

Sub-Saharan Africa's potential as a retail destination has attracted significant attention in recent years. Strong economic growth and changing perceptions about the continent have lured many foreign retailers, while African companies have also expanded regionally.

However, not each of sub-Saharan Africa's 48 countries hold equally good potential from a retail perspective. So which countries offer the greatest opportunities?

Research Company A.T. Kearney attempts to answer this question with its recently released African Retail Development Index (ARDI).

To compile the rankings, the firm considered the current state of each country's retail environment, as well as its future potential. The ARDI is based on four elements: market size, market saturation, country risk and time pressure, and ranks the potential and urgency of moving into each country accordingly.

### **Nigeria**

With Africa's largest population, the second biggest economy and increasing urbanisation, Nigeria clearly holds significant retail potential. However, A.T. Kearney says Nigeria is one of sub-Saharan Africa's toughest markets to master for outsiders.

"Regulations, land availability, distributor and supplier capabilities, and ease of imports are all roadblocks that will require time and effort to overcome," notes the report.

The fact that South African clothing retailer Woolworths last November announced it would be pulling out of its three stores in Nigeria, a mere year and a half after it first entered the market, questions how lucrative the country is for retailers.

The reasons cited by Woolworths were high rental costs, duties and supply chain challenges in the country.

## **NIGERIA MARKET AS A CASE STUDY**

### **1 Agriculture and Food Processing**

Nigeria has a population of more than 160 million people which provides any investor with a ready market. The majority of Nigeria's food is currently imported at a cost of billions of US Dollars.

Nigeria's fixation on its oil industry has left the agriculture sector largely undeveloped. However, it is time to think strategically and see agriculture as the main driver of future economic growth.

The goal is to ensure that Nigeria produces enough food for the local population as well as to export to the international markets. Agriculture must be seen as a business, with more commercial farmers.

You are invited to seize opportunities offered by immense fertile soils and start producing staple food crops needed by Nigerians.

Invest now and do business in food production, processing and marketing!

#### **Business opportunity in:**

- Agricultural Malls and Equipment Leasing Services
- Soya Beans Processing Small Plant
- Cultivation and Processing of Maize
- Rice Production
- Fruit Juice and Jam Factory
- Groundnut Processing
- Production of Livestock Feed
- Cashew Production and Processing

## Cassava Processing Flour Milling

Invest and start a business in Agriculture in Africa. Produce and sell vegetables, fruits, soya beans, maize, cassava, rice, etc.

### **Make Subsistence Agriculture History!**

In many African countries, more than 80% live on subsistence agriculture. It is time to modernise agriculture and make it an income generation activity.

African countries should not continue to import food.

Seize now business opportunities offered by the Agriculture Sector.



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### **Modern Soya beans Production**

Soya presents great business opportunities in Africa!

The soya bean is often called the miracle crop. With soya beans, America and Asia have made hunger and malnutrition history!



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### **Modern Vegetables Production**

Produce Carrots, Onions, Leeks, Spinach, cucumbers, Cabbages, Garlic, Pumpkins, Capsicums, Lettuce, potatoes, sweet potatoes, etc..



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### **Modern Fruits Production**

Produce Fruits: Pineapples, Bananas, Mangos, Papaya, Passion fruits, Coconuts, Citrus Fruits, Tomatoes, etc



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## Modern Maize Production



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## Modern Cassava Production



## Livestock Farming

*Do you know that one of the fastest growing business opportunities in Nigeria is catfish farming?* The primary reason I listed catfish farming as one of the fastest business opportunities in Nigeria is because it's an emerging industry that hasn't reached its peak or full potential. The major players in this business are usually regional players. What this means in essence is that each major player in the catfish farming industry is focused only on a particular business terrain within the geographical location of the farm.

Now for those who don't know, there is a bill being proposed now by the federal government of Nigeria to ban the importation of frozen fish. One this bill is passed into law by the national assembly, the local fish farmers will smile and you will be left behind. So *why not position yourself now?*

**Update:** *Just as we predicted many years ago, the Federal Government has eventually implemented and enforced the ban on the importation of fish starting from December 2013.*

With respect to poultry farming, the ban imposed by the federal government of Nigeria with respect to the importation of live or frozen poultry birds has only helped explode the demand. To be honest with you, livestock farming in general is a booming business in Nigeria and the trend is not dying anytime soon.

You can even start this business from your backyard. With 150+million mouths to feed daily, there will always be demand for livestock products. However, lack of technical know-how and the use of crude equipment are the major factors hampering the growth of this industry.

