

Required Report: Required - Public Distribution

Date: December 30, 2025

Report Number: NI2025-0023

Report Name: Food Service - Hotel Restaurant Institutional Annual

Country: Nigeria

Post: Lagos

Report Category: Food Service - Hotel Restaurant Institutional

Prepared By: OAA-Lagos Staff

Approved By: Christopher Bielecki

Report Highlights:

Nigeria's Hotel, Restaurant, and Institutional sector is gradually recovering from the economic challenges of 2023, however expansion is hampered by high food price inflation, a weakened currency, elevated import costs, rising operational expenses, and insecurity. Despite these challenges, international brands maintain dominance in the high-end hotel market, while quick-service restaurants are expanding by adjusting menu options to offer more affordable choices, catering to consumer groups, and investing in digital ordering platforms. The sector is a promising market for U.S. exports, especially wine and spirits.

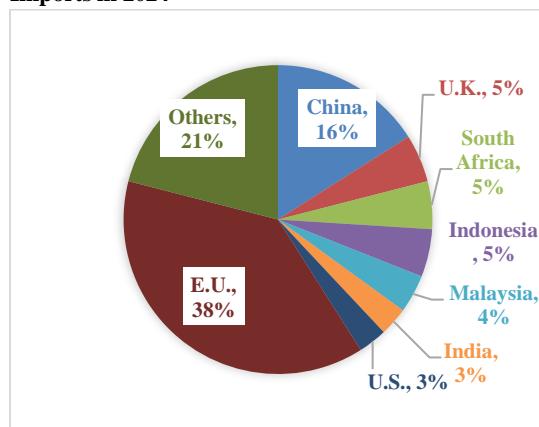
Market Fact Sheet: Nigeria

Executive Summary: Nigeria is the most populous country in Africa. With its large consumer base and growing population, it is expected to remain an important market for food and agricultural exporters. However, macroeconomic, political, security, and consumer purchasing power challenges have stifled export prospects. As a result, the value of imported food and agricultural products was estimated at \$5 billion in 2024, a 20 percent decrease from the previous year. In 2024 however, U.S. food and agricultural exports were \$315 million, a 35 percent increase compared to the \$233 million recorded in 2023. U.S. food and agricultural exports face strong competition from the European Union (EU), Asian, South American, United Kingdom (UK), and South African (SA) suppliers.

Imports of Consumer-Oriented Products

In 2024, consumer-oriented food exports amounted to \$1.4 billion, (a 13 percent decrease from the value recorded in 2023) with the United States accounting for only about three percent or about \$40 million (Figure 1). While the country has a large and young population, ineffective macroeconomic policies, weak transportation and cold chain infrastructure, insecurity, and the high naira to dollar exchange rate continue to temper import demand.

Figure 1. Market Share of Consumer-Oriented Imports in 2024



Food Retail Industry

The retail food sector is fragmented and relies on informal sales. It is estimated that about 70 percent of food shopping is conducted in traditional open markets. However, more consumers are shifting to supermarkets and convenience stores. Internet and smartphone users have fueled expansion of online shopping.

Food Processing Industry

The sector is dominated by small and medium enterprises (SMEs) which import raw materials not locally available. Most multinational food processing companies use third

party distributors due to the difficulty of doing business in Nigeria. Due to increased production costs, real gross domestic product (GDP) growth in 2024 for the food processing sector declined by 21 percent compared to 2023.

Food Service: Quick service restaurants (QSRs) are growing at an average of 10 percent per year and are estimated to be worth over \$600 million. Snacks and fast-food consumption are estimated to have an annual growth rate of 20 percent.

2024 Quick Facts

Top Consumer-oriented Products Based on Growth Trends

- Prepared foods
- Seafood products
- Wine and related products
- Distilled spirits
- Dairy products
- Processed vegetables
- Pet foods
- Spices

Leading Food Service Chains

1. Chicken Republic
2. KFC
3. Cold Stone Creamery
4. Domino's Pizza
5. Tantalizers
6. Kilimanjaro
7. The Place
8. Burger King

Leading Hotel Chains

1. Hilton Hotels & Resorts
2. BON Hotels
3. Marriot International
4. Radisson Hotel Group
5. Golden Tulip Hotels
6. Best Western Hotels

Leading Retailers

1. Shoprite
2. SPAR
3. Roban Stores
4. Prince Ebeano
5. Market Square
6. Justrite Superstore
7. FoodCo.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Africa's largest consumer market. ➤ Familiarity with U.S./European foods; English language used. ➤ Favorable view of the United States. 	<ul style="list-style-type: none"> ➤ Weak consumer purchasing power. ➤ High naira to dollar exchange rate. ➤ Banking, credit, and finance challenges.
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Increasing urbanization. ➤ Relatively stable forex rate. ➤ Strong market for food and beverage imports. 	<ul style="list-style-type: none"> ➤ Insecurity and weak infrastructure. ➤ Cold chain, logistics, and distribution limit export growth outside of cities. ➤ Government import bans on food items.

