KPMG

Consumer and Industrial Markets Industry Outlook



November 2026

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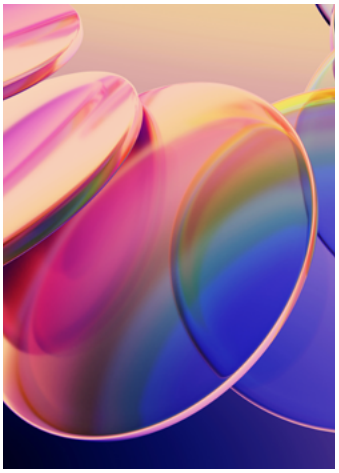

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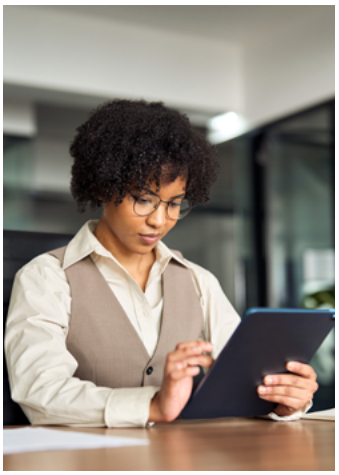

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Foreword

The Consumer and Industrial Markets (CIM) sector remains one of the most dynamic and influential pillars of West Africa's economy. In countries such as Nigeria and Ghana, two of the region's largest and most vibrant markets, the sector continues to drive economic activity, stimulate innovation, and create employment across diverse value chains. From fast-moving consumer goods and retail to manufacturing, logistics, and industrial processing, the CIM landscape reflects both the aspirations and the challenges of economies undergoing rapid transformation.

As populations expand, urbanize, and embrace new consumption patterns, businesses operating within this sector confront shifting realities that require agility, resilience, and strategic foresight. Yet, these businesses continue to persevere, navigating an environment characterized by foreign exchange volatility, infrastructure gaps, evolving regulatory frameworks, and the rising cost of doing business. Their experiences and insights offer a critical lens through which policymakers, investors, and industry leaders can better understand the opportunities and pressure points shaping the region's economic future.

This report captures the voices of operators across the value chain, providing an in-depth assessment of current market realities, emerging trends, and the strategic considerations needed to thrive in an increasingly complex environment. The findings underscore a vital truth: sustaining growth in the consumer and industrial markets sector requires deliberate collaboration between the private sector and government because the primary obstacles, namely policy instability and infrastructure gaps, cannot be addressed by private industry in isolation.

This is evidenced by the fact that 76% of surveyed leaders identified "creating a more stable and predictable policy framework" as the single most important change needed to shape a viable future.

As West African economies strive for industrialization, food security, and improved competitiveness, it is imperative for governments to formulate and implement forward-looking policies that directly address the burning issues highlighted in this survey. Strengthening the regulatory environment, improving and sustaining access to foreign exchange, modernizing infrastructure including power, reducing supply chain bottlenecks, and promoting technology adoption must remain top priorities. These interventions are not only essential for improving business performance, but they are also crucial for unlocking the region's full economic potential and delivering shared prosperity.

We trust that the insights presented in this report will support business leaders in their strategic decision-making and provide policymakers with evidence-based perspectives needed to create an enabling environment for sustainable growth.

Ultimately, our hope is that this publication will fuel constructive dialogue, encourage innovation, and contribute to the continued development of the consumer and industrial markets of Nigeria and Ghana.

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CIM Industry Outlook



Key business concerns

The survey was conducted in late 2025, at a time when businesses were navigating significant inflationary, foreign exchange and cost pressures. Since then, some macroeconomic indicators have improved. Viewed against developments through October 2026, the findings therefore provide both a snapshot of business sentiment at the end of 2025 and an opportunity to assess how subsequent market developments compare with executives' expectations. The results indicated that operators in the West African Consumer and Industrial Markets were primarily concerned about inflation; rising energy and other operational costs; foreign exchange volatility and availability; and the inconsistency of government policies. The top "stay-awake issues" identified include inflation and rising operational costs (83%) and foreign exchange volatility and availability (83%), both of which exerted significant pressure on margins and operational planning. These factors reflected the broader economic environment, characterized by persistent inflation, currency depreciation, and rising input costs that directly impact production and distribution activities across the consumer value chain.

