



European Union



2023 MAPPING OF EUROPEAN UNION COMPANIES IN NIGERIA



Nigeria's foremost trading partner

The European Union (EU) being Nigeria's largest trading partner, accounting for roughly a third of Nigerian exports and a quarter of imports, is well known. But what about the footprint of EU companies active in Nigeria? To better understand this, Commercium Africa, in cooperation with EUROCHAM Nigeria has concluded the first-ever mapping of EU companies active in Nigeria.



Key takeaways

EU businesses operating in Nigeria are crucial contributors to the local job market. These companies have shown a strong commitment to Nigeria's economic growth, with combined investments exceeding €2 billion.

The manufacturing sector emerged as the leading industry in terms of revenue generation, job creation, and investment within the EU business community in Nigeria.

French, German, and Dutch companies stood out as prominent contributors, collectively accounting for half of the identified businesses.



As we delve into the extensive presence and contributions of EU companies in Nigeria, it becomes evident that the European Union's partnership with Nigeria goes beyond trade figures or traditional development cooperation. Our commitment to Nigeria's growth is reflected in the investments, job opportunities, and economic contributions made by EU companies. This comprehensive mapping highlights the importance of our relationship and the potential for further collaboration in various sectors. We remain dedicated to working hand in hand with Nigeria for mutual prosperity."

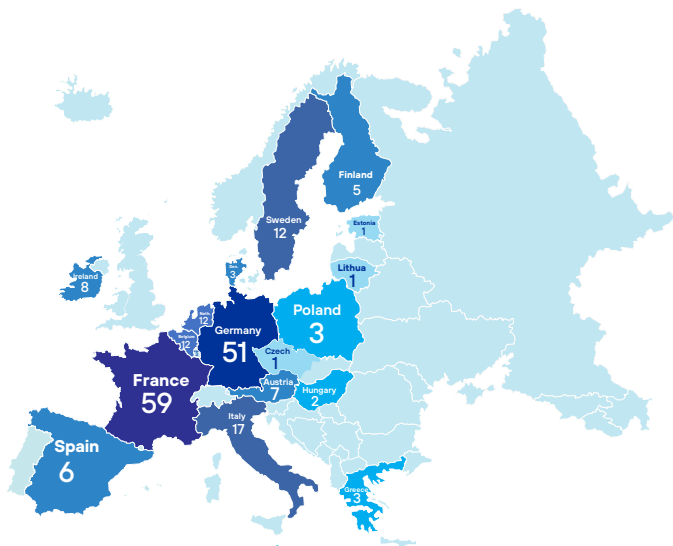
Ambassador Samuela Isopi

European Union Ambassador to Nigeria
and ECOWAS



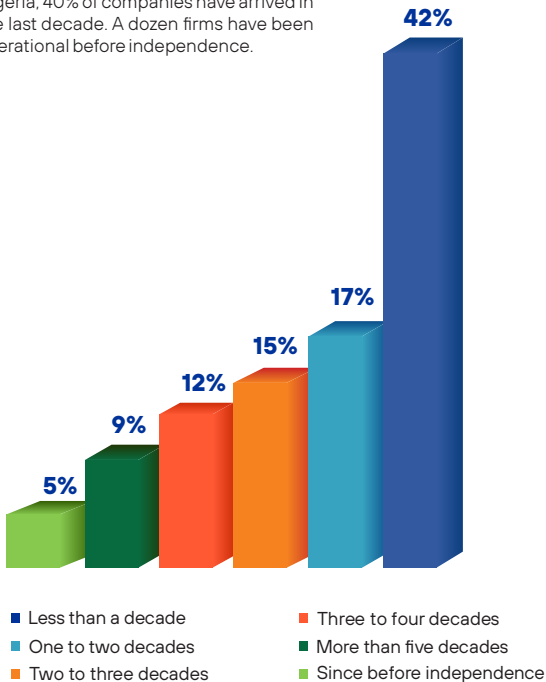
EU companies' presence in Nigeria

Companies currently operating in Nigeria, surveyed for this study, come from 18 of the 27 EU Member States.



