

Cross-Cultural Business Tips



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Winning on the Cross Cultural Battlefields.

Set Your Business Sights on Nigeria: Africa's Powerhouse

If you're thinking of expanding your business operations into Nigeria, it will definitely help to know certain pertinent points about the country; the first of which is that it's abounding in possibilities. Indeed, possibilities galore, and before jumping headlong into your venture, there are some very important things to know about the country's economy, cultural paradigms, and of course its history. The following brief observations touch on some of these points.

Known as the "Giant of Africa", Nigeria boasts the most populous country on the continent, and is ranked 7th in the world. The country has a booming youth population, and in 2014 surpassed South Africa as the largest economy on the African continent.



This is a noteworthy feat given the historic strength of SA's economic power. In purely economic terms, this means that Nigeria is now the 21st largest economy in the world and has a gross domestic product of over USD 500 billion. By 2050, Nigeria is expected to be included in the 20 largest domestic economies in the world. This is surely a very exciting prospect for those who'd like to invest in the economy in a long-term capacity.

Moreover, the country has been identified as an emerging market by the World Bank. With a debt to GDP ratio of only 11%, Nigeria has managed to escape, to a large extent, the sovereign debt incurred by many European countries hit by the 2008 recession. This, in turn, means that Nigeria has quickly emerged as the regional power in West Africa. As such, the country is a member of the Common Wealth of Nations, the African Union, the UN, the International Criminal Court, OPEC and MINT (a BRICS-type organisation).

A major source of Nigerian wealth is reliant on oil exports (a point of political contention and conflict), which accounts for 40% of GDP; but secondary and tertiary activities are expanding at an alarming rate.

Nigerian automotive industry

For example, Nigeria has one of the fastest growing telecommunications markets in the world, and has seen major investment from MTN and Globacom. The country also has a well-developed financial services sector including local and international banks, asset management companies, private equity funds and all important investment banks.

In terms of manufacturing, Nigeria currently services notable automotive titans, Peugeot and the UK-based Bedford (a subsidiary of GM). The country also boasts a locally produced automotive brand, Innoson Motors, which produces buses, trucks and SUVs. Nigeria, it is fair to say, has embraced industrialisation and also produces locally made electronics devices from tablet PCs to other consumables.

History and Culture

There is little doubt that Nigeria has enjoyed a tumultuous political history, especially in postcolonial times; but these setbacks have not deterred the staggering recent growth of the country's economy. As is a standard throughout the world, English is the language of business, and perhaps owing to the influence of English colonisation, English is also the official language of Nigeria. Other major languages are Hausa, Igbo, and Yoruba. Any businessperson wanting to make a good impression should be inclined to learn a few fundamentals about the language of the region they tend to visit.

The majority ethnicity in Nigeria is Yoruba, followed closely by Hausa and Igbo peoples. It should also be borne in mind that the country is sharply divided between the predominately Christian south and the troubled Islamic north east. A true challenge to the incoming President Buhari.

If one is looking at doing business in Nigeria, this distinction becomes key as each cultural paradigm has their own etiquette.

Nigeria gained independence from the UK in 1960, and was declared a Republic in 1963. The political history since then has been complex, to say the least, and from 1970-1999, with brief periods of democratic rule in-between, the country has been commanded by militaristic juntas. Today, however, despite all difficulties, Nigeria is a federal democratic republic led until this year by Goodluck Jonathan, and now, after a surprisingly fair election, by Muhammadu Buhari.

If the above comments concerning the history and economics of Nigeria are taken into consideration, your business venture stands a very good chance of succeeding. Moreover, bearing the above in mind, it should become clear that Nigeria is an African superpower on an unstoppable upward trajectory.

Watch out, here comes your business success in Nigeria!

About the Author



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