If you can come in with adequate knowledge and the patience to nurture this business, you will reap immensely. Now you can choose to either venture into livestock breeding of animals or better still, you can stick to livestock feed production or equipment retailing.

- Poultry farming – Egg production, meat production, hatchery or day-old-chicks production, etc.
- Cattle Farming – Dairy (*milk*) production, beef, etc.
- Rabbit Farming
- Goat Farming

- Sheep
- Tilapia Fish Farming
- Piggery
- Grasscutter Farming
- Snail Farming

## 2 Africa Food Processing: Invest and Start a Business in Food Processing

Invest and start a business in Food Processing in Africa...

Why should African countries continue to waste millions of US Dollars on importing food items that can be produced locally?

Produce and process food locally and make profits!

The demand of quality food is increasing for a growing population, especially in urban areas. This situation presents many business opportunities in food industry sector.

It is time for you to seize these business opportunities by starting a small food processing industry and create value-added products from cereals, grains, nuts, fruits and vegetables.

Here below are the best business projects in food processing:

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### Making Soya Milk, Tofu and Yogurt

Build your own Small Soya Processing Plant, produce and sell Soy Milk, Tofu, and Soya Food Recipes...



Yogurt




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Africa Do Business recommends you the most efficient and appropriate soya processing systems that require an investment of less than US\$ 10,000. [Find out more about Soya Products and Soya Processing Systems]

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## Start a Flour or Maize Milling Plant

Flour or Maize milling in Zambia, Malawi and other African countries present huge business opportunities....

In these countries, there is scope for establishing flour or maize mills in all important commercial centres in the rural or urban areas.



Process maize, produce good quality flour and let people enjoy maize meal!

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## Other food processing business opportunities

Small Scale Cassava Processing Plant

Small Scale Rice Mill

Small Scale Palm Oil Extraction Mill

Honey Processing Plant

Poultry Feed Plant

Small Scale Fruit Juice and Jam Making Plant

Tomato Paste and Ketchup Production Unit

Groundnut Processing Plant

Cattle Ranch and Beef Meat Production

Modern Abattoir

Coffee Roasting Plant

Livestock Production Feed Plant

Coffee Processing Plant

Dairy Processing Plant

Cassava Processing Plant

Water Purification and Bottling Plant

Sugar Cane Production Plant

### 3 Construction, Housing and Real Estate

A real estate boom is a natural by product of emerging market growth via rapid urbanization and expanding middle classes. As growth moderates, particularly as seen in Asian markets, the rate of construction activity remains rapid, according to the PWC report – “Real Estate 2020”, only boosting investment opportunities. The report notes that, by 2025, over 60 percent of all construction activity is forecasted to take place in emerging markets up from just 35 percent in 2005, with sub-Saharan Africa trailing only emerging Asia.

The commercial sub-sector of the real estate industry provides great opportunity for returns as Africa’s economic boom is sustained. Of the near 23 million m<sup>2</sup> in shopping malls in Africa, 21 million m<sup>2</sup> sits in South Africa and 0.5 million m<sup>2</sup> is in sub-Saharan Africa (excluding South Africa). Similar figures are found in the office space subsector – 2 million m<sup>2</sup> in sub-Saharan Africa (excluding South Africa) as compared to 4 million m<sup>2</sup> in North Africa and 15 million m<sup>2</sup> in South Africa. Navigating a blank slate in many instances, real estate investors approach the continent with the mixed ambition of Michelangelo and Donald Trump.

Yet, as any veteran real estate investor will characterize the “Africa opportunity”, commercial real estate can surely earn north of 25 percent per annum returns, but only after navigating unexpected hurdles, including poor urban planning, unfinished neighbouring infrastructure (i.e., unpaved roads), and unreliable local developers. If you can stomach the risk and find the right partners, these five countries offer the greatest opportunity:

#### Nigeria

On the surface, Nigeria is the real estate investor’s dream canvass. It has become Africa’s largest economy with burgeoning middle class. Its 170 million-plus population loves to shop and consume. As companies flood the market, office space is lacking, such that prime office space rents as high as \$85 per square meter, according to local renters.

The Ikeja City Mall, a 28,522 square metre mall in Lagos, which was backed by London-based private equity firm Act is in 2011, is unofficially considered the second mall to open in the country. Numerous malls have opened throughout the country since 2011. Even the recent boon in commercial space might not meet Nigeria’s rapidly growing demand.

Still, investors must approach with caution. Corruption and regulatory ordeals come without warning. Joining with a strong local partner is accordingly necessary to avoid the downward spiraling effect of a reactionary approach amongst unexpected obstacles you can assume to come.

