BusinessDay Research and Intelligence is a unit of BusinessDay Media Limited, specialising in the gathering and analysis of economic and financial data as well as forward-looking intelligence on Nigeria and West Africa. We have a complete database and valuation of all Nigeria-listed firms, with the aim of expanding it to include listed companies in West Africa over the next 12 months. We provide in-depth analysis of different sectors of the Nigeria and West African economy, drawing extensively from our network of industry contacts to provide insights which are not publicly available. We are committed to the dissemination of reliable, credible, timely and relevant information to both private and public sector decision-makers.
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Overview

Retail in Nigeria was once confined to traditional open markets and small local storekeepers – loosely referred to as the informal retail sector of the Nigerian economy – which serviced communities. Between 1960 and the early 1980s, there were standard retail malls which operated chain stores across the country; their number reduced because of the harsh business environment and the decline in business in that era, leaving the country without standard malls for retail business.

This gap led to the growth of the informal or traditional retail market, which traditionally constitutes a formidable part of the retail structure in Nigeria.

Today, Nigeria is experiencing a tremendous shift to a more sophisticated structure as formal or organised retail continues to gain ascendency. The distribution chain and the organisation of outlets continue to reflect those of a rapidly evolving economy as standards of living improve and as the population continues to snowball. In the past eight years, Nigeria’s population has grown from 150 million, as established by the population census conducted in 2006, to a country with an estimated population of 171 million people by 2013. In the midst of this, the middle class continues to expand even as 51 percent of the country’s population now lives in cities.

The rise of organised retail has been rapid in Nigeria in the last two decades. NBS data shows that between 2001 and 2004, the wholesale and retail sector grew by 10 percent per annum. By 2006, its contribution was 16 percent. In the first halves of 2011, 2012 and 2013, it contributed 15.58 percent, 17.05 percent and 18.44 percent of GDP respectively.

The old or traditional retail system which is adjudged to account for almost 90 percent of retail activity in Nigeria has continued to decline because of government’s policy, changes in the composition of Nigeria’s population, rising income level and increasing sophistication of the Nigerian consumer.

In the last decade, the stable political environment, consistently high oil prices, and rise in GDP have had positive impact on per capita income, which has in turn moved more Nigerians into the middle class. Today, more families shop together and organised facilities which meet their need are attracting more shoppers. Therefore, the old or traditional structure of retail continues to give way to the new.

More than ever, the Nigerian consumer is interested in a decent shopping environment, neatly-arranged and labelled commodities and the experience that goes with buying at an organised outlet.

Opportunities in wholesale and retail stem from the fact that demand has continued to rise. NBS data shows that based on the structure and level of development of the economy, the average Nigerian household spends as much as 80 percent of its income on consumables like food and drinks, clothing, transportation, shelter, education, electronics and power supply.

The average amount devoted to consumption has played a major role in elevating Nigeria to the status of a 171 million-populated retail powerhouse on the African continent.

Nigeria has evolved from being a country with 150 million population with no real mega retail store in 2006 to one with 171 million people who have about 20 mega retail stores in less than 10 years. The country has the capacity to support even more malls across its major cities.
The Nigerian economy

Nigeria’s economy is one of the most promising on the African continent. The World Bank put the country’s GDP at $262.6 billion, the second-largest on the African continent, in 2012. But the rebasing process of the economy which was concluded in early 2014 put the value of the economy at $510 billion, making it the biggest in Africa. Rebasing the economy became imperative as its structure evolved over the last three decades.

Nigeria has the highest population on the African continent, estimated at 170 million in 2013, based on a population growth rate of 3.2 percent per annum. The country is considered a lower middle-income economy by the AfDB, which groups Nigeria among African countries with GDP per capita of between $786 and $3,115 in 2013.

Administered as a democracy, Nigeria has maintained a stable macroeconomic environment since 1999. Between 2008 and 2012, in the heat of the global recession, the Nigerian economy maintained stable growth rates. The economy has grown at an average rate of 6.7 percent in the past decade.

In the past, growth was fuelled primarily by the oil sector but in the last five years, the non-oil sector has continued to grow at unprecedented rates therefore skewing the economy in the direction of the non-oil sector.

Growth in the oil and gas industry took a sudden dive in the last quarter of 2011 but began to re-emerge in the fourth quarter of 2013. However, the contribution of oil to GDP growth has been below its actual capacity in recent times.

Nigeria is considered a lower middle-income economy by the AfDB, which groups Nigeria among African countries with GDP per capita of between $786 and $3,115 in 2013.

Decline in the growth of the oil industry is largely attributed to non-passage of the PIB, a piece of legislation which is designed to restructure operations and taxation in the oil and gas industry. In the non-oil sector, high consumer demand and increase in agricultural output are responsible for driving growth.
**Unemployment situation**

Though economic growth in Nigeria has been quite robust, with rates among the highest in Africa, unemployment remains high in the country. In 2013, NBS data showed that unemployment rose to 23.9 percent in 2011, from 21.1 percent in 2010. According to NPC, youth unemployment was 54 percent in 2012. So far, sectors responsible for most of Nigeria's growth have not accommodated the number of unemployed individuals in the country. Labour is therefore cheap in relative terms, though there is often need for extensive training of personnel to make them fit for the work place.

Perhaps the greatest challenge facing Nigeria's economy is the chronic electricity supply problem which all sectors of the economy have to contend with. Incessant power outages have meant that manufacturers have to produce at extremely high cost. This has made Nigeria-made products less competitive than products imported into the country. High cost of manufacturing has also meant that profit level for local companies are not as high as should be, while many have closed shop.

For a country like Nigeria that depends on the external
environment for a good number of goods consumed, inflation is a major concern. Therefore, Nigeria’s regulatory bank, the CBN, has made inflation targeting a major component of its monetary policy.

Also, key to its policy is the management of the exchange rate, and external reserve. The bank’s MPC meeting are therefore centered on agreeing to MPR which will sustain inflation at acceptable levels. For the past three years, MPR, which is the basis for pricing other lending rates has stood at 12 percent.

To this end, the apex bank has been able to moderate inflation to acceptable levels in the past three years. Within this period, inflation peaked at 13.1 percent in January 2012, but has dropped to single digit. It recorded its lowest value yet in November 2013 at 7.8 percent. At the end of January 2014, inflation was 8 percent.

Locally, inflation is driven by factors including food and energy costs. Analysts fear that inflation rates have the capacity to rise further in 2014, considering the fact that it precedes an election year, but the CBN has so far been able to rein in inflation by maintaining a consistent policy tab on money supply and foreign exchange flows.

To tackle inflation in the long term, government has adopted a number of measures to reduce Nigeria’s dependence on food import, also the government has floated a number of funds to revamp industries which are ailing. These are measures geared at increasing the productive capacity of the economy and stemming the tide of foreign exchange flight and increase in the national food budget. The agricultural policies have played recorded some success, albeit, most of the results will be fully felt in the long run.

**Chart 6: Inflation rates**

- All items (year on change)
- Food (Year on change)/1
Inflation has not had a very significantly impact on retail business in the past three years, as prices have remained moderate in the period. The inflation numbers have meant that consumers have not had to make arbitrary provisions for changes in price. Demand has therefore been very stable. Within the past three years, the CBN's goal of price moderation has been achieved.

**Oil and the Nigerian economy**

One of the peculiarities of the Nigerian economy is the overbearing influence oil has on it. The economy has remained bullish because of oil. Oil has remained a driver of the economy since the 1970s. In 2012, oil accounted for 90 percent of the country's foreign exchange earnings and 85 percent of government revenues.

In 2013, the ratio did not change much. Therefore, steady increases in the international price of oil stabilized the Nigerian economy even in the face of global recession. As the world outgrows the global recession, oil continues to attract enough patronage to keep its price higher than $100/barrel, this will keep the Nigerian economy afloat since it depends largely on the bullishness of the commodity.

Brent, which constitutes a major component of Nigeria's oil export, has maintained a value above $90/barrel in the past two years, thereby guaranteeing government expenditure and reserves which fuel importation of needed commodities. The price of oil for the last half decade has exceeded government's budget benchmark. In 2014, oil benchmark is $74 per barrel while in 2013, the benchmark of $79 was far below the price of the product for the whole year. There are projections that oil may as well outperform government's benchmark for 2014 therefore keeping the government and the Nigerian economy afloat.

Global downside risks for oil were heightened in the face of the discovery of shale technology, but these have been largely allayed by forecasts from credible institutions which do not envisage a decline in the price of oil in 2014.

The United States government’s EIA and the OPEC forecast higher oil demand for 2014, thereby increasing the prospects of rise in price. Both institutions forecast that given the performance of the Chinese and the US economies and the improving fortunes of the European economies, there were prospects that more oil would be consumed since the world of the recession is over. Crude oil and natural gas account for 15 percent of Nigeria's GDP.

Domestically, the oil sector is faced with a number of challenges including oil theft, vandalism of oil facilities, terrorism and the non-passage of the PIB, a bill that was designed to restructure the oil industry and make it more attuned to global standards. Most of these challenges are receiving the attention of government which has reduced incidences of terrorism, kidnapping and vandalism to the barest minimum. The economy is not, also being left at the mercy of the performance of the oil sector. Other equally important sectors are being
considered to grow the economy.

