLS AND INNOVATIONS

Industrial skills and innovation both drive productivity, competitiveness and job creation, hence they are pivotal to modern economic transformation. Investment in industrial skills and innovation in Nigeria is essential for the economic diversification, employment generation and wealth creation. These include investment in ICT and digital manufacturing, green skills, process and product innovation, and business model innovation.

4.1 Key Actors in Skills and Innovations

4.1.1 Federal Ministry of Industry, Trade and Investment (FMITI):

Anchors Nigeria's industrial skills agenda and policy. As chair of the Industrial Revolution Work Group, it works both to dismantle regulatory bottlenecks and institute participatory processes that drive nationwide capacity building through a host of specialist agencies which cater to multiple aspects of skills development and innovation, such as:

- a. **The Industrial Training Fund (ITF)** - a Nigerian institution established in 1971 with the mandate to promote and encourage the acquisition of industrial and vocational skills vital to national economic growth.
- b. **The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)**, tasked with nurturing and expanding the competitiveness of SMEs across Nigeria's industrial landscape.

4.1.2 Private Sector - Nigeria's private sector drives industrial growth principally through a rich, multi-tiered network of business and professional associations. Bodies like the Organized Private Sector of Nigeria comprising of Manufacturer's Association of Nigeria (MAN); Nigerian Association of Small-Scale Industrialists (NASSI); Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture. (NACCIMA); Nigeria Employers' Consultative Association (NECA), the



Nigerian Association of Small and Medium Enterprises (NASME) and a host of other professional, sectoral, demographic aggregator organizations. These private bodies collaborate to:

- a. Define and uphold industry skill standards.
- b. Deliver on-the-job training via internships, apprenticeships, and mentorship schemes.
- c. Co-invest in technical training centres and innovation hubs.
- d. Forge partnerships among start-ups, investors, and policymakers to accelerate technology adoption and diffusion.

4.1.3 Academia: Nigeria's universities, polytechnics, and research institutes—both public and private form a vast reservoir of scholarly expertise and talent. They contribute to industrial advancement by:

- a. Conducting applied research and development tailored to local manufacturing needs.
- b. Designing and delivering vocational and professional curricula aligned with market demand.
- c. Supplying a steady pipeline of graduates equipped for roles in engineering, technology, and industrial management, etc.
- d. Collaborating with industry partners on innovation projects, spinouts, and technology transfer initiatives.

4.1.4 Other Ministries, Departments and Agencies

A number of Ministries Department and Agencies (MDAs) in the Federal Governance ecosystem also run an array of programmes and initiatives targeting industrial development, skills and innovation. These include:

- a. **National Council on Skills:** Serves as the country's apex skills-policy body, chaired by the Vice President. It brings together key ministries (Industry, Trade and Investment; Education; Finance; Labour & Employment; Science, Technology & Innovation; Communications & Digital Economy; Budget & National Planning; Works & Housing; Youth Development; Women Affairs) alongside private-sector leaders represented by the Organized Private Sector of Nigeria.
- b. **Federal Ministry of Innovation, Science and Technology (FMIST):** Oversees science and technology policy, launched a suite of capacity building programmes such as the iSTEP programme in partnership with Humanity Advancement Innovation Network (HAIN) to train 10,000 youth innovators in 200 LGAs over two years.
- c. **Federal Ministry of Education through its National Board for Technical Education (NBTE):** Supervises polytechnics and TVET



curricula, critical for upgrading vocational training required to meet industry needs.

- d. **Industrial Concession Regulatory Commission (ICRC):** Regulates PPP frameworks, ensuring private sector participation in infrastructure that underpins skills hubs and innovation centres.

4.2 Strategies

With a view to achieving the objective of expanding gainful employment and skills development in the manufacturing sector, the Federal Government of Nigeria shall employ strategies tailored to promoting industrial skills and innovation. These include to:

- i. **Strengthen the National Skills Council** – by reconstituting the council to include strategic stakeholders such as, FMITI, FML&E, FME, NASSI, NACCIMA, NASME, ITF, NCDMB, PTDF, the academia, and Development partners to ensure inclusiveness and drive a sustainable and unified skills governance agenda.
- ii. **Coordination** – The National Skill Council to develop an operational framework for all the Sector Skill Councils (SSC). Federal Ministries of Industry, Trade & Investment in collaboration with other relevant Ministries and Agencies to implement the decision of the NSC that have direct impact on industries.
- iii. **Replication of Sector-Skills Council** – Replicate successful Sector Skill Councils in other sectors where its non-existent and reactivate those that have gone quiescent. Operationalise SSCs for Agriculture, ICT, Construction, Oil & Gas, Manufacturing, Health and Green Economy.
- iv. **Institute Industry-Led Curriculum Reviews** - Form Curriculum Review Committees comprising NBTE, NUC and ITF with industry experts focusing on developing modular, competency-based programmes that integrate gender, people with disabilities, and youth into green and digital automation and entrepreneurship toolkits in the TVET to revamp and ramp up skilled market-compliant workforce.
- v. **Revolutionise Trainings** – Establish PPP-Backed Industry Training Hubs in SEZs and priority clusters, co-manage dual-training centres alongside private firms. Combine classroom learning with on-the-job apprenticeships, ensuring graduates meet real-time production and quality standards. **Mobilize a Skills & Innovation Fund:** Seed a dedicated fund with concessional loans, grants, tax credits and matching incentives to MSMEs and companies investing in technical training and innovations who form the single largest employment base and source of



on-the-job training.

- vi. **Implement Robust Data through Monitoring & Evaluation:** Partner with NBS and industry to conduct and maintain annual labour market surveys and database. Launch a digital Skills Development Dashboard tracking training outputs, employment outcomes and employer satisfaction. Institute structured tracer studies and convened a yearly National Skills Summit for performance review and strategy recalibration.
- vii. **Activate Diaspora Talent and Online Platforms for Skills Development:** Facilitate diaspora engagement on e-learning platforms to contribute skills, knowledge and financial resources on technical and innovative courses on IT platforms. This is to ensure rapid skills scaling to support industrial and economic developments.



Chapter

5

5.0 INCENTIVES

The Federal Government is committed to the attainment of its industrial development objectives through the promotion of a thriving, efficient and sustainable manufacturing sector in Nigeria. Therefore, the aspiration is to facilitate positive industrial policy outcomes evidenced by provision of a more dependable low-priced energy, reduction in reliance on oil, upscaled domestic production, creation of job opportunities, increased manufactured exports, improved inflow of Foreign Direct Investment, while ensuring sustainability. To facilitate the attainment of the envisaged positive outcomes, a bouquet of existing and new incentives (including sector-specific waivers and concessions) is available to provide wide-ranging unified support systems for the private sector (foreign and national investors) to play its traditional roles in industrial development.

Government is using these incentives to promote competitiveness, encourage geographical dispersal of industries, domestic resource utilization, technical skills development, advance entrepreneurship, stronger industrial linkages, sustain environment friendly production processes, implementation of Energy Management Systems and other Resource Efficient Cleaner Production practices in industries.

To facilitate ease of administration, Government has established the National Technical Committee on Effective Coordination of Fiscal and Monetary Policies in the best interest of productivity and sustained economic growth. In addition, the bouquet of sector-specific incentives has been categorised as Fiscal, Monetary, Export Promotion and Expansion, Special Awards and other industrial support measures.

5.1 Fiscal Measures

The policy objectives of fiscal measure seek to increase local manufacturing, reduce production costs, promote industrialisation, upscale investment in sustainable energy and economic diversification. Existing Fiscal measures like tax benefits and exemption, tariff waivers and concessions are available and specially targeted at priority sub-sectors under the industrial sector and have been designed to allow substantial



interest deduction related only to party loans. This is aimed at reducing costs of finance and production for businesses operating in priority sectors.

- Established the Office of tax Ombuds with the primary mandate to protect taxpayers against arbitrary tax assessments and resolve Tax disputes affecting businesses within 14 days.
- Granted 6-years threshold for statute of limitation and resolution of objections in favour of taxpayer if tax authority fails to respond within 90 days.
- Approved faster tax refunds within 90 days (30 days for VAT refunds) with the option of set-off against any tax liability of the taxpayer and request for advance ruling by taxpayer to be provided by tax authority within 21 days

5.1.2 Exemptions on Value Added Tax (VAT) and Import Duties Waiver

a. VAT Exemptions

These exemptions are available under the Value Added Tax (Modification) Order, 2024 for 63 items to aid the acceleration of Energy Efficiency, Cleaner Energy, Green Manufacturing, methodologies and technology adoption. These items include CNG and LPG Dual Fuel Vehicles; dedicated LPG Vehicles; CNG-LPG and Fuel Vehicles; Spare Parts, and semi-knocked down CNG, LPG buses and Electric Vehicles; Electric Vehicles Battery, Regular and Solar Charging Systems.

