

GLOBAL FORAYS

Nigeria turns on India Inc

CORPORATE INDIA EYES FOOTPRINT IN AFRICA TO EXPAND HORIZONS



■ **RS Sharma**
CMD, NTPC

- **NTPC:** Submitted a proposal for setting up power plants.
- **Plans to outsource gas for power plants in India**



■ **Prashant Rula**
Group chief executive, Essar Group

- **Essar:** Has a 1,500-km offshore block in Nigerian delta
- **Plan to enhance businesses in other areas**



■ **OP Lohla**
CMD, Indo Rama Synthetics

- **Indo Rama:** Has a large petrochemical plant in Nigeria
- **One of the earliest to enter Nigeria**

INFRASTRUCTURE, IT and agriculture among attractive sectors as the African nation grows

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NEW DELHI: Guess which is India Inc's hot new investment destination? The answer: Nigeria.

And leading the investment push are the ONGC-Mittal combine, the Indo Rama group, Essar group and SREL. Besides, NTPC, Punj Lloyd and Simplex are entering the West African market.

"Indian companies have committed an investment of almost \$6 billion (Rs 29,000 crore) in next two years," said Elder Godsday Peter A. Orubebe, minister of state, ministry of Niger delta affairs.

Oil and gas, power, telecommunications, agriculture, roads, railways and IT are among the sectors that are attracting Indian companies. The Nigerian government has also initiated the process of privatisation of Nitel, its incumbent telecom service provider. This may also attract Indian players.

"There are a lot of common

factors between India and Africa," said Orubebe, who was in India to attract investment to his country.

Essar Exploration & Production Ltd has a 1,500 km block OPL 226 (offshore block) in the Nigerian delta. Initially, the company paid \$37 million (Rs 180 crore) towards signature bonus to the Nigerian government. The first exploratory phase of the investment, will involve a further investment of about \$ 25 million (Rs 120 crore). Based on the success of this exploratory phase, the group will decide on further appraisal and in the third phase the development cost.

"We enjoy excellent trade relations with Nigeria," an Essar group spokesperson said. "We already have a stake in an offshore block. Considering the business potential that Nigeria offers, we look for opportunities to enhance our presence in other businesses as well."

Infrastructure firm Punj Lloyd has interest in building oil gas

pipeline construction and Simplex is looking at laying roads.

It's not the private sector alone. "A proposal is being pursued with the federal government of Nigeria for setting up coal and gas based power plants and sourcing gas for NTPC plants in India," said RS Sharma, chairman and managing director, NTPC.

"We are advising the Nigerian government on water works," said Hemant Kanoria, chairman and managing director of SREL. "If everything goes well, we will invest."

Why Nigeria? "Nigeria today is what India was 20 years ago in terms of infrastructure and economic development," said Subodh Agrawal, chairman, Euromax Capital, a London-based investment bank with special focus on India and Africa. "This offers immense opportunities to Indian companies. Besides, Indian companies have the ability to deliver world class results at competitive prices."

INTERVIEW



■ **Elder Godsday Peter A. Orubebe**
Nigeria's Minister for Niger delta affairs

'We want to develop the delta region'

On Indian firms in Nigeria

A lot of economic activities are going on in Nigeria. In the Delta region, the government is in a hurry. We are ensuring that the development in the region is put fast on track.

On regulations

Nigeria is a democracy. Our rules and regulations are strict. Therefore, investment is protected.

On the development model

The government encourages public private partnership and build operate and transfer models.

On the Niger delta region

The region is rich in oil and minerals. It has a population of 30 million out of a total population of 140 million. But it is the most backward region. We want it to develop fast.

MANOJ GAIROLA