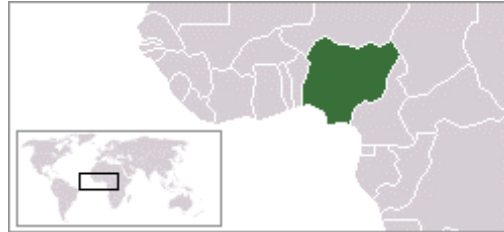


## REGIONAL REPORT – NIGERIA – NOVEMBER 2007



### Current Developments Affecting Project Management in Nigeria End of October 2007

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#### **Nollywood and Tinapa**

Nollywood, the Nigerian budding film industry, is a widely acclaimed success. Its success has some object lessons for project and operations management in Nigeria. The establishment of Tinapa, with international commercial significance, is a major project recently completed by the Government of the Cross River State of Nigeria. This report will touch on the commercial importance and potential for national economic development of these two subjects.

#### **Nollywood**

Nollywood, the Nigeria's equivalent of Hollywood, is reputedly the third largest film industry in the world; that is behind Hollywood and India's Bollywood. It is estimated that within this year, the industry will produce about two thousand films. This underlines its description as a multi-billion dollar movie industry, churning out some 200 videos every month, with each film selling over 50,000 copies.



The industry is relevant to project management as the production of a given film is a project in its own right. Besides, it may be rewarding to explore the significance of Nollywood and its impact on the Nigerian economy, some of which are covered in the following statements:

1. The industry employs so many Nigerians that the number is allegedly higher than that in the oil industry. This point is more of an assertion than a fact until proven with comparative figures on the two industries. Clearly, the message here is that the film industry employs thousands of Nigerians.
2. The success of the industry is a vindication of the benefits of integrity, honesty, and enterprise. These are ethical values which are lacking in most government and private operations and projects in Africa. For, it is reported that tribalism, nepotism, and corruption in its various forms are unknown in the industry. Rather, factors that have engendered success are skills, hard work, entrepreneurial ability and performance.
3. It is claimed that there is a lack of governmental support, which paradoxically is seen as a blessing and not a hindrance. For, it is reasoned that absence of government funding means absence of government interference, therefore; this has enabled the performers and artists to excel in the acting and production of their films without let or hindrance.
4. The industry has significant geographical spread, and a national representation which is normally difficult to achieve in government operations. To expatiate, its main studio is in Tinapa, Calabar. However, most movies are not produced in studios; rather video movies are shot on locations all over Nigeria with appropriate and relevant distinct regional variations. For example, northern Nigerian movies are shot in the northern part of the country in the Hausa language where the language is dominant, Yoruba-language movies are produced in the western part of the country where Yoruba is the dominant language; lastly, Igbo movies and a lot of popular English movies are shot mostly in the south-east where Igbo is dominant. For coordination and control purposes, many of the big producers have offices in Lagos, the commercial capital of the country.



In conclusion, the future of the industry is described as very promising especially as its movies are said to be so popular in Africa that they record more sales than Hollywood films. Up till now, the films are low-budget, and shot in private homes. The films will in the near future be produced in the large professional film studio in a big new commercial complex in Tinapa, in Calabar, in the Cross River State of Nigeria.

## Tinapa

The building of Tinapa is such an important major commercial project, estimated at \$540 million, that it may interest foreign investors to be informed of its economic and commercial potentials. It is the brain-child of Mr. Donald Duke, the US educated Governor of Cross River State, Nigeria, from 1999 to May 2007. His vision was to build a world-class integrated business resort, comparable to free zones in Hong Kong and Dubai.

The multi purpose business resort provides international standard integrated shopping complexes with distribution schemes supported by business tourism and entertainment facilities. It has been built on the principle that the creation of a trade hub will attract investors, traders and business travellers and subsequently domestic, regional and international leisure tourists.

It is expected to achieve the following among others:

- To attract 1.6 million visitors annually,
- To yield income to investors from 2007 and
- To employ 1,820 people.



The complex will incorporate incentives, described as “a Special Purpose Vehicle (SPV)”, for investment purposes. It will be granted Free Trade Zone (FTZ) status and the incentives it will offer to investors include the following:

- Exemption from all Federal, State and Local Government taxes, levies and rates
- Entitlement of approved enterprises to import, without payment of customs duty, any capital goods, consumer goods, raw materials, components and articles intended to be used with an approved activity
- Freedom from legislative provision pertaining to taxes, levies, duties and foreign exchange regulation
- Repatriation of foreign capital on investment in the zone at any time
- Unrestricted remittance of profits earned by investors
- No import or export licence
- Rent free land during the construction stage, thereafter rent shall be determined by the management of the Zone
- Foreign managers and qualified personnel may be employed by companies operating in the Zone

In conclusion, Tinapa is promised to provide investors with a robust platform to explore and exploit the commercial and business opportunities in Nigeria.



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