

# MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



## Enhancing a Multinational Company's Local Supply Chain Strategy

Promasidor Nigeria Ltd (PNG) manufactures various dairy products, beverages, cereals, and culinary products including well-known brands such as Cowbell milk, Loya milk, Miksi, Kremela, Sunvita Cereal, Onga seasoning and Top Tea beverages.

Alongside Nigeria, the products are supplied to export markets including Benin, Niger, Chad and the Central African Republic.

The company employs over **3,000** staff on both permanent and contract basis. **40%** of their staff are women.

PNG plans to expand its business by diversifying its product offering. The expansion will generate **300 – 350 new jobs** initially, building up to 600 – 700 at maximum operational capacity utilisation.

## Some Sector Insights



~**40%** of domestic dairy market demand met by Nigeria's local industry



**\$2.5 billion** amount spent annually on dairy imports from the Netherlands, UK, US, Australia etc.



**210 litres** recommended annual milk consumption per person vs. Nigerian annual average milk consumption of **8 litres per person**.

(Source: World Health Organisation)

## THE CHALLENGE



PNG seeks to embark on a large-scale backward integration project aimed at significantly increasing primary processing capacity in the Nigerian value chain. The company solicited MA support to design a sustainable supply chain plan to guarantee local sourcing of the main inputs for manufacturing its new product offerings.



## MA SUPPORT

The Manufacturing Africa 6-week support yielded the following outputs:



Assessment and roadmap design for the new products the company intends to roll out as part of its expansion plan.



Development of a Sustainability Options Assessment (SOA) to indicate relevant possible sustainability improvements, and provision of an Action Plan.



Provision of a Supplier Code of Conduct to ensure application of environmental and social standards across the value chains of the new product offerings.



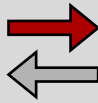
Conducting a high-level comparative Life Cycle Analysis to quantify the climate advantages of the planned expansion which can potentially attract sustainability-focused partners, customers and investors.



# IMPACT



MA generated key insights and uncovered areas that PNG had not discovered or would have taken longer to discover. Thanks to MA's access to global data sources and relevant research, PNG's business plan was enriched and decision making made easier and faster.



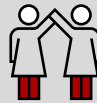
MA's analysis articulated all available demand/supply options and possible outcomes for the various supply chain scenarios.



The programme's emphasis on the employment creation element of the project is not only beneficial to the community, but also useful in discussions with public sector partners.



The comparative Life Cycle Analysis by MA is a value add that PNG had not factored in its business case. It helps quantify the GHG emission reductions of the company's products and serves as a marketing tool towards potential sustainability-focused partners.



PNG's production of more affordable products will enable women who make purchasing decisions for the family to better nourish their children and contribute to lower rates of stunting.

“What the project did for us was open our minds to various scenarios of local sourcing and helped refine our business case. Localisation of our supply chain is critical to our operations because it tries to disconnect cost of goods from foreign currency and therefore cushions the business from inflation challenges. We wish we could have more of MA support.”

**Company representative**



*This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.*

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