



LAGOS STATE
GOVERNMENT

THEMES +



BCG BOSTON
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GROUP

Support to Lagos State MoCCTI: Strategic roadmap to 2027

Lagos State Executive Committee



The expanded scope of the Ministry has amplified its role in supporting Lagos' transformation into Africa's Model Mega City

Lagos is in motion to become Africa's Model Mega City

Thriving Economy



Lagos will have a robust, healthy and growing economy with adequate jobs and strategic investments to sustain the growth

Human centric City



Every Lagosian will have access to affordable and world-class education, healthcare and social services

Modern Infrastructure



Lagos will have reliable and sufficient infrastructure that meets the needs of a 21st century city

Effective Governance



Lagos will have a supportive and enabling environment that creates opportunities for all Lagosian

With its new mandate, MoCCT&I has a key role to play in achieving this

Investments



Increase FDI inflows from new and existing investors

Trade



Increase local industrial production and boost exports

A baseline review of the components under the Ministry's authority has highlighted their strengths and challenges

	 Investment	 Trade	 Commerce	 Cooperatives
Strengths	<ul style="list-style-type: none"> ✓ Leading economy, currently the 10th largest economy in Africa ✓ Growing fast with 5.1% CAGR growth over past 20 years, vs 3.8% in EM¹ peers² ✓ Large consumer market of 26M inhabitants 	<ul style="list-style-type: none"> ✓ Gateway to Nigeria incl. 75% of country's imports & 80% of international air traffic ✓ Trade Hub as 50% of cargo movements to the Sahel are handled in Lagos 	<ul style="list-style-type: none"> ✓ Entrepreneurial mindset with ~3.4M MSMEs in Lagos State ✓ Dynamic private sector with MSMEs representing ~50% of Lagos GDP ✓ Innovative startup ecosystem, raising \$1.2Bn in 2022 (#1 in Africa) 	<ul style="list-style-type: none"> ✓ Vibrant sector improving the livelihood of thousands of workers via 2,441 active cooperatives ✓ Important source of revenue, representing 81% of MoCCT&I's IGR
Challenges	<ul style="list-style-type: none"> ✗ High volatility of FDI inflow y-o-y ✗ Low FDI attraction with GDP share 4x lower than leading peers ✗ Monetary policy deters investors (e.g., devaluation, fund repatriation) 	<ul style="list-style-type: none"> ✗ Low competitiveness vs peers, with, for example, the lowest PLSC index³ among W.Africa major ports ✗ Limited industrial production, with relevant occupancy of Lagos State estates below 30%⁴ 	<ul style="list-style-type: none"> ✗ Mostly informal MSMEs, representing ~97% of MSMEs ✗ Limited access to finance with Domestic credit to private sector at 10.5% of GDP (vs 45.5% average in SSA) 	<ul style="list-style-type: none"> ✗ Difficulties to monitor cooperatives with <50% inspected y-o-y ✗ Low rate of conflict resolution despite panel set up to mitigate issues

1. Emerging Markets 2. Mumbai, Sao Paulo, Mexico City, Jakarta 3. port liner shipping connectivity index - The index aims to capture the level of integration into the existing liner shipping network by measuring liner shipping connectivity. It is used as proxy for accessibility to the global trade network.4. Total Occupancy of Industrial Estates is higher; however, there are mostly warehouses |Source: Lagos State National Bureau of Statistics; Lagos State Development Plan; FDI markets; Oxford Economics; UNCTAD; IFC; SMEDAN-NBS 2021 MSME report; Stakeholder Interviews; Press Search; BCG Analysis

The newly established MoCCT&I has defined a clear Vision and Mission that reflect the ambitious objectives set by Lagos State



Vision Statement:

Aspiration articulated in the State's Vision 2025 & LSDP 2052

Guide Lagos to become **Africa's Model Megacity** by **fostering Economic Prosperity**

MoCCT&I's contribution in achieving Lagos' State Vision



Mission Statement:

