

# Market exploration

For German companies in the food processing and packaging machinery sector - March 25. – 29. in Nigeria



## A market with potential

*From March 25. to 29. 2024, Afrika-Verein Veranstaltungs-GmbH, on behalf of the Federal Ministry of Economics and Climate Protection (BMWK), is conducting a market exploration trip for German companies in the food processing and packaging machinery sector (food, cosmetics and pharmaceutical industries). Cooperation partners are the Delegation of German Industry and Commerce in Nigeria (AHK Nigeria), the Nigerian-German Chamber of Commerce (NGCC), the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA), the Lagos Chamber of Commerce and Industry (LCCI), the VDMA Food Processing and Packaging Machinery Association and the German Agribusiness Alliance (GAA). This is a project-related funding measure as part of the market development program for SMEs. The target group is primarily small and medium-sized German companies (SMEs).*

According to the IMF, Nigeria expects GDP growth of more than three percent in 2023. This solid outlook is supported by ongoing industrial development, particularly in the agriculture and the service sector. Nigeria also benefits from its enormous market with 218 million inhabitants and an industrial base that is already well developed compared to other African markets.

However, high national debt, infrastructure deficits, corruption, high location costs and a lack of foreign currency availability are working against a stronger upturn.

Implemented by

## Target Market Nigeria

With a share of almost 25 percent, agriculture is a central cornerstone of Nigeria's economy. To take advantage of the arable land and favorable climate and change the country's status as a net importer of food, more investment is needed, including to develop Nigeria's downstream food processing and agribusiness industry. The Nigerian food market is undersupplied and, with a share of almost 13% of the foreign trade balance (2021), heavily dependent on imports from abroad. At the end of 2021, the previous government led by President Muhammadu Buhari published the National Development Plan 2021-2025, in which it committed to new government investment of EUR 1.7 billion to further develop and mechanize the agricultural sector and the associated value chains.

Over the past three years, the government under President Buhari has already launched a number of support programs and initiatives such as the *Aggro-Processing, Agricultural Productivity Enhancement and Livelihood Improvement Support (APPEALS)*, *Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)* und *das FNG/IFAD Value Chain Programme (2021-2022)*. It can be anticipated that the new government led by President Bola Tinubu will continue the course of the previous government, also in order to be able to meet the food demand of the growing population in the long term.



Flag Nigeria



## German – Nigerian: Business Relationship

According to the Federal Statistical Office, Germany exported goods worth EUR 1.1 billion to Nigeria, making the country the most important sales market in sub-Saharan Africa after South Africa. The "Made in Germany" brand enjoys a good reputation in Nigeria and offers German companies a partial competitive advantage over their international competitors.

In 2021, 79.3% of Germany's imports from Nigeria were dominated by crude oil. In the same year, Nigeria imported machinery, foodstuffs, chemical products, automotive/vehicle parts, electronics, electrical engineering, measurement and control technology and a high proportion of unspecified other imports from Germany.

## Economic date for Nigeria

In the presidential elections in February 2023, Bola Tinubu was elected as the country's new president. Since his election, he has already initiated a number of reforms, including the abolition of petrol subsidies and the floating of the Nigerian currency (naira) for trade. Even if these measures are currently slowing down economic growth, they could have positive effects for the private sector and, above all, for new local investments in the future.

The Pan-African Free Trade Area (AfCFTA), which has been in implementation since January 2021 and creates a market of 1.3 billion people with 55 countries, will also offer German companies the opportunity to establish more production sites outside South Africa. Nigeria offers the necessary foundations for this, particularly in the areas of agribusiness, food processing, e-commerce and the construction and energy sectors. The waste and circular economy will also continue to gain in importance. According to Germany Trade & Invest, consumer goods in the food and non-food sectors remain attractive due to stable population growth and a growing middle class with increasing purchasing power. According to a survey conducted by the Jacobs University and GIZ, around

100 German companies, most of which are based in the greater Lagos area, also believe in Nigeria as a business location despite the recent years of crisis.

### Preliminary Program

Program	
Sunday, 24.03.	Travel and Arrival in Lagos
Monday, 25.03.	Welcome meeting at the consulate, presentation event and company/project visits in Lagos and surroundings
Tuesday, 26.03.	Visit the international trade fair "9th Agrofood Fair"
Wednesday, 27.03.	Company visits and B2B Meetings
Thursday, 28.03.	German Business Round Table with Finance -Experts
Friday, 29.03.	Debriefing and Departure

## Chances for German Companies

As Africa's largest consumer, retail and food market with a growing, affluent middle class that demands high-quality products, Nigeria offers considerable business opportunities that German companies are not even close to exploiting. Generally, there is a great need for development within the value chain of the food industry, resulting in concrete business opportunities for German companies, particularly in the areas of food processing machinery, storage (including refrigeration technology), services (such as quality assurance and control), packaging and logistics.



## Terms of participation

The target group of the market exploration trip are small and medium-sized enterprises (SMEs), self-employed persons in the commercial sector as well as specialist freelance professions and business-related service providers with business operations in Germany with a corresponding industry focus.

The project is part of the market development program for SMEs and is subject to the de-minimis rules. The companies' own contribution to participate in the project depends on the size of the company:

- 500 Euro (net) for participants with less than 2 million Euros annual turnover and less than 10 employees
- 750 Euro (net) for participants with an annual turnover of less than 50 million Euros and fewer than 500 employees
- 1.000 Euro (net) for participants with an annual turnover of 50 million Euros or more or more than 500 employees

Travel, accommodation and catering costs are to be covered by the participants themselves. For all participants, the individual consulting services are certified in accordance with the EU's de-minimis regulation. A maximum of 15 companies can participate. Registrations will be considered in the order in which they are received, with SMEs having priority over large companies.

## Registration

Interested companies can register until **January 30, 2024** with the Afrika-Verein Veranstaltungs-GmbH. Further information on the market development program for SMEs can be found at [www.gtai.de/mep](http://www.gtai.de/mep)

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## Partner



Delegation der Deutschen  
Wirtschaft in Nigeria  
Delegation of German Industry  
and Commerce in Nigeria



**NACCIMA**  
Nigerian Association Of Chambers  
Of Commerce, Industry, Mines, And Agriculture



Food Processing and  
Packaging Machinery



Mit der Durchführung dieses Projekts im Rahmen des Bundesförderprogramms Mittelstand Global/ Markterschließungsprogramm beauftragt:

**Afrika-Verein**  
Veranstaltungs - GmbH

Das Markterschließungsprogramm für kleine und mittlere Unternehmen ist ein Förderprogramm des:



**Bundesministerium**  
für Wirtschaft  
und Klimaschutz



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