VAT exemptions cover LPG-CNG Conversion Kits; CNG Cylinders, Pumps, Compressors Cascades, Dispensers, Trucks (Chassis, Bobtails and Bridgers; fixed axle and semi-trailers); Gas Generators; Steel, Pipes, Valves & Fittings; SS Tubes & Fittings; Related Storage Tanks (all sizes); Regulators; Pressure Relief Valves & Gauge; Hydraulic press & Rolling Machine; Heat Treatment Equipment; Liquid Level Gauge; Pumping Housing & Motors and Regulator Body.

This incentive also exempted Metering & Measuring Equipment (including weighbridges, and filling scales); Dispensing scales, nozzles, gas filling systems; Safety Features (emergency shutoff valves, pressure relief valves, excess flow valves, breakaway couplings, quick release couplings); Gas water heaters, boilers and burners for industry; Gas washing machines and dryers (laundrettes) Household or laundry-type washing machines, including machines which both wash and dry; CNG, LPG and Cryogenic Hoses Tubes, pipes and hoses, and fittings thereof (for example, joints, elbows, flanges) of plastics.

The VAT exemption is also extended to CNG truck heads; Gas Leak Detectors; Gas air conditioners; Cylinder refurbishment equipment; Blending



deductions and allowances in the determination of tax payable by operators. Fiscal measures are administered by the Federal Ministry of Finance, the Nigeria Revenue Service, the Nigeria Customs Service (NCS) and the Nigerian Investment Promotion Commission (NIPC).

In 2024, the Government embarked on broader Tax Reforms that overhauled the tax system, merged over 60 taxes, levies and fees to streamline compliance. Government also introduced new fiscal measures aimed at reducing the tax burden on industrial enterprises, creating friendlier business climate, increasing revenue generation, ensuring effective tax administration at the national and sub-national levels and promoting economic growth. To make the new fiscal measures justiciable. In 2025, the Government signed the following Tax Reform Bills into law-the Nigeria Revenue Service Act, Nigeria Tax Administration Act, Nigeria Tax Act and the Joint Revenue Board Act.

5.1.1 Direct Tax Benefits for Businesses and Investments

The relevant provisions of the 2025 Tax Reform Laws, clearly harmonized taxes, repealed multiple levies, outlawed cash payment and physical roadblocks imposing burden on businesses. These laws also introduced friendlier tax regime for business restructuring and reorganization to improve efficiency, provide an attractive tax regime to encourage formalization of business, enhance competitiveness and improve FDI inflow. The benefits listed below are provided for investors under these laws.

- Exemption of Small Businesses from Withholding Tax, deducting or accounting for tax on payments to vendors and companies in this category with annual turnover of N100m are exempted from Company Income Tax.
- All Small Businesses, especially those with Turn Over below N100m are allowed to present Simplified Statement of Accounts attested to by the owners for tax returns purposes in place of Audited Financial Statements.
- Approved expense incurred by a start-up within 6 years of commencing business as tax deductible and provided the option for businesses to pay taxes and levies on foreign currency denominated transactions in
- Reduction of Corporate Income Tax rate from 30% to 25% and harmonization of earmarked taxes at a reduced rate.
- Approved unilateral tax credit for income earned abroad to avoid double taxation; Input VAT credit on assets and services; and restriction of



skid/unit; Odorizing unit; Chromatography unit (GC); LNG Liquefying Equipment; Heat Exchangers; LNG Vaporizers; Regasification; Plant, Liquefied CNG Compression Terminals; LNG Plant, Machinery, Pumps, Compressors, Filters (Including Gas Filters); Weighing Machines, Valves Equipment; Cryogenic Storage Tanks, Liquefied CNG Conversion tanks; Pipes, Piping Fittings, and Flanges used for Liquefied Natural Gas processing.

Others include Electrical Equipment, including Cables for Liquefied Natural Gas processing; Steel Plates, Angles, and Bars for Liquefied Natural Gas Processing; LNG Related Chemicals; Biogas Digester; Biogas Compressor; Desulfurization units; Dryer; Distillation columns for processing biofuels; Bio-ethanol refinery equipment; Fermentation Tanks; Biofuel-related Chemicals, Enzymes and Reagents; Liquefied Petroleum Gas; Compressed Natural Gas; Feed Gas and Automotive gas oil.

b. Import Duty Waivers (IDW)

Sector-specific IDW are available and will be granted under designated schemes for investors in Agriculture, Manufacturing, Oil & Gas, Medical, educational and Renewable Energy equipment, spares, specialised packaging materials and other inputs including industrial raw materials that are not available locally.

5.1.3 Economic Development Incentive (EDI)

The EDI replaces the former Pioneer Status Incentive (Tax Holiday). Under the revised scheme, eligible companies are granted Tax Holiday for a period of five years, applicable to qualifying capital expenditures incurred within five years from the production commencement date. Furthermore, any unused qualifying capital expenditures may be carried forward for an additional five-year period.

EDI will be applicable to investments in the following Priority Industrial Sub-sectors: production of Starch and Derivatives, Aquaculture, Food and Beverages (including Blending of tea), Refining of Crude Oil and Gas, Medical Devices and Equipment Manufacturing. The incentive is applicable to Manufacture of Textiles, Sportswear, Leather, Pulp and Paper, Chemicals, Pharmaceutical, Non-metallic, Basic Metals, Iron and Steel, Fabricated Metal (excluding Machinery and Equipment), Motor vehicles, Electrical Equipment and Electronic products.

EDI is also applicable to Electricity and Gas Supply, Renewable Energy, Mining of Coal, Lithium, Rare Earth, Metal Ores, and Mining of Other Minerals, Heavy and Civil Engineering Construction (Also referred to as Infrastructure or Industrial Construction), Non-residential Building Construction (Specifically: Construction of Health Care Facilities), Music, Motion Picture, Video and



Television Programme Production, Distribution and exhibition. Others include Transportation, Auto Components, Transport Equipment Maintenance, Repair and Overhaul, Waste Management.

In line with the provisions of the scheme, the Nigerian Investment Promotion Commission (NIPC) shall grant an Economic Development Incentive Certificate only after the applicant has been duly incorporated and has fulfilled all prescribed requirements. The certificate shall subsequently take effect from the production day as determined by the Industrial Inspectorate Department of the Federal Ministry of Industry, Trade and Investment.

5.1.4 Capital Allowances and Accelerated Depreciation (CAAD)

This category of incentive has been designed to enable companies to reduce the amount of corporate tax payable by claiming deductions on the cost of certain assets like equipment, industrial machines, permanent structures or buildings used in their operations during the financial year. Manufacturing, agriculture, and gas sector companies are also exempted from the general rule that limits capital allowance claims to two-thirds of assessable profits. For example, companies can claim an initial allowance of up to 95% on assets like plant equipment and motor vehicles used for public transport, followed by annual allowances ranging from 10% to 50%, depending on the asset type. These deductions help businesses reinvest in operations, improve productivity, and reduce their effective tax burden, making capital allowance a vital tool for stimulating industrial growth and infrastructure development in Nigeria. The CAAD is administered by Industrial Inspectorate Department of FMITI and Nigeria Revenue Service.

5.2 Monetary Measures

Monetary measures primarily targeted at promoting macroeconomic stability to improve access to long term funds and support industries in general and manufacturing concerns in particular to meaningfully contribute to economic development.

5.2.1 Macroeconomic Stabilisation Measures

Nigeria's macroeconomic stabilisation strategy has become imperative to safeguard industrial growth and restore investors' confidence. The proposed measures are targeted at fortifying the country's monetary framework, enhance industrial productivity, and foster financial inclusivity. The following highlight key interventions designed to boost manufacturing competitiveness and agro-processing, and enable sustainable access to financing and foreign exchange for priority sectors:



- a. Deployment of monetary instruments to manage inflation and stabilisation of Monetary Policy Rate (MPR) in the short run to enable industries to plan and project reduction in the medium to long run to improve manufacturers' access to funds.
- b. Facilitate long-term, low-interest credit facilities for sector-specific intervention funds through the development financial institutions (BOI, NEXIM, etc) to priority industrial sub-sectors like Agro-processing, manufacturing (textiles and renewables through development finance institutions like the Bank of Industry, Development Banks and Bank of Agric).
- c. Deployment of the flexible and differentiated Cash Reserve Ratio (CRR) to enable money deposit banks with strong industrial loan portfolios to incentivise real-sector lending to the industrial sector.
- d. Adoption of market-determined exchange regime to ensure Exchange Rate Stability, minimise volatility and ensure proper planning for private businesses, investors and importers of industrial inputs.
- e. Developed frameworks that will facilitate the prioritisation of the industrial sector for seamless access to foreign exchange through specialised FX windows to promote competitiveness.

