

The 2024 economic impact of the Coca-Cola System's African operations in Nigeria

Final report





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Economic impact study of the Coca-Cola System's African operations in Nigeria

Rationale

The economic impact of the Coca-Cola System's African operations extends beyond its manufacturing plants and offices, supporting value across its entire value chain. By sourcing from local suppliers, they drive upstream economic impact, while their distribution network and selling partners enable downstream benefits. TCCC commissioned this socio-economic impact assessment to understand the magnitude of these effects in Nigeria.

Scope

This study quantifies the economic impact of the Coca-Cola System's African operations in Nigeria in 2024. Through input-output modelling, the study estimates how the operations of the System contribute to local GDP (value added) and support employment.

Highlights

Operations

- The System produced and sold 2.5 billion litres of beverages in Nigeria in 2024
- Consumers in Nigeria spent \$1.1 billion on these beverages
- The Coca-Cola System spent \$601 million on Nigerian suppliers, representing 14% of the System's total procurement across Africa

Value added

- The System supports \$1.0 billion in value added across its value chain, equal to 0.55% of the country's GDP in 2024
- Households are the primary beneficiaries of the activities of the System, receiving \$509 million in salaries. The government follows with \$267 million in taxes, accounting for 1.82% of total tax revenues in Nigeria
- The System contributes \$94 million in direct value added and supports \$78 million in VAT payments. The System also enables \$859 million in value added at their value chain partners, predominantly in the trade (\$306 million) and manufacturing (\$296 million) sectors

Employment

- The System supports some 160,200 jobs across their value chain, representing 0.15% of total employment across the country
- For each direct job at the System, there were 53 jobs supported elsewhere along the value chain in Nigeria
- The System supports 96,100 jobs in the trade sector, 39,600 in manufacturing and 14,100 in the agriculture sector

Key findings

Operations



441 million UCs

sold in Nigeria, equal to 2.5 billion litres



\$601 million

worth of goods and services purchased from Nigerian suppliers



\$1.1 billion

spent by consumers on the System's beverages

Value added



\$1.0 billion

value added supported in the economy across the value chain



\$509 million

in salaries supported across the value chain



\$267 million

supported in tax payments across the value chain, including VAT payments

Employment



2,989

people employed directly by the System in Nigeria



157,200

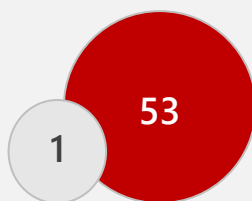
additional employment opportunities supported indirectly across the value chain, excluding direct employees



78,500

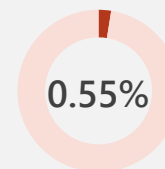
jobs for people selling the System's beverages