However, there is concerted effort on the part of government to diversify the economy and reduce oil’s overbearing influence on the economy. To achieve this, agriculture, a sector that holds comparative advantage for Nigeria, has been given a major place in the government’s transformation agenda.

No analysis of the economy is complete without an analysis of the agricultural sector, wholesale and retail, telecommunications, and manufacturing. Agriculture employs over 60 percent of Nigeria’s workforce and accounted for 40.19 percent and 42.62 percent of Nigeria’s GDP in December 2011 and September 2012 respectively. In the 1960s, the sector contributed more than 63 percent of GDP.

The decline in agriculture has led government to deliberately target the sector for reform in recent times. In this direction, a number of policy reforms have been adopted to improve the production of rice, sugar, cassava, wheat, and cocoa (crops in which Nigeria has comparative advantage). The reform has also affected the production and distribution of fertilizers in the country. In a bid to tackle the challenge of agric finance, there have been direct interventions by the CBN and the BOI. The goal of both institutions was to provide direct financial assistance to farmers.

Also important is the retail end of the economy. The contribution of retail has continued to grow for the past one and half decade. In 2005, wholesale and retail contributed 15 percent of GDP, as at the first quarter of 2013 the sector’s contribution was 23 percent of GDP.
Manufacturing in Nigeria

Local manufacturing contributes less than 5 percent to the Nigerian economy. Over the years, the contribution of manufacturing has continued to decline steadily because of the enormous challenges manufacturers face in the country. In 2012, the contribution of manufacturing to GDP was 4.20 percent. As at the third quarter of 2013, it dropped to 3.58 percent.

To this end, capacity utilization has continued to fluctuate but has remained consistently below the 70 percent mark. In January 2014, figures released by the MAN showed that capacity utilization for the preceding year was 49 percent. Generally, the challenges that have beset Nigeria have made it inevitable for companies to produce below capacity.

Among many other challenges manufactures in Nigeria are faced with lack of basic infrastructure, poor electricity supply, insecurity, inconsistent government policies and inability to access funds for business expansion. Some estimates have it that between 2000 and 2010, more than 850 manufacturing companies either shut down or temporarily halted production in the country because of the challenges they faced. In the midst of this however, some companies are making progress while succour comes as reforms are beginning implemented.

Though there have been several incentives to boost manufacturing, in terms of government bailout of specific industries like textile, the manufacturing sector remains a shadow of itself as manufactured goods have constituted the biggest imports in Nigeria since the 1980s.

In 2012, the contribution of manufacturing to GDP was 4.20 percent. As at the third quarter of 2013, it dropped to 3.58 percent.

Chart 10: Manufacturing capacity utilisation
Social-economic characteristics of the population
Beginning from the 1960s when the country gained independence, Nigeria’s social indicators have presented a mixed picture of development.

While life expectancy has improved, other indicators – such as literacy rate, GDP per capita, and the percentage of the poor in the society – have not improved significantly. The challenges vary across zones in Nigeria as the country has not developed evenly in the past 50 years. The Northern part of the country presents data which is below the national average across most socio-economic indicators.

As at 2011, life expectancy in Nigeria was 52 years compared to average life expectancy of 58 years across Africa. In 2003, life expectancy was 47.6 years. Over the years, there has been consistent improvement in life expectancy compared to what the figures were in the 1960s, 70s and 90s. This has also affected the population of the country as more people live longer.

As at 2011, life expectancy in Nigeria was 52 years compared to average life expectancy of 58 years across Africa.

In Nigeria, adult literacy rate in English language is 57.9 percent compared to 67 percent for the whole of Africa. Imo and Lagos states have the highest adult literacy rates of 80.8 percent and 80.5 percent, respectively, while Sokoto has the least literacy rate of 22.1 percent. The literacy gap between urban and rural residents is very large. Literacy rate is 69.4 percent in the urban area and 38.5 percent in the rural area. Household members in the North-west and North-east are four times more likely not to have education than those in the Southern regions.

Based on NBS data, about 113 million Nigerians lived in relative poverty, though the indices have...
continued to improve. The degree of poverty varies across the six zones that make up the country. While zones in the South have better figures, those in the North have higher percentages of the poor. About 69.1 percent of the population of the north-east is regarded as poor, while 71 percent of the population of the north-west is regarded as poor. In the south-south, 55.5 percent of the population is poor; in the south-east, the percentage of the poor is 59.5; while the south-west, has a 49.8 percent occurrence of poverty.

Malnutrition is highest in the north-west and the north-east but lowest in the South-east and the South-south zone. Access to safe drinking water ranges from 30 percent in the North-east region to about 75 percent in the South-west. Access to basic sanitation ranges from 45 percent in the North-east to 70 percent in the South-east region. There is a clear divide between the North, which is less developed, and the South which is more developed.

**Chart 12: Per capita income ($, 2012)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Per capita income ($, 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>7,508</td>
</tr>
<tr>
<td>Ghana</td>
<td>1,605</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1,555</td>
</tr>
<tr>
<td>Sub-Sahara Africa</td>
<td>1,417</td>
</tr>
<tr>
<td>Kenya</td>
<td>943</td>
</tr>
</tbody>
</table>

Source: World Bank

**Chart 13: Life expectancy**

Source: World Bank

NOTE:
Rebased figures on the economy showed that its per capita income had risen to $2,688 for 2013.
Rebasing and the new face of the economy

The rebased figures of the Nigerian economy which were released early 2014 revealed a number of interesting changes which have taken place in the Nigerian economy. While the figures confirmed the rise of retail, telecommunication, real estate and electricity supply, it also underscored the reduced influence of crude petroleum and gas on the economy. Essentially, the rebasing process gives a more accurate picture of changes which have taken place in the economy between 1990 and 2014. It also unpacked the economy thus giving a clearer picture of economic activities which were hitherto concealed under other sectors. The process pushed Nigeria’s GDP to 26th place in the global economy. On per capita income scale, Nigeria’s ranking also improved globally, moving from the 135 position to 121st, with per capita income of $2,688 in 2013.

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<tr>
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</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>30.34</td>
<td>24.00</td>
<td>30.99</td>
<td>22.8</td>
<td>33.08</td>
<td>22.4</td>
<td>34.69</td>
<td>21.97</td>
</tr>
<tr>
<td>Industry</td>
<td>46.08</td>
<td>25.81</td>
<td>44.29</td>
<td>27.85</td>
<td>40.59</td>
<td>26.72</td>
<td>36.26</td>
<td>25.64</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.89</td>
<td>6.60</td>
<td>1.86</td>
<td>6.46</td>
<td>1.88</td>
<td>6.67</td>
<td>1.94</td>
<td>6.83</td>
</tr>
<tr>
<td>Crude oil and Natural gas</td>
<td>42.68</td>
<td>15.5</td>
<td>40.86</td>
<td>17.52</td>
<td>37.01</td>
<td>15.89</td>
<td>32.43</td>
<td>14.4</td>
</tr>
<tr>
<td>Services</td>
<td>23.58</td>
<td>50.22</td>
<td>23.72</td>
<td>49.35</td>
<td>26.33</td>
<td>50.91</td>
<td>29.04</td>
<td>51.89</td>
</tr>
<tr>
<td>Telecommunication and Info services</td>
<td>0.77</td>
<td>9.10</td>
<td>0.78</td>
<td>8.74</td>
<td>0.82</td>
<td>8.73</td>
<td>0.86</td>
<td>8.69</td>
</tr>
<tr>
<td>Motion pictures, sound recording and music production</td>
<td>-</td>
<td>0.88</td>
<td>-</td>
<td>1.01</td>
<td>-</td>
<td>1.20</td>
<td>-</td>
<td>1.42</td>
</tr>
</tbody>
</table>

Source: NBS
Chart 15: Percentage growth Nominal GDP, 2013

Source: NBS
The new numbers give a better perspective on the actual size of the Nigerian economy.

### Chart 16: Structure of GDP (%) - rebased series

- **Manufacturing**
- **Services and others**
- **Mining construction, etc**
- **Agriculture**

### Chart 17: Final consumption in Nigeria (N’billion)

Source: NBS
Developments in Africa’s retail market

One of Africa’s major attractions in recent times is the rise in consumption on the continent. Once thought to be the laggard, the tide has turned significantly in the last decade as Africa continues to establish itself as ‘the new retail frontier’.

With a population of over 1.03 billion (15 percent of global population), retail spend of almost $0.9 trillion (N144trn) in 2013, a $1.8-trillion economy which is expected to grow by 5.3 percent in 2014, Africa is becoming a force to reckon with globally. The continent’s population is expected to hit 2.4 billion by 2025.

For the past five years, higher return on investment from major African countries has meant that more investments flowed into the continent, especially during the global financial crisis. This in part led to rising real income which also led to higher consumer spending in the foremost economies in Africa.

The AfDB projects that consumer spending in Africa will almost double in the next decade. The bank further estimates that consumption spending will be $1.77 trillion by year-end 2014 and $1.78 by 2015.

The AfDB classifies the middle class into three: the lower, middle and upper middle class. Of the 300 million people who make up Africa’s middle class, half are referred to as the floating middle class (the lower). These are individuals that can revert into poverty very easily, because of economic shocks which could occur to them. There is always a floating middle class in Africa.