5.2.2 Special Interventions Funds

CBN framework allows the extension of single-digit interest revolving loans to industries to improve production and Local Content Development Companies to encourage the development of both material and human local content. Special intervention funds introduced by the Government between 2023–2025 are stated on the schedule below:

Fund/Programme	Year	Amount	Purpose
TETFund Intervention Budget	2023	₦320.3 billion	Tertiary education
TETFund Intervention Budget	2024	₦683.4 billion	Tertiary education
NELFUND (Student Loan)	2024	₦22.74 billion (disbursed)	Student loans
PCGS (Nano Grants)	2023	₦50 billion	Grants to 1 million Nano-businesses
FGN MSME Intervention Fund	2023	₦75 billion	Loans to MSMEs



Fund/Programme	Year	Amount	Purpose
FGN Manufacturing Sector Fund	2023	₦75 billion	Loans to manufacturers
Power Intervention Fund	2024	₦450 billion	Power Sector Infrastructure
3MTT Programme	2023–2024	FG secured: ₦2.8billion grant from Google ₦1billion grant from Airtel ₦3billion grant from MTN	Technical Skills Training
BHCPF Health Disbursement	2024	₦37 billion	Primary healthcare
Military Jets & Ammunition	2024	US\$618 million	Air Force Modernization
China Exim Road Finance	2025	US\$652 million	Lekki Port Road Corridor

5.2.3 Currency Retention Scheme

The broad objective of the scheme is to enhance financial transparency, formalize foreign currency holdings, boost economic resilience by channelling funds into productive sectors and encourage diaspora participation in national development. The DDI Scheme was introduced under Executive Order No. 15 of 2023, modified in October 2024 and operationalized through guidelines issued by the Federal Ministry of Finance and implemented by the Central Bank of Nigeria (CBN).

Under this scheme, exporters are allowed 100% retention of their foreign earnings in their domiciliary account designated “Export Proceeds” only. As of 2025, the current applicable currency retention scheme in Nigeria is governed by the Foreign Currency Disclosure, Deposit, Repatriation, and Investment Scheme (DDI Scheme) aimed to formalize foreign currency holdings and integrate them into Nigeria's financial system.

Banks are required to open and manage designated domiciliary accounts, accept deposits of disclosed foreign currency, report transactions to the CBN within 24–48 hours and ensure compliance with data protection and financial regulations. Key features of the Scheme include retention of foreign currency in Nigeria or repatriate it through approved channels; investment of funds in Permissible Investment Sectors (e.g., infrastructure, manufacturing, agriculture); no Withdrawal Restrictions, applicability to Internationally Tradable Foreign Currencies (ITFCs) such as USD, EUR, GBP; opening of designated domiciliary account, voluntary participation of Nigerians and legal residents legitimately earning foreign currency onshore and offshore.



5.3 Export Incentives

The Federal Government has provided some export centric incentives to inspire large scale domestic production for export and provide cost reduction supports to manufacturers, exporters and investors. These incentives include Export Expansion Grant (EEG), Duty Drawback Scheme, Export Processing Zones; Export Proceeds Retention (EPR) for specified period, Export Development Fund (EDF), and Special Economic Zones (SEZs) to mention a few. These incentives highlighted below are administered by the Nigerian Export Promotion Council (NEPC), Nigeria Export Processing Zones Authority (NEPZA), Federal Ministry of Finance, and Nigeria Customs Service.

- a. The EEG provides export credit certificate to exporters of manufactured goods and offers financial incentives to exporters of non-oil products. Grants are based on the volume and value of exports and designed to help offset production costs and improve competitiveness in global markets.
- b. The EDF provides financial support to exporters to cover the cost of obtaining trade information, product design, consultancy, market research, advertising and publicity campaigns in foreign markets, oversea trade fairs, and export-oriented capacity building for new SME exporters.
- c. The Free Trade Zones (FTZs) and Export Processing Zones (EPZs) are specially designated areas to incentivise foreign direct investment and boost industrial production for export. Investors operating in the Zones enjoy duty free importation of raw materials, tax holidays, duty-free import of capital goods, and streamlined customs procedures.

5.4 Industrial Incentives

Industrial incentives play a pivotal role in shaping the expected outcome of Nigeria's economic transformation agenda, particularly boosting local production, attracting investment, and accelerating industrial competitiveness. As Nigeria deepens its commitment to diversify the economy away from oil, industrial incentives serve as a support mechanism to encourage industries, expand operations, and promote value addition, create employment and wealth critical to inclusive growth. Below are some of the existing incentives:

a. **Manufacture-in-Bond Scheme (MIBS)**

MIBS provides leverage for manufacturers to import duty free raw materials and other intermediate products whether proscribed from importation or not, for production of goods for export. Allows manufacturers to import raw



materials duty-free for goods meant for export. Requires a bond from a recognized financial institution, discharged upon proof of export and repatriation of proceeds.

b. Bona-Fide Manufacturers & Assemblers Scheme

This Scheme is a suite of other industrial incentives, which provides duty incentives for the importation of raw materials not available locally and encourage domestic manufacturers, especially those operating in assembly of automotive, electronics, and machinery. The BMAS is administered by the Federal Ministry of Finance, Federal Ministry of Industry, Trade and Investment (Industrial Development Department and Chemical & Non petrochemical Department), the Nigerian Investment Promotion Commission (NIPC). The BMAS framework include Duty-Free Importation of raw materials for Completely Knocked Down (CKD) parts, Semi-Knocked Down (SKD) kits including prohibited items, provided they are used for manufacturing or assembly for export.

Other Incentives in this category include Bonded Warehouse Privileges, which allows factory premises to be designated as a bonded warehouse for storing imported inputs and finished goods. In this case, companies are required to obtain a guaranteed bond issued by a recognized financial institution (e.g., commercial bank, NEXIM, or insurance company) covering at least 110% of the customs duty payable on each consignment, which will be discharged upon proof of export and repatriation of proceeds. Eligibility criteria require applicants to submit application to the Federal Ministry of Finance using prescribed forms, be registered with the Corporate Affairs Commission (CAC), have a production facility, obtain an Import Requirement Certificate (IRC), factory premises must be inspected and approved by the Nigeria Customs Service.

5.5 Strategic Incentives, Existing Instruments and Programmes

These are specialised incentives intentionally designed to accelerate industrial development, comply with strategic international protocols and make Nigeria the investment destination of choice using multidimensional approaches. These incentives include Green Manufacturing Grants; Skills Development Relief; Direct Support for factories adopting renewable energy and low-carbon technologies; Digital Infrastructure Subsidies for companies integrating smart manufacturing and digital supply chains in their operations; Export Credit Guarantees to de-risks lending to export-oriented SMEs; R&D incentives for innovation, development of novel products and process improvement. Other programmes by the government include:



- i. Standards Harmonization and Compliance Programmes: delivered by SON to ensure product standards compliance and fast-track ISO, HACCP, CE certifications.
- ii. Market Access Programmes (Trade Fairs, Exhibitions & Export Readiness Clinics) Coordinated by NEPC, MAN, NACCIMA, NASSI and newly launched “Export Readiness Clinics” offering packaging labs, certification support, and live buyer pitches.
- iii. Nigeria Trade Portal and Single Window Managed by NCS and NPA to simplify export/import processes, with over 75 percent of trade documents now handled digitally.
- iv. E-Commerce & Digital Trade Platforms Initiatives by the Ministry of Communications, Innovation & Digital Economy and private aggregators to onboard 25,000 MSMEs onto global marketplaces by 2026.

5.6 Trade Agreement Initiatives

5.6.1 The African Continental Free Trade Area (AfCFTA)

Nigeria is party to and technically led the negotiation process that led to the ratification of the Agreement by 47 member-countries, adoption of the 90:10 market access modalities and gazetting of a provisional schedule of products that Nigeria is willing to liberalise gradually over 10 years. All local manufacturers, industries and investors producing in Nigeria are automatic beneficiaries of AfCFTA incentives, benefits and technical support.

5.6.2 ECOWAS Trade Liberalization Scheme (ETLS)

Nigeria is also a signatory to the treaty establishing the ETLS, which seeks to promote free trade and export activities within the Economic Community of West African States (ECOWAS). The scheme is geared towards deepening regional integration and economic cooperation among the member-states. Benefits include the Duty-Free Access to the over 400 million consumers, regional market, protection regional industries, minimal presence of non-tariff barriers, exemption from import duties and taxes for eligible goods, No Quantitative Restrictions, No Quotas or Limits on the volume of trade, Simplified Customs Procedures, Streamlined documentation and clearance processes.