Employment multiplier

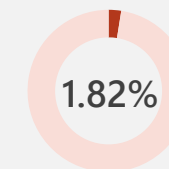


For every 1 job at the System additional 53 jobs are supported across Nigeria

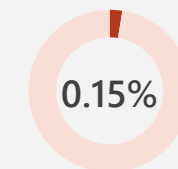
Macro-economic contribution



of GDP



of tax revenues



of employment



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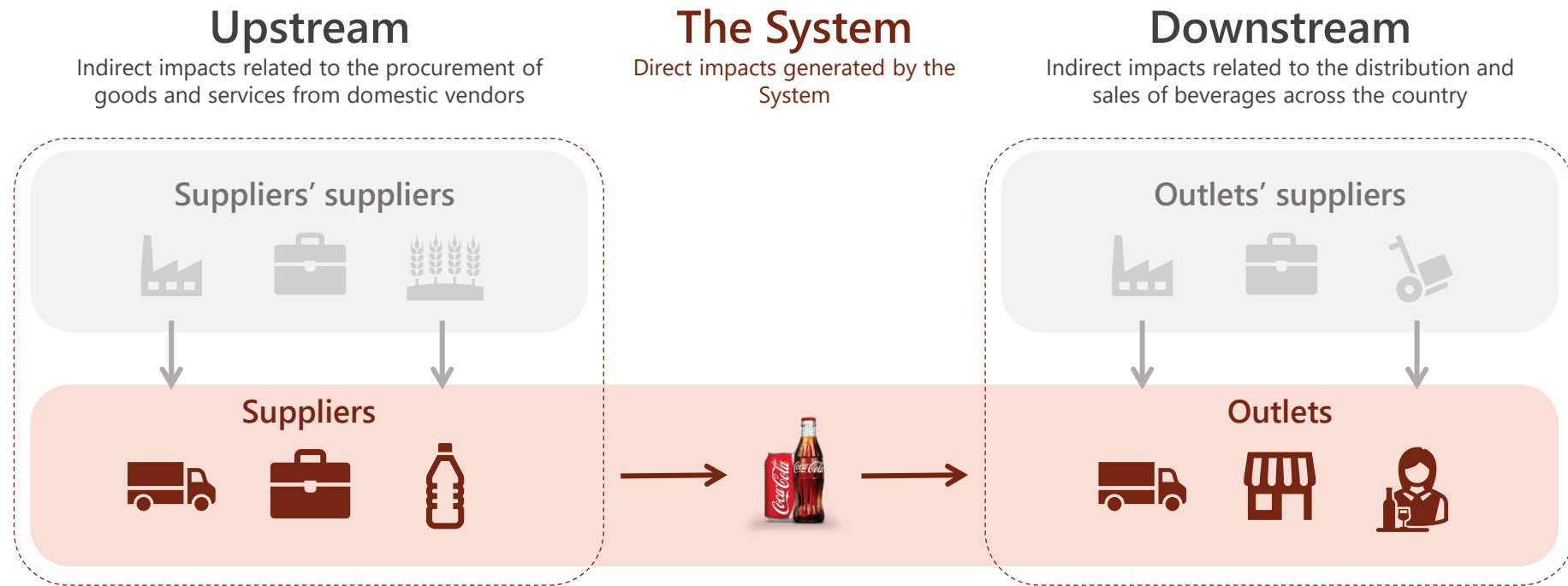