Africa’s middle class has been growing at 3.2 percent per annum since 1983. It is estimated that more than 34 percent of Africans, 300 million people, can be described as individuals in the middle class, up from 27 percent in 2000. The AfDB classifies the middle class into three: the lower, middle and upper middle class.

Most of the growth in Africa’s consumption is fuelled by population growth, rising fortunes on the continent (the growth of the middle class), change in the structure of its society (as more Africans now live in cities), and relative political stability in most of the continent’s major economies.

The middle class, which is driving most of the growth, is loosely defined by the AfDB as anyone who spends between $2 and $20 a day (in purchasing-power parity terms).

The bank further estimates that consumption spending will be $1.77 trillion by year-end 2014 and $1.78 by 2015.
percent of the total middle class. They, as well as the upper middle class, are those who provide robust consumer growth. In the past five years, more Africans have migrated to the mid-middle class, though the percentage between the three groups has changed rapidly over the years.

On the top of the pyramid, the higher middle class are those who consume more than $20 daily; they make up 10 percent of the middle class. Currently, the World Bank classifies half of Africa’s 54 countries as either middle- or high-income countries. By 2060, the number of middle-class Africans is expected to hit 1.1 billion, with more African living in cities, which is expected to further expand the wholesale and retail landscape in the country.

Chart 18: The middle class in Africa  
(% spending per day at purchasing power parity)

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
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<tbody>
<tr>
<td>Lower (less than $2)</td>
<td>6%</td>
<td>8%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Middle ($2-$20)</td>
<td>22%</td>
<td>20%</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>Upper (more than $20)</td>
<td>72%</td>
<td>72%</td>
<td>70%</td>
<td>60%</td>
</tr>
</tbody>
</table>
Retail contributed more to most local economies in Africa in 2013. At the beginning of the year, South African retail market got a boost when the world’s largest retailer, Walmart, expanded its international business with a 51 percent stake in South Africa’s retail and wholesale giant, Massmart. The $2.4 billion deal gave Walmart access to 50 million new customers, while using Massmart’s footprint to expand into other African countries.

During the year, Imara S.P. Reid Stockbrokers, a Johannesburg-based investment bank, announced that South Africans, who had invested in retail through it, had committed as much as $2.5 million to retail endeavours in sub-Saharan Africa. Mid-2013 saw the announcement by French retail giant, Carrefour, that it would set up shops in West Africa, especially in Ghana and Nigeria, though the retail outlets will be fully operational in 2015. Also, South Africa’s Spar Group Limited, in partnership with an Angolan company, opened a store in Luanda, Angola’s capital. The Fouani Group, which retails electronics, also opened new shops across Africa, especially in Nigeria.

Apart from these investments, western producers along with their local (retailers) partners increased their brand offerings and established new supply chains across Africa. The Spanish clothing retailer, Zara, entered the Kenyan market through a distribution agreement with local retailer, Deacons. On its own, Deacons launched its Massimo Dutti clothing line in Kenya in 2013.

African retailers such as South
Africa’s Shoprite, which operates in more than 16 African countries, and Nakumatt, which is based in Kenya and has stores in neighbouring Uganda, Rwanda, and Tanzania, have done a lot of expansion.

In Nigeria, Black & Decker launched over 20 household machines; BlackUp Paris, a maker of personal care products, launched four beauty products, in conjunction with Montaigne Place, a Lagos-based retailer; while Maybelline New York, also a personal care products manufacturer, formally introduced its products into the country.

The IT and electronic section of the retail market received a barge of new releases from Apple, BlackBerry, Samsung, Tecno, LG, Nokia and Panasonic. This amounted to more raw materials for local retailers and millions of dollars in spending for customers who could afford new brands. The impact of these changes will be felt more in 2014, though there are some positive indications already.

Most forecasts are positive about sustainability of the trend in retail growth. The continent’s economic outlook for the next five years is promising. Its GDP is expected to grow by 5.3 percent in 2014. Sub-Saharan Africa is expected to grow at 6.1 percent in 2014. In 2010, according to the AfDB, poverty level as a percentage of total population was 48.5 percent; by 2020, it is expected to be 20 percent. The data suggests that in the future more African will be empowered to consume.

Africa’s Shoprite, which operates in more than 16 African countries, and Nakumatt, which is based in Kenya and has stores in neighbouring Uganda, Rwanda, and Tanzania, have done a lot of expansion.
**Profiling Nigeria’s retail outlets**

Though the types of retail outlets in Nigeria can be classified along the lines of the NAICS which provides a platform for the collection of comparable statistics across North America, for the purpose of this report, retail outlets are classified differently.

This report classifies Nigerian retail outlets into four categories, based on their structure and scale of operation. Nigerian retail outlets are classified into: the traditional open market outlets; unit neighbourhood stores or supermarkets; multi-branch supermarkets/franchises; and mega supermarkets/shopping malls.

---

**The traditional open market retail outlets constitute over 70 percent of the retail structure of the country, the trend is changing in many cities**

While the traditional open market retail outlets constitute over 70 percent of the retail structure of the country, the trend is changing in many cities. The traditional system is gradually shrinking while other forms of retail are expanding.

---

**Attributes leading to switch from traditional to formal retail in Nigeria**

- Close to home: 2
- Convenient to get to: 1.8
- Food and Groceries are good value: 1.7
- Clean and hygienic: 1.6
- Efficient checkout counters: 1.6
- Wide product range and variety: 1.6
- Good range of fresh products: 1.5
- High quality fresh food: 1.5
- Staff provide good service: 1.3
- Everything I need in one store: 1.3
- Low prices for most items: 1.3
- Better selection of high quality brands: 1.2
- Good quality instant cooked foods: 1.2
- Easy to find what I need: 1.05
- Modern and comfortable store: 0.09
- Attractive and interesting promotions: 0.09

Source: Euronmonitor (Nigeria Lifestyles 2010), Accenture (2012)
The number of retailers registered with Nigeria's major business search engine, v-connect.com, has increased rapidly over the past five years, reflecting the increase in formal retail. Total number of retailers registered on the network as at March 2014 was 3,170, with concentration in large cities. Surveys by AC Nielsen which has extensive presence in Nigeria shows that between 2005 and 2010, the number of retail outlets across the country increased by 36 percent.

<table>
<thead>
<tr>
<th>Retail outlet census, Nigeria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>2005</strong></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Urban</td>
</tr>
<tr>
<td>Rural</td>
</tr>
</tbody>
</table>

Source: AC Nielsen Nigeria

A number of factors are responsible for this. Firstly, the population is growing and becoming more sophisticated; secondly, government’s policy on some aspects of traditional open market retail (especially street trading) is making the environment less conducive for such retailers (Government’s objective, especially in Nigeria’s first-tier cities, is to make retail more organised and taxable). Also, more families shop together and the organised retail environment present the platform that accommodates that culture. Nigeria’s emerging middle class is confident and comfortable with trying new products; also, they are interested in breaking with the traditional retail system where possible. The traditional, informal retail infrastructure is often viewed as unprofessional and operating from places that are not in tune with the best of advanced societies. In light of this, the past decade has seen an increase in the number of all other types of retail outlets across the country.

The number of outlets as at year end 2013 is expected to have increased far more than what it was in 2010 because the industry has grown significantly within this period. New sophisticated multiple branch supermarket/franchises have sprung up across the country and megastores and supermarkets which were hitherto located in just one place have expanded to take into account the development of new suburbs and city centers.
Distribution of retailers across V-connect data base

Source: Vconnect
Bringing the lowest prices to Nigeria

With the opening of our 10th store in Ibadan, and further expansion in major cities, Shoprite continues to grow as the leading supermarket in Nigeria, bringing a wide range of local and international products to our growing customer base. With each new store that opens, we support the local economy by consistently creating jobs, adding to the 1800 Nigerian staff members currently employed, procuring local products and supporting 250 local farmers and suppliers.

With everything from fresh fruit and vegetables to our wide range of small appliances, all at the lowest prices - it’s no wonder Shoprite is Nigeria’s No 1 supermarket.

Opening Soon:
Park Lane, Apapa Delta Mall, Delta

Get more great news and offers at www.shoprite.com.ng
Shoprite Nigeria @Shoprite_NG
Classifying Nigeria retail outlets

The traditional open market retail outlets

The traditional retail market is the most common in Nigeria. This system of trade comprises roadside retailers and those who operate from stalls in the open markets. Essentially, this retailer class includes all transactions that occur on stalled traffic and on congested street corners.

It is estimated that transactions worth more than N1 billion are carried out by these retailers daily. Where they are not well regulated, traditional open market retailers do not pay taxes, and may deface the environment where city plans do not support their existence in the particular areas where they conduct their businesses.

This has led governments across the country to continue to impose trade restrictions on them. However, they still make up a remarkable part of the retail industry.

Most Nigerians still patronise these outlets because of their proximity to homes, the personal shopping experience they offer, and the cost of the commodities they offer consumers. Prices are often negotiable in this class of outlets. Other than this, they hardly offer the alluring shopping experience which more sophisticated outlets offer.