As part of conditions for participation, goods must originate from a Member-State, be listed in the approved product list, comply with Inter-State Road Transit (ISRT) procedures, have Certificate of Origin and ECOWAS Export Declaration Form. Items eligible for ETLS include unprocessed goods, livestock, fish, plants, and minerals



that have not undergone industrial transformation, traditional handicraft products, industrial products originating from within the community and have complied with the Rules of Origin criteria.

5.6.3 African Growth and Opportunity Act (AGOA)

The African Growth and Opportunity Act (AGOA) is a U.S. trade law enacted in 2000 that provides eligible sub-Saharan African countries with duty-free access to the U.S. market for thousands of products. AGOA aims to stimulate economic growth, promote economic and political reform, and improve U.S. economic relations in the region. It's a cornerstone of U.S.-Africa trade relations, and it is set to expire on September 30, 2025.

5.6.3 UK Developing Countries Trading Scheme (DCTS)

The UK's Developing Countries Trading Scheme (DCTS) is a trade initiative designed to enhance trade with developing nations by offering preferential access to the UK market. It simplifies trade for partner countries and aims to support their sustainable growth by reducing tariffs and simplifying rules of origin requirements. The DCTS replaces the UK's previous [Generalised Scheme of Preferences \(GSP\)](#).

5.7 Investment Agreement Initiatives

5.7.1 United States- Nigeria Commercial and Investment Partnership (CIP)

This landmark Partnership, established under a five-year Memorandum of Understanding signed in July 2024 by the United States of America, aims to deepen bilateral commercial cooperation and expand economic opportunities in both nations.



6.0 FUNDING OF INDUSTRIAL DEVELOPMENT

The government is strengthening and recapitalizing the domestic Development Financial Institutions (DFIs) in collaboration with other continental and foreign DFIs to provide for long term funding needs of the industries at single digit interest rate by implementing the following strategic actions:

- i. Setting aside 3–5% of GDP annually to industrial development financing.
- ii. Allocation of sector-specific credit quotas (e.g., ₦500 billion for agro-processing, ₦300 billion for renewable energy).
- iii. Recapitalization of the Bank of Industry (BOI) to ₦3 trillion by 2026 and increasing the scope of sector-specific intervention funds for industries from 1 trillion naira to 3 trillion naira, as contained in the stabilization plan.
- iv. Introduction of a 5-year implementation roadmap (2025 – 2030) with milestones to achieve: Policy stability coordination, PPP framework rollout, Infrastructure upgrades and MSME finance expansion.
- v. Leverage Public-Private Partnerships (PPPs) to fund industrial projects and combine Government support with private sector efficiency.
- vi. CBN to develop mechanisms for commercial banks to improve lending to identified priority industries.
- vii. Provision of credit guarantee to de-risk lending and improve access to finance by industrialists and entrepreneurs.
- viii. Creation of enabling environment for other innovative financial instruments such as equity funding, venture and impact capital, crowd funding, factoring, etc.



6.1 Funding of Micro, Small and Medium Enterprises (MSMEs)

- a. Provide single digit loan for MSMEs by:
 - i. Strengthening and scaling credit guarantee schemes where CGCs partially guarantee industrial loans from commercial banks, thereby reducing the lending risk and allowing banks to offer lower interest rates.
 - ii. Introducing an interest drawback scheme where industries initially pay commercial interest rates but receive rebates (partial interest refunds) from government once performance milestones (such as job creation, export volume, tax compliance) are met.
- b. Mainstreaming the informal sector into formal sector through the following:
 - i. Creating a framework for organising MSMEs operating in the informal into specialised accountability groups.
 - ii. Facilitating continuous business development services to ensure that MSMEs meet the requirements for accessing the available funding.
 - iii. Implementing the small and medium enterprises equity investment scheme of the Central Bank of Nigeria.
 - iv. Facilitating Sub-national level participation (States and local Governments) in industrial financing and guarantee scheme for MSMEs.
 - v. Creating a sector-specific fund managed by the Central Bank of Nigeria (CBN) or the Bank of Industry (BOI) that offers single-digit interest loans (5-9%) to eligible industries of high employment and export potentials, particularly manufacturing and agro-processing.
 - vi. Regulate and Promote Digital Lending Platforms by implementing consumer protection measures and digital credit scoring frameworks.

6.2 Foreign Capital

The strategic infusion of foreign capital into Nigeria's industrial sector is a transformative pivot for national development. Nigeria is positioned as a destination of choice for global industrial investors, through policy stability, streamlining regulations, and revitalizing infrastructure. To attract Capital and Foreign Direct Investment, Government is committed to Policy Coordination & Business Climate Enhancements, Investment Promotion, while boosting investors' confidence by launching sector-targeted FDI campaigns (e.g. textiles,



manufacturing, agro-tech) as well as the following:

- Guaranteeing Policy Stability through adequate coordination through the Office of the Special Adviser on Policy Coordination and Central Delivery Unit.
- Eliminating the incidence of multiple regulatory agencies.
- Accelerating the implementation of seaport reforms.
- Improving facilities available at the EPZs, FTZ, SEZs and Industrial Clusters.
- Accelerating nationwide improvement of infrastructural facilities.
- Developing a reservoir of skilled manpower.
- Ensuring adequate security of life, property and investment.
- Encouraging international industrial cooperation.
- Creating investor performance dashboard for transparency and dispute resolution tracking to improve investors' confidence.



7.0 GROWING INDUSTRIAL SUB-SECTOR

A critical element of the policy is the enhancement of the growth of key industrial sub-sectors or product groups, capacity utilization, as well as global competitiveness of locally produced goods and services. The key sub-sectors from which the expansion of industrial production include:

- ⊙ Agro allied
 - Food, Beverages, and Tobacco
 - Textile, Wearing Apparel and Leather Industries
 - Wood and Wood Products, Including Furniture
 - Paper and Paper products, Printing and Publishing
 - Fishery and Aquaculture Industry
- ⊙ Metals and Solid Minerals
 - Solid minerals industries
 - Non metallic
 - Iron and steel
- ⊙ Oil and Gas Industrial Activities
 - Chemicals, and Petrochemicals
 - Fertilizer, Pharmaceutical products
 - Rubber and plastic products
 - Lubricant, Pigments, Gas, Ethanol and Methanol
- ⊙ Pharmaceutical and Medical Device Industrial Activities
 - Active Pharmaceutical Ingredients (APIs)
 - Medicines, Vaccines
 - Syringes and needles, PPE, Glucometer, Scanners
 - Rapid Diagnostic Test (RDT) Kits, Long-Lasting Insecticidal Nets (LLINs)
- ⊙ Motor vehicles and miscellaneous assembly
- ⊙ Electrical and electronics, including renewable energy products.
- ⊙ ICT: assembly and manufacturing of ICT hardware
- ⊙ Non-manufacturing activities such as Building and construction, Mining and quarrying



7.1 Agribusiness & Agro-Allied Industry

There are agro-centric frameworks focusing on upscaling mechanization, improving farming techniques, and mitigating post-harvest losses, climate change, and insecurity. Broadly, Agribusiness and Agro-Allied Industrial Sub-Sector consist of a diverse group of industries, including the following:

- Food, Beverages and Tobacco.
- Textile, Wearing Apparel, Carpet, Leather / Leather Footwear.
- Pulp, Paper, and Paper Products.
- Wood and Wood Products, including Furniture.
- Horticulture.
- Herbs, Aromatics and Flavourings.
- Fishery and Aquaculture Industry

7.1.1 Food, Beverages, and Tobacco

The Nigerian food processing subsector is made up of myriads of mostly informal micro-enterprises providing self-employment for hundreds of thousands of Nigerians in rural and urban areas, as well as formal enterprises that employ 50 or more persons.

The Food, Beverage, and Tobacco sector contributed 50.88% to manufacturing output and 4.39% to national GDP in 2024 according to the National Bureau of Statistics. The following policy actions are geared towards strengthening the sector:

- i. Enforcement of compliance with Codex Alimentarius in food production processes to enhance quality and competitiveness.
- ii. Promoting circular economy and Good Manufacturing Practices (GMP), strengthen food safety and packaging systems in line with international best practices.
- iii. Addressing the burden of multiple taxation by centralizing the tax administration system and accelerating comprehensive tax reforms at both the Federal and State and Local Government levels to ensure harmonization, transparency, and ease of compliance for businesses.
- iv. Promoting value addition in the food processing industry with a defined time frame for backward integration programme.
- v. Strengthening local and regional value chains by linking processors, packaging companies, transporters, and off-takers in one physical and digital ecosystem.
- vi. Establishing Agro-Processing Zones and clusters regionally around agricultural hubs, with integrated and shared infrastructure, to attract



investment, and connect rural produce to national and export markets.