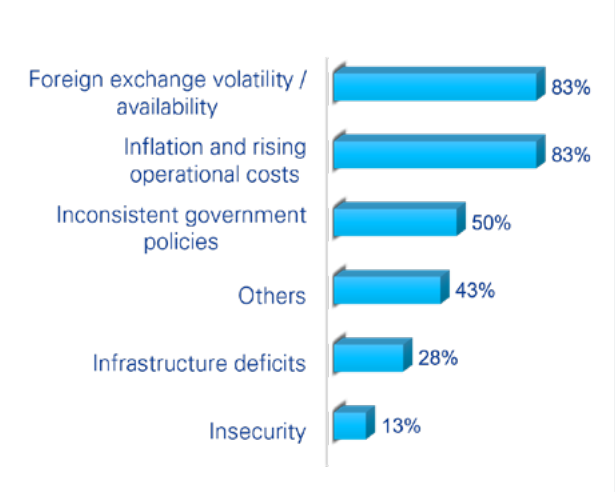
Relatedly, inconsistent government policies (50%) emerged as the third most cited concern, highlighting uncertainty around fiscal and trade policy direction. Other identified challenges include infrastructure deficits (28%) and insecurity (13%), though these were less prominent compared to macroeconomic issues.

When asked specifically about the adverse impact of government policies on their business and sector, 85% of respondents reported increased operating costs, while 63% stated an increased cost of regulatory compliance.



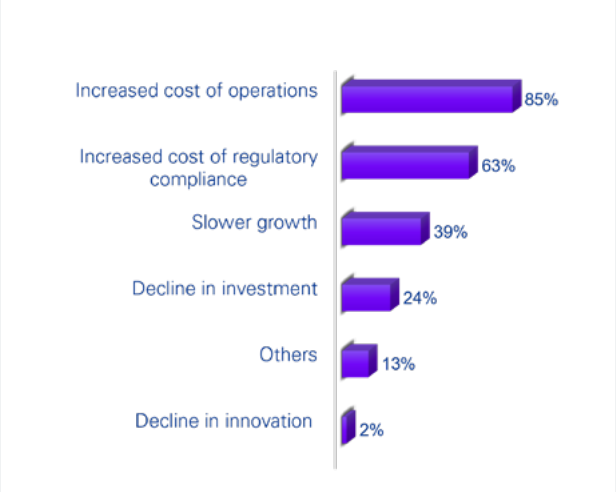
Additionally, 39% highlighted slower business growth, and 24% pointed to a decline in investment as key consequences of government policies. A smaller proportion (2%) expressed concern about a decline in innovation, suggesting that the regulatory environment, while burdensome, has not yet significantly stifled innovation in the sector.

What are your top three stay-awake issues?



Respondents could select up to three options, so percentages do not total 100%

What is your biggest concern about the impact of government policies on your business and sector?



Respondents could select up to three options, so percentages do not total 100%

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Impact of prevailing economic conditions

An overwhelming 98% of respondents reported that prevailing economic conditions had at least a moderate to enormous adverse impact on their operations. Only 2% of respondents reported little or no adverse impact.

These responses highlight the widespread strain on businesses within the CIM space across West Africa, underscoring how persistent macroeconomic pressures continue to impact business performance.

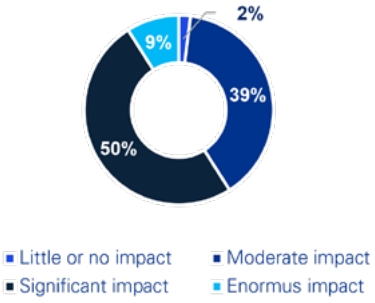
67% of respondents answered "cost" for this question



Insights from the word-cloud analysis further highlight the extent of the macroeconomic pressures affecting Nigerian and Ghanaian operators. The responses indicate that cost management and profitability are among the areas of business operations most affected, with two-thirds of respondents referencing cost or cost-related pressures in their open-ended responses. Expressions such as cost of operations, operational costs, cost of goods, cost management, rise in inflation, and demurrage costs were particularly prevalent.