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The study captures the impact of the System on incomes and jobs across their value chain



Impacts



Value added

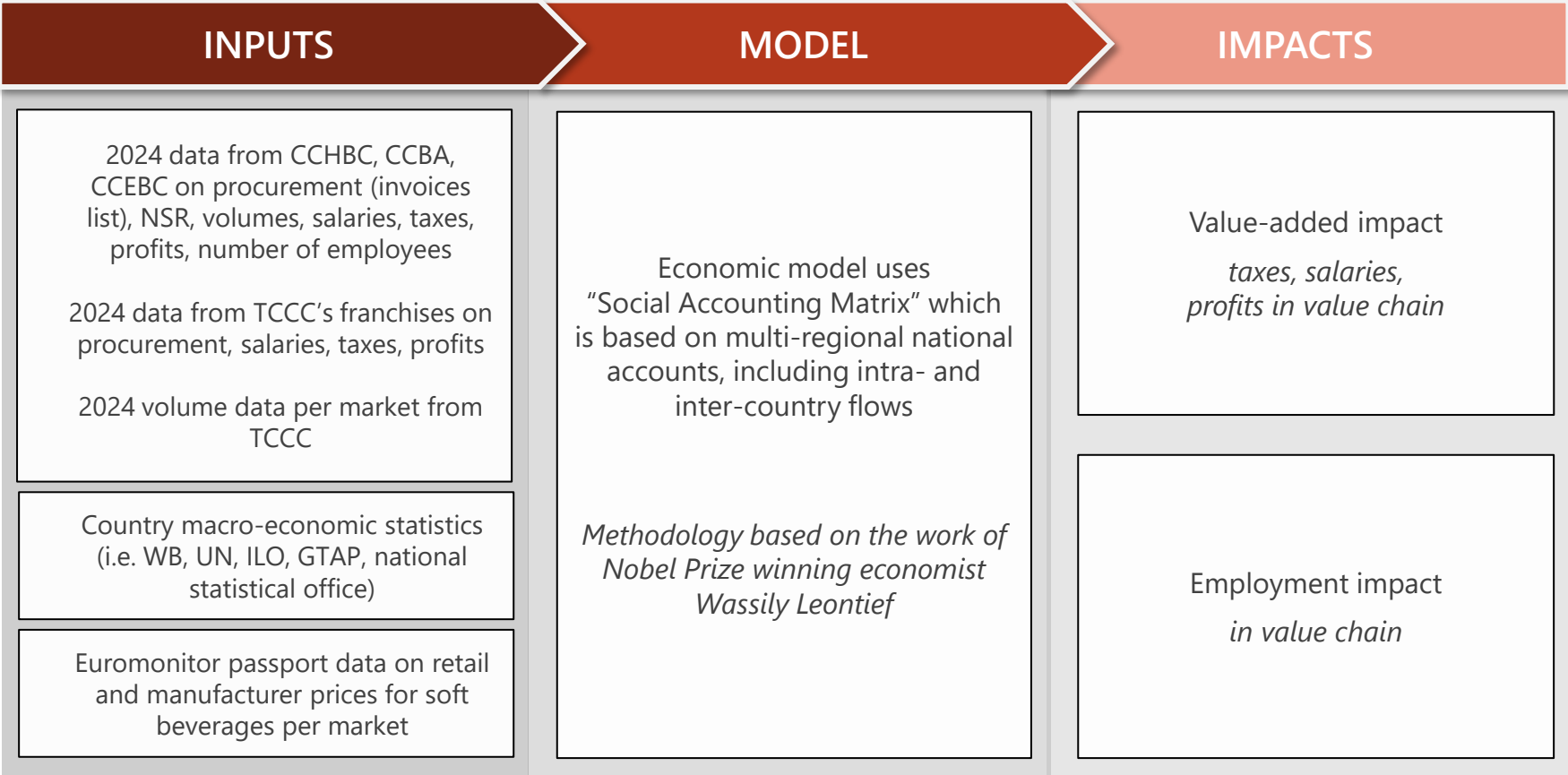
Aggregation of incomes for households (salaries), governments (taxes), and companies (profits), comparable to GDP