- vii. Modernizing land tenure systems to ensure secure, transferable, and scalable access to agricultural land for investors, cooperatives, and agro processors.
- viii. Creating agro-industrial corridors with clear land titles to support clustering of farming, processing, and logistics.
- ix. Providing targeted incentives (e.g., tax waivers, concessional financing) to the private sector and cooperatives for the acquisition and leasing of mechanization equipment—tractors, harvesters, graders, etc.
- x. Establishing rural mechanization service hubs linked to agro clusters to improve smallholder access and reduce drudgery.
- xi. Encouraging local assembly or manufacture of agricultural equipment through partnerships with local and international OEMs.
- xii. Prioritizing irrigation development in identified high-potential regions and align with land use zoning for industrial crops.
- xiii. Rehabilitating existing public irrigation schemes (e.g., Ikeregu, Hadejia, Bakolori, Dadin Kowa) and expand off-grid irrigation systems using solar-powered pumps.
- xiv. Promoting access to small-scale, affordable drip and sprinkler systems tailored to smallholder farmers and agribusiness out-grower schemes

7.1.2 Textile and Apparel

The textile industry in Nigeria presents an opportunity for investment as it was once the second highest employer of labour till the early 2000s. Specific policies and actions put in place by the Government to reactivate the industry are as follows:

- I. Implementing and sustaining the Textile Development Fund till Year 2030
- ii. Addressing trade barriers in key markets and compliance with stringent international standards.
- iii. Retooling and upgrading of machinery/equipment.



- iv. Capacity development to provide skilled manpower and identifying new opportunities through market research to the industry.
- v. Adopting biotechnology to improve the production and quality of cotton
- vi. Develop integrated textile parks equipped with common facilities.
- vii. Instituting effective enforcement of import policy to check illegal imports.
- viii. Nigeria Customs and technology-enabled border control coordination to combat smuggling.
- ix. Enhanced synergy between the textiles manufacturers and the garmenting sector, especially in the growing trends among the youthful population.

7.1.3 Leather and Leather Products

The leather industry is a major productive sector, next only to the petroleum sector in terms of foreign exchange earnings as noted by the National Leather and Leather Products Policy, 2018. It's critical to the diversification of the Nigerian economy because Nigeria has a comparative advantage in livestock production. The Nigerian Economic Summit Group projected that the Nigerian leather industry has the potential to generate over \$1 billion by 2025, from the current level of \$272 million. The supply chain in the leather and leather products subsector involves animal husbandry, processing of hides and skins, as well as manufacturing and marketing of leather products. Specific policy actions to strengthen local and regional value chains include:

- i. Provision of easy access to low-cost micro-finance for micro-entrepreneurs engaged in the hides and skins value chain.
- ii. Training a wide range of people in both urban and rural areas in slaughtering and flaying skills, in preservation techniques, and in applying grading and standards. The training programme will establish linkages among the people operating in different sections of the chain through the train-the-trainers programme.
- iii. Establishment of Leather and leather production clusters in the six geopolitical zones to enhance efficiency and productivity.
- iv. Adoption of modern and environment-friendly technology available in the industry.
- v. Enforcing effluent discharge standards that are both environmentally



sound and tailored to local industrial realities, while aligning with international best practices to ensure global market competitiveness and compliance.

- vi. Encouraging enterprises to enter into sub-contracting agreements with foreign companies as independent enterprises or in groups to accelerate the transfer of technology and business know-how.
- vii. Participation in joint ventures to attract cheaper capital, obtain updated technology and modern management techniques, and gain better access to global markets.
- viii. Strengthening institutions to reinforce standards and quality, especially among indigenous firms.
- ix. Intensification of trade promotion strategies by NIPC and NEPC.
- x. Strengthening of leather and leather products Industry.

7.2 Oil & Gas

7.2.1 Downstream Industries

Nigeria is immensely endowed with crude oil and natural gas deposits capable of sustaining vibrant downstream industries. In addition, there is significant potential to drive domestic industrialization through petrochemicals (e.g., lubricants, methanol, polypropylene, polyethylene), fertilizers (e.g., urea, ammonia, NPK blends), and polymers (Industrial and consumer-grade plastics), which form the priority industries within the downstream segment.

7.2.2 Existing Programmes and Instruments

Several reforms and initiatives are already shaping Nigeria's downstream sector:

- Petroleum Industry Act (PIA, 2021): Provides a comprehensive legal and regulatory framework to support private sector participation and downstream liberalization.
- Presidential Fertilizer Initiative (PFI): Strengthens backward integration in fertilizer production, combining local urea and imported components.
- Nigerian Gas Expansion Programme (NGEP): Supports development of gas-based industries and infrastructure for LPG, methanol, and gas-to-liquids.
- Nigerian Content Development Framework: Promotes local value addition in oil and gas, including in downstream fabrication and input production.



7.2.3 Strategic Measures to improve the Downstream Sector

To build a competitive and diversified downstream oil and gas sector, the following targeted actions are pursued:

- i. Expanding Private Sector participation across the downstream value chains: Enhancing regulatory clarity and harmonization of the regulatory functions of NMDPRA, NUPRC, and FMITI. Provide fiscal incentives and risk guarantees to attract private capital into petrochemicals, fertilizers, and plastics manufacturing. Industry actors include FMITI, NNPC Ltd, NUPRC, NMDPRA, NIPC, and private sector sponsors.
- ii. Driving targeted investments in refineries with emphasis on modular refinery development: Promoting modular refinery development through access to financing, fast-tracked licensing, land allocation support, and crude oil supply guarantees and prioritization.
- iii. Scaling Petrochemical Production and Use: Supporting backward integration in manufacturing through reliable supply of petrochemical inputs and facilitate off-take arrangements between petrochemical producers and local industries.
- iv. Strengthening Domestic Fertilizer Production and Distribution: Expanding the production capacities of local urea and NPK plants through co-investment and prioritized access to gas feedstock, and the establishment of regional fertilizer distribution hubs linked to agriculture clusters.
- v. Incentivizing Industrial Use of LPG and CNG: Promoting the use of LPG and CNG as energy and feedstock for light manufacturers and MSMEs while ensuring commodity affordability through the de-dollarization of supplies and bridging the gap between the domestic base price of gas and the supply cost effective 2025.
- vi. Operationalizing Industrial Hubs: Establishing integrated industrial parks and clusters near upstream infrastructure to co-locate downstream manufacturers, enable shared facilities, and attract private investment.
- vii. Transforming informal Refineries to Modular Systems: Formalize and organize operators, deploy blended finance and incentives, build technical and environmental capacity, as well as foster community ownership and institutional coordination. Stakeholders to guide the realization of this transition include FMITI, MPR, NDDC, and relevant state governments.



7.3 Chemical Industry

Over 80% of Nigeria's chemical needs are imported due to weak linkages between oil & gas and the chemical sector, inadequate infrastructure and obsolete production technology, skills shortages, and minimal R&D capacity.

7.3.1 Strategic Measures to improve the Chemical Industry

The approaches being pursued by the Government to revive the sector include:

- i. Developing Chemical Industrial Parks with shared utilities, integrating chemical zones into national SEZ programmes, and improving logistics, and pipeline infrastructure with appropriate incentives (tax holidays, duty waivers, etc).
- ii. Guaranteeing gas affordability for petrochemical feedstock, promoting local sourcing of minerals such as salt, limestone, kaolin, and phosphates, and support integration with public and private refinery and modular plants.
- iii. Establishment of a Chemical Industry Investment Fund (CIIF), and partner with BOI and NEXIM to fund SMEs in specialty chemicals.
- iv. Restructuring university and polytechnic curricula in Industrial Chemistry, establishing sector-specific apprenticeship programmes, and developing Centres of Excellence through strategic industry-academic partnerships to build a future-ready chemical workforce.
- v. Enactment of the Local Content and Procurement legislation for the chemical sector.
- vi. Establishment of a National Chemical Innovation Hubs in the six geopolitical zones, Fund R&D in green chemistry, biodegradable plastics, agrochemicals, and actively promote local patenting and commercialization of homegrown innovations.
- vii. Harmonizing regulatory frameworks across NAFDAC, SON, and NESREA, aligning with global standards such as GHS and REACH, and establishing robust national emergency response and chemical safety plans to ensure compliance, coherence, and public safety.
- viii. Enhancing Nigeria's trade footprint in regional markets and supporting export certification and quality upgrade initiatives to boost global competitiveness.