This pattern reflects the continued strain of rising input costs, foreign exchange volatility and availability, and inflationary pressures on businesses operating in the region. Overall, the results suggest that while the degree of exposure varies, the prevailing economic environment in the West African region is exerting broad and sustained cost pressures on businesses within the consumer markets segment.

How do the prevailing economic conditions affect your business?



Dominant threats to businesses operating in the CIM sector

- Rising costs / inflationary pressures
- Foreign currency constraints
- Policy inconsistency

Overall, these findings indicate that rising costs/inflationary pressures, foreign currency constraints, and policy inconsistency are the dominant threats to businesses operating in the CIM sector in the medium term. The data highlight the need for policy stability and streamlined regulatory processes to foster a more enabling business environment and support sustainable sector growth.

However, in the last 10 to 12 months, the foreign exchange environment in both Nigeria and Ghana has experienced relative stability supported by policy measures implemented by the Central Bank of Nigeria and the Bank of Ghana, which led to [1]improved foreign exchange liquidity and stronger external reserves. Similarly, inflation in both countries has trended downwards. These marked improvements are a testament to the change that is possible with concerted efforts from government and policymakers. Despite these significant improvements and the overall foreign exchange stability, inflation has remained above 14% in Nigeria. Therefore, targeted efforts are still required to drive this to a preferred single-digit rate.

The responses underscore the critical role macroeconomic stability plays in easing the burden of players in the CIM sector. It also underpins the need for government to sustain the momentum gained in the past 10 to 12 months through concerted efforts to ensure continued stability in the foreign exchange market and further lower inflation.

[1] https://www.vanguardngr.com/2026/10/dollar-to-naira-exchange-rate-today-october-16-2026
[1] https://punchng.com/cardoso-links-record-55-1bn-reserves-to-economic-stability
[1] https://punchng.com/breaking-nigerias-inflation-dropped-to-14-63-in-september-says-nbs
[1] https://www.bog.gov.gh/wp-content/uploads/2026/10/Bi-Monthly-Publication-September.pdf
[1] https://punchng.com/breaking-nigerias-inflation-dropped-to-14-63-in-september-says-nbs/

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Sector outlook for the Nigerian and Ghanaian consumer and industrial markets

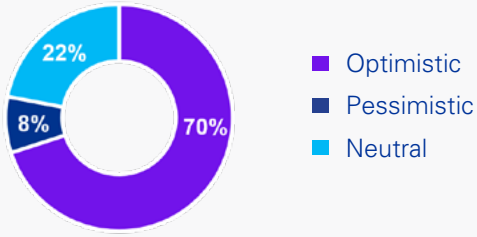
Interestingly, the optimism expressed by respondents in late 2025 has subsequently coincided with improvements in selected macroeconomic indicators during 2026.

In the short term (within two years), a majority of respondents (70%) expressed an optimistic outlook, while 22% of respondents maintained a neutral stance and only 8% indicated pessimism. This indicates that, although businesses remain cautious, there is a prevailing belief in short-term improvement. The optimism is sustained over the medium-term (three to five years), with 67% of respondents indicating a positive outlook and none expressing pessimism. This suggests that sector players anticipate gradual improvement in the operating environment over the medium-term.

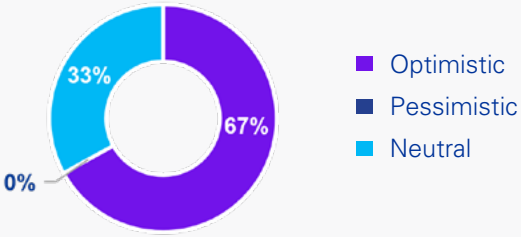
In the long-term, the optimism declines, with 55% of respondents maintaining an optimistic view, 41% indicating neutrality, and 4% expressing pessimism. The reduction in long-term sentiment may reflect lingering uncertainty around structural challenges such as infrastructure deficits, regulatory unpredictability, and inflationary pressures across the region.

Optimism moderates as the time horizon extends. While a majority of respondents remain positive about the long-term outlook, the increase in neutral responses from 22% in the short term to 41% in the long term suggests greater uncertainty about the sustainability of improvements.