Unit neighbourhood stores/supermarkets

Unit neighbourhood stores or supermarkets in Nigeria are those stores that do not have more than one branch. They are located within neighbourhoods they serve and bear an assortment of items which are needed by households. They are often owned by single individuals and operated by family members and a few employees.

Often, these commodities are stocked and dispensed to customers who live within the vicinity of the stores. Before the re-emergence of multiple branch supermarkets, these stores served as the alternative to the traditional open market outlets.

Unit neighbourhood stores/supermarkets have been known to grow into multiple branch supermarkets/franchises. Often, the entrepreneur begins with one outlet and spreads as the business becomes more profitable. Many major franchises have developed from Unit neighbourhood stores/supermarkets.
Multiple branch supermarket/franchises (convenience stores)

Multiple branch supermarkets/franchises in Nigeria are small or medium-sized retail outlets which offer assortments of products and are scattered across major cities.

The distinguishing factor between Unit neighbourhood stores/supermarkets and multiple branch supermarket/franchises is that in the case of the later, the same shop is replicated in several locations. Good examples of this type of outlets include Best Choice and Addide which have major presence in Lagos.

In some cases, these outlets offer unique customer experiences and services which mega malls offer. In other cases, too, they are organised like departmental stores.

Mega supermarkets/shopping malls

Mega supermarket/shopping malls are large multi-product offering retail outlets in the mould of Shoprite, Grocery Bazaar and SPAR. Their selling point include the unique customer experience they offer, quality products, and in some cases low prices.

Often, they are patronised by the middle class. The resurgence of sophisticated retail outlets in Nigeria can be credited to this set of retailers. There are still less than 20 of this type of outlets spread across Nigeria.

In the 1960s and 1970s, there were several organised retail outlets in Lagos, Kaduna, Port Harcourt and Kano. In that era, large multinational retail outlet chains like Leventis, UTC, Lennards, Bata, Chellarams and Kingsway were present across Nigeria, but by the early 1990s, because the middle class had virtually disappeared, the number of organised retail stores reduced, leaving the market in the hands of the traditional retail structures.

The disappearance of the middle class has been attributed to drastic decline in the manufacturing sector of which was a major employer of labour in the period before 1980. The textile industry, and other light production plants in the country, served as structures which accounted for large number of
employments across the country. But the turn of the millennium saw a change of events, as big foreign retail investors began to re-emerge across Nigeria. Apart from the large international investors, many local businessmen have taken up the challenge to modernise retail.

Currently, foreign retail investors have some of the biggest stand-alone retail investments in the country.

The biggest are South African Shoprite, and Spar (a Dutch chain run in Nigeria by the Artee Group). Spar also owns the Park ‘n’ Shop outlets, which has six departments (three of the outlets are in Lagos; two are in Abuja, while one is currently in operation in Port Harcourt). A new outlet is to be opened in Port Harcourt before the end of 2014.

In the electronics section of the retail market, Cash ‘N’ Carry is a major player. It is one of the major electronics and household appliances retailers in Nigeria. Cash ‘N’ Carry currently operates eight stores nationwide which offers technologically advanced electronics brands at affordable rates. The combination of the company’s passion for retail with its sensitive price model has endeared it to many Nigerians. All products are sourced directly from the manufacturers. In the near future, Cash ‘N’ Carry plans to extend its operations to Apapa, Festac, Lekki, Ajah, Abuja, Port Harcourt, Kano, Owerri, and Delta State.

Shoprite, which opened its first mega store in December 2005, now has seven outlets in the country. Among the foreign retail investors, it has perhaps the most-aggressive expansion plan. It already has three malls in Lagos, and one each in Kwara, Kano, Oyo and Abuja. By year-end 2014, it plans to have one more outlet in each of Abuja, Anambra, Delta, Enugu and Oyo. Ultimately, Shoprite plans to have 50 stores spread across Nigeria in the near future. Shoprite plans to bring the number of its outlets to 14 by year-end 2014.

The success of the foreign outlets has led to the proliferation of foreign and local mega outlets and retail distribution stores. What more can you say? What more will you like to know about the composition of their sales and their operations? What are the further opportunities which these companies are not seeing?

Few players dominate the multiple branch supermarket/franchises (convenience stores). Addide and Best Choice are some of the most common in Lagos. While Best Choice has 260 stores in operation, Addide has 23 with ambition to increase this number to 20 in the next three years. The multiple-branched mini super marts/convenience stores have a common characteristic.

They are often owned by one investor or a group of investors and open new branches as the business records higher profit. Examples include The Everyday Group and Grocery Bazaar which operate from Port Harcourt and Lagos respectively.
The Grocery Bazaar Model

The first of the two existing Grocery Bazaar (“gb”) outlets was established strategically at a location which is underserved by standard retail outlets, yet densely populated. This strategy has been largely successful in the last five years.

According to the Founder/Chief Executive Officer of the business, Mr. Samuel Ejeh, “one of the major restraints to our expansion has not been profitability, but restriction imposed by the structure of mortgage in Nigeria.” gb’s ultimate vision is to become a chain of large scale retail outlets which have a single management. Herein lies the uniqueness of gb.

Grocery Bazaar is a select assortment mass grocery retailer that was established to address the grocery shopping concerns of the ordinary Nigerian, and to take advantage of the emerging grocery retail opportunity in the country.

The company is a hybrid of both the “wet” and “super” markets, as it combines the convenience of supermarkets with the affordability of wet-markets to form what it calls a “super-wet market”.

This retail concept combines the best of supermarkets (structure, convenience, systems) with the best of wet-markets (better pricing, local knowledge, product & taste) to offer a balanced affordable and convenient shopping experience to the ordinary Nigerian.

The company has a unique understanding of no-frills discounting and a clear vision of the grocery retail industry in Nigeria which it is leveraging on to provide consumers with a unique shopping experience.

Mr. Ejeh points out that the advantage which larger retail outlets have over small unit stores scattered across a large geographical area is the opportunity costs associated with space, and the cost of doing business.

gb is of the view that a hybrid model that combines supermarket convenience (systems, structures etc.) with wet-market selling (discounted pricing, assortment, etc.) –the “super-wet market” model is better suited to the majority of Nigerians.

This hybrid of supermarket and wet-market combines the benefits (price and convenience) of both retail models. The practice in Nigeria is to have either better pricing (wet-market) or convenience (supermarket), but not both. gb’s hybrid combines...
Best Choice shops are retail outlets within neighbourhoods. They offer high quality FMCG products at competitive prices.

Best Choice was set because of the desire of its managers to organise the current, largely unorganised retail sector in Nigeria. The business is run on a franchise concept whereby the Business Associate (Franchisee) invests money and enters into a contract with the company (Best Choice).

Post the contractual agreement, Best Choice rents, furnishes and brands the outlets. Also, all the products are made available to these outlets by Best Choice. The company ensures that all the Business Associates maintain the outlets as per the high standards set by Best Choice, in terms of pricing, products, infrastructure and most importantly customer satisfaction.

The company has been able to position its outlets as the favourite convenient store by providing the best in category products in the neighbourhood at best prices. Hence, ensuring that people are not required to travel to supermarkets to get quality products.

Currently, with over 260 outlets and more than 350 Stock keeping unit, Best Choice has already made a strong presence felt in Lagos. The company is in the process of mapping more areas to cover the length and breadth of Lagos and the rest of Nigeria as a whole in order to help Nigerians reap the benefits which the Best Choice brand offers.

The Best Choice model

Even though ‘supermarkets’ and ‘wet markets’ would account for the bulk of how Nigerians in urban centers shop for groceries in the near future, conventional supermarket and traditional wet-market models do not quite meet the needs of most ordinary Nigerians.

Conventional supermarkets are too expensive for most ordinary Nigerians because of the cost associated with the level of convenience they offer, while traditional wet-markets offer cheaper prices but with almost no convenience whatsoever.
Nigeria’s 170 million inhabitants are not scattered evenly across the country. The country has a landmass of 923,768 km² with a population density of 185/km². For instance, Lagos state has a population density of 4,193/km² while Taraba state has a population density of 40.73/km².

Given this spread, retail business owners have to pitch their outlets in the most advantageous places. Some locations are more favourable for large retail businesses while others can at best sustain small outlets.

Basically, Nigeria’s cities can be categorized into two types: the First tier cities and the Second tier cities. The First tier cities have the highest population densities, the most sophisticated consumer classes; they also have the best infrastructure and the highest concentration of middle class individuals.

On the other hand, the Second tier cities also have high population figures. They do not however have as many individuals in the middle class as the First tier cities. But the second tier cities also make up a large market for potential investors and indeed since much of Nigeria is becoming urbanized, a lot of Second tier cities are fast changing in status. Apart from the two types of cities, Nigeria has many towns and villages which cannot be directly classified as cities, a lot of retail activity takes place in these towns; small retail outlets are best for these places.

There are nine cities in Nigeria that have population figures in excess of one million; these are mostly First tier cities, the largest of which are Lagos, Kano, Ibadan, Kaduna and Port Harcourt. Lagos city has a population of over 10 million people, Kano city has a population of 4.1 million people, Ibadan has population of 3.8 million while Port Harcourt has a population of 1.8 million.