Nigeria is still a developing country especially in the area of infrastructure but this is set to change in the nearest future. Massive constructions are currently on-going in Nigeria ranging from bridges, roads, towers and skyscrapers, etc. If you run a construction company oversee, or you have the financial capacity to assemble the needed team and machinery for a construction company; then this is a business you should invest in.

Nigeria's property market has grown extensively and offers unique opportunities for those who desire to build or buy property for investment or personal use.

The majority of the country's population live in sub-standard housing conditions with little access to basic services. Many houses therefore need to be built which presents vast opportunities for property developers and other relevant parties.

There is a ready market not only for low-cost housing but as well for luxury residences, hotels and resorts. Invest in Nigeria, start a business in housing, construction and real estate. The demand is enormous! Lagos and other major cities of Nigeria are offering investors the opportunity to invest in the housing sector. The Nigerian cities currently have a massive lack of housing; there is an immediate need of hundred of housing units. In many states, construction lands have been identified for housing developments. Returns on investment in the housing sector have the potential to be substantial because of the extremely high demand. Now for those who wouldn’t want to go through the ups and downs of running a business, you can choose to invest in development of hotels, school hostels for students, shopping malls, residential apartments, events and conference halls, etc.

### 4 Solar Energy

Why you should use solar energy

- No Monthly Bills to worry about. Solar panels are extremely reliable.

- Solar energy is environmentally friendly.
- Solar energy is renewable. We never have to worry about running out of sunlight or using it all up.
- Solar Energy can be connected at any place (remote village, rural, town, island, top of the hill and much more).



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### Solar Energy Products

Solar hand light with a radio and mobile charger



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Solar Energy Portable Generator



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Solar Water Heater



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Wind Energy



## 5 Start a Business in Internet and Computer Services in Africa

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### Connect All Africans

With new information and communication technologies (ICT) accessed through computers and internet connection, Africa will no more stay behind. It is time to catch up!



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### Internet café Business



Invest in internet café, start an internet café business, you will not only make profits but you will advance African people in new era of information technology. You can invest less than US\$ 10,000 or a bit more. (Find out more)



### New Computer Sales

With new models constantly coming out, the market for computers continues to boom. Selling computer systems and equipment is one of the most competitive but lucrative sectors of the retailing industry.



### **Used Computer Sales**

With many new computers being bought to replace the old ones, you can start a business of collecting, upgrading and reselling used computers

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### **Computer Training**

Use your computer skills to teach others how to use their software and hardware. Computers and computer programs are among the most wonderful tools available--as long as you know how to use them. You can start a business of computer training private individuals and business

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### **Computer Upgrading Service**

As technology advances at record speed, providing the occasional update may be the right business for you.

Starting a business that specializes in upgrading existing computer systems with new internal and external equipment is a terrific business to initiate that has great potential to earn an outstanding income. You can start this business by investing less than US\$10,000.

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### **Computer Cleaning Service**

Almost every employee in an office has a computer. And all of those computers need to be cleaned.

Most commercial office cleaning services won't clean computers while cleaning an office. In fact, most commercial cleaners won't even dust a desk that a computer is sitting on or near. Why? Simply because they don't want to accept the liability should anything happen to the computer equipment or information and programs stored within.

Herein lays the business opportunity you can start with less than US\$1,000.

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### **Computer Repair and Maintenance**

Use your technology knowledge and help people with computer problems.

Everybody with a computer knows that moment of panic when the hard drive crashes--and for businesspeople, it can be very costly. But if you're a computer technician capable of diagnosing virtual problems and then repairing them, you can start your own business as a computer repair specialist.

## **6 Africa Transport: Invest in Africa and Start a Business in Transport**

African countries face huge problems of transport not only because of bad roads but as well by limited means of transport. This situation presents to you business opportunities in the transport sector.

### **A real problem!**



### **Effective Solutions!**

#### **Tricycle / Keke Nape**

This tricycle can transport up to 500 kg of goods, especially agro-culture produces from farms to market.

Max. Load: 500kg



Engine Type: 150cc or 200cc. Single cylinder, Four stroke, Air-cooled

Max. Speed: 75km/h

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### City Car Taxi VIP

Many businesspeople and other VIPs now prefer renting cars when travelling or moving around in African cities. This new habit has provided business opportunities for car taxi operators.

Start a business in car taxi and make profits.

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### Minibus Taxi



Minibus taxi is the most popular way of people's transport in Eastern and Southern African countries. By investing and doing business in minibus taxi, you make good money!



### Trucking Goods



Trucking goods is profitable business in many African countries.