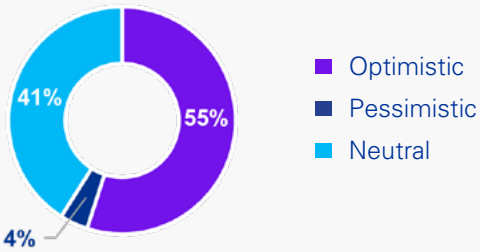
What is the outlook for your sector in Nigeria / Ghana in the short term?



What is the outlook for your sector in Nigeria / Ghana in the medium-term?



What is the outlook for your sector in Nigeria / Ghana in the long-term?





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Impact of infrastructure deficits on CIM operations

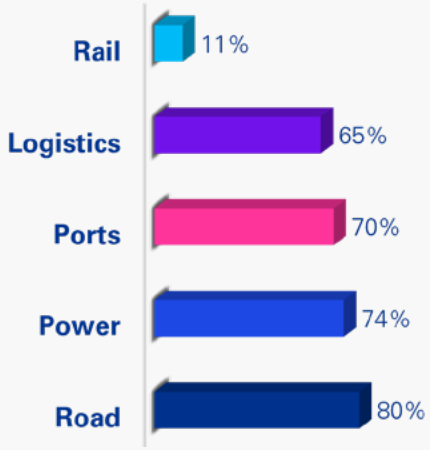
Survey findings indicate that infrastructure limitations remain a major operational challenge for operators in the CIM sector across Nigeria and Ghana. Respondents identified road, power, and port infrastructure as the most significant areas of concern.

Specifically, 80% of respondents cited poor road networks as a major impediment, reflecting the impact of deteriorating or inadequate transport links on distribution efficiency and supply chain reliability. Similarly, 74% of respondents highlighted power supply constraints, indicating the effect of unreliable electricity on production costs and operational efficiency.

Inadequate port infrastructure was also mentioned by 70% of respondents, signaling persistent challenges related to congestion, clearance delays, and the high cost of port operations. Logistics infrastructure (65% of respondents) was identified as another key issue, likely reflecting the cumulative effects of poor transportation networks in the region. Railway infrastructure was cited by only 11% of respondents, considerably below road, power, port and logistics infrastructure.

Overall, the data points to widespread infrastructure-related pressures that increase operational costs and reduce business efficiency across the region. Addressing these bottlenecks remains critical to improving productivity and supply chain efficiency.

Which three infrastructure deficits have the greatest impact on your business?





Growth constraints

Survey results reveal that high competition and funding constraints are the most significant obstacles limiting business expansion within the CIM sector across Nigeria and Ghana.

When asked about the primary obstacle to scaling operations, 35% of the respondents selected the competitive landscape, suggesting that the prominence of competitive pressures warrants closer examination, particularly around pricing, route-to-market strategies, product differentiation and changing consumer behavior. Funding constraints followed closely, with 24% of the respondents identifying it as their main limitation. Other notable responses included access to markets (9%) talent sourcing (4%) and technology innovation (2%). This indicates that while structural and operational factors are relevant, financial and competitive factors remain the predominant barriers to scaling businesses in the CIM sector.

Although only 24% identified funding itself as the single largest constraint to scaling, respondents who sought growth financing faced substantial barriers, particularly high interest rates, foreign exchange constraints and limited availability of long-term capital. The high-interest-rate environment (selected by 74% of respondents) and foreign exchange constraints (selected by 72% of respondents) were the most frequently selected barriers, reflecting the elevated cost of capital and volatility in funding markets across the region. In addition, lack of long-term financing (selected by 57% of respondents) was identified as a significant challenge, underscoring limited access to long-term capital required for sustainable growth. Lack of collateral (15%) and insufficient bank support (9%), were also highlighted, though to a lesser extent, while 41% of respondents selected 'other', which may encompass non-traditional financing limitations.

Overall, the responses suggest that business expansion in the Nigerian and Ghanaian CIM sector is hindered primarily by competitive market dynamics and restrictive financing conditions.

