

Dangote: Nigeria is learning how to produce the entire value chain

Claridges in London, editor in chief Lionel Barber conducted a candid public conversation with successful business leader, Aliko Dangote, at the Financial Times' 4th annual Africa Summit. Mastering detailed production statistics and highly-compelling demographics on promising sectors of the African economy, Dangote outlined the key to his success: self-sufficiency and backward integration, a manufacturing strategy that extracts value from entire processes.

“ FT editor [@LionelBarber](#) talks to [@AlikoDangote](#) at [#FTAfrica](#), discussing diversification, power generation and investor relations. pic.twitter.com/mR64v2kLaH— Financial Times Live (@ftlive) [October 9, 2017](#) ”

"We are not going to import anything any longer," he said. "In Nigeria, we are learning how to produce the entire value chain."

From importer to exporter

Once a heavy importer of fertiliser, Nigeria is now gearing up to produce three million tonnes of locally manufactured fertiliser, transforming the nation into one of the largest fertiliser exporters in Africa.

In 2007, Nigeria was the second largest importer of cement after the US, Dangote reminded the audience of business elites. "Today, we have not only satisfied domestic needs, we have become a leading exporter of six to seven million tonnes of cement," he added.

Diversifying into agriculture, Dangote has eyes on the dairy industry motivated by the fact that "98% of all milk consumed in Nigeria is imported." Same for rice. Dangote Group has invested heavily in rice production by investing in local farmers and then offering to buy back the one million tonnes at open market prices that they are growing. "Soon we will be able to feed not only Nigeria but the entire 320 million large West African market."

Thinking big, playing long-term

Dangote's business acumen was on rare exhibition as Barber himself seemed impressed with the business mogul's quick familiarity with the nuts and bolts of his businesses. "Are we going to continue to import everything?" Dangote asked. "Freight rates are now cheap but they will go up soon. A population of over 200 million cannot continue to import basic needs on a daily basis," he answered himself.

By 2100 Dangote stated Africa will represent 49% of the world's population, up from 30% today. "If you don't think big we won't grow at all," he said. "In Africa, you have to play long-term."

Aside from Nigeria, which African nations do you think are good growth opportunities? Barber asked Dangote. "Aside from Nigeria?" the business leader repeated and smiled. "I'd have to pick Nigeria. I am a big fan of Nigeria. We are only using 8% of our land."

For more, visit: <https://www.bizcommunity.com>