Benin City has a population of 1.3 million while Aba has the least population among the nine most populated cities in Nigeria. Other prominent cities in Nigeria include Onitsha, Warri, Asaba, Jos, Niger, Oshogbo, Akure, Enugu town, and Abeokuta. The population figures of most Nigeria's first tier cities dwarf those of South Africa's most populated cities.
The most attractive locations for new big retail outlets are often the first tier cities of Lagos, Port Harcourt, Ibadan and Abuja, due to the sophistication of the population, population density, ease of access to retail outlets, and superior infrastructure. The decision on the scale and structure of outlet can however be decided by the investor after further analysis, but most small Nigerian towns can sustain any form of organized small retail outlet, while the bigger outlets seem to thrive better where density and purchasing power are high.
But more than population figures, Nigeria has the advantage of the concentration of youths in its population. According to the UNFPA, one third of Nigeria’s population, 57 million, are young people between the ages of 10 to 24 years, another survey by the NBS puts the population of youths (15 – 35 years) in the country at 64 million with females accounting for 51.6 percent. But the definition of youth in Nigeria exceeds this bracket, as the country defines youths as those between the 18-35 years age bracket.

In the period between 1991 and 2006, the youth population grew from 22.5 million to well over 30 million, according to the NBS. In absolute terms, there are more young people in Nigeria today than any other segment of the population; this comes with its peculiarities for both the general economy and the retail sector in particular.

In recent years, the youth market has been in the forefront of consumption of new phones, electronics, fashion related materials, processed food, and educational material. As income levels continue to rise and as purchasing power continues to increase, it is expected that the youths will maintain their position as a major consumption power house in the country. However, unemployment remains a major challenge to fulfilling their consumption potential.

In terms of demographic location, youth are concentrated in the urban centers as work is also more readily available in those areas, the quality of life in urban areas is often more sophisticated hence the attraction for youths to the cities.
State population (mn), 2013

Population density, 2013

Age composition of Nigerian youths, 2006

Source: UNFPA
By year end 2015, the market in organized retail real-estate anticipates about 200,000 square metres of space. In Lagos the Persiansas Group is expanding the Palms shopping mall. This will berth about 40,000 square metres of additional retail space and is due for delivery by 2015/2016.

Also, South African owned, Novare Private Partners and RMB Westport are bound to offer retailers more options when they both deliver their 22,000 square metres Lekki Mall and 14,000 square metres Osapa Convenience Centre respectively, by year end 2015.

UACN Property Development Company, (UPDC), is also poised to complete its 10,000 square metres Festival Mall by the fourth quarter of 2014. But other Nigerian cities are also in focus, in Abuja, a partnership between Actis and Duval Properties, an indigenous real estate investment and development firm is nearing completion of the 27,000 square metres Jabi Lake Mall, to be delivered by late 2015 in a unique waterside location on the shores of Jabi Lake.

Also at Abuja, is an audacious plan by the Churchgate Group to construct the N156 billion World Trade Centre projects, which will include the 40,000 square metres Capital City Mall, which will be a destination offering the finest collection of luxury brands and international boutiques, as well as global dining choices and VIP cinemas.

Resilient Africa, a property development and investment company will by the end of 2014 have spiced retail experience in southern Nigeria by providing over 53,280 square metres of retail space across four major cities through its ongoing; 13,800 square metres Delta mall, 13,300 square metres Benin city mall, 13,300 sqm Owerri mall and the Asaba Mall, which boasts of the same retail space. Also in the same geographical location, the Anambra state government and African Capital Alliance would have delivered the 15,000 square metres Onitsha Mall by year end 2015.
Nigeria’s major retail markets

Festac, Ejigbo, Satellite town, Kirikiri, Navy towns and the Apapa, Ajenjule axis, these large markets have been largely ignored by major retailers.

Nigeria throws up a number of investment opportunities for retail business, the opportunities become even more obvious when the population is analyzed from the point of view of individual cities. The biggest cities for retail in Nigeria are Lagos, Port Harcourt, Ibadan, Kaduna, Warri, Kano, Abuja, Benin City, Aba, Zaria, Onitsha, Enugu and Onitsha. Each has a sprawling population and the required composition of individuals that shop in modern retail outlets, but often specific locations which are best for retail must be identified by investors, so as to get the best advantage. In the past half a decade, more retail investment has flowed into these cities in form of establishment of new retail outlets and the improvement/expansion of existing ones.

Lagos, Ibadan and the South West
For the past 10 years, Lagos, which is Nigeria’s most populated city and its commercial capital, has grown to become a megacity. It has the most densely populated surface in Nigeria and the most diverse composition of individuals from across Nigeria live in Lagos. The condition of Lagos does not in most cases reflect the rest of Nigeria, as the state is ahead of other states on a lot of important indices. Lagos has the most shopping malls and the most organized retail structure in Nigeria.

To this end, it accounts for a large percentage of Nigeria’s retail spend. There are over 10 large shopping malls, of international standard in Lagos with major ones including, The Palms Shopping Mall, Adeniran Ogunsanya Shopping Centre, Ikeja City Mall, Cocoa Mall Park Lane and the City Mall among others. Lagos is home to the operations of Shoprite, Park n Shop, Grocery Bazaar, Addide, Best Choice among other major retailers.

Major retail mega outlets in Lagos are located in Ikeja, Lekki, Marina and Surulere which cater for the upper class. They are located in parts of the city that have superior infrastructure and are designed to serve residences within their vicinities and beyond but there are opportunities for mega stores in sprawling location within Lagos, like Festac, Ejigbo, Satellite town, Kirikiri, Navy towns and the Apapa, Ajenjule axis, these large markets have been largely ignored by major retailers. Apart from this, there are opportunities for small scale chain stores across the state. The population of Lagos city will be...
12.6 million by 2020.

Lagos is just one of the major highly populated cities in the South-West; others are Ibadan, Oyo, Abeokuta and Oshogbo. Ibadan is the second most populated city in the South-West. We estimate that it has a population of about 3.9 million people. It is the capital of Oyo State, and until the late 1970s was reputed to be the largest city in Sub-Sahara Africa. At Nigeria’s independence, in 1960, Ibadan was the largest and most populous city in the country and the third in Africa after Cairo and Johannesburg.

Ibadan which was the centre of administration of the old Western Region of Nigeria, is home to mostly individuals of Yoruba extraction, though there are quite a number of Nigerians from other parts of the country and indeed Africa who make their homes in Ibadan.

There are several outlets in the city but there are opportunities for expansion of organised retail in the city. Recently, Shoprite unveiled an outlet in the city. It has the intention to opening another one soon. Major areas which have dense population, yet are underserved include Oluwole, Bodija, Gate, Ojaba/Akpata and Challenge/Ojo.

**Kano, Kaduna and the North West**

In the Northern part of the country, Kano and Kaduna hold a very remarkable place for retail. In particular, Kano City is the second most populous in Nigeria, with an estimated population of 4.1 million people. For centuries, Kano was a center for trade in Northern Nigeria. It was the melting pot of trader between traders from North Africa and those from the coast. The city is perhaps best known for the groundnut pyramids which dotted its landscape in the late 1960s.

Though both Kano and Kaduna have population numbers that can sustain any form of retail business, none of them has the same number of sophisticated malls as Lagos. The major encumbrances to retail development in both states in recent times have remained the low purchasing power of the people, and the apprehension over security problems which have characterized the north for almost half a decade. But recently, Shoprite opened its Bayero Mall in Kano signaling that business in the area is still worth the risk.

Geographically, Kano urban area covers 137 sq. km. and comprises six local government areas: Kano Municipal, Fagge, Dala, Gwale, Tarauni and Nassarawa- with a population of almost 5 million. Most of it is underserved and remain fertile for retail investment.

On the other hand, Kaduna is home to about 1.8 million people. Geographically, Kaduna urban area covers 137 sq. km. and comprises six local government areas: Kaduna Municipal, Kudu, Chikun, Jikwoyi, and Katsina- with a population of 1.8 million people.
people. It is perhaps the closest to what obtains in the south with respect to the composition of its population; Kaduna presents a fine mix of all ethnic groups in Nigeria all cohabiting in a northern state. But it does not have the same number of people or the purchasing power which those in Lagos do. Important cities in to Kaduna State are Zaria and Kafanchan.

**Port Harcourt, Benin and the South-South**

The biggest city in the South-South is Port Harcourt; though there are other important cities like Warri, Asaba and Benin which equally command a respectable amount of retail activity. Port Harcourt has a population 1.3 million people, its population is as sophisticated as that of Lagos with perhaps even higher purchasing power per individual. We estimate that the population of Port Harcourt will hit 1.6 million by 2020. Rivers is located is home to some of Nigeria’s major refineries and host a number of important oil companies. It also has a thriving small-scale manufacturing industry.

This has contributed to the sophistication of the city; major retailers in Nigeria have rated Port Harcourt next to Lagos in terms of retail activity, purchasing power and infrastructural development. It has also enjoyed an atmosphere of peace and prosperity as oil prices and the volume of oil produced has continued to rise.

There are already a number of booming retail outlets in Port Harcourt. Inspector-Gee Wholesale And Retail Stores, Prince Nomay, Wine And Spirit Affarz, Chucks Investment Company Nigeria, Mc Keso Integrated Services are the most prominent. Most of these outlets have expansion plans within the metropolis.