Ambitious growth of 3x to 8x current output, depending on sector

By boosting FDI inflow & doubling down on existing investors

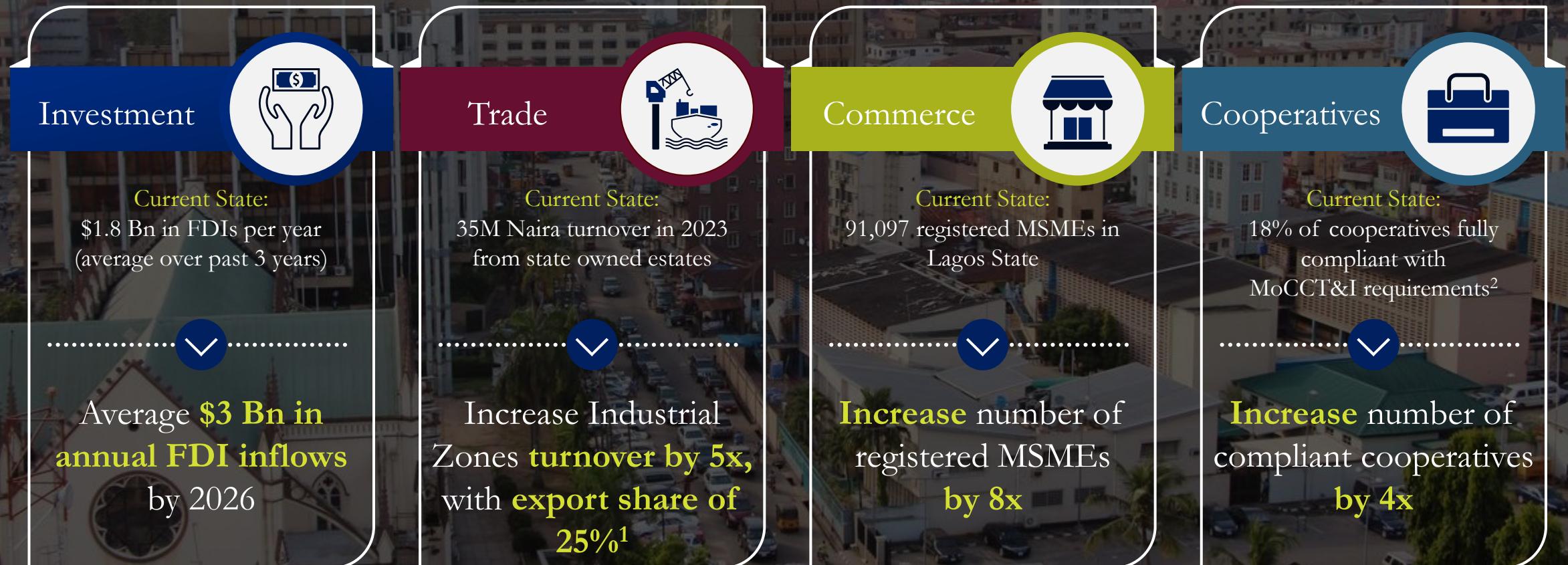
By improved access to markets and increase in exports

Promote economic growth by **attracting investors**, **fostering trade**, and **strengthening the private sector** through **tailored services and refined policies**

Includes MSMEs, industrial companies & cooperatives

Proposed initiatives to enhance the impact of the Ministry's action

The MoCCT&I will aim to strive to attain ambitious targets across its four components



¹Data does not include revenues from the Lekki Free Zone who operates as a separate entity. MoCCT&I will continue to monitor and supervise the development of the Zone 2. Requirements include registration fee, submission of annual accounts and organization of an annual assembly

23 proposed initiatives across the Ministry's pillars to achieve ambitious targets

Investment Component



See next slide for deep dive

- 1.1 Set up investment accelerator to scale outreach to investors in priority sectors and facilitate deal completion
- 1.2 Set-up one stop shop to simplify the investors' journey and guide them throughout the investment cycle
- 1.3 Launch targeted 'Invest in Lagos' marketing campaigns to promote the city as an FDI destination
- 1.4 Advocate to the federal government to streamline investor fund repatriation

Cross-cutting



- 5.1 Integrate the newly defined Investment and Trade components into the scope of the Ministry's action

Trade Component



- 2.1 Advocate for renovation of the Lekki-Epe Expressway to improve access to the Deep-Sea Port
- 2.2 Develop an export promotion policy to benefit & incentivize companies exporting their products & services
- 2.3 Set-up Industrial Zone Management Office to improve services for members and attract new companies
- 2.4 Introduce fiscal and technical incentives for Industrial Zones to increase occupancy rate and member companies' turnover
- 2.5 Collaborate with relevant federal MDAs to simplify customs processes for businesses

