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**Important of Business in Nigeria**

Business is An organization or enterprising entity engaged in commercial, industrial, or professional activities. Businesses can be for-profit entities or non-profit organizations. Business types range from limited liability companies to sole proprietorships, corporations, and partnerships.

Sectors such as information & communication, manufacturing and electricity have emerged as pillars of Nigeria's diversified economy. The agricultural sector, in particular, has witnessed significant growth, contributing not only to food security but also to export revenue.

1. Nigeria has the largest market in Africa.

The most obvious and compelling reason for doing business in Nigeria is the country’s size. Nigeria is the most populous country in Africa with a population of 186 million. Nigeria also has the largest economy in Africa with a GDP of $405.1 billion as of 2016.Pair these two pieces of data with the fact that Nigeria also has a growing middle class and it becomes obvious why businesses are prioritizing Nigeria has an expansion destination. The large GDP should, however, be understood in the context of the size of the population. Although Nigeria has the largest GDP in Africa, it is ranked 13th in Africa for GDP per capita.

A low GDP per capita in such a populous country proves to be a challenge for business managers who have to go the extra effort to filter through the “noise” of a large population to find a customer base that has the purchasing power to pay for their products or services.

2. Nigeria will be a Top 20 economy by 2030.

According to Mckinsey and PWC, Nigeria is posed to be one of the top 20 economies by 2030. Nigeria’s GDP is projected to reach $1.6 trillion. The trends spurring this growth are a growing population that’s rapidly urbanizing, a focus on industrialization and value-addition to traditional commodity markets, and exponential growth in digital connectivity. Due to wealth brought into the economy through the exportation of oil, the Nigerian economy grew at an average rate of 8.6 percent between 2000 and 2014.In 2014 when global oil prices collapsed, the Nigerian economy slowed down and ultimately experienced a five-quarter recession beginning in 2016.Nigeria’s economy has since bounced back and the country’s GDP continues to grow due to a more diversified economy. By investing more in industries outside of crude oil, Nigeria remains on the path to becoming one of the top 20 economies within the next decade.

3. Nigeria boasts a young and growing urban population. Of the 186 million citizens in Nigeria, 72.5 percent of them are below the age of 35.The fact that the majority of Nigeria’s population is so young presents a lot of opportunities for companies looking for new markets with receptive customer bases. A youthful population poses other advantages, such as a larger workforce and a growing consumer class. Since brand loyalty is an aspect of Nigerian culture, having the opportunity to appeal to a younger generation in an effort to develop long-term customers is ideal. Also, with the growing urbanization and increased internet access due to extensive mobile connectivity, companies will be able to tap into an emerging consumer base. In fact, of the 18 cities that would have more than 5 million inhabitants in Africa in 2030, Nigeria will be home to 3 of those cities – Lagos (24.2 Billion), Kano (6.2 Billion), and Lagos (5.5 Billion).

4. Myriad of challenges for most, a bounty of opportunity for some. There are a lot of challenges that limit productivity and the growth of businesses in Nigeria. Some of these challenges include difficulties in finding reputable Nigerian business partners, a limited pool of qualified staff to hire, an intermittent power supply, bad road networks, and a high cost of business financing. These challenges add to the list of reasons why 33% of business owners in Nigeria feel hindered by Nigeria’s “hostile business environment“. It’s also the reason why Nigeria is ranked 145 out of 193 countries on the World Bank’s Ease of Doing Business scale. All it takes is one business trip to Nigeria for you to spot all the different challenges that your company will have to overcome as a new entrant.

However, if you happen to be one of the few problem solvers out there, then these challenges are opportunities to create value. With the right mindset and insight, you can find solutions to local challenges and unlock business opportunities by serving numerous unmet needs in the market.

5. Nigeria is a strategic testing ground for businesses in Africa.

For companies looking to perform well in Africa, prioritizing Nigerian business in their expansion plan has strategic importance. Nigeria is strategically located in the West of Africa along the Atlantic coast. Its ports along the coast are important entry points for businesses looking to distribute their products into the surrounding West African territory. Alongside Nigeria’s growing economy and strategic location, the spread of Nigerian culture throughout Africa makes the country a great testing bed for consumer-goods enterprises. As Nigeria’s population and GDP continue to rise, business professionals looking to enter the market are also able to test out the scalability of their product or service. There is now a saying that when it comes to emerging markets if your business thrives in Nigeria, it can flourish pretty much anywhere.

6. Nigeria is booming with bustling entrepreneurial energy.

If you know anything about the Nigerian business culture, you know that it is filled with a resilient and entrepreneurial spirit.

Lagos, Nigeria’s mega-city, plays an important role in most businesses’ marketing strategy in Nigeria. Dubbed as the “City of Hustle”, Lagos’ contribution to the continent’s GDP makes it the 7th ranked economy in Africa – higher than GDP of countries such as Kenya and Ethiopia. Business owners and entrepreneurs in Nigeria deal with so many unique challenges while running their Nigerian business that they have adopted innovate business models to work around potential pitfalls accordingly.

With that said, it’s no surprise that Nigerians are also one of the most educated immigrants in the United States. A lot of these Nigerians do return to Nigeria to apply their expertise learned at top organizations and institutions across the globe. Also, the enthusiasm for commerce that Nigerian business owners and professionals hold has helped cultivate a unique business culture that is unlike any other country. In fact, most foreign nationals who come to Nigeria for business begin to realize that conducting business in the country is an opportunity to partake in a very energetic and bustling marketplace.

7. There’s massive potential for job creation and innovation.

As a business manager looking to establish your company’s presence in the Nigerian market, the fact that you will be conducting business in Nigeria and be employing citizens is great for the Nigerian economy and Africa in general. Nigeria has an unemployment rate of 14.2 percent and any new business in Nigeria holds the promise of job-creating opportunities. With a focus on diversification and industrialization, businesses have the opportunity to innovate and build new business models while tapping into the youthful economy that is seeking gainful employment. Therefore, foreign businesses looking to enter various industries in Nigeria have the opportunity to create jobs for the unemployed in both the rural and urban areas.

8. The opportunity to make a real difference.

Aside from the economic upsides of doing business in Nigeria and all the opportunities the country holds, we cannot neglect the current realities.

The high level of poverty and low level of human development. This presents a grander and more meaningful reason to conduct business in Nigeria – reducing global poverty and working to end the cycle that allows people to fall below the poverty line. Africa is the continent with the largest number of people living in extreme poverty. When it comes to looking at the number of people living in poverty from a global perspective the statistics are as follows (source):

383 Million in Africa

327 Million in Asia

19 Million in South America

13 Million in North America

2.5 Million in Oceania

0.7 Million in Europe

While India is the country with the largest number of people living in extreme poverty (218 million people), Nigeria is listed second with 86 million people living in poverty. As the number two country with the largest number of poverty, doing business in Nigeria has the potential of reducing global poverty. By creating jobs that facilitate inclusive growth through the creation of employment opportunities for people in both urban and rural area in Nigeria, your company could be one of the business working towards reducing poverty not only in Nigeria but across the globe.

How to win in Nigeria

Whether you’re looking for economic returns or looking to work towards a common purpose, Nigeria has a rapidly emerging economy that should be on your radar as a place to increase your organization’s impact and global presence. By applying proven strategies for business growth in Nigeria, businesses can tap into the growth potential of Africa’s largest economy.