

# United Nations Conference on Trade and Development

## **13th Multi-Year Expert Meeting on Commodities and Development**

**10-12 October 2022, Geneva**

### **Adding value to local commodities: The beer industry in Nigeria**

By

Tony Eneh, Senior policy advisor, Africa Worldwide Brewing Alliance

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



W

B

A

Worldwide Brewing Alliance

# Adding Value to Local Commodities: The Beer Industry in Nigeria

Tony Eneh

Senior Policy Advisor, Africa  
Worldwide Brewing Alliance

# The Beer Sector's Economic Impact in Africa

## 2019 figures

### Gross Value Add (GVA)



\$11 bn -> Brewers' GVA

\$2.6 bn -> Downstream supply chain

### Govt. Revenue



\$1.8bn -> Brewers

\$2bn -> Tax on beer sales

### Employment



0.2% - 3.7% of national employment

1 Brewery job creates 93 jobs

\*Oxford Economics: Beer's Global Economic Footprint (January 2022)

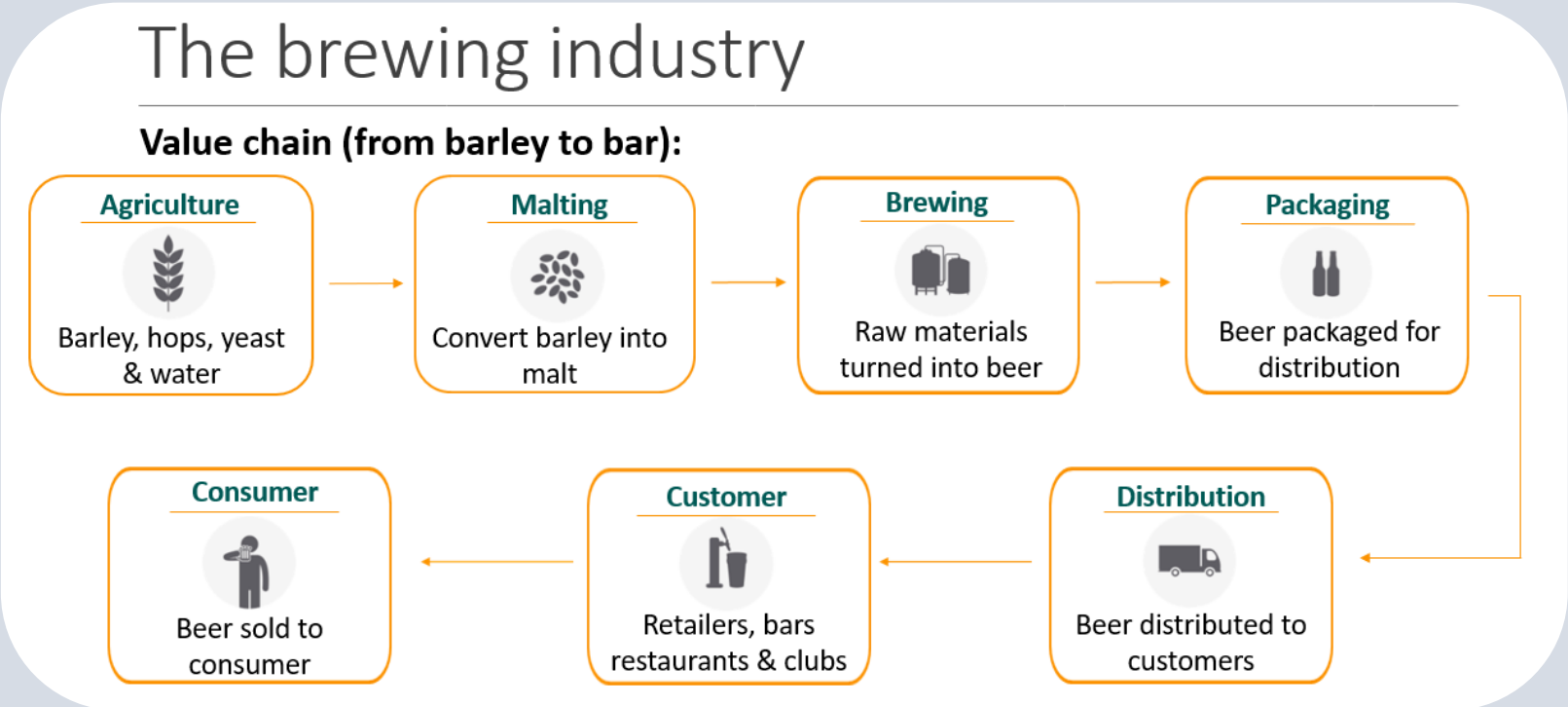
# Beer's Value Chain



Worldwide Brewing Alliance

89% of Economic activity happens where the beer is produced

The beer journey begins with local farmers growing raw materials such as sorghum, cassava, barley & hops.



