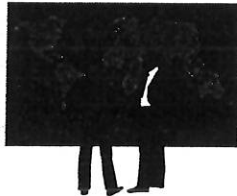


THE ROLE AND EXPECTATIONS OF INTERNATIONAL INVESTORS

NOVEMBER 18, 1996



FOUR QUESTIONS

- (1) How to Attract Foreign Investment?
- (2) What Role do Foreign Investors Play?
- (3) What are Their Needs - and Requirements?
- (4) What are the Implications and Priorities for -
 - Nigeria's Economic Policy?
 - The Nigerian Stock Exchange?

(1) ATTRACTING FOREIGN INVESTMENT (contd)

- Investment in People
- Justice and Public Safety
- Open, Democratic Process
- Positive Investor Orientation
- Etc.

FACING REALITY

- TINA and Global Reality
- Nigeria and Foreign Investors
 - (1) Multinationals (MNC's)
 - (2) Wealthy Private Investors
 - (3) Professionals/Portfolio Investors
- Establishing TRUST

(1) ATTRACTING FOREIGN INVESTMENT

- Consistent National Direction
- Conducive Macro-Economic Policy
 - Single digit inflation
 - GDP growth per capita
- Private Sector Led Development
- Favourable Regulatory Environment
- Modern Infrastructure

(1) ATTRACTING FOREIGN INVESTMENT (contd)

- Major Recent Progress - 1995/1996
- Fundamental Mindset Change
- Privatization = Test Case
- Caveat = U-Turns
 - = No Shortcuts
 - = "Golden Shares"
- Key = Track Record
 - = Trust

(3) NEEDS AND REQUIREMENTS (contd)

- Economic Policies, Practices, Institutions and Regulatory Systems
 - Reliable and timely Information
 - Country
 - Industry
 - Company
 - Reliable, Insightful and Objective Professional Advisors
 - Brokers
 - Registrars
 - Custodians
 - External Auditors
 - Policy Consistency and National Strategic Direction
-

(4) IMPLICATIONS/PRIORITIES

- NATIONAL LEVEL
 - We Have to Make A Commitment if We Want Foreign Investment
 - Enabling environment
 - Competitive growth rates . 6-10% Range
 - Open, free market system
 - Continuous reform to make/ keep us attractive
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(4) IMPLICATIONS/PRIORITIES (contd)

- PRIORITIES
 - NSE long range plan/strategy
 - International standards of financial reporting
 - Liquidity and depth in the capital markets
 - Efficiency of clearing systems
 - Strong registrars, custodians, investment research, etc.
 - Overall = competitive edge vs. other capital markets
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(3) NEEDS AND REQUIREMENTS

- Professional Investors Come for Only One Purpose
 - To earn superior returns for themselves and their principals
 - They are *not* Investing to Help Africa or Nigeria
 - They are Pragmatists, Realists and Objective Professionals
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(4) IMPLICATIONS/PRIORITIES (contd)

- NSE/CAPITAL MARKETS Play a Critical Role
 - Foster enabling environment and sound strategic direction which builds the nation's wealth
 - Implement best global practices and principles in -
 - financial institutions
 - capital market systems
 - business conduct
 - transparency/accountability
-

CONCLUSION

- Foreign Investors - of all Types - will Invest if:
 - we play by global rules
 - we earn their trust/confidence
 - We Clearly Have a Challenge to Come Up to "Olympic Standard"
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