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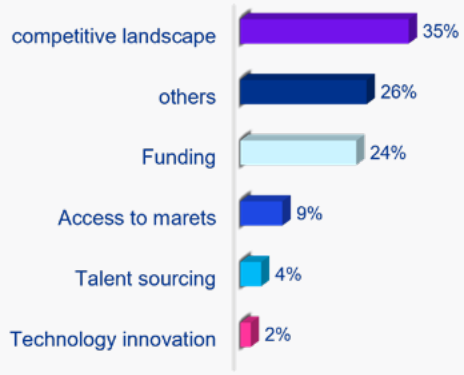
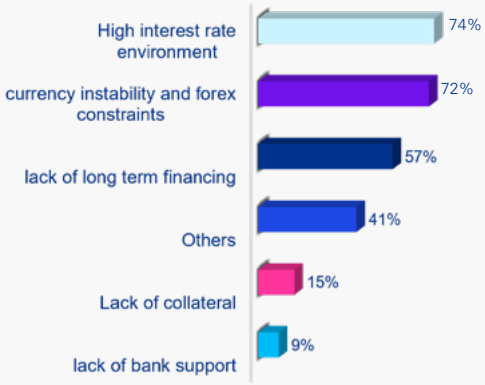
What is the primary obstacle to scaling your business?



What are the top three obstacles to obtaining the financing required to fund your growth ambitions?



Impact of ESG considerations and sustainability reporting

The survey results indicate that Environmental, Social and Governance (ESG) considerations and sustainability reporting are beginning to play a larger role in shaping business operations in Nigeria and Ghana. While 22% of respondents noted that these factors have had little to no impact on their businesses, a larger share (78%) reported a moderate to significant impact on their business activities.

This distribution highlights a growing recognition of ESG as a strategic priority rather than a compliance obligation in businesses surveyed in two of West Africa's largest markets.

From our perspective, this shift has several implications for CIM businesses:

Supply chain resilience: Businesses are facing increasing pressure to understand and manage environmental and social risks across their supply chains, particularly where sourcing practices may affect operational continuity or reputation.

Energy transition and efficiency: Rising energy costs and evolving climate-related expectations are encouraging companies to evaluate energy efficiency measures and alternative energy sources as part of broader cost and sustainability objectives.

Packaging and circularity: Consumer demand and emerging sustainability expectations are accelerating discussions around packaging optimisation, waste reduction, recycling, and circular economy initiatives.

Sustainability reporting: Businesses may face increasing expectations from regulators, investors, customers, and other stakeholders to provide sustainability-related information and disclosures.

Multinational customer and supplier requirements: Companies operating within global value chains may encounter sustainability-related requirements from multinational customers and suppliers, including expectations around emissions, labour practices, and governance standards.

Data and governance readiness: As sustainability reporting requirements become more sophisticated, organisations may need stronger governance structures, controls, and data management processes to support decision-making and external reporting.

The survey results suggest that ESG considerations are becoming increasingly embedded in business decision-making across the West African CIM sector.

What is the impact of ESG considerations and sustainability reporting on your business

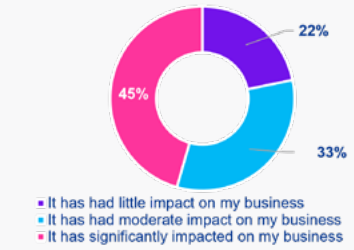


Figure 11: **What is the impact of ESG considerations and sustainability reporting on your business?**

- It has had little impact on my business
- It has had a moderate impact on my business
- It has significantly affected my business



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Perspectives on priority policy reforms in the Nigerian and Ghanaian markets

The survey results indicate that survey respondents across the consumer and industrial markets in Nigeria and Ghana are focused on several key policy reforms that could enhance the operating environment. The largest share of respondents (76%) highlighted the need for a more stable and predictable policy framework. This was earlier highlighted by 50% of respondents noting inconsistent government policies as a "stay-awake issue".

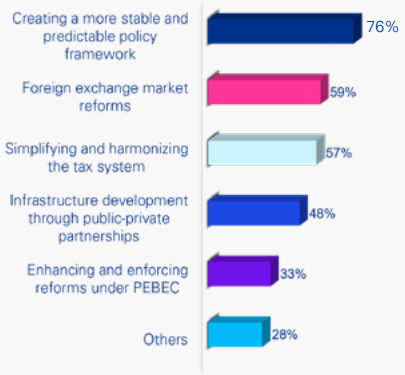
Foreign exchange market reforms (59% of respondents) and simplifying and harmonising tax systems across federal and subnational governments (57% of respondents) were also frequently cited as priorities. These findings suggest that businesses view predictability of the foreign exchange market and regulatory clarity as critical to their operations and reinforce the earlier responses that highlighted the increased cost of regulatory compliance and foreign exchange volatility/availability among the major issues facing the CIM sector.