The beer industry is a major contributor to the domestic manufacturing industry, with significant innovation and investment.

Beer is 90% water: it is bulky, heavy, perishable, and fragile, needing protection from light, heat, and oxygen.

# Beer in Africa: The Potential for Commodities



Worldwide Brewing Alliance



# Agricultural Impact

---



Agriculture is Africa's largest economic sector. More than 60 percent of the population of sub-Saharan Africa is smallholder farmers, and about 23 percent of sub-Saharan Africa's GDP comes from agriculture\*.

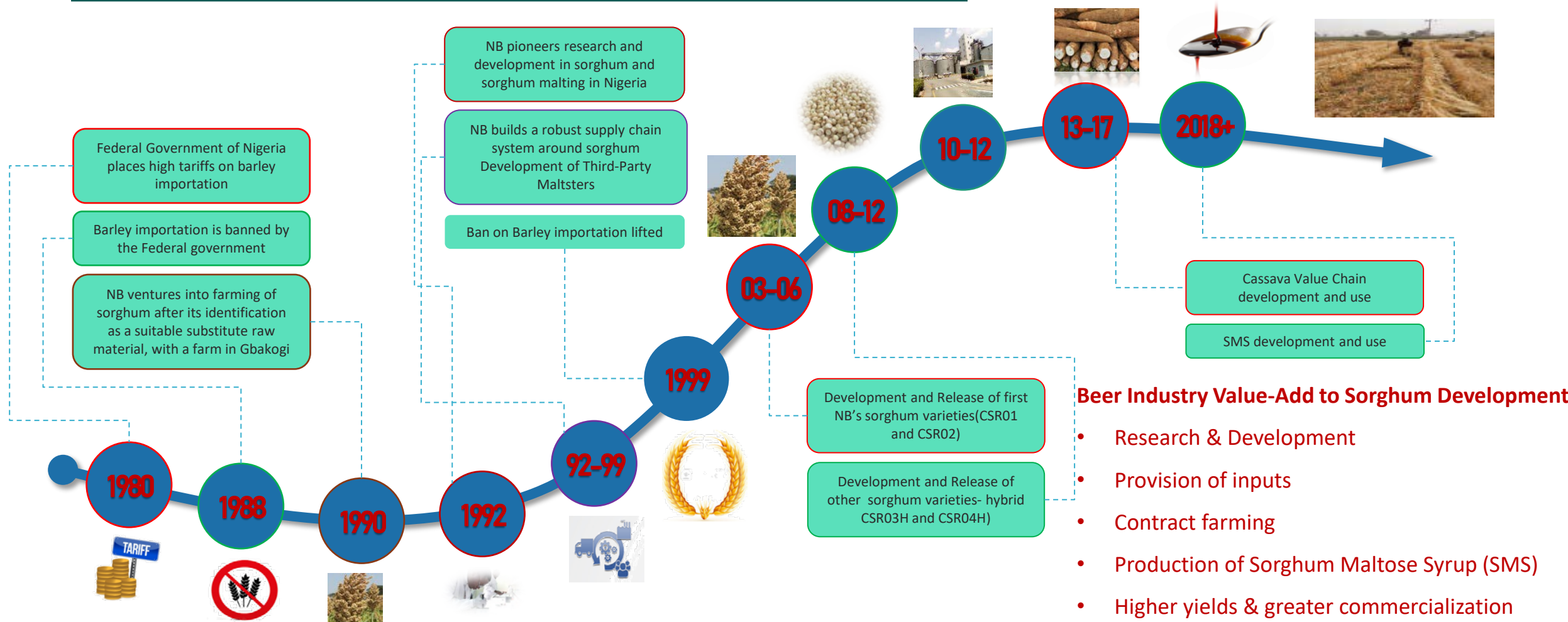


The Beer industry has a proven track record of investing in the agricultural sector to maximize this potential and develop responsible agricultural supply chains.

Partnering with local suppliers brings benefits for everyone including:

- Providing access to training, improved farming practices and drought resistant crops increases profitability and productivity;
- Creating a formal markets and sustainable source of income for smallholder farmers;
- Replacing imports with local production stimulates the economy and brings FOREX savings to business.

# Case Study: Nigerian Breweries' Sorghum Story



# Challenges with optimizing local commodities



Worldwide Brewing Alliance

## \*Farmers



Climate Change



Technology



Education



Finance



Infrastructure



# Challenges with optimizing local commodities



Worldwide Brewing Alliance

## Industry



# Key Takeaways

---

- There is ample scope for adding value to local commodities
- There are challenges, but these can be addressed

## **Opportunities to enhance value include:**

- Policy and regulatory interventions
- Infrastructure and financing support for farmers
- Elimination of Barriers to Trade



Worldwide Brewing Alliance

Thank you!