- ix. Strengthening linkages between the chemical sector and key demand industries such as paints, adhesives, FMCG, and agriculture, by promoting local production of industry-specific chemical inputs, enabling B2B partnerships, and supporting co-location within industrial clusters.
- x. Incentivizing product customization, certification, and joint R&D to meet quality standards, while aligning fiscal policies and trade frameworks to boost local sourcing and regional export potential.

7.4 Pharmaceutical and Medical Device Industry

Nigeria is positioned as a regional hub for essential drug supply. Despite being one of Africa's largest pharmaceutical markets, Nigeria imports over 70% of its medicines, including nearly all of its active pharmaceutical ingredients (APIs). There exist opportunities for local production in Essential medicines (antibiotics, antimalarials, analgesics); Active Pharmaceutical Ingredients; Vaccine formulation and packaging; Packaging materials and excipients; Herbal and phytomedicine-based drugs; Syringes and needles, PPE, and Glucometer; and Rapid Diagnostic Test (RDT) Kits, and Long-Lasting Insecticidal Nets (LLINs). Catalysing the growth of the pharmaceutical industry will strengthen local production of medicines and reduce import dependency to promote resilience and self-sufficiency.

7.4.1 Existing Programmes and Instruments

Nigeria currently supports pharmaceutical manufacturing through various initiatives, such as:

- i. Pharma Intervention Fund: A sum of ₦100 billion facility for upgrading local pharmaceutical and healthcare manufacturing administered by BOI.
- ii. National Drug Policy (2021): Encourages self-sufficiency in essential medicines and local production of APIs, implemented by FMOH and NAFDAC.
- iii. WHO Prequalification Support Programmes: Technical support to help Nigerian pharma firms to meet the WHO Good Manufacturing Practice (GMP) standards, implemented by NAFDAC, FMOH and development partners.
- iv. Raw Materials Research and Development Council (RMRDC): Supports the use of local herbal resources and inputs in pharmaceutical production.



- v. The Presidential Executive Order (2025) to ensure that critical raw materials essential for the production of pharmaceutical products are exempted from import duty and Value Added Tax (VAT) for a period of two years.

7.4.2 Strategic Measures to improve the Pharmaceutical Industry

To unlock growth in the pharmaceutical industry, the following targeted measures will be pursued:

- I. Local Production of Active Pharmaceutical Ingredients (APIs) and Medical Devices: Provide incentives and blended finance for firms establishing API and medical devices plants.
- ii. Establishment of a Local API and Medical Device Development Fund: Dedicate part of the pharmaceuticals and medical device sectors levy through BOI to support R&D and infrastructure for local API and medical device production, especially for high-demand drugs like paracetamol, antibiotics, and antimalarials as well as essential medical devices.
- iii. Upgrading Manufacturing to International Standards: Expand access to technical and financial support to help firms achieve WHO GMP and other global certifications.
- iv. Strengthening Herbal and Phytomedicine Commercialization: Facilitate standardization, clinical trials, and packaging of herbal products with export potential.
- v. Local Production of Packaging Materials and Excipients: Support backward integration into medium and advanced medical devices, pharma-grade plastics, glass, and aluminium packaging and co-fund common facilities for cleanroom-grade packaging material production.
- vi. Research & Development and Industry-Academia Linkages: Enable R&D in partnerships within universities to focus on bioengineering, drug formulation, indigenous medicine, and biosimilars, and enhance pharma-industry placement programmes for pharmacy graduates.
- vii. Regulatory Efficiency and Export Facilitation: Streamline NAFDAC registration timelines through digital fast-tracking for locally manufactured essential drugs, while empowering firms to access ECOWAS and AfCFTA markets by strengthening standards compliance and providing targeted market intelligence support.



- viii. Establishment of Pharma-Biotech Innovation Corridors: Designate pharma clusters near teaching hospitals, medical schools, and life sciences research institutes to facilitate clinical research, drug trials, and translational medicine.
- ix. Creation of Triple Helix Partnerships (Academia- Industry -Government): Promote joint R&D agreements between pharma and medical device companies, university labs, and teaching hospitals to fast-track and localize drug development, diagnostics, and indigenous formulation as well as development of AI medical devices.

7.4.3 Solid Minerals and Metals Industry

The Federal Government of Nigeria recognizes the vast potential of the nation's solid mineral resources as a cornerstone for industrial diversification, economic resilience, and sustainable development. Nigeria is endowed with a wide array of solid minerals capable of supporting a broad spectrum of industries, from manufacturing and construction to energy and high-technology applications including high value metallic mineral (Gold, Iron, copper bauxite, manganese etc), industrial mineral (Limestone, laterite, sand, clay marbles, granite, dolomites etc) and energy minerals (coal, Uranium, crude oil, etc).

There are great opportunities for investment in this sector. The strategy to transform the sector is aimed at the following:

- i. Repositioning the domestic industries to be competitive globally.
- ii. Ensuring increased value addition to available local raw materials and mineral resources for domestic use and export.
- iii. Creating industrial synergies to increase resource efficiency, productivity, and innovation in the mineral resource processing sector (e.g., supply chain, utility sharing, by-product/waste, service and urban-industrial synergies).
- iv. Encouraging investment in the industries and ensuring full utilization of abundant solid mineral deposits through Backward Integration Programme, and facilitating linkages between R&D and investments.
- v. Promoting local content of industrial machinery and equipment.
- vi. Sustaining the development of human capacity in engineering design for the rapid growth of the sector.
- vii. Mainstreaming environment sustainability into the solid minerals value chain.



- viii. Improving coordination between federal, state, and local government to minimize policy overlap and address the administration of artisanal exploitation.
- ix. Supporting the development of mineral processing zones and industrial parks near mining belts.
- x. Encouraging industries (e.g., steel, aluminium, battery manufacturing) to source raw materials locally.
- xi. Establishing a blended Artisanal Mining Transition Fund offering micro-leases, low-interest loans, and group-based credit guarantees to help artisanal miners formalize operations, acquire equipment, and comply with licensing.
- xii. Incentivizing cooperatives, anchor investors, and certified off-takers to co-finance shared infrastructure and ensure ethical sourcing, while leveraging climate funds for cleaner mining technologies.
- xiii. Ensuring alignment between this policy and the Mineral and Mining Policy in line with the African Mining Vision (AMV).

7.5 Automotive Sector

In recognition of the strategic importance of the automotive sector to national industrialization and economic diversification, the Federal Government of Nigeria is implementing the Nigeria Automotive Industry Development Plan (NAIDP). This is to catalyze the transformation of the Nigerian automotive sector. The implementation of the NAIDP will attract both domestic and foreign investment, enhance local content development, and establish Nigeria as a competitive hub for automotive production in West Africa.

Strategies to ensure that Nigeria becomes the regional hub for auto business include:

- i. Promoting strategic partnerships with Original Equipment Manufacturers (OEMs) to incentivize the establishment of vehicle assembly plants and manufacturing facilities within Nigeria, to deepen industrial capacity and enhance technology transfer, while fostering sustainable job creation.
- ii. Encouraging the establishment of clusters/parks near assembly plants to foster the creation of industrial synergies and associated resource efficiency/productivity gains.



- iii. Establishing an auto-intervention fund for the revitalization of the auto industry.
- iv. Formulating and implementing a structured deletion programme aimed at systematically phasing out the importation of components that can be competitively produced locally, to enhance domestic value addition and achieve high levels of local content.
- v. Implementing a vehicle import rationalization framework aimed at streamlining the range of vehicle brands and models permitted for importation into the country, to promote standardization, enhance regulatory oversight, support local assembly operations, and optimize after-sales service and spare parts availability.
- vi. Sustaining the age limit ban on imported used vehicles.
- vii. Facilitating subsidized access to finance, training, and technology (power for charging stations via mini-grids, solar farms) for SMEs in the automotive supply chain.
- viii. Enforcing procurement preference for made-in-Nigeria vehicles across MDAs.
- ix. Promoting research and innovation in automotive engineering, EV technology, and smart manufacturing.
- x. Implementing a deliberate tariff regime that sustains a clear differential of at least 10–25% between CKD and SKD import, and 35–40% between FBUs and CKD imports, to promote progressive localization and deepen domestic manufacturing.
- xi. Providing adequate support for automotive design and development in the private sector, universities of science and technology/polytechnics, towards meeting the challenges of the industry.
- xii. Strengthening local content manufacturing to enhance value chains and promoting patronage of locally assembled automotive products.