Employment

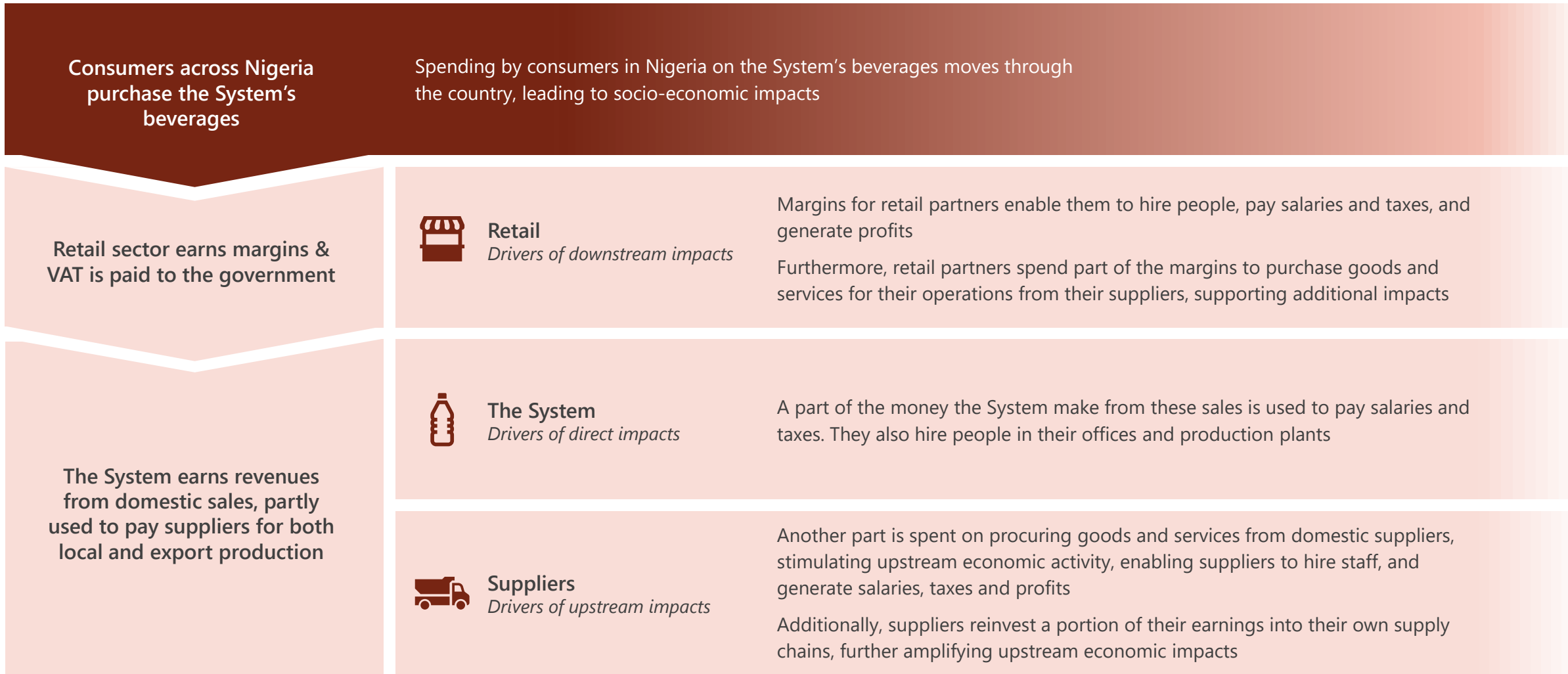
Job opportunities supported

The model combines Coca-Cola System financials and official statistical data to quantify impacts



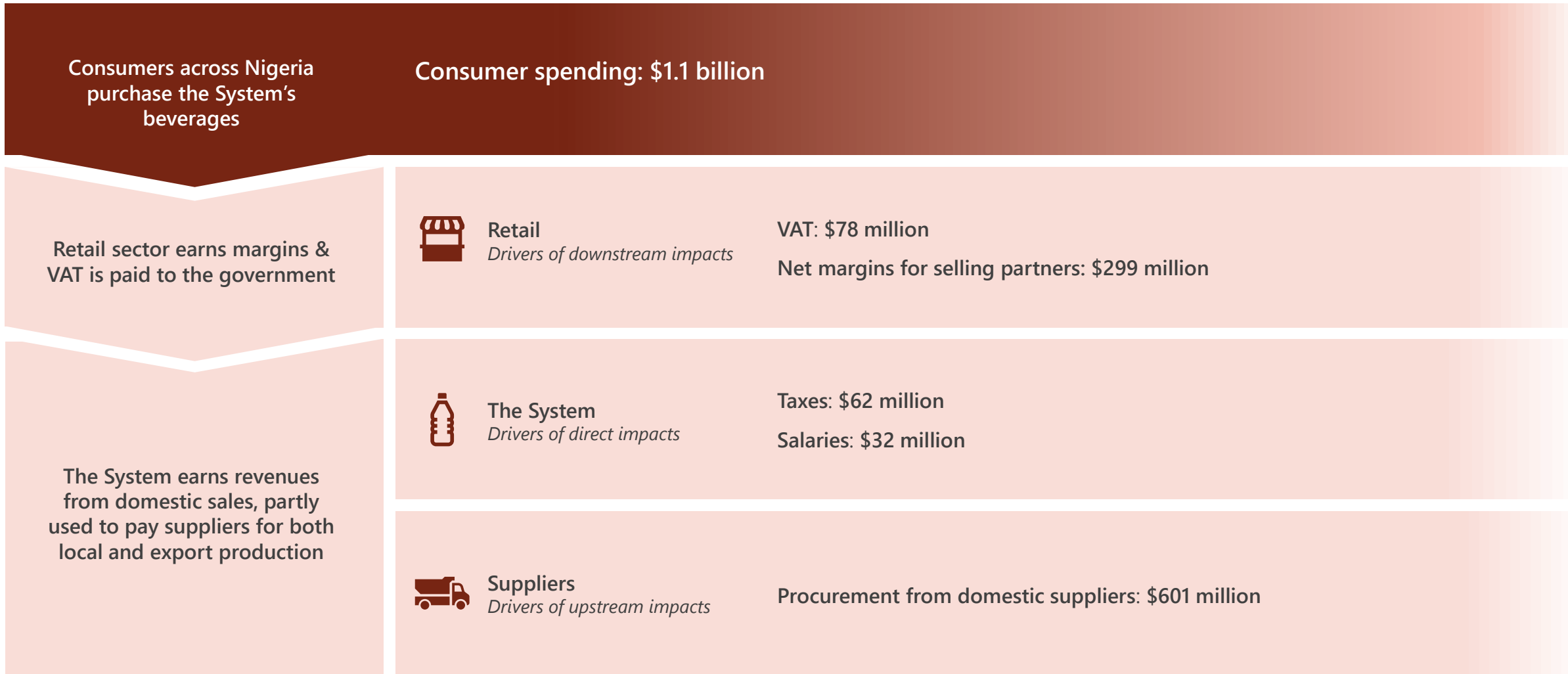
Consumer spending on the Coca-Cola System's beverages is the starting point of our analysis

This is the conceptual idea behind our model....