Nigeria's investment potential

A testament to the economic potential of Nigeria, 40% of companies have arrived in the last decade. A dozen firms have been operational before independence.



Meeting Nigeria's cross-industry needs

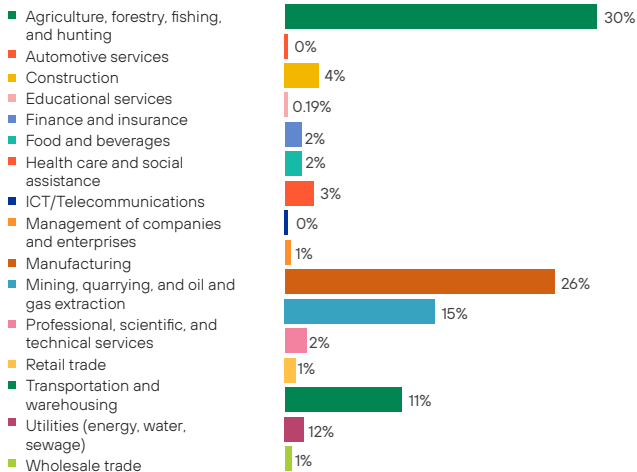
Manufacturing is the most common sector that companies engage in (22%). Other sectors with a significant share of EU companies invested are professional services (11%), transport (11%), and construction (11%).



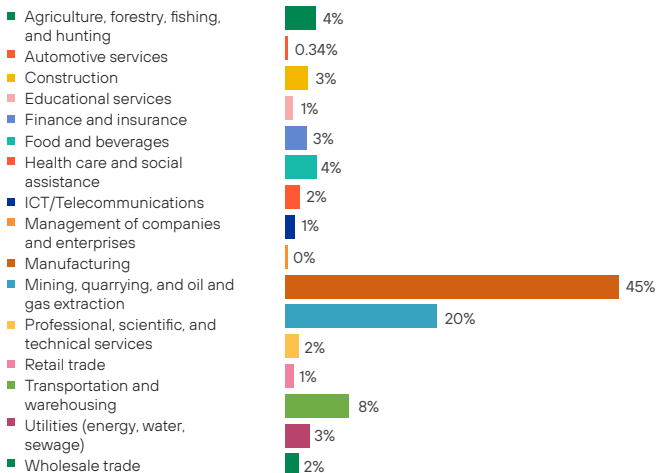
Creators of employment

EU companies have created over 130,000 jobs in Nigeria, predominantly in the manufacturing, extractive industries, and food and beverages sectors. Employment opportunities are spread across Nigeria.

Direct employment per sector



Indirect employment per sector



Significant economic contributions

Identified companies invested more than €2 billion in the fiscal year 2022, with over 70% directed towards the manufacturing, logistics, and storage sectors. Almost 3 out of the 4 reporting companies are looking to reinvest or invest in new projects. EU companies also contribute to Nigeria's economy through local production, with one-third assembling locally.

Sector by sector analysis of direct investment in million Euros



Wholesale trade



Utilities



Transportation and warehousing



Retail trade



Mining, quarrying, and oil and gas extraction



Manufacturing



Healthcare and social assistance



Food and beverages



Finance and insurance



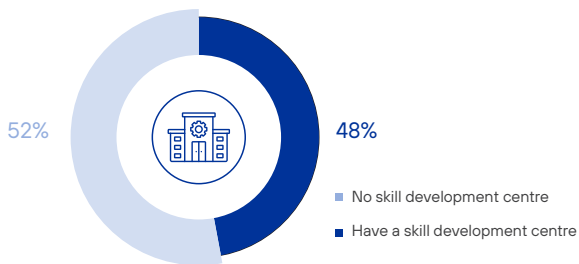
Construction



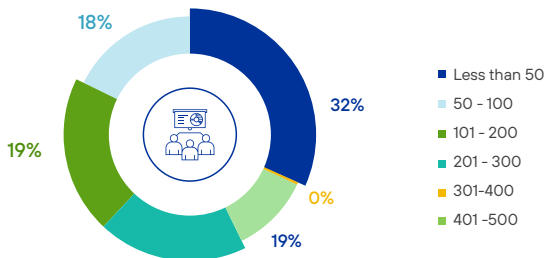
Agriculture, forestry, fishing, and hunting

Developing and honing skills

EU companies are a key provider of skills development and vocational training with over 6,000 Nigerian staff trained annually. Almost half of the companies surveyed have a technical development centre.