SECTION I. MARKET SUMMARY

Nigeria's Hotel, Restaurant, and Institutional (HRI) sector continues to face significant challenges due to low consumer purchasing power. Rising food prices forced households to cut back on discretionary spending, especially in 2023 as the government undertook economic reforms, making dining out a luxury for many. However, this shift benefited certain foodservice categories, such as local street food vendors, popularly known as "mama put."

Despite these pressures, the HRI sector showed some signs of resilience in 2024. According to the [National Bureau of Statistics](#), the sector grew by 3.52% in real terms, with the growth rate relatively flat compared to 2023. This suggests a gradual recovery from the economic strain caused by the government's removal of the national fuel subsidy and the currency devaluation in 2023. While Nigeria's forex market has stabilized, the sector continues to grapple with high food prices, a weak currency, costly imports, limited growth in food production, high operational costs, and insecurity. These factors have not only strained the industry but also discouraged private sector investment and reduced household earnings and spending.

Over decades, government import substitution policies meant to boost domestic agriculture and food processing have been largely unsuccessful. To increase domestic food production, the government implemented several trade protectionist measures including import bans and foreign exchange restrictions. In October 2023, the [Government lifted restrictions](#) on sourcing foreign exchange for 43 items, including several food and agricultural products, and in July 2024, implemented [temporary import tax waivers for selected commodities](#) until December 31, 2024.

Quick service restaurants (QSRs) dominate the HRI sector and drive its expansion. Their adaptability and flexibility have fueled their growth, making them the most common type of establishment. Major global QSR chains, including KFC, Domino's Pizza, and Burger King, operate primarily through franchise models. Eat 'N GO Africa is the franchisee for Domino's Pizza and Cold Stone Creamery, Allied Food and Confectionary Services Limited manages Burger King, and Devyani International Nigeria Ltd operates KFC in Nigeria.

Despite the erosion of consumer purchasing power, several factors are driving growth in the HRI sector. Urbanization, evolving consumer tastes, increased awareness of food safety and nutritional values, and a willingness to pay a premium for comfort and healthier alternatives are driving the market. Some chain restaurants are thriving due to loyal patronage from middle- to upper-income customers who prioritize health and are more discerning about their food choices. Additionally, Nigeria's hotel industry is projected to grow at an annual rate of 9.57% between 2025 and 2030, with an estimated market volume exceeding USD \$2 billion by 2030, according to [Statista](#). Lagos alone boasts over 3,000 hotels with about ten international hotel brands, underscoring the sector's potential. To remain competitive, HRI businesses are innovating, adapting to changing consumer preferences, and finding ways to manage costs effectively.

Table 1. Advantages and Challenges for U.S. Exports

Advantages	Challenges
Large market of more than 230 million.	Limited physical presence of U.S. agricultural companies; limited U.S. exporter knowledge of the market.
Increasing urbanization and rising levels of female employment support demand for more convenient meal options.	U.S. food products have shorter shelf life; long transit/clearing times; seldom carry readable “Best Before” dates as required by Nigeria’s food regulations.
Western-style HRI sector with major international brands, and a trend toward greater demand for healthy foods are creating market similarity and easing transactions.	U.S. products are generally higher priced compared to competitors; traditional trade links with Europe remain strong.
Consumers are increasingly demanding higher quality foods; the HRI sector perceive imported U.S. food ingredients as high quality.	High tariffs, levies, quotas, import prohibitions on poultry, beef, and pork, and other products.
Given weak domestic production, SMEs seek imported ingredients to package shelf-stable foods for a growing population.	Difficult for exporters to utilize the Export Guarantee Program (GSM-102) .
HRI buyers attend trade shows in the United States, and those with USA Pavilions.	Lack of foreign exchange availability; strong dollar relative to the naira.
FAS/Lagos has good working relationship with government of Nigeria (GON) policy officials and representatives of the key private sector trade and industry associations.	Bureaucratic inefficiencies; multiple port inspection agencies and poor infrastructure delay custom clearances.