As the population continues to grow and several hitherto remote areas open up, new suburbs like the Greater Port Harcourt City and other more developed areas like Rumuogba, Elelenwo, Rumuokoro, Rukpokwu, Borokiri Town, still offer interesting opportunities for big retail investors.

Equally important in the South-South is the City of Benin. It currently has a population of 1.3 million people and is one of the oldest cities in Nigeria. Its population is expected to hit 1.6 million by 2020. New settlements are springing up in Ikpoba Hill, Sapele Road, The GRA and Ekosodin. Though the purchasing power of people in the city may not be as high as that of Port Harcourt, it still holds opportunity for retail investors who are interested in expanding their businesses.

There are other important places like Akwa-Ibom city, Warri, Asaba, and Calabar which should draw
Abuja

Abuja's population almost hit the 1 million mark in 2013. The city is the capital of Nigeria. A lot of retail activity in Abuja is formal albeit, informal retail still makes up a reasonable part of retail business in the city.

Abuja has witnessed a huge influx of people which has led to the emergence of satellite towns such as Karu Urban Area, Suleja, Gwagwalada, Lugbe, Kuje and smaller settlements. The masses of individuals in these satellite towns make up the major retail market in Abuja.

Though most of the mega retail outlets are in the center of Abuja itself, there are immense opportunities for retailer who can take advantage of establishing major concerns in the satellite towns. Some estimates put the population of Abuja at as high as 3 million people. Abuja is sometimes given the status of a state rather than a city.

Aba, Onitsha and the South East

Onitsha and Aba are the most populated cities in the South Eastern part of Nigeria. By year end 2013, Aba’s population was estimated at 1 million while that of Onitsha was a little short of 1 million. Aba is the manufacturing hub of the South-East with most of the light manufacturing in the zone taking place there; on the other hand Onitsha is home to most of the commerce in the zone.

Onitsha is home to the famous Onitsha market which is famed as the biggest open market in West Africa. There are investment opportunities for big retailers especially in the capital cities of both Anambra and Abia, where Onitsha and Aba are located.

Other prominent cities in the South-East include Enugu. (which was once a source of coal for Nigeria), Awka, Nnewi, Owerri and Abakaliki, where the famous Abakaliki rice is grown. The South East is known for its dynamism and the proliferation of small businesses. Onitsha was projected by the World Bank as the fastest growing urban center in Nigeria in 2010; it is home to SabMiller, one of the most successful brewers in the country.
The size of Nigeria’s market inevitably makes it a consumption powerhouse. Demand has risen across several product lines including electronics, food and mobile phones. The figures below show the number of some products purchased across Nigeria in 2013.

**Smart mobile phones sales across Nigeria 2013**

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<table>
<thead>
<tr>
<th>Region</th>
<th>Sales (units)</th>
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<tr>
<td>Lagos</td>
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<tr>
<td>North Nigeria</td>
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<td>South Nigeria</td>
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<td>Grand Total</td>
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**Audio home systems sales across Nigeria 2013**

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<th>Region</th>
<th>Sales (units)</th>
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<td>Lagos</td>
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<td>South Nigeria</td>
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<tr>
<td>Grand Total</td>
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Source: JFK
Flat panel TVs sales across Nigeria 2013

Source: JFK

Most populated cities in Nigeria 2003 (million)

Lagos: 10.1
Kano: 4.1
Ibadan: 3.9
Kaduna: 1.8
Port Harcourt: 1.3
Benin City: 1.3
Maiduguri: 1.2
Zaria: 1.1
Abra: 1.0
Ilorin: 0.9
Jos: 0.9
Ogbomosho: 0.9
Oyo: 0.8
Enugu: 0.7
Abeokuta: 0.7
Onitsha: 0.6
Warri: 0.6
Sokoto: 0.6
Okene: 0.6
Calabar: 0.5
Osogbo: 0.5
Online retail in Nigeria

Nigeria has a fast-growing number of the two classes of people which traditionally drive internet usage and online retail: youths and the middle class.

Online retail was localized in Nigeria less than 10 years ago. Before then, most Nigerians who had to purchase things that were not available on local shelves had to resort to foreign platforms like eBay and Amazon or wait till they travelled aboard. Not that Nigeria’s online retailers have suddenly made everything available, but they have helped replicate some of the luxuries which foreign online retailers offer locals.

By early 2014, the number of online retailers in the country stood at roughly, 60, with some significantly, bigger than others. The market has continued to attract new entrants and venture capitalists who have invested massively in most of the online startups. Over the past few years, the number of individuals who made purchases online continues to increase. The bulk of purchases revolve around light electronics, luxury goods, groceries, clothing, phones, books, food items and other small commodities.

Like most sophisticated retail activities, e-retail or online retail took root in Nigeria because of expansion in the use of the internet, rise of the urban middle class and the convenience it offers. Analysts believe that because Nigeria remains one of the largest internet markets in the world for the foreseeable future, online retail can only grow. The country has a fast-growing number of the two classes of people which traditionally drive internet usage and online retail: youths and the middle class.

With internet penetration, according to the World Bank, at 32%, by December 2012, Nigeria is the biggest internet market in Africa (Though the level of internet penetration may really be much higher, considering the number of Nigerians who use their phones to access data on the internet). Of the Nigeria’s 115 million mobile phone subscribers, according to data made available by the NCC, 64 million use their phones to access internet services regularly. Between 2000 and 2012, internet penetration grew from a paltry 0.06% to 32%, and there are indications that this trend will continue in the foreseeable future.

The major factors fueling the growth of online retail in Nigeria include the growth of the middle class, improved internet literacy,
better guarantee of transactions online, enhanced internet banking capacity of local banks, convenience and the creativity of online retailers. Less than a decade ago, Nigeria’s few online retailers did not fully meet the needs of the population in terms of the assortment of what they offered and the kind of strategy that met the needs of most locals. But as time progressed, the assortment of products improved with retailers even focusing on specific commodities. Among the most popular are Jumia, Konga, DealDay, and Tafoo, etc. According to Ventures Africa as at late 2013, Nigeria’s internet business industry was worth $250 million.

### Active internet subscription (GSM), million

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<td>6</td>
<td>10</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>Dec ’13</td>
<td>6</td>
<td>10</td>
<td>14</td>
<td>33</td>
</tr>
<tr>
<td>Jan ’14</td>
<td>6</td>
<td>11</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>Feb ’14</td>
<td>6</td>
<td>10</td>
<td>15</td>
<td>33</td>
</tr>
</tbody>
</table>

### Classification of electronic payments by volume, HY2013

- **ATM**: 93%
- **POS**: 2%
- **Internet**: 1%
- **Mobile**: 4%

Source: NCC
A number of factors have encumbered e-commerce in Nigeria, key among which are poor internet services, crisis of trust in online transactions, poor infrastructure especially road networks and electricity. This has made the cost of transaction extremely high. In the midst of this, margins are relatively low since e-retailers have to wage a price war to outwit each other and the store next door, which most customers would rather do business with. Therefore methods like payment on delivery have helped to buoy the online retail market, for instance, Shopaholic Nigeria prides itself as the first online clothing store to introduce the Cash On Delivery payment system. Jumia became the first retailer to offer Next Day delivery service. Nigeria’s online retailers have also adopted strategies like pay with cash or card at delivery, free delivery in Lagos for items above N10,000, etc to move the market. But it is clear that online retail is still at a nascent stage of development in Nigeria albeit, it is set to grow.

### Major online retailers in Nigeria

<table>
<thead>
<tr>
<th>S/N</th>
<th>Outlet name</th>
<th>Established</th>
<th>Specialty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jumia Nigeria</td>
<td>2002</td>
<td>General merchandise</td>
</tr>
<tr>
<td>2</td>
<td>Konga</td>
<td>2002</td>
<td>General merchandise</td>
</tr>
<tr>
<td>3</td>
<td>Kaymu Nigeria</td>
<td></td>
<td>General merchandise</td>
</tr>
<tr>
<td>4</td>
<td>Taafoo</td>
<td>2009</td>
<td>Fashion and gadgets</td>
</tr>
<tr>
<td>5</td>
<td>Shopaholic Nigeria</td>
<td>2009</td>
<td>Clothing and perfumes</td>
</tr>
<tr>
<td>6</td>
<td>Dealdey</td>
<td>2011</td>
<td>General merchandise</td>
</tr>
<tr>
<td>7</td>
<td>MyStore</td>
<td></td>
<td>Clothing accessories</td>
</tr>
<tr>
<td>8</td>
<td>Kara</td>
<td>2012</td>
<td>General merchandise</td>
</tr>
<tr>
<td>9</td>
<td>Adibba</td>
<td>2013</td>
<td>General merchandise</td>
</tr>
<tr>
<td>10</td>
<td>Gloo.ng</td>
<td>2012</td>
<td>General merchandise</td>
</tr>
<tr>
<td>11</td>
<td>mycomputervillage.com</td>
<td></td>
<td>Computers and accessories</td>
</tr>
<tr>
<td>12</td>
<td>HelloFood</td>
<td>2012</td>
<td>Food vendor</td>
</tr>
</tbody>
</table>
Profiles of Nigeria’s key retailers

**JUMIA**

In Nigeria, what is today referred to as Jumia.com began as Kasuwa.com. The change was the outcome of an overwhelming response to the online shop’s offerings. According to some analyst, within 6 weeks of its launch, there were over 1.8 million visits.