7.6 Electrical and Electronics

The sector is adversely affected by the importation of used electrical and electronic products. The white goods subsector, which consists of refrigerators, air conditioners, and domestic appliances, as well as the cable and wire subsector have been revived and gradually gaining traction.



7.6.1 Strategies for improved performance

The government is taking the following measures to:

- i. Maintaining a minimum tariff differential of 10–25% between Semi Knocked Down (SKD), Completely Knocked Down (CKD), and Fully Built Units (FBU) to incentivize local assembly and backward integration in the appliance manufacturing sectors.
- ii. Ensuring effective governance in the application of differential tariffs for SKDs, CKDs, and FBUs.
- iii. Upscaling efforts against the smuggling of wire and cable and dumping of used and sub-standard electrical and electronic products.
- iv. Incentivising investors in the local production of components required for the assembling of electrical and electronic products.
- v. Improving patronage of locally manufactured electrical and electronic products.

7.7 Energy Industry

The energy industry is a major enabler for Nigeria's industrial policy. Increased productivity of the manufacturing sector will be facilitated by enhanced access to power. The sector drives the engine of opportunity and enhances the processes in manufacturing, production and other services in an economy. Government is therefore committed to the furtherance of initiatives and policies aimed at guaranteeing energy security, promoting energy efficiency and attracting domestic and foreign investment in the sector. Government reform measures are focused on optimizing energy resources, encouraging private sector participation, and addressing energy-related challenges to support industrial growth and development. These supporting aspects include Electricity Act that allows State Governments and private sector participation and investment in Energy generation; Presidential Power Initiative (PPI) to upgrade power supply and infrastructure; CBN intervention funds to support GenCos, DisCos, and solar developers to increase energy supply.

7.7.1 Strategies for improved performance

Specific strategies of Government for achieving energy security include:

- i. Promoting research and development (R&D) to develop a competitive advantage in renewable energy sources (such as hydro, wind, hydrogen, biomass, solar, etc)



- ii. Implementing minimum use of 25% energy generated from renewable energy by 2030.
- iii. Incentivising investment in the local production of renewable energy hardware such as solar panels through the Federal Government's comprehensive incentives programme.
- iv. Implementing measures to address the regulatory bottlenecks and create enabling environment to boost investment in industrial captive power.
- v. Empowering the states to generate, transmit, and distribute electricity as embedded in the Electricity Act.
- vi. Coordinating strategy across Energy regulatory agencies and financial institutions including training and public engagement to scale up transition of industries from diesel to solar/CNG.
- vii. Implementing Siemens Electrification Roadmap to increase energy supply.

7.8 Information and Communication Technology (ICT)

Information and Communication Technology (ICT) is both an industry and an enabler of other industries. There are enormous opportunities in the software and hardware segments of the industry which includes Fintech and Digital Payment, E-learning, Health Tech, Telemedicine, Smart Meter & Energy Hardware Production, Embedded Systems & IoT Hardware etc. The players in the ICT space have made a remarkable impact and venture into the global ICT map attracting foreign investment, increasing remittance from remote work and freelance platforms, while maximising the potentials of the sector for economic growth.

7.8.1 Strategies for improved performance

Government is committed to accelerate and upscale investment and growth of the ICT sector through:

- i. Setting up of ICT parks/cities, led by the private sector to trap and harness the abundant talents and competence of the teeming brilliant youth and women.
- ii. Provision of incentives, funding, and recognition to this sub-sector to drive rapid development. Some areas to promote are:



- software development, coding, and application development etc.
 - engagement of local experts for outsourced services by international organizations.
 - development of artificial intelligence, blockchain, digital technology, and other emerging concepts.
- iii. Provision of tax incentives on components like motherboards, chipsets etc and pioneer status to aid local manufacturing of ICT Hardware for the domestic market and export
 - iv. Access to fund for IT startups and SMEs to scale up investment in hardware production.
 - v. Partnership with Educational Institutions to adopt training, design and maintenance of hardware and software in institutional curriculum.
 - vi. Upscaling the implementation of sector-specific cybersecurity policy in alignment with the National Cybersecurity Policy and Strategy (NCPS) to guarantee protection of the users.
 - vii. Launching of nationwide cybersecurity awareness programmes targeting factory workers, engineers, and IT teams.
 - viii. Collaborating and building capacity of National Information Technology Development Agency, Office of the National Security Adviser, and Nigeria Computer Emergency Response Team for threat intelligence and policy alignment.

7.9 Fishery and Aquaculture Industry

The Federal Republic of Nigeria—bordered by Benin, Chad, Cameroon, and Niger—is a Maritime Country with a Coastline of 853 kilometres (km) along the Atlantic Ocean in the Gulf of Guinea. The surface area of its Continental Shelf is 46,300 Square kilometres (km²); the Exclusive Economic Zone covers an area of 221,300 km², plus the newly acquired UN approved 16,300 km², giving a total of 237,600 km² within which Nigeria exercises sovereign rights for the purpose of using, conserving, and managing its fisheries resources. Aside from marine and brackish resources, the country has three principal drainage systems in Nigeria (Niger Basin, Chad Basin, and West Coastal Basin).

Niger system (largest including Benue River) covers about 575,500 km² (60% of the country's total land area of Nigeria). Most of these aquatic ecosystems, endowed with a rich biodiversity of living organisms, have the potential for



sustainable aquaculture expansion. Some advanced geospatial modelling and analytic are available that identify the most promising opportunities and locations with high potential and priority areas for aquaculture development in Nigeria (FAO 2022).

Given these vast resources, the Fisheries and Aquaculture Sector has immense potential to contribute to Nigeria's economic growth, jobs and livelihoods creation, poverty reduction, and nutrition and food security. An important part of the household diet in Nigeria, fish accounts for 40 percent of the country's animal protein intake with variation across regions. Fish also provides a range of micronutrients and essential Fatty Acids, especially long-chain polyunsaturated fatty acids, not easily substituted by other food commodities (Bene et al. 2015; FAO 2018; Kassebaum et al. 2014).

Despite the vast resources available, Nigeria's fish supply and demand gap has been widening. Fish imports have increased, accounting for 73 percent of national fish production in 2019 to 2021. Already the most populous Country in Africa, Nigeria has a rapidly increasing population and a growing number of undernourished people. Despite some improvement in a few of the key indicators, such as infant mortality and child stunting, others, like prevalence of undernourishment, have stagnated or worsened over time. Nigeria can reverse this trend with good policies and adequate investment to fuel inclusive and sustainable growth in the fisheries and aquaculture sector.

7.10 Production and Consumption

Nigeria's total fish production peaked at 1.12 million metric tons (MT) in 2017 (296,191 MT from aquaculture and 916,284 MT from capture fisheries). In 2020 and 2021, total fish production was down to 1.04 million MT and 1.08 million MT, respectively (FAOSTAT). Most fish produced is consumed domestically, and less than 1 percent is exported.

In 2019, Nigeria was the second-highest producer—after Egypt—of cultured fish in Africa (Ragasa et al. 2022). Together these two Countries produce about 43 percent of all fish cultured in Africa (FAO 2019). Nigeria, one of the African countries whose aquaculture production volume has grown by double digits in the last two decades (Ragasa et al. 2022), is currently the world's leading producer of African catfish.

Fish accounts for about 40 percent of the country's protein intake, with fish consumption at 11.2 kilograms (kg) per person per year (Subasinghe et. al.2021)—lower than the global fish consumption of 20.2kg/person/year reported by the Food and Agriculture Organization of the United Nations (FAO 2022). Consumption varies across the country, however, with people in the South consuming more (16–17 kg/person/year) and those in the North consuming less (5–7 kg/person/year) (Liverpool-Tasie et al. 2020).



Average annual per capital fish consumption is expected to increase to 14.8 kg in 2050. Nigeria's fast-growing population means that demand for fish is increasing faster than supply, thus widening the supply-demand gap. That gap has been filled over the years by substantial fish imports.

Nigeria's fish import volume was highest from 2006 to 2011—almost twice (1.76 times) the total fish production during that period. Fish import volume has since slowed, accounting for 73 percent of total fish production between 2012 and 2020. During that period, fish import volume was at its lowest related to aquaculture production but still almost twice (1.88 times) the total aquaculture production. In 2020, however, it rose again and was almost three times (2.90 times) the national aquaculture production.

7.11 Contribution, Employment, and Sub-sectors

The fisheries and aquaculture sector contributed 1.16–1.29 percent to national gross domestic product (GDP) in 2020–21 (NBS 2022), translating to about 4 percent contribution to agriculture GDP during that period. IFPRI estimates on Ag GDP+, which covers not just primary production but the entire value chains, show that fisheries and aquaculture value chains contributed roughly 3.3 percent to AgGDP+ (IFPRI 2023).

