



DOING BUSINESS IN NIGERIA

Population 224 million | GDP Growth 2.9% | Wine Imports \$100mil

The spirit to trade in Nigeria is strong and accounts for 26% of its GDP. Nigeria has a great appetite for alcoholic products and love latching on to brands. Premium brands are in demand with Nigerians wanting access similar to what they see in developed nations. The population is young and growing fast, with an average age of 19, and 45% living in urban areas (IWSR).

Wine in Nigeria

Consumption of Wine

Premium bottled wine is drunk almost exclusively by wealthy Nigerians in Lagos, Port Harcourt and Abuja. Growth is driven by an increasing number of restaurants, a developing economy, more choice and better quality. Consumers are now ordering wine by grape variety in the better bars and restaurants. Champagne remains a very big category but also fuels the search for premium experiences.

Consumption Trends

2023/24 was a tough time for trade in Nigeria and wine shrunk by 18%. This is mainly due to the massive depreciating Naira and a 70% rise in clearance cost of containers. Towards the end of 2024 the market seems to have settled and there is optimism looking at 2025. In 2023, Spain accounted for 60% of the still wine market (low end), South Africa for 19% and the US for 5% (IWSR).

Trading Notes for Wineries

Nafdac and GLS Shipment

The National Agency for Food and Drug Administration and Control (Nafdac) is the regulatory body that looks after all wine imports into Nigeria. Generally, it is stated that all products entering Nigeria must have a Nafdac registration number to be allowed in. This is not completely accurate as many wines are imported under the Global Listing for Supermarkets (GLS). We will have a speaker in Lagos before our event to shine more light on this subject. It is important to note that the responsibility of either a Nafdac or GLS listing lies with the importer and not with the Winery.

Nafdac registration is generally used for high volume lines with a wide footprint whereas a GLS registration is used for high value low volume products sold to a smaller segment of the market. Nafdac registration must happen through a local Nigerian company on your behalf and all payments will happen through that company. Parties can negotiate whether the importer or the winery is responsible for putting up the money. Please also see [FAIRS annual report](#) as reference and cost structure to provide insight for future negotiations.

Brands and Wine Preferences

The Nigerian consumer loves brands and interacting with brands. They want access to the products they see on social media and in the movies, looking for aspirational and exclusive items. Red wine is the most popular, especially bigger, fruit forward and bolder styles. White wine is much smaller and smoother, more rounded flavours are preferred. Rosé is very small.

Market Insights

- Most of the premium wine is consumed in Lagos, Abuja and Port Harcourt.
- Better access to wine has opened the door for more exploration and wider consumption.
- Many wine regions are active in Nigeria and the wine drinking culture has grown and expanded.
- Many International drinks businesses have invested in Nigeria and have achieved success, paving the way for others.
- Big spending Spirits companies has, unfortunately, created an expectation with importers that they will have access to large Marketing budgets, so please discuss and manage these expectations.
- Importers will generally be sourcing, registering and importing your wine after which they will use certain distributors to move product around. Some of the big Importers will have certain of their own distribution but generally, the distributors don't want to deal with the hassle of bringing goods in themselves.
- Premium wine is sold either through direct sales, exclusive restaurants, bars and clubs or through premium shops where online sales are also becoming popular.
- Bars, Clubs and Lounges are tiered according to spend And the premium outlets will operate on bottle serve only.

Notable Importers

- Josien Holdings
- 1 Spirit
- Drinks Revolution
- Ekulo International
- Vines by Rosa
- Isivini

Taxes, Shipping and Terms

- Nigeria imposes a 25% tax ad valorem plus a specific rate of NGN70 per liter on all wine.
- Other tariffs include a Port Surcharge, CISS of 1%, ECOWAS Levy of 0.5% of CIF and VAT is 7.5%
- Shipping from San Fransisco to Lagos is through most notable shipping lines. Cost can range between \$4000-\$6000* for a full 20ft container.
- Transit time is approximately 4 weeks* from the West Coast but is much quicker from the East Coast.
- With all costs included, an ex-cellar price point of \$10 will translate into an estimated \$25 retail in Lagos. Bars, Clubs, Restaurants and Lounges will charge at least double that, depending on the status of the establishment.
- Most Importers in Nigeria expect to pay CUF (cash up front) as not many will be covered by international credit insurers like Coface or CGIC. Terms are generally only considered for long-standing business relationships.

Nigeria Potential Market Size	
Price Segment (ex-cellar)	Volume per Year (estimates)
\$1-\$3	Multiple Containers
\$3-\$5	Container
\$5-\$10	10 Pallets to a Container
\$10-\$20	5-10 Pallets
\$20-\$50	1-5 Pallets
\$50+	50-100 cases x6

