



Nigeria Meets The World



*From Challenges to Opportunities:
Creating a world class financial hub*

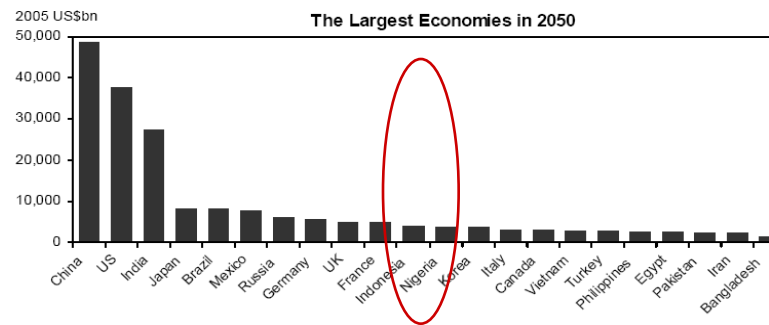
Welcome Remarks by Jim Ovia
Group Managing Director Zenith Bank PLC

Waldorf Astoria, New York

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Introduction: From Challenges to Opportunities

- Nigeria continues to ‘meet the world’- Nigeria and Africa are becoming increasingly integrated into the global economy, creating opportunities and growth for investors and entrepreneurs.
- Well known Goldman Sachs study on the BRICs identified the next set of developing countries that will join the largest economies in the world “**The Next Eleven**” –**which includes Nigeria...**
- The study also predicted that by 2025, Nigeria will be one of the Top 20 economies in the world- and by 2050, will be larger than Korea, Italy and Canada



Introduction: From Challenges to Opportunities

- Huge increase in investor interest- official Foreign Direct Investment statistics (which greatly understates the actual amount) show that FDI in Africa was up to US \$45 Billion in 2007 (including US \$7 Billion in Nigeria).
- Financial Times of London in an article dated December 4, 2006 stated '***Nigeria may be the next emerging markets gem***' and the above FDI figures of course do not include the significant increases in portfolio investment over the last 2 years in the stock market, bond market and private equity investments.



The screenshot shows the FT.com website interface. The top navigation bar includes 'FT.com', 'FINANCIAL TIMES', 'Reports', and a 'Subscription page' link. A breadcrumb trail reads 'FT Home > Reports > FTfm'. A left-hand menu lists various categories: Home, World, Companies, Markets, Market data, Managed funds, Lex, Alphaville, Comment & analysis, and Technology. The main content area features a sub-header 'FTfm' and the article title 'Nigeria may be the next emerging markets gem' by Chuka Mordi, published on December 4, 2006. The article text begins with 'Outside South Africa, sub-Saharan African capital markets represent the last t global capital. The problem has always been the absence of the combination required to attract global fund managers.'

Introduction: From Challenges to Opportunities

- Nigerians are increasingly bringing back their own funds to invest locally (always an important indicator of confidence).
- Significant growth and development of capital markets with a number of companies over a Billion US Dollars in market capitalisation. Zenith Bank for instance had a market capitalisation as of Friday, September 21st, of US \$4.05 Billion, making it the most capitalized company on the Nigerian Stock Exchange.

Creating a World Class Financial Hub

- Nigerian banks are already beginning to adopt global best practices: e.g. Zenith Bank recently opened a fully FSA -licensed UK subsidiary, requiring the bank to meet the high standards of the UK Financial Services Authority (which also regulates UK banks).
- Nigeria is the business hub for West Africa and much of Sub-Saharan Africa with the largest economy, capital markets and financial sector outside South Africa, and its strategic location makes it a natural hub for the whole sub-Saharan region.



Creating a World Class Financial Hub

- All these current advantages will be built on to create a world-class financial hub for Africa in Nigeria if we continue to follow through on the various areas of development which we shall be discussing throughout today (*the topics of the breakout sessions*):-
- Deepening Financial sector reforms:
- Rebuilding Infrastructure
- Ensuring Electoral & Democratic reforms
- Fighting Corruption
- Energy & Gas development along with resolving the Niger Delta problems
- Developing Lagos as a world-class 'Mega-city' which can become the financial capital of Africa.

Creating a World Class Financial Hub

- These areas of focus along with a focus on:
 - ICT as a catalyst and driver for development- which will provide the global interconnectedness required of a world class financial hub
 - and Education: providing the skills needed to work in a globally competitive financial system....

Concluding Remarks

- As Nigeria integrates fully into the new global economy, the challenges we face have created tremendous opportunities...
- Nigeria, as the most populous African country, is already the economic hub of much of Sub-Saharan Africa, and will harness these opportunities to create a world class financial hub:- both by the private financial sector adopting global best practices and financial market innovations; and by deliberate government policies to embrace reform and the rule of law.

Thank you!

