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REAL SECTOR

Nigeria's cassava dominance fails to yield export gains

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Nigeria is the world's largest cassava producer, but that scale has yet to translate into a meaningful export position.

Data from the UN Comtrade showed that Nigeria exported roughly 5,000 metric tonnes of cassava products in 2023 — less than a percent of its production volume. Most of these exports were derivatives such as starch and flour, alongside traditional food products including garri and fufu.

The contrast with Thailand is striking. Despite producing only around half as much cassava as Nigeria, Thailand exported seven million metric tonnes of cassava-based derivatives in the same year, 21 percent of its production.

Thailand's success highlights the missed opportunities for Nigeria, a country where millions depend on cassava for food and income.

The gap signifies an opportunity for Nigeria; however, the truth is that high production alone does not create export competitiveness. For Nigerian processors, the real question is which cassava derivatives can be exported competitively, into which markets, and under what operating conditions.

Four niche markets

The Nigeria Cassava Investment Accelerator (NCIA) engagement with



buyers, processors, and market specialists across China, Europe, and Africa revealed that the opportunity is real, but concentrated in four derivative-market pathways. These pathways are not equally accessible for Nigerian processors.

Commercial viability depends on whether Nigerian processors can compete on product specification, scale, landed cost, and commercial credibility. As a result, some pathways appear credible in the near term, while others remain attractive in theory but difficult in practice.

Firstly, China is the world's largest cassava starch importer, taking in over 3.8 million metric tonnes annually. Experts say some buyers in China are actively seeking to diversify away from Thai and Vietnamese supplies, creating an opening for new entrants with reliable output and competitive pricing.

Native starch in China matters because the market

is large, established, and already oriented toward a product that some Nigerian processors produce today. But that does not remove the usual export challenges.

Research shows that this route is most credible for processors that can deliver consistent product quality, support export cycles with adequate working capital, and fulfil repeated orders with reliable shipment performance. They would also need to export starch competitively against prevailing import prices of between \$518 and \$594 per tonne.

Secondly, the African sweetener market offers the most strategic medium-term play. Trade data for 2024 revealed that regional demand for sweeteners such as glucose and sorbitol for African countries excluding Nigeria stands at roughly 300,000 to 400,000 metric tonnes. Kenya, South Africa and Egypt account for about a fifth to a quarter of the total demand.

Nigerian processors

seeking to export glucose or sorbitol into African food and beverage markets must meet food-grade specifications consistently, including purity and performance requirements that allow manufacturers to use the inputs reliably in downstream formulations.

This pathway is not limited to Nigeria's existing sweetener producers or new greenfield plants. It is also plausible for existing starch processors that are sufficiently capitalised to add downstream conversion capacity, move into higher-value derivatives like sweeteners, and operate the food-grade quality systems required by buyers.

The African Continental Free Trade Agreement (AfCFTA) could strengthen the economics of regional supply in some corridors, but only where tariff concessions are in force and rules of origin are met.

Thirdly, China has the largest cassava chips market—and

could be the hardest to serve. China imports an average of 5 million metric tonnes of cassava chips annually over the past decade, with trade worth more than \$1 billion annually at prevailing FOB prices of about \$222 per tonne.

The chips are used primarily as feedstock for ethanol production and buyers assess chips against clear technical thresholds: starch content of at least 67 percent, moisture below 14 percent, fibre below 5 percent, and sand and silica below 3 percent, according to research by NCIA.

For Nigerian processors looking to export, the first requirement is the ability to produce and aggregate chips to these specifications consistently.

Chinese ethanol buyers also operate at volumes far beyond what most Nigerian processors currently supply. According to estimates, buyers require between 700 and 1,400 metric tonnes of chips daily, while even brokered entry points are more practical at around 200 metric tons daily.

By contrast, most Nigerian processors operate on much smaller scales between 15 – 30 metric tonnes daily, which means processors are unlikely to serve this market without significantly higher utilisation, expanded capacity, or aggregation across multiple sources.

The FOB chip prices are about \$222 per tonne from Thailand or Vietnam, compared with around \$250 from Nigeria. Freight to

China is estimated at roughly \$12 per tonne from Southeast Asia, versus about \$75 from Nigeria. On a pro forma CIF basis, this implies a cost gap of roughly \$91 per ton that Nigerian exporters would need to close to compete credibly in the market.