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### Transport of people

Public transport in many African cities is a big problem, especially because of not having enough or effective public transport services.



Investing in collective transport business is very profitable... By buying one bus or a fleet of buses, you can start a long term and profitable business.

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## Transport of goods

There are business opportunities in transport of goods and materials in many African countries. Invest in transport sector by purchasing trucks for hire and you make profits...



### 7 Africa Trade: Invest in Africa and Start a Business in Africa

With a small investment, you can start a small business in trade...

Second Hand Clothing Selling

Clothes Repair

Fuel/Firewood Selling

Newspapers Selling

Foodstuff Selling: Cassava Flour, Rice, Palm oil sales, etc

Fish selling

Soft Drinks Selling

Coffee Shop

Restaurant

Butcher Shop

Grocery Store

Mobile Phones Selling

Mobile Phone Accessories Selling

Charcoal Selling

Music Disc & Tapes Selling

Cosmetic Products Selling

Shoe Selling

Soft Drinks Selling

General Stores

Village Shop/ Petty Trading – food products (Agricultural produces, sugar, salt, soap, rice, beans, etc)

Jewellery Sales

Small shop for Domestic commodities

Pizza Parlour

Bakery

Catering

## **8 Agro-products exportation**

Nigeria is blessed with a lot of food and natural resources; and most of these natural resources are raw materials needed for the production of some finished products. Every day, tons of raw materials and food products leave the shores of Nigeria to countries such as India, Vietnam, China, USA, UK, Brazil, etc; yet, the demand is never met.

You can become an exporter by simply registering with the Nigerian Export Promotion Council and decide on the specific product you wish to export. Examples of products highly in demand both within and outside Nigeria are *Chili pepper, Mango, Kola nuts, Bitter Kola, Cassava flakes (Garri), Cocoa, Groundnut, Yam flour, Cashew nuts*, etc.

However, if you think you don't have the capital or time to engage in agro-products exportation, then you can stay local by buying and selling them within the country. A good example of a product you can buy and sell for huge profits is Palm Oil.

## **9 Mining**

Nigeria is blessed with a lot of mineral resources like Limestone, Coal, Iron ore, Bitumen, etc. Aside this, the mining industry in Nigeria is set to take off because the federal government in June 2013 implemented a policy to drive forward the mining industry by declaring the importation of mining equipment duty free. The government is also going after many dormant investors who were granted mining licenses but are not utilizing it. This act I believe, will spur the growth in the mining sector. If you have the financial capacity and a team, you can position yourself in this sector.

## **10 Setting up a private mini refinery**

There are lots of business opportunities in the oil and gas sector. Building a private refinery and refining crude oil is another business you should look into because there is a lot of potential in it. In January 2012, the federal government announced the partial removal of subsidy and with a long term plan to totally remove fuel subsidy. What this means in essence is that petroleum product importers will now sell as they buy; thus bringing in competition and it is a known fact that 80% of petroleum products consumed in Nigeria are imported.

Now with the total removal of fuel subsidy, investors will now have the opportunity to set up their own refinery and produce fuel. Are you among those that think the total fuel subsidy removal is a pipe dream? Then think again because in May 2013, Aliko Dangote raised \$9billion for the setting up of a refinery; which will be sited in Ondo state.

Honestly, I understand that not everyone has the financial capacity and technical know-how to invest in a private refinery. Well, you can still tap into the oil and gas sector by setting up a filling station, starting a mini kerosene retailing depot or establishing a cooking gas retailing outlet. Which ever one you choose, you will surely make money. Enough said.

## **11 Inland waterway Transport**

There are lots of opportunities in the transport industry and inland waterway is one of them. Nigeria has a broad network of inland waterways comprising rivers, creeks, lakes and seas; yet, transportation still remains a challenge because investors are yet to tap into water transportation.

A lot of countries such as Italy, Thailand, etc have effectively been utilizing their waterways as a means of transport; thus reducing the traffic congestion on the road. All you need to do is to incorporate a company, obtain license from the state and federal government, import or purchase some locally fabricated boats; and you are in business.

## **12 Establishing a Television and Radio Station**

Now it is a known fact that the mass media industry is saturated in Nigeria. However, this is only true for some cities in Nigeria such as Lagos and Abuja. I have travel through several parts of the countries and discovered that most states have no private TV station, and only rely on the government own TV stations; which are very incompetent, uncreative and unreliable. I see an opportunity for entrepreneurs and investors with interest and competence in broadcasting or mass media. You can either choose to setup a radio station or TV Station.