SECTION II: ROAD MAP FOR MARKET ENTRY

2.1 Entry Strategy

U.S. exporters can approach the HRI food market through established importers, distributors, agents, or representatives. The importer-distributor is central and should be the first contact for entry into the market.

U.S. exporters can follow one or more of these strategies to enter the market:

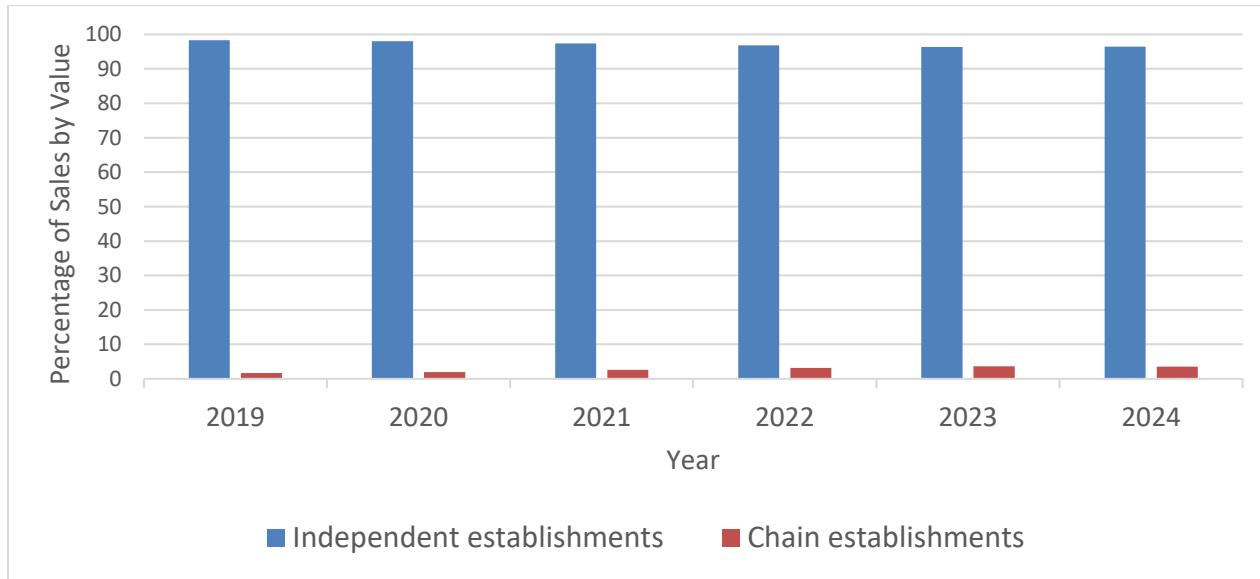
- Contact the FAS Office of Agricultural Affairs (Section V) in Lagos, to assist in identifying potential importer-distributors.
- Contact the selected importer-distributor(s) with sales catalogs. Importer-distributors usually register products with the relevant government food regulatory agencies, such as the National Agency for Food & Drug Administration & Control (NAFDAC).
- Target distributors and wholesalers that stock a wide range of items, as the food service operators search for a “one-stop-shop” distributor.

- While there are some growing HRI trade shows in Nigeria and West Africa (e.g., [Food and Beverage West Africa](#) held in Lagos, June 2025), also consider exhibiting at international trade shows, such as [Gulfood](#) and [Anuga](#), which are generally well attended by Nigerian importers.
- Offer flexible shipping volumes and small-sized packaging, indicating readable manufacture date and date of expiration.
- Consider visiting Lagos, which many consider the commercial and business capital of Nigeria. Provide samples and sales catalogs to potential buyers.

2.2 Market Structure

Between 2019 and 2024, independent establishments accounted for the vast majority of HRI sales, with chain establishments very slowly adding market share (Figure 2). Most HRI establishments are concentrated in Lagos and Abuja. In addition, Port Harcourt, Ibadan, Enugu, and Kano are emerging as hospitality hubs due to increasing urbanization. HRI businesses, including major QSR brands and hotels, typically do not directly import food or ingredients due to complex local regulations. Instead, they depend on importers and distributors to supply their needs.