Infrastructure development through public-private partnerships (48%) and enhanced enforcement of reforms under the Presidential Ease of Doing Business Council (PEBEC) (33%) were identified as additional areas where government intervention could support business growth.

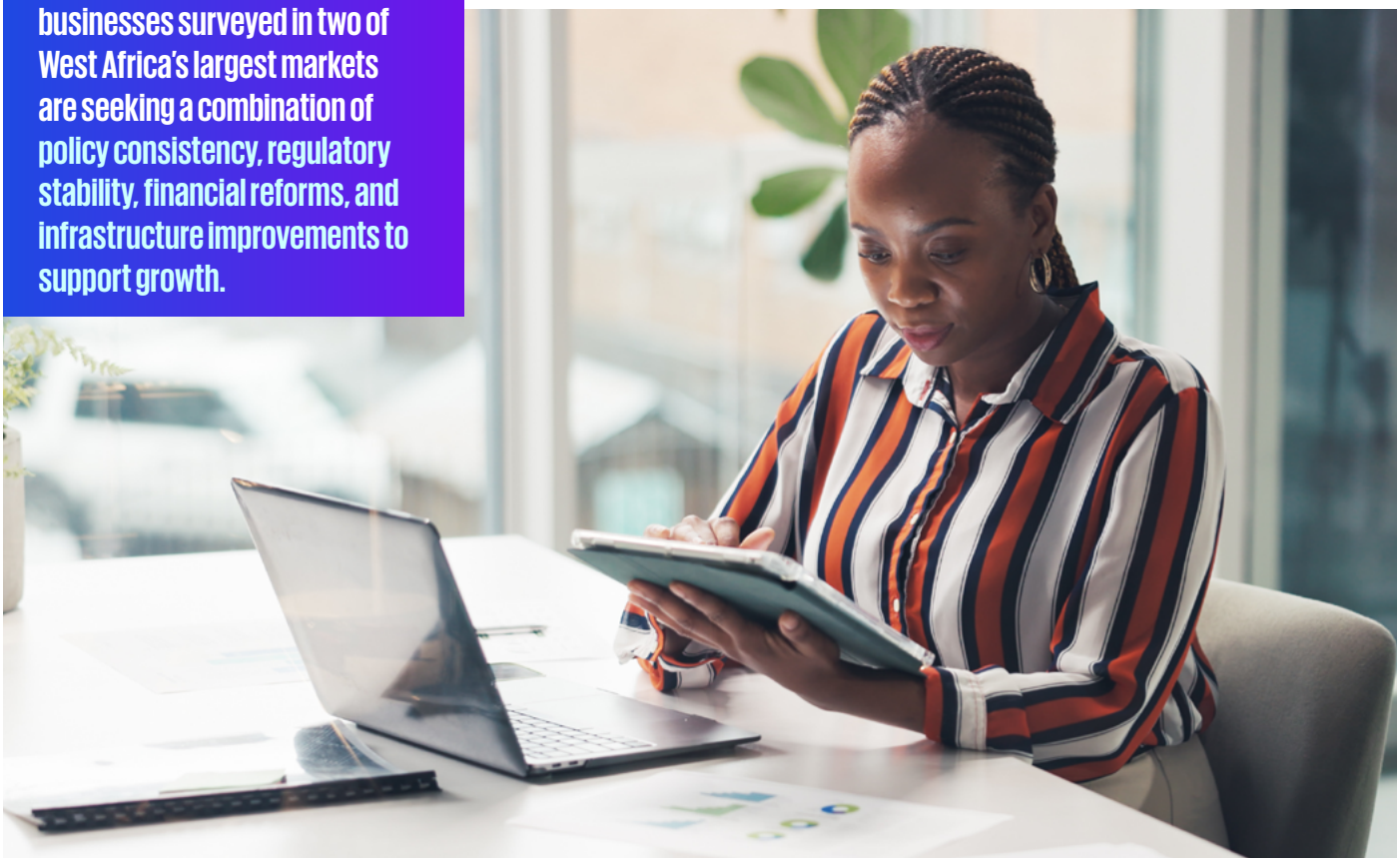
Overall, the data suggests that businesses surveyed in two of West Africa's largest markets are seeking a combination of policy consistency, regulatory stability, financial reforms, and infrastructure improvements to support growth. Therefore, addressing these priorities could foster a more conducive environment for investment, operational efficiency, and sustainable growth in the region.