### **13 Setting up a security company**

There is a huge demand for excellent security services in Nigeria. As the government battle to improve the security situation in the country, individuals and corporate entities are now becoming aware of the fact that security is not the responsibility of the government alone; it is a collective responsibility. Hence, the current increase in demand for security guards, bodyguards, executive protection professionals and security gadgets or devices.

As an entrepreneur or investor, you can setup a security guard recruitment or training company, or you can setup an executive protection or bodyguard agency. Also, you can import and retail security products and safety devices.

### **14 Sewing of specialized uniforms**

There are over 500 schools (*both Crèche, primary and secondary*) in Lagos state alone; and each of these schools have a specific uniform or attire for their students. Okay, let's look beyond educational institutions. *Do you know that other individuals and corporate organizations are in need of uniforms for their security personnel, staff, etc?*

There are also a lot of military (*Army, Air Force, Navy*), paramilitary (*Civil Defence Corps, Police Force*) and non-paramilitary (*Road Safety, Traffic Warden, Kick against Indiscipline, Vigilante groups, etc*) organizations in Nigeria that make use of uniforms. You can position yourself as a uniform supplier and make money from it.

### **15 Recruitment Agency**

The labour market is becoming tougher and there are over five million unemployed youths in Nigeria. Another hard fact is that companies are no longer employing full time in-house staff; they are now using the services of recruitment agencies to employ people based on contract basis.

This strategy is aimed at reducing the cost of doing business by avoiding the cost of conducting a recruitment exercise and also avoiding employee claims and benefits. This is the sole reason why banks and other companies are sacking their workers on daily basis.

So rather than fight the trend, why not profit from it by setting up a recruitment agency and connect jobseekers to their dream jobs. You can also be a corporate executive head hunter and make money poaching competent staff from one company to another. If this is too capital intensive for you, then you can setup a resume writing service from home and profit from the trend.

### **16 Importation of wears**

Clothing is another basic need of man. Regardless of the economy, people must wear clothes and this includes shoes, bags, underwear, perfumes, etc. Now there is a fast growing trend now and that is "*Used clothes*" or "*Recycled clothes*," otherwise called "Okirika."

Since the economy is getting tougher and there's need to be clothed, the masses have resolved to buying used clothes rather than new ones. Still yet, there is a market for new clothes; for men, women, and kids. You can source your materials from China, Hong Kong, Italy, France, Dubai, India, etc.

### **17 Haulage and logistics**

Haulage and logistics is another booming business in Nigeria because regardless of the weather, people must haul their goods from one location to another. In fact, haulage or trucking business is one of the most profitable businesses so far; though it is management intensive. However, you can start with just a truck and see how it goes.

You can choose to focus on hauling containers for clients from the seaports to their various destinations or better still, you can choose to haul products of specific companies such as breweries, production companies, etc. You can also haul perishable goods from farms and villages to the marketplace or you can haul specialty products such as frozen foods, petroleum products, gas, etc.

Now there is also an opportunity for those who want to venture into haulage business but do not want to be bugged down by management requirements. All you need to do is to buy a truck and contract it to a Haulage and logistics company; which will in turn pay you a specified amount weekly or monthly based on agreement.

## **18 Outsourced bus service**

This is another form of haulage business, but this time you will be lifting humans. This is a business that requires providing transportation services to organizations that cannot afford to buy a vehicle in-house. Your clients in this case can be schools, religious organizations, NGOs, corporate bodies, etc. Some corporate organizations can't afford an in-house transport system for its executives and staff, so this is where you come in. You provide the cars or buses, provide the drivers and you are paid on a monthly bases or contract bases for the use of your transport services.

Another area of target is schools. Most schools would like to provide transport facilities for their students but they can't afford it and this is where you come in. You provide a bus service system and send out a proposal to schools to use your bus services. Just imagine 20 or more young schools jointly using your student bus service system and you will catch the vision of this idea.

## **19 Training centres**

Every year, millions of people sit for examinations and tests in Nigeria and most of these people usually need some kind of trainings or tutorials. You can position yourself as a provider of such training and make money off this niche. Examples of trainings you can offer include skill vocational acquisition training, corporate management skill training, etc. You can also conduct tutorial for individuals writing professional exams like JPTS, ICAN, WAEC, JAMB, A. LEVEL, etc.

## **20 Waste Management**

Waste management is another business with a future potential because Nigerians are yet to imbibe the habit of proper waste disposal. However, states like Lagos have been doing a lot to encourage proper waste disposal and management. Now there are several businesses you can start within the waste management niche and these include waste recycling, waste disposal, junk hauling, organic fertilizer production, etc.