In 2024, consumers in Nigeria spent \$1.1 billion on 2.5 billion litres of the System's beverages

... and these are the figures behind it



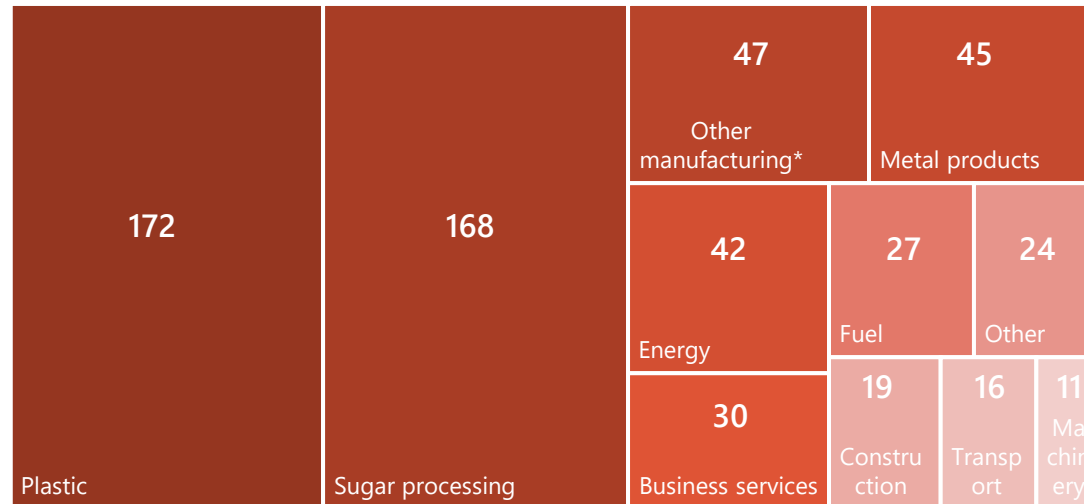
Procurement and sales activities of the System reach various sectors of the economy

Key takeaways

- The System in Africa spent \$601 million on goods and services in Nigeria, most of which was directed toward manufacturing sectors
- The System sold a total 2.5 billion litres (441 million\$ UCs) of beverages in Nigeria
- Total margins for selling partners and distributors amounted to \$299 million, primarily through off-trade channels

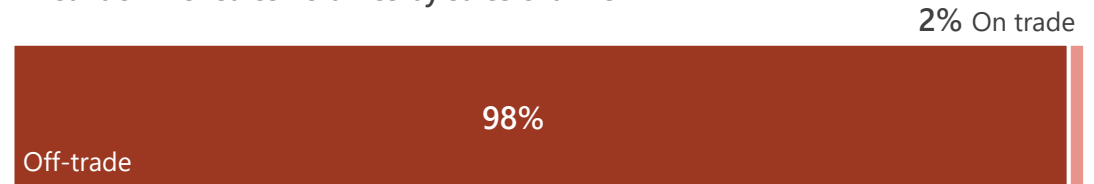
Breakdown of procurement towards domestic suppliers

\$ million



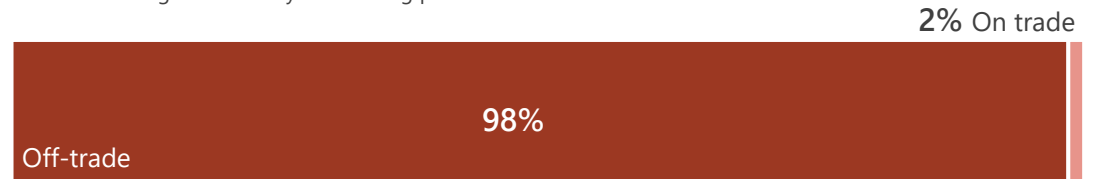
By sourcing goods and services locally, the System supports impact upstream in its value chain. In 2024, the System in Africa spent \$601 million on goods and services from Nigeria, representing 14% of its total spend continent-wide. Most of the spending in Nigeria is directed towards manufacturing (\$482 million), which includes packaging materials such as plastic and metal products, but also machinery and equipment, and sugar processing. Energy and business services also represented a significant share of the System’s spending in Nigeria, receiving \$42 million and \$30 million, respectively.