Figure 2. HRI Sales of Food and Beverages by Independent vs Chain



Source: FAS-Lagos Analyses; Euromonitor International Consumer Foodservice in Nigeria Report, April 2025

The Association of Fast Food Confectioners of Nigeria estimated the value of QSRs at \$602.5 million, growing at 10% annual rate in recent years. Despite its robust growth rate, only a few QSRs thrive while many struggle. QSRs face major operating challenges including capricious government regulation, supply chain constraints, and soft consumer purchasing power. Nigeria's hotel industry features a mix of international hotel chains, regional brands, and independent operators. Prominent global brands such as Marriott, Hilton, and Radisson Blu, dominate the high-end market and are primarily located in upscale areas of Lagos and Abuja. Lagos, the country's commercial capital, and Abuja, its political capital, attract a steady flow of government officials, tourists, and business travelers, resulting in higher room occupancy rates. According to a local [report](#), the Lagos market alone has estimated room availability of about 70,000 rooms.

2.3 Distribution Channels

An importer may serve as the U.S. exporter's appointed agent and sole representative, or they may import consolidated containers from various consumer-oriented food exporters.

- Retailers purchase more than 80 percent of consumer-oriented foods and beverages from importers and wholesalers located in traditional open markets.
- End-users increasingly bypass wholesalers and agents to deal directly with exporters.
- Stores are increasingly offering fresh foods (including local foodstuff, fruits, and vegetables), take-away food service, bakery, and confectionery corners. Supermarket outlets are also dedicating corners to these new offerings, and in most cases, supply of local foodstuff, fresh fruits and vegetables are contracted to local producers.
- Street stores and kiosks offer low prices to attract more consumers.
- Consumers (especially the young) in urban areas are utilizing mobile payments, restaurant and grocery delivery applications, and e-commerce. Glovo and Chowdeck are e-commerce platforms popular for food delivery.

2.4 Sub-Sector Profiles

Hotels

- There is a growing trend for families and individuals to stay in hotels during festive periods, vacations, business travel, meetings, and conferences.
- Hotels are evolving to offer more consumer choices with cafés, bars, restaurants, catering services, event management, nightclubs, and casinos.
- International brands continue to dominate the higher-end hotel market (Table 2)
- Insecurity has limited domestic business and tourist travel, especially outside the major cities of Lagos and Abuja.
- High operation costs have increased prices, negatively impacting demand.

Table 2. Leading Hotel Brands

Name	Number of Hotels	Location(s)	Website
Transcorp Hilton	1	Abuja	https://www.abuja.hilton.com
Marriott International (and Protea Hotels)	8	Lagos. Protea has hotels in Imo and Edo states.	https://www.marriott.com/
Radisson Hotel Group	4	Lagos	https://www.radissonhotels.com/en-us/destination/nigeria?
Best Western Hotels	3	Enugu, Delta, and Bayelsa	https://www.bestwestern.com/en_US/hotels/destinations/worldwide-hotels/africa/countries/hotels-in-nigeria.html
Golden Tulip	5	Lagos, Rivers, Oyo, and Anambra	https://www.goldentulip.com

BON Hotels	14	Lagos, Abuja, Anambra, Delta, Enugu, Kano, and Ondo	https://bonhotels.com/hotels/nigeria/
------------	----	---	---

QSRs

QSRs are expanding and evolving with Nigeria's consumer base, and are characterized by local and international franchising models (Table 3). Many QSRs, including global brands, are incorporating dishes such as jollof rice and local soups into their menus alongside traditional fast-food items like burgers and pizzas. Since the market is price sensitive, QSRs offer a wide range of price points to cater to consumer groups and are increasingly investing in aesthetically pleasing restaurant designs to enhance customer experience and appeal to a broader demography. As e-commerce and digital payments gain traction and young consumers embrace technology, QSRs are increasing investments in digital ordering platforms and delivery logistics to meet the demand for convenience and efficiency and stay above competition.

According to Euromonitor International, Food Concepts Plc, the parent company of Chicken Republic and Pie Xpress, operates the largest number of outlets in Nigeria. As of 2024, Chicken Republic boasts 303 outlets, while Pie Xpress operates 115 locations. Kilimanjaro, owned by Sundry Foods Ltd, ranks second with about 200 outlets.