With its exceptionally low prices and discounts, exclusive products and legendary flash sales, it continues to grow. It recorded some firsts, including being the first retailer to offer the Samsung Galaxy S3 phone online. Jumia’s inception was due to the vision of two outstanding entrepreneurs, Tunde Kehinde and Raphael Afaedor.

At JUMIA.com, Nigerians can expect the latest mobile phones, laptops, electronics and home appliances. Additionally, there are over 20,000 book titles and an extensive catalogue of beauty, hair, baby and children’s products.

In 2012, Jeremy Hodara and SachaPoignonnec founded and launched AIH, an African e-commerce startup with an aim to grow online businesses around Africa. Jumia is part of the AIH group and the Aim for Jumia is to mimic Amazon’s success by delivering a wide range of items, from toys to generators across Africa. Shortly after the startup of the business, JUMIA launched in five growing countries, which include: Nigeria, Egypt, Morocco, Kenya and Cote d’Ivoire.

In 2013, the business was growing at a substantial rate in Nigeria and needed to expand to contribute in the domestic market. Jumia Nigeria opened the first ecommerce campus in West Africa by moving to a 90,000 square foot warehouse located in Lagos.

JUMIA Finished a great year in 2013 by becoming the first African brand to win the World Retail award in Paris as the Best New retail launch. In 2014, Jumia extended its services to Uganda enabling people to shop online and have products delivered to this region.

**KONGA**

Online Shopping is a pioneering ecommerce company in Sub Saharan Africa founded in June 2012 by serial entrepreneur, SimShagaya. Konga operates as a first party retailer as well as a marketplace for over 150 third party retailers, providing a catalog of over 150,000 products across 12 categories.

Konga has grown to be one of the top brands in Nigeria in record time. In March 2013, Naspers acquired a 50 percent stake in Konga. Konga received funds from Investment AB Kinnevik, a Swedish investment company and over $15 million from investors including Naspers and Kinnevik. In October 2013, Konga announced that it was moving into a new 120,000 sq ft fulfillment centre.

Demand for the company’s services has grown astronomically since inception. On the 29th of November, 2013, Konga.com crashed and remained offline for 45 minutes because of the pressure of demand. The site experienced unprecedented high traffic as a result of its ‘Fall Yakata’ promotions. Sales on that day were the same as the total amount of sales made in the whole of December 2012. However, Konahas increased its server capacity to prevent downtimes in the future. In December 2013, Human IPO selected Konga as one of the African.

**MYSTORE**

MyStore.com.ng offers a wide assortment of products across categories like Mobiles, Electronics, Fashion accessories, Apparel and Footwear, Kids, Home and Kitchen, Sports, furniture, auto-parts, Books, Entertainment amongst others. With millions registered users, it attracts thousands of internet users across the country monthly. The site prides itself as a vendor which offers products and bulk purchase services to customers across Nigeria. It accepts payment options such as Cash on Delivery, Net Banking, Credit Cards, Debit Card and Fast Next-Day delivery.
Ecommerce in Nigeria will grow not only on deep internet penetration but also on the back of increase in disposable income and better education on the process of buying online. If the future of retail follows the pattern which has played out in more developed countries, then the future of retail is online.

According to Roibis, a UK based management and strategy consultancy, “in the United Kingdom, sales in physical stores are lower, due to growth in online shopping, which now represents more than 10% of the UK’s retail sales and is growing annually at around 14% to 16% per annum. This is expected to be sustained till 2018”. Massive expansion of online retail is possible and expected in the immediate future.
How has e-commerce evolved in the last 3 years?
With increasing internet penetration, the way Nigerians buy and sell is dramatically changing. Over the past few years, e-commerce has constantly evolved from being a foreign concept to a generally acceptable and trusted way of shopping. With the introduction of better and secured online payment systems, the fear of using a credit card is gradually eroding, making the e-commerce platforms a soon-to-be mainstream way of shopping.

A substantial increase in the number of online retail stores has been observed as more business owners are taking their stores online. Many businesses in Nigeria now use the Internet as a platform to advertise and sell their products and services, thus reducing physical dealings between buyer and seller.

E-commerce has grown so much that it can now be considered as an important driver of economic growth. The recent rebasing of Nigeria’s Gross Domestic Product (GDP), ranks Nigeria as the world’s 26 largest economy, and the largest economy in Africa, and it is believed that with growing internet penetration, e-commerce would begin to make a significant contribution to this growth.

The Nigeria’s e-commerce market is developing rapidly, with an estimated growth rate of 25 percent annually, and it is believed that the country’s over 170 million population will help increase this recorded growth. A Mckinsey report in November 2013 titled ‘Lions Go Digital: The Internet’s transformative potential in Africa’, Africa’s iGDP (which measures the Internet’s contribution to overall GDP) identified that the Nigerian internet sector contributed about 0.8 percent to the country’s GDP.

What is shaping the country and where do you see it in the next five years?
A country’s prospects for online
retail success are closely related to internet penetration and how many people use the Internet. According to data revealed by the Nigerian Communications Commission (NCC), Nigeria had 56 million internet subscribers as at September 2013, while international bandwidth brought by undersea cables has increased about 26 times to more than 9,000 gigabits per second (9 terabits) over the past four years.

In the next five years, e-commerce would be a revolutionary platform that solves unemployment and drives economic growth. It is expected that GDP attributable to internet would be relatively big in Nigeria and e-commerce would be a dominant component of iGDP.

Do you think e-commerce firms in Nigeria are offering the kind of assortment of products that is broad enough to prevent Nigerians from buying from foreign online retailers?
Yes, they are. Right now, Konga.com has a lot of foreign products that have been imported from the all over the world. This caters to the needs of those who prefer to buy foreign made products such as designer wears. We also have local merchants on our platform who produce and sell good quality products that can match those imported from other countries. This, we hope, would encourage the growth and consumption of locally made products.

What are people buying online and what are they not buying?
We have observed a trend of high purchases in these categories: Phones and laptops, beauty products, fashion items and home appliances. Actually, people are buying everything; every new category we introduce, from books to automotive and industrial products are met with strong engagement and sales.

Give us a demographic description of those who are buying online, where are these people domiciled?
Most of the people who buy online are between the ages of 25 and 44. These people are mostly the upwardly mobile, working class category of people. They have more disposable income and are likely to spend more cash than other age groups.

Surprisingly, it seems that the male folks buy things online much more frequently than the female folks. On Konga.com, about 60% of customers are male, and about 40% are female.

Predominantly, most orders come from within Nigeria, although there are some orders made from other countries. In Nigeria, most of the customers are from Lagos and Abuja.

What have e-retailers in Nigeria not gotten right so far?
It is important to note one can have the best website in the world that features products with the cheapest prices you can find anywhere - but it won't mean a thing if you don't have a good logistics solution in place to enable you to get the right products to people on time. Prompt delivery is very important for any successful online retail business. And in Nigeria, many e-retailers haven't gotten that right. This can be attributed to challenges faced in the country such as poor infrastructure, poor transportation system, and a dysfunctional postal service.
Winning in Nigeria’s retail market

Winning in Nigeria’s retail market takes a combination of factors because of the peculiar challenges the environment presents. Even though retail has become a thriving industry in Nigeria with 34% CAGR growth in the last 5 years, the operating environment has not been as conducive as it should be. Retailers complain about the same challenges that other businesses face, they also have problems which plague their industry specifically.

Generally, retailers face the same problems which all businesses in Nigeria face including the poor state of electricity supply, difficulties associated with logistics as well as security problems. The general cost of doing business is high. This has made major retailers like Woolworths leave the country.

Perhaps the biggest obstacle facing retail business in Nigeria is the absence of a viable and low cost distribution networks connecting Nigeria’s cities to the sources of supply of their merchandise. This is partially responsible for the concentration of major outlets in such cities as Lagos, Abuja and Port Harcourt.

In Nigeria, roads are often in poor condition, air travel is expensive, there are very few viable air cargo operators and the rail system is at a nascent state. Anyone who has had to transport retail material across Nigeria from Lagos, where the nation’s main port is, to Kano which is in northern Nigeria, has to contend with an almost comatose railway line, or a road network which is poor. The 1,130 kilometer journey still takes more than a day to complete, a similar journey would last less than 15 hours in South Africa.

Recent moves by the federal government to revolutionaries the rail system has not yielded the desired results yet, while most roads remain work in progress. Nigeria’s railway network stands at 3,557 kilometers with 3,505 kilometers still on the narrow gauge.

Figures from the national rail corporation show that passenger and freight traffic in 1964 was an average of 11.3 million and 2.9 million tonnes of freight, by 1974 these figures had dropped to only 4.3 million passengers and a dismal 1.1 million tonnes of freight. By 2003 passengers traffic had dropped to 3.0 million while cargo had dropped very sharply.

According to Nigeria’s ministry of transportation, the total road network in Nigeria is estimated at 200,000 km, this represents the principal means for freight and passenger movements across the country. Road transport assumed a more significant role and became the most utilized mode of freight movement since the collapse of the rail system in the 1970s/80s. Today, road transportation accounts for
nearly 95% of all modes of transport and estimated N200 billion growing at 10% per annum compared with other developed economies such as South Africa, UK and US.