Breakdown of sales volumes by sales channel



Breakdown of margins for selling partners by sales channel

% of total margins earned by local selling partners



The sale of the System’s beverages in Nigeria supports impacts downstream. In 2024, a total of 441 million UCs (2.5 billion litres) were sold in Nigeria, with 98% of all volumes distributed through off-trade** channels and 2% through on-trade** channels. Selling partners and distributors earned \$299 million, with off-trade channels accounting for 98% of total margins.

*Other manufacturing is composed of: glass and other non-mineral products (43.4%); wood products (4%); textiles (0.7%); other manufacturing nec (51.84%)

**Off-trade refers to beverages sold for later consumption, typically through supermarkets, grocery stores, and mom-and-pop shops. On-trade refers to beverages sold for immediate consumption at the point of sale, for instance, at hotels, cafés, and petrol stations.



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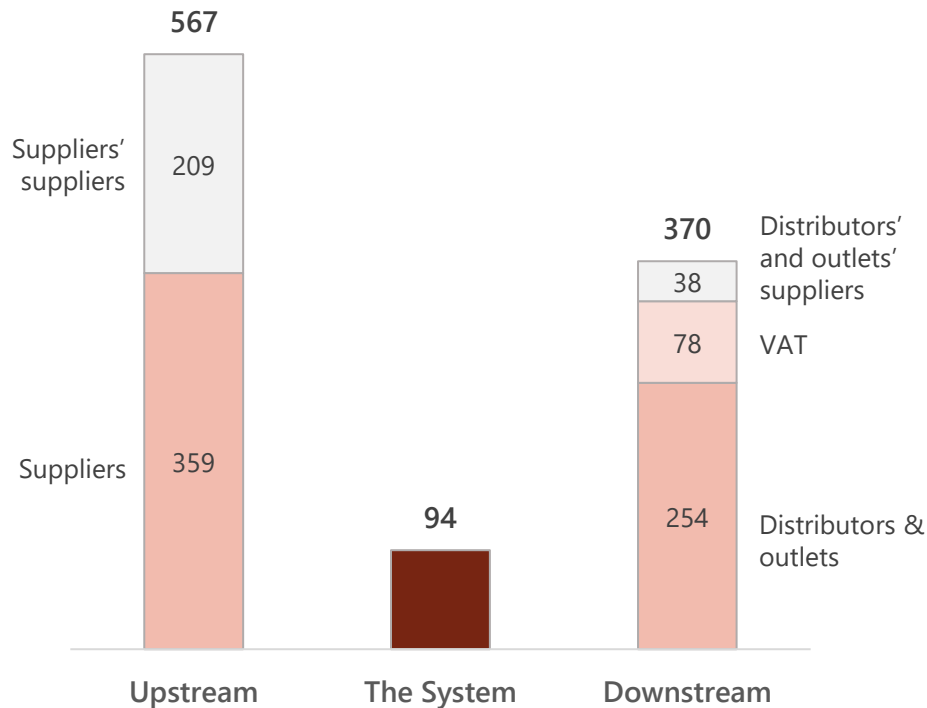
The System supports over \$1 billion in value added in Nigeria

Key takeaways

- The \$1 billion in total value added is equal to 0.55%* of Nigeria's GDP in 2024
- The Coca-Cola System directly generates \$94 million in value added in Nigeria
- Indirectly, the System supports an additional \$859 million through its value chain partners, and \$78 million in VAT

Value added by value chain link

USD million



Explanation

The Coca-Cola System directly generated \$94 million in value added in Nigeria. This includes the salaries and taxes paid by the System to their employees and the Nigerian government.

Indirectly, the System supported \$937 million in value added, including VAT.

Out of this \$937 million, \$567 million takes place upstream, enabled by the \$601 million the System spends on goods and services from Nigerian vendors.