If you had an opportunity to help the government shape policy, which three changes would you propose?



Overall, the data suggests that businesses surveyed in two of West Africa's largest markets are seeking a combination of policy consistency, regulatory stability, financial reforms, and infrastructure improvements to support growth.



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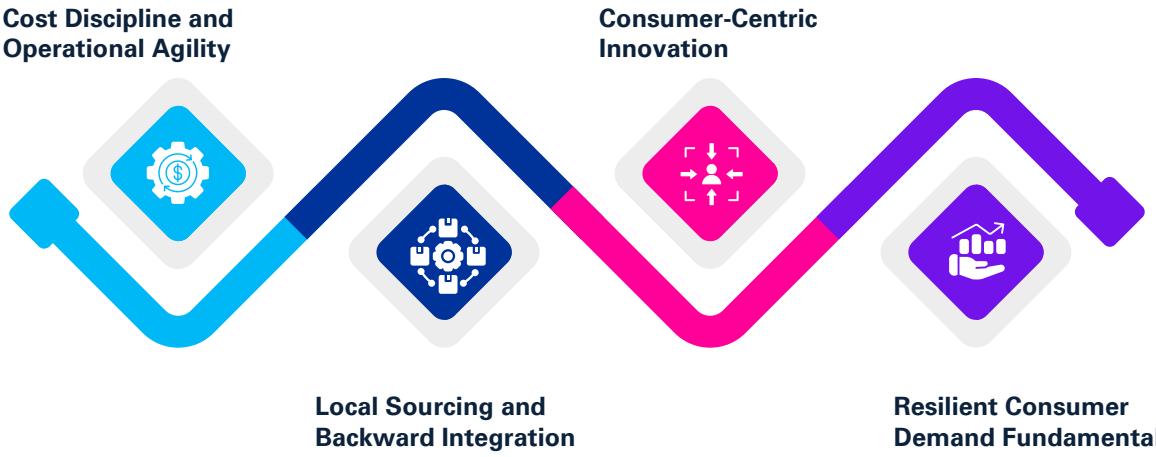
How leading CIM operators are responding: KPMG observations

Despite the significant macroeconomic pressures faced by operators within the Consumer and Industrial Markets (CIM) sector over the past few years, most businesses continued to demonstrate resilience and an ability to adapt. The survey results and broader market experience point to several strategic responses that have enabled businesses to remain resilient and preserve growth potential.



Cost Discipline and Operational Agility

CIM operators have responded proactively to margin pressure by embedding cost discipline across their operations. Many organizations adjusted by adopting:

- pricing strategies to reflect inflation realities,
- product packaging and pack sizes to preserve affordability, and
- diversification of material sourcing to reduce exposure to FX volatility

This operational agility has allowed some businesses to respond quickly to changing market conditions, manage cash flows more effectively, and protect profitability in an environment characterized by rising energy, logistics, and input costs.

Local Sourcing and Backward Integration

A key resilience lever has been increased investment in local sourcing and backward integration where practicable. By reducing reliance on imported raw materials, businesses have:

- lowered foreign exchange exposure,
- shortened supply chains, and
- improved supply reliability.

This shift has also supported greater cost predictability and reduced vulnerability to global supply disruptions, reinforcing the long-term sustainability of operating models within the region.

Consumer-Centric Innovation

CIM players have shown a strong ability to innovate around consumer affordability and access. Strategies that have worked particularly well include:

- smaller and more affordable pack sizes,
- refined product offerings aligned to essential consumption, and
- flexible distribution approaches targeting last-mile reach.

These innovations have helped to sustain volumes despite declining purchasing power and inflationary pressures.

Resilient Consumer Demand Fundamentals

Underlying these adaptive strategies is the continued strength of structural demand drivers. Population growth, urbanisation, and rising consumption needs, particularly for essential goods, have sustained baseline demand for CIM products. While purchasing power has been constrained, consumption has remained relatively stable, providing businesses with a foundation upon which to adapt.