Lastly, Europe offers demand for starch, but not a strong fit with Nigeria's current product base.

The EU imports roughly 150,000 to 200,000 metric tonnes of cassava starch yearly, according to industry estimates. The difficulty is that 60 to 70 percent of this is modified starch, while Nigerian processors remain concentrated in native starch.

That makes Europe harder to penetrate, not because the market is small, but because the product profile is misaligned. However, this does not rule out the European market altogether.

But it does imply that there are two pathways to playing in the EU market: either invest in modification capability directly, or supply intermediaries that process native starch further for downstream use.

Competitiveness is crucial

Nigeria's cassava export opening is real. But it will not be captured by scale alone, or by treating "cassava exports" as a single opportunity. The more credible route lies in a smaller set of derivative-market matches where Nigerian processors can close the gaps on scale, cost and specification.

McCure Industries Q1 pre-tax profit surges 136% as revenue climbs 52%

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McCure Industries Plc's first-quarter pre-tax profit surged 136 percent to N1.92 billion in the first quarter of 2026 as revenue jumped 52 percent to N20.15 billion, with the drugmaker citing a gradually stabilizing macroeconomic environment.

Earnings per share rose 143 percent to N0.34 in the three-month period ending March, the company said in a statement. McCure described the macroeconomic backdrop as still challenging but gradually stabilizing.

"The Nigerian economy in early 2026 continues to adjust to the effects of structural reforms implemented over the past year, including

foreign exchange liberalization and tight monetary policy aimed at curbing inflation," the statement said.

"While inflation remains elevated, it has shown signs of gradual moderation, and exchange rate volatility, though still present, has become relatively more predictable," it noted.

According to the statement, these developments, alongside improvements in global supply chain conditions and easing of energy price pressures, have contributed to a cautiously improving operating environment for manufacturers.

"Within this context, McCure's Q1 performance reflects the strength of its strategic positioning. The company continues to benefit from its sustained investment

in local manufacturing capacity, which reduces exposure to foreign exchange risks and supports cost efficiency."

"Enhanced supply chain diversification and improved procurement strategies have also helped mitigate input cost volatility and ensure product availability across key markets."

Despite ongoing cost pressures—particularly from elevated borrowing costs in a high-interest-rate environment and inflation-driven increases in operating expenses—the company says it maintained strong profitability growth.

This was supported by disciplined cost management, improved product mix, and continued focus on high-margin therapeutic segments, it noted.

"The significant growth in

PBT and EPS underscores improved operational efficiency and the Company's ability to translate top-line growth into enhanced shareholder value."

It also added that supportive government policies, including continued incentives for local pharmaceutical manufacturing, have helped cushion the impact of imported input costs and reinforced the company's long-term strategy of deepening local production.

Looking ahead, McCure says it remains focused on sustaining growth momentum through capacity expansion, innovation and broader market penetration.

"While macroeconomic uncertainties persist—both domestically and globally—the company is well-positioned to capitalize on emerging opportunities within Nigeria's healthcare sector and continue delivering value to stakeholders."

NACCIMA signs pact with China trade group in Guangzhou to boost investment ties

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The National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), has signed a memorandum of understanding with the China Chamber of International Commerce (CCOIC) in Guangzhou, seeking to deepen trade and investment ties between the two countries.

NACCIMA stated that the agreement will enable Chinese investors to navigate Nigeria's market and understand the business landscape, thereby making informed decisions.

The signing took place at Merchants Bank's Huanshi Sub-branch in Guangzhou

and was attended by Mairo Abbas, Nigeria's consul-general, and Goni Dunoma, first deputy president of the Borno Chamber of Commerce, among others.

Jani Ibrahim, president of NACCIMA, emphasised that Nigeria remains the go-to country in Africa for Chinese investors considering its large population, expansive market and huge economic potential.

Ibrahim said the group is ready to assist Chinese firms in making "informed decisions and fruitful investment choices" in Nigeria.

He praised China's zero-tariff policy as a "game-changer" for bilateral trade and urged both governments to accelerate plans for direct flights, citing strong passenger traffic on the route.