Number of people who participate in annual training per year

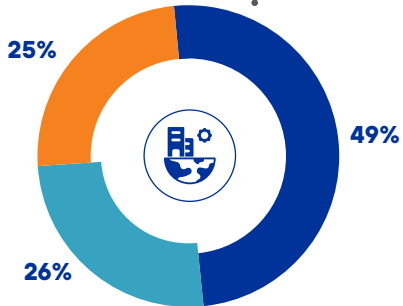


Business environment

More than 70% of the reporting organisations said they found the business environment challenging. And nearly 60% said that the situation had gotten either worse or much worse over the past three years. The two major challenges identified are access to foreign exchange and insecurity. 72% of companies surveyed believed the foreign exchange situation had worsened in the last three years. 42% of companies surveyed believed the security situation had worsened in the last three years. Other challenges flagged by companies operating in Nigeria, in order of severity, are taxation, infrastructure, corruption, regulatory bottlenecks, and power supply issues.

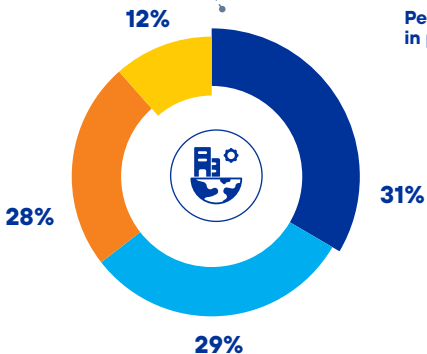
Perception of the Nigerian business environment

- Difficult
- Good
- Very difficult



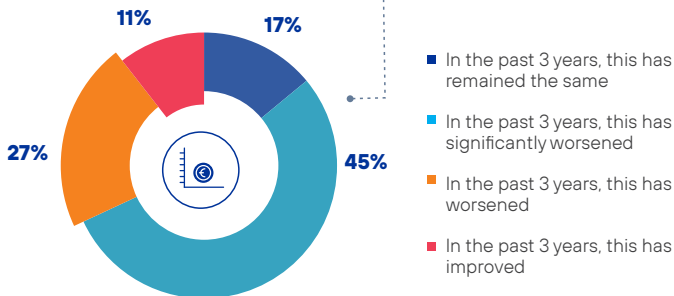
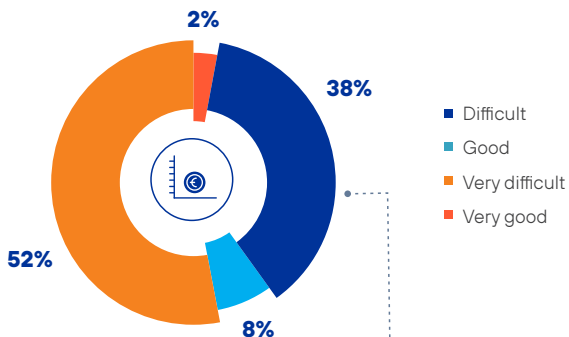


Perception of development in past three years



- In the past 3 years, this has remained the same
- In the past 3 years, this has significantly worsened
- In the past 3 years, this has worsened
- In the past 3 years, this improved

Foreign exchange situation



Other challenges flagged by EU companies operating in Nigeria in order of severity

1st



Foreign exchange

2nd



Security

3rd



Taxation issues

4th



Infrastructure

5th



Corruption

6th



Regulatory bottlenecks

7th



Power supply

The full study can be accessed
by scanning this code:



For more information about the work of the European Union in Nigeria please visit:
http://eeas.europa.eu/delegations/nigeria_en

For information about the European Chamber of Commerce please visit:
<https://www.eurochamng.org/>