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KPMG's perspective

The survey findings point to persistent macroeconomic and operational pressures across the Consumer and Industrial Markets sector. Beneath these symptoms lie a set of structural root causes that require coordinated, insight-driven responses. Drawing on our deep sector experience, KPMG supports CIM operators in navigating these challenges and building resilience.



Inflation, Rising Operating Costs & FX Volatility

Despite the improvements in the foreign exchange markets and inflation recorded in the last 10 to 12 months, businesses still need to ensure preparedness to withstand any macroeconomic shock. KPMG supports clients by providing treasury and FX risk diagnostics, cost transformation and financial resilience planning, and initiatives for supply chain localisation and working capital optimisation.

Inconsistent Government Policy and Regulatory Burden

The challenges of inconsistent government policy and regulatory burden are driven by short political cycles, fragmented and reactive policy formulation across multiple agencies/regulators, frequent regulatory and fiscal changes without adequate implementation timelines, and rising compliance costs arising from duplication and policy uncertainty. KPMG supports clients by providing regulatory impact assessments and policy risk advisory, tax efficiency and compliance simplification, governance and compliance operating model redesign, and structured engagement support with policymakers and regulators.

Infrastructure Deficits and Supply Chain Inefficiencies

The challenges of infrastructure deficits and supply chain inefficiencies are driven by prolonged underinvestment in transportation, energy, and port infrastructure, congestion and inefficiencies at key ports increasing demurrage and inventory costs, and weak logistics networks constraining distribution efficiency. KPMG supports businesses by providing end-to-end supply chain and logistics optimization, infrastructure strategy and public-private partnership (PPP) advisory, distribution network redesign and route-to-market efficiency reviews, and capital investment prioritization under constrained operating environments.

> While challenges persist, CIM operators have demonstrated an ability to recalibrate business models, protect demand, and manage risk. This resilience, rather than an absence of risk, underpins the confidence expressed by industry participants. CIM operators that will succeed are those that move beyond short-term cost containment to structurally redesigning their operating, financial, and regulatory engagement models. KPMG brings an integrated, execution-focused approach that combines sector insight, local knowledge, and global capability to help clients remain resilient and competitive in an increasingly complex environment.

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Key takeaway

The outlook for the consumer and industrial markets sector in Nigeria and Ghana is one of measured optimism. While short-term challenges persist, the region's structural fundamentals, population growth, urbanisation, and unmet consumption and infrastructure needs remain strong. The opportunity in West Africa has not disappeared; the conditions for capturing it have changed. The winners will not simply be the businesses that endure volatility, but those that use periods of greater stability to redesign their cost structures, localise supply chains, sharpen consumer propositions and invest selectively for the next phase of growth.

For policymakers, the message from business is equally clear: predictability matters. Stable policy, reliable infrastructure and deeper access to competitively priced capital may ultimately prove as important to regional competitiveness as the size of the consumer market itself.

About the survey

Background

KPMG conducted this survey in October 2025 to assess the current state of the Consumer and Industry Markets sector in Nigeria and Ghana. The primary objective of the survey was to gain insights into the prevailing market dynamics and the operational challenges faced by businesses within the sector.

The survey captured perspectives from a diverse cross-section of participants across Nigeria and Ghana, representing an integrated mix of companies engaged in manufacturing, distribution, and retail. This representation provides a regional perspective on the key issues shaping the sector's future. A total of 46 respondents across Nigeria and Ghana participated in the survey.

The survey focused on several key areas, including major challenges and concerns faced by businesses, adverse impact of government policies, industry outlook and impact of ESG considerations on business operations.

Responses were collected on an anonymous basis to encourage candid feedback and ensure participant confidentiality.

Important note:

The findings presented in this report reflect the views and experiences of survey respondents and should not be interpreted as a statistically representative sample of all Consumer and Industrial Markets businesses in West Africa.

Unless otherwise stated, percentages presented in this report have been rounded to the nearest whole number.

Survey Participant Profile

Survey participants were C-level executives across the CIM value chain. Roles represented include:

- CEOs and Managing Directors
- CFOs and Finance Directors
- COOs

Participants represented manufacturing, distribution, and retail businesses. Responses therefore reflect enterprise-level decision-making perspectives rather than operational perspectives.

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