3.7 Connect MSMEs to Export Schemes to improve awareness of export opportunities and requirements

Commerce Component



- 3.1 Incentivize SME insurance uptake to boost coverage and reduce risks
- 3.2 Boost SME digitalization by coordinating workshops and incentives to promote the digital economy and new revenue sources
- 3.3 Launch a one-stop shop for MSMEs to develop and provide preferential support services to MSMEs
- 3.4 Collaborate with financial institutions and CBN to develop programs to boost MSMEs access to finance
- 3.5 Advocate to relevant government agencies for SME tax simplification
- 3.6 Pilot a scheme requiring a share of government procurement to originate from local SMEs



Cooperatives Component



- 4.1 Redesign Cooperative College to make it more relevant to identified needs
- 4.2 Engage with relevant government agencies and financial institutions to improve cooperative access to finance
- 4.3 Accelerate conflict resolution by increasing mediation activities and penalize fraudsters

Level of effort required:

- Advocacy & Collaboration
- Design & Analysis prior to Execution
- Execution Only

Each initiative has clearly defined activities, along with a roadmap for implementation and estimated CAPEX: *Deep Dive Initiatives 1.1 & 1.2*

Initiatives	Context	Activities	Estimated Capex	Stakeholders
<p>1.1 Set up investment accelerator to scale outreach to investors in priority sectors and facilitate deal completion</p>	<ul style="list-style-type: none"> Large scale investments (e.g., infrastructure) often face delays that deter investors Yet, these multi-billion USD investments need private sector support to be completed 27 by 2027 Initiatives identified the water sector and the Lagos Food Security & Logistics Base as priority targets 	<ul style="list-style-type: none"> Identify relevant investors with focus on key sectors highlighted in the THEMES+ Agenda and the Lagos State Development Plan 2052¹ Outreach to identified investors through participation in international events or/and other official means Develop and present relevant investment opportunities to interested parties, and engage in discussion until deal finalization Leverage influence of the accelerator to fast track the execution of the deal 	1 – 5 M USD	<ul style="list-style-type: none"> Office of the Governor Office of PPP² Relevant MDAs related to sectors³
<p>1.2 Set-up one stop shop to simplify the investors' journey and guide them throughout the investment cycle</p>	<ul style="list-style-type: none"> OSDG&I split into two, with Investments now under MoCCT&I and SDGs a standalone unit under the Governor New prerogatives of the Investment department are yet to be defined There is an opportunity to reinforce the role of the unit & improve interface with investors 	<ul style="list-style-type: none"> Set up one stop shop within MoCCT&I Investment team Conduct review of existing incentives available to investors in Lagos State, and ensure they are readily accessible Offer support services to potential investors, guiding them through the entire investment cycle Engage with existing investors to provide aftercare services & improve Ease of Doing Business Maintain investor database and engage with NIPC for knowledge sharing 	1 – 5 M USD	<ul style="list-style-type: none"> Office of the Governor Office of PPP MoF⁴ NIPC⁵ Relevant MDAs related to sectors

1. The sectors include Commerce, Housing, Logistics & Transport, Energy, Culture, Education, Healthcare, Water & Sanitation etc. 2. Office of Public-Private Partnerships 3. including Ministry of Agriculture, Ministry of Economic Planning & Budget, Ministry of Environment, Ministry of Finance, Ministry of Transport etc. 4. Ministry of Finance 5. Nigerian Investment Promotion Commission
Source: Lagos State Development Plan 2052; 27 Initiatives by 27; Stakeholder interviews; Press Search; BCG Analysis

From: Great achievements often driven by individual efforts, and siloed approach...



Commissioning of the Lagos Blue Line Rail project by His Excellency the Governor



Former SA SDG&I at the opening of an ESH Nigeria plant in Lagos



The Deputy Governor, Dr. Hamzat, at the groundbreaking of the Rack Data Centre



His Excellency Babajide Sanwo-Olu, Governor of Lagos State, with the Lagos State Development Plan 2052, the result of a concerted effort across Lagos State MDAs



Signature of a MoU between Ministry for Tourism and Del-York for the Film & Media City

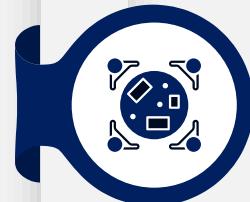


Signature of a MoU between the Ministry of Energy & Resources and Ikeja Electric to boost power supply in Lagos State

... to a coordinated approach to economic development



Next steps



Detailed review of initiatives with relevant MDAs within Lagos State Government to coordinate efforts



Provide support in strengthening the team & the Ministry's resources



Review and approve the budget to implement the initiatives

Thank You