IFPRI's macroeconomic modeling shows that, given equivalent investment across sectors, the fisheries and aquaculture sector is one of the top three value chains in terms of potential contribution to poverty reduction, along with cattle and dairy, and poultry and eggs. It is among the top four in terms of diet and nutrition—along with cattle and dairy, vegetables, and fruits and nuts—and the top four in terms of overall potential impact on growth, poverty, jobs, and nutrition—after cattle and dairy, rice, and maize.

Given the potentially lower carbon footprint from fisheries and aquaculture, fisheries and aquaculture offer a critical potential contribution to the country's overall sustainable development objectives.

7.12 Policies, Strategies, Acts, and Plans on Fisheries and Aquaculture

- 1940s: Efforts to increase fisheries and aquaculture production
- 1971–72: Decrees targeted at coastal fishing:
 - ⊙ Sea Fisheries Act (1971, No. 30) to control and regulate coastal fisheries
 - ⊙ Sea Licensing Regulation (1971)
 - ⊙ The Sea Fisheries (Fishing) Regulations (1972)
- 1976: River Basin Development Authority—first policy element with



fisheries development

- 1988: The Federal Ministry of Agriculture, Water Resources, and Rural Development produced a comprehensive “Agricultural Policy for Nigeria,” with fisheries as a major component. As a result of this policy framework, the federal government promulgated two decrees:
 - ⊙ 1992: Inland Fisheries Act (1992, No. 108)—the first fisheries regulatory instrument on increased inland fish production, provides for the licensing of fishing craft and the regulation of fishing on the inland waters of Nigeria and related matters
 - ⊙ 1992: Sea Fisheries Act (1992, No. 71)—provides for the control, regulation, and protection of sea fisheries in the territorial waters of Nigeria. This act replaced the earlier Sea Fisheries Act (1971, No. 30)
- Early 2000s: National Fisheries Policy—drafted and validated but not implemented because of lack of funding
- 2004: Inland Fisheries Act (CAP110)
- 2008: National Aquaculture Strategy—drafted and validated but not implemented because of lack of funding
- 2011: National Aquaculture Development Plan—drafted and validated but not implemented because of lack of funding
- 2012: Shrimp Management Plan—implemented by the shrimp industry
- 2014: National Fisheries Act—captures all sea fisheries, aquaculture, including mariculture, and inland fisheries, and other governance frameworks; this act replaces the Inland Fisheries Decree and Sea Fisheries Act, but has not been implemented
- 2023: Sea Fisheries Act—has been reviewed and revised and is awaiting judicial vetting by the Federal Ministry of Justice.



Chapter 8

8.0 INSTITUTIONAL STRENGTHENING FOR INCLUSIVE AND SUSTAINABLE INDUSTRIAL POLICY DELIVERY

8.1 Environmental Sustainability

Government shall encourage the development of clean and efficient technologies, which minimizes pollution and environmental degradation and maximizes resource productivity and circular economy principles. Also, promotion and facilitation of renewable energy would be prioritized. Relevant Institutions (including Department of Climate Change, Federal Ministry of Environment, National Environmental Standards and Regulations Enforcement Agency, NESRA) are to mainstream their goals for environmental sustainability and ensure effective Monitoring, Evaluation and Feedback. Towards the enforcement of relevant frameworks to strengthen strategies and activities for a sustainable environment, government will:

- a. Strengthen regulatory framework to ensure Good Environment Practice and Best Available Technologies.
- b. Adapt and implement International Frameworks for Eco-Industrial Parks (such as Lekki Free Zone, Delta State's KGG, Sharada Industrial Park, GEIPP) to support existing and planned industrial parks/SEZ to become more resource-efficient, cost-effective, competitive, attractive for investment and risk resilient.
- c. Use the EIP approach to identify and implement opportunities for Industrial Synergies (IS), Resource Efficient and Cleaner Production (RECP).
- d. Improve Park management services and optimize spatial planning and zoning.
- e. Ensure handling of logistics is in line with existing domestic and international laws.



- f. Strengthen the implementation of Measuring, Reporting and Verification (MRV) framework for the Greenhouse Gas (GHG) protocol and Carbon Accounting. This should be to facilitate the utilisation of available funds for Climate Change such as Green Climate Fund, United Nations Development Programme (UNDP) Global Environmental Facility Climate Investment Funds and Adaptation Fund, ACRoSAL (World Bank/ IDA Programmes), Africa Climate Change Fund.
- g. Promote clean energy technologies in the industrial sector through fiscal and monetary incentives, for start-ups and existing industries.
- h. Encourage investment in industrial recycling and upcycling by mainstreaming the practices into its regulation and industrial waste management strategy.
- i. Incentivize and promote the use of energy efficiency device, machine and equipment.
- j. Streamline the requirements for Environmental Impact Assessment (EIA) Certificate in granting incentive for environment impactful industries.
- k. Promote and facilitate renewable energy and energy efficiency through training and fiscal policy measures.
- l. Strengthen research and development in energy-efficient and environmentally friendly products for domestic and export markets.

8.2 Monitoring and Evaluation (M&E) Framework

Industrial development in Nigeria requires coordinated and transparent tracking of sector performance. The Federal Ministry of Industry, Trade and Investment (FMITI), relevant MDAs, and the Industrial Revolution Work Group (IRWG) will develop Key Performance Indicators (KPIs) to measure policy implementation and impact. These will be integrated into the National Industrial Development Monitoring System (NIDMS)—a digital platform for tracking milestones, outputs and outcomes, with regular reports accessible to stakeholders. To foster inclusiveness and effective implementation, the relevant representatives of employers and labour union will be involved in the monitoring and evaluation of the policy.

Aligned with the 5-Year National Industrial Sector Strategic Implementation Plan (NISSIP), the M&E framework will include national and sub-



national indicators. Sectoral MDAs (e.g., Ministry of Power, Transport, Science & Technology, SMEDAN, Raw Materials Research and Development Council) will monitor relevant interventions, supported by the National Bureau of Statistics for data quality. Independent evaluations and policy reviews will ensure transparency, identify gaps and guide adjustments.

8.3 Subnational Collaboration for Effective Industrial Policy Implementation

The recognition of Nigeria's federated governance architecture and the spatial dispersion of industrial activities are crucial to the attainment of the objectives of the Nigeria Industrial Policy. All industrial activities, workforce concentrations, and infrastructure nodes are within the States or Local Government jurisdictions. The States, Local Governments, and their implementing agencies are critical enablers of industrial transformation. Therefore, it is vital to align national policy goals with the subnational to achieve the overarching objectives of the Industrial Policy.

The Federal Ministry of Industry, Trade and Investment (FMITI), in collaboration with State and Local Agencies, will actively engage subnational and support them through capacity building, technical support, fiscal incentives, and inclusion in the monitoring and evaluation framework. FMITI will ensure clear communication of policy objectives, facilitate state-level adoption, and co-create platforms for joint policy implementation and feedback. These efforts will empower subnational institutions to lead localised industrial development, enhance policy responsiveness, and ensure shared ownership of Nigeria's industrial transformation agenda.

8.4 Communication Strategy

To ensure ownership and alignment, a dynamic and inclusive communication strategy will accompany implementation. FMITI will, in conjunction with the Ministry of Information and National Orientation, lead nationwide awareness based on the National Policy on Strategic Communication, using:

- i. Broadcast Media: Radio and TV in major local languages.
- ii. Print: Newspapers, bulletins and trade journals.
- iii. Community Engagement: Town halls, market cluster forums and zonal roadshows.
- iv. Digital Platforms: Social media, government portals and industrial websites.



- v. Workshops: Stakeholder meetings at national and state levels with groups like MAN and other organised private sector groups.

State-level awareness will be led by FMITI and State Ministries of Industry, with feedback mechanisms to capture local inputs and challenges. A digital dashboard will collect public comments and recommendations. Nigeria will also engage in international industrial cooperation, sharing best practices and publishing policy briefs and innovation updates.

8.5 Financing Mechanism

Effective implementation of the Policy requires sustained financing. The Federal Government will improve fiscal discipline, boost budget allocations and explore innovative financing. It will work with development partners, international institutions and the private sector to fund priority initiatives.

8.6 Conclusion

The Nigeria Industrial Policy provides a focused roadmap for transforming Nigeria into a diversified, competitive, and innovation-driven industrial economy by 2035. It targets key sectors like manufacturing, mining and solid minerals, construction, and oil and gas. Its success will depend on consistent implementation, robust collaboration, and effective financing, communication, and performance monitoring and evaluation mechanisms.