Of the \$567 million upstream impact, \$359 million is value added supported at the System's direct suppliers – the companies producing ingredients, packaging materials, machinery and parts, and offering a wide range of services – from transport, to insurance, marketing and catering. The remaining \$209

million occurs at the suppliers of these suppliers. For instance, an aluminium producer who sells materials to the beverage can manufacturer that supplies the System with the cans for their beverages.

The downstream value added, supported by the System's distribution and sales activities, is \$370 million. Of this amount, \$78 million is value added tax (VAT) enabled by the sales of beverages in Nigeria. \$254 million is supported at the System's distributors and outlets, while the suppliers of these distributors and outlets generated \$38 million.

These figures only capture the incomes attributable to the System.

*In 2024 Nigeria's GDP amounted to USD 187 billion (Nigeria National Bureau of Statistics)

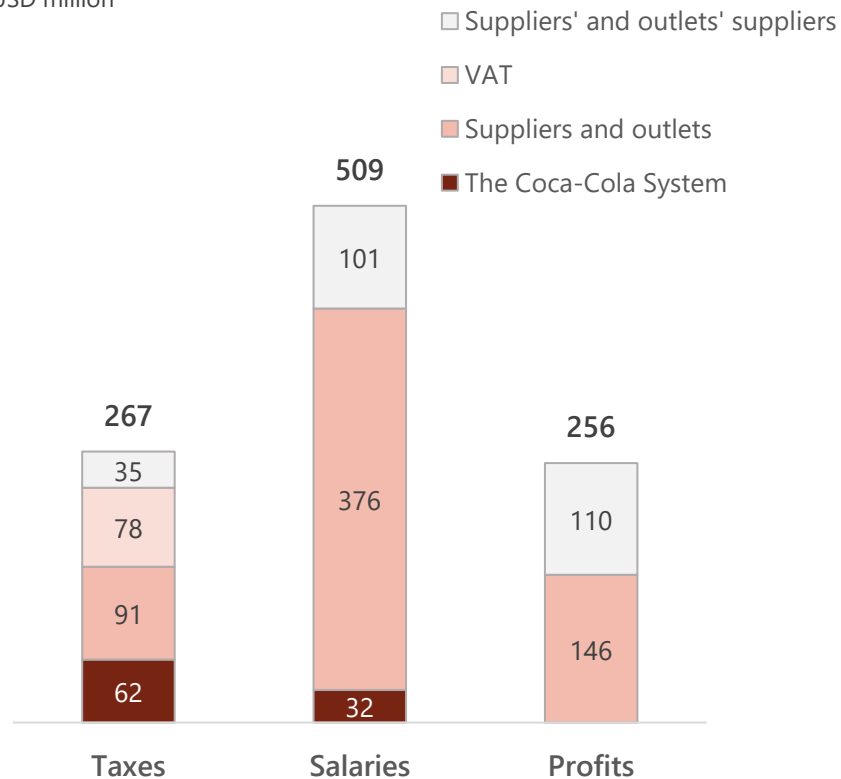
Households are the biggest beneficiaries of the operations of the System

Key takeaways

- Households are the primary beneficiary of the System's activities, receiving \$509 million in salaries
- Of the total salary contributions supported, \$32 million is paid directly by the System
- The government is the second largest beneficiary of the System, receiving \$267 million in taxes, of which \$62 million is paid directly by the System

Value added by beneficiary

USD million



Explanation

The total value added of a little over \$1 billion can also be broken down by beneficiary.

Households across the value chain benefited \$509 million, of which \$32 million was earned by the System's own employees. Salaries include wages, bonuses and other allowances paid directly to employees. They are net of any taxes to avoid double-counting.

Tax payments supported by the Coca-Cola System throughout their value chain equal \$267 million. \$62 million of this is paid directly by the System. The major categories making up this amount include import duties and excise taxes paid in Nigeria.

\$78 million is VAT related to the sales of the System's beverages. It further enabled \$91

million in tax payments from their suppliers, distributors, and the outlets selling their beverages.

The estimated tax impacts of the operations of the System represented 1.82%* of the total tax revenues collected by the Nigerian government.

Nigerian companies across the System's value chain made an estimated \$256 million in profits from their cooperation with the System. Of the \$256 million, \$146 million was made at the System's direct suppliers and outlets.

*Nigeria tax revenues amounted to nearly USD 15 billion (source: Nigeria Federal Inland Revenue Service (FIRS))