The present administration across the country has made moves to both improve rail and road transportation across the country. Government has taken bold steps to embark upon Public-Private Partnership initiatives geared towards tackling the challenges facing the development of the road infrastructure in the country. But there is still a lot to do in this endeavor.

Another major challenge to retail is the state of poor electric supply in the country. Generally, poor electricity supply has lowered the non-oil sector’s growth in Nigeria, GDP figures released by the NBS.

Retailers have to provide for their own electricity because the state’s power supply has failed to meet the demands of an ever-expanding population. But there have been mild improvements from 2,500 mega watts in 2011, the amount of electricity generated in the country had risen to 3,751 mega watts, with peak demand forecast pegged at 12,800 mega watts.

Retail businesses have had to grapple with having to integrate the huge cost of generating their own electricity into their operating expenses and still breaking even. This has led to the higher prices and thinner margins for retailers and consequently, the collapse of a number of local retail businesses. Nigeria operates a mixed economy where government plays a role as regulators of major businesses. But government policy has not helped retailers to achieve their full potential. Government’s inefficiency at regulating business in Nigeria comes in the form of double taxation, corruption and extortion by government officials, unnecessary levies and duties, bureaucratic bottlenecks at various government agencies like CAC, NAFDAC, among others.

The high cost of obtaining business licenses is also a major problem. In Nigeria, it is not uncommon for state, federal and municipal government taxes to clash. This imposes unnecessary pressure on the retailers as they often have to pay the same levies to the states, central government and in some cases local governments. In essence, there is no centralization of the tax system.

There is also the huge burden of getting goods cleared at the ports. Consignments are not only delayed, high demurrages are collected. Corrupt government officials have been known to make unnecessary demands from those bringing in items for the retail market.

Also relevant to the retail business is the security situation in the country. While the North East has its own peculiarities, since an Islamist militant group has continued to decimate the population and make it ungovernable, other parts of the country have more amenable security situation, albeit there are the occasional disturbances which
occur from time to time.

A strategy which most retailers have adopted is the use of private security operatives which has also driven costs upward for retailers. Apart from the occasional occurrences of security breaches which come in form of minor robberies at often isolated retail outlets, the country is stable in terms of security and the people are warm and accommodating.

But there are some challenges which are peculiar to the retail business in the country. One of which is the availability of inputs for the business. Local retailers have had to grapple with difficulty in getting inputs which drive modern retail business. There are few companies which supply basic inputs like software that drive retail businesses, furniture for retailers and other retail specific hardware.

To tackle this challenge, local retailers have had to resort to employing the services of South African software suppliers when they are not able to get local software which can drive their processes, to this end; there is the problem of getting the necessary support to keep the software functional.

Also, because the organized retail market is still nascent, manpower remains a major encumbrance. Like the rest of the country which has a problem with quality of manpower, retailers have the same problem. Often, retailers have to train attendants to manage their outlets because there are few individuals who can match the demand of the modern retail environment. Therefore though at the national level, 48.53 million persons were reported to be

Making an industry which accommodates almost 30% of the workforce to function properly should be a priority

engaged in one form of economic activity or the other in 2010, the wholesale and retail trade sector accounted for about 12.09 million of these, this gives an indication of the training need of the retail sector in Nigeria.

Online retailers have their own peculiar challenges, though the industry is growing at leaps and bounds, its development is encumbered by the same challenges which face regular retail. In particular, it has challenges with the level of performance of the telecommunications infrastructure, but this has improved over the past few years.

Developing formal retail in Nigeria is a task that will take the ingenuity of local retailers as well as the structures of government to achieve. Foreign retailers who have come into the country must make a deliberate effort to patiently understand the peculiarities of the environment as well as the immense opportunities which the country offers.

On the part of the government of the day, making an industry which accommodates almost 30% of the workforce to function properly should be a priority in terms of policy. Associations which operate in the industry should also be at the forefront of effecting legislations which positively impact on retail.
### FACTS FOR INVESTORS

<table>
<thead>
<tr>
<th>Population</th>
<th>170 million (2013 EST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>West Africa; bordered by Cameroon, Chad, the Gulf of Guinea, Niger and the republic of Benin</td>
</tr>
<tr>
<td>Capital</td>
<td>Abuja</td>
</tr>
<tr>
<td>Main Tribes</td>
<td>Yoruba, Hausa, Fulanis, Igbo, Urobo, Ijaw</td>
</tr>
<tr>
<td>Religion</td>
<td>The northern region is predominantly Muslim The southern region is predominantly Christians</td>
</tr>
<tr>
<td>Language</td>
<td>Major local dialects: Yoruba, Hausa, Igbo. Official language is English</td>
</tr>
<tr>
<td>Time</td>
<td>Local Time is GMT +1</td>
</tr>
<tr>
<td>Visa</td>
<td>Visa is required, expect for nationals from West African countries Proof of fund to cover the stay and a round-trip airline ticket are required, as is a yellow fever inoculation certificate. Cash is the main source of exchange; credit cards and traveler's tuques are rarely accepted except at major hotels, airports, restaurants, etc.</td>
</tr>
<tr>
<td>Money</td>
<td>Naira (NGN) is the local currency; $1 = NGN165 (2013 avg.) Note of denominations 1,000, 500, 200, 100, 50, 20, 10 and 5.</td>
</tr>
<tr>
<td>Weather</td>
<td>Weather is generally favourable year-round; rainy season peaks April-July Lagos (southwest)-The populous city in SSA and the commercial capital of the country. Kano (north) - Second-most populous city in the country; economic centre of northern region; has an international airport.</td>
</tr>
<tr>
<td>Major Cities</td>
<td>Abuja (central)-Capital city and major commercial hub, with presence of major govt. offices, MNCs and embassies. Port Harcourt (southeast)-A major industrial centre; large presence of oil-related MNCs, but also affected by militancy; city has an international airport and two seaports. Lagos (South Western Nigeria which is also the economic hub of the country).</td>
</tr>
<tr>
<td>Major industrial hubs</td>
<td>Lagos: Ilupeju, Agbara, Ikeja, Ota Ogun State Trade Zone Lekki Free Trade Zone Calabar Free Trade Zone</td>
</tr>
<tr>
<td>Airports</td>
<td>Four international airport and 18 domestic airports Lagos-Murtala Muhammed International Airport (busiest airport) Abuja-Nnamdi Aminu Kano International Airport (second busiest airport) Kano-Mallam Aminu Kano International Airport Port Harcourt- Port Harcourt International Airport</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>A number of companies including South African MTN, Etsalat, Celtel and Glo. These also provide data and internet services</td>
</tr>
<tr>
<td>Health (southwest) - The populous city in SSA and the commercial capital of the country</td>
<td>Yellow fever inoculation certificate is a must. Some zones in the country have HIV prevalence rates. Vaccination against hepatitis B, tuberculosis and meningococcal meningitis is recommended, while malaria protection measure are important. Private clinics/hospitals are easily available in major cities, but generally don't accept medical insurance or credit cards.</td>
</tr>
</tbody>
</table>
### FACTS FOR INVESTORS

<table>
<thead>
<tr>
<th><strong>How many meetings one can realistically manage in a day</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Three on average, four if traffic congestion is light</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Time from airport to Renaissance Capital office</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>45 minutes without traffic</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Travel</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Largely air and land. Water transport is minimal and rail transport is being resuscitated. Taxis provided by car rental services and hotels are considered safe. Major international airlines operate in the country, including Virgin Atlantic, Lufthansa, Air France, British Airways.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Meetings</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A relaxed attitude towards timekeeping is; business deals progress at a slower pace than in US or Europe. Greeting in English with a handshake is a common practice, although women usually do not shake hands especially in the northern part of the country, and Nigerians prefers to be addressed by their last name and titles if any.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Plugs/voltage</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Voltage used is 240V, Plugs used are D or G, GSM 900/GSM 1, 800 frequency</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Miscellaneous</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>British date format is followed in the country. Banking hours: Mon 0800-01500, Tue-Fri 0800-1330. Country code +234 and outgoing international code is 009.</td>
</tr>
</tbody>
</table>
# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIB</td>
<td>Petroleum Industry Bill</td>
</tr>
<tr>
<td>BOI</td>
<td>Bank of Industry</td>
</tr>
<tr>
<td>MAN</td>
<td>Manufacturing Association of Nigeria</td>
</tr>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>CBN</td>
<td>Central Bank of Nigeria</td>
</tr>
<tr>
<td>NBS</td>
<td>National Bureau of Statistics</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GRDP</td>
<td>Real Gross Domestic Product</td>
</tr>
<tr>
<td>EIA</td>
<td>Energy Information Administration</td>
</tr>
<tr>
<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries</td>
</tr>
<tr>
<td>US</td>
<td>United States of America</td>
</tr>
<tr>
<td>MPR</td>
<td>Monetary Policy Rate</td>
</tr>
<tr>
<td>MPC</td>
<td>Monetary Policy Committee</td>
</tr>
<tr>
<td>NPC</td>
<td>National Population Commission</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
</tbody>
</table>