Table 3. Leading QSR Brands

Owner/Franchisee	Brand	Website
Food Concepts Plc	Chicken Republic, PieXpress, and the ChopBox	https://foodconceptsplc.com
Sundry Foods	Kilimanjaro	https://sundryfood.com
Devyani International Nigeria Ltd	KFC Nigeria	https://dil-rjcorp.com
Allied Food and Confectionery Services Ltd	Burger King Nigeria	https://www.alliedfcs.com
Eat 'N' Go Ltd	Domino's Pizza Nigeria	https://www.eatngo-africa.com
Tantalizers	Tantalizers	https://tantalizersng.com
The Place	The Place	https://www.theplace.com.ng

Institutional

There is a growing trend for hotels and restaurants to establish food service contract divisions to serve industrial, institutional, and event organizers. Several contractors are in Abuja, Lagos, Port Harcourt, and Warri. Certain institutions and large companies operate centralized kitchens to provide meals for their employees. The government's regulation of this sub-sector is minimal. The sector comprises mostly full-service catering and food operations including camp style canteens, university-style cafeterias, *a la carte* restaurants, cafes, bakeries, bars, supermarkets, ice cream stands, and special event caterers (Table 4).

Table 4. Selected Catering Businesses in Lagos

Name	Website
Sweet Sensation	https://sweetsensation.ng
12"Baguette	https://12inchbaguette.com
Ofadaboy	https://ofadaboy.ng
The Sky Restaurant and 88 Restaurant	https://www.ekohotels.com/
Bukka Hut	https://bukkahut.com
Kilimanjaro	https://kilimanjaro-restaurants.com ; https://sundryfood.com
The Place	https://www.theplace.com.ng
Genesis	https://genesisrestaurant.com.ng

SECTION III: COMPETITION

Due to freight routes and traditional retail foods buyer awareness of European products, U.S. exporters compete with Europe for higher-end products, such as wines and spirits. There is also competition from New Zealand for dairy products. For other products, especially fresh fruit and wines, South Africa is a major supplier. Europe, North Africa, and the Middle East commonly export fresh fruits to Nigeria during South Africa's off-season. Product prices at the point of origin, freight costs, and foreign exchange rates actively shape competitiveness of imported U.S. retail food and beverages. Importers report that suppliers from Europe, Asia, and South Africa visit Nigeria in-person. These suppliers understand Nigeria's local practices and are often able to offer flexible terms in this challenging market.

SECTION IV: BEST PRODUCT PROSPECTS

U.S. wine and distilled spirits have an established presence and distribution network in Nigeria (Table 6). Wheat-based bakery products and food preparations continue to grow in popularity, especially as hotels, cafés, and western-style restaurants grow. While the government's trade restrictions limit imports of unprocessed beef, pork, and poultry, strong consumer demand for poultry is evident amid the proliferation of QRs specializing in chicken items. Nigerians are large consumers of wild-caught seafood and farmed fishery products. If economic improves, there may be renewed opportunities to export higher-end fishery products for the HRI and retail food sectors, although Europe may be at a competitive advantage over U.S. suppliers. Dairy products are another potential prospect, with world exports valued at \$639 million but with the United States only exporting about \$4 million in 2024 (Tables 6 and 7).

Table 5. U.S. Top 10 Consumer-Oriented Exports to Nigeria

Description	2022 (\$1000s)	2023 (\$1000s)	2024 (\$1000s)
Food Preparations	23,167	24,345	39,259
Wine and Related Products	19,749	4,703	8,120
Distilled Spirits	6,244	3,047	6,181
Other Consumer Oriented	2,043	1,324	4,853

Dairy Products	2,237	2,150	3,837
Non-Alcoholic Bev. (example juices)	1,602	680	1,303
Condiments & Sauces	436	274	653
Processed vegetables	374.00	713	540
Fruit and Vegetable Juices	363	696	461
Dog and Cat Food	537	531	314

Source: BICO – U.S Census Bureau Trade Data

Table 6. World's Top 10 Consumer-Oriented Exports to Nigeria

Description	2022 (\$1000s)	2023 (\$1000s)	2024 (\$1000s)
Dairy Products	758,613	568,476	639,083
Soup and Other Preparations	193,502	168,423	218,288
Bakery Goods, Cereals & Pasta	76,893	150,462	96,730
Processed Vegetables	123,420	203,420	72,835
Fruit & Vegetable Juices	32,159	32,984	49,917
Distilled Spirits	38,988	48,327	44,864
Fresh Fruits	78,559	60,512	42,201
Spices	44,083	51,176	40,224
Condiments and Sauces	58,000	43,217	37,775
Coffee, Roasted and Extracts	27,098	26,759	33,651

Source: Trade Data Monitor, LLC

SECTION V: FURTHER INFORMATION

Office of Agricultural Affairs
 U.S. Consulate, 2 Walter Carrington Crescent
 Victoria Island, Lagos, Nigeria
 Tel: +234 01 460 3485
AgLagos@usda.gov

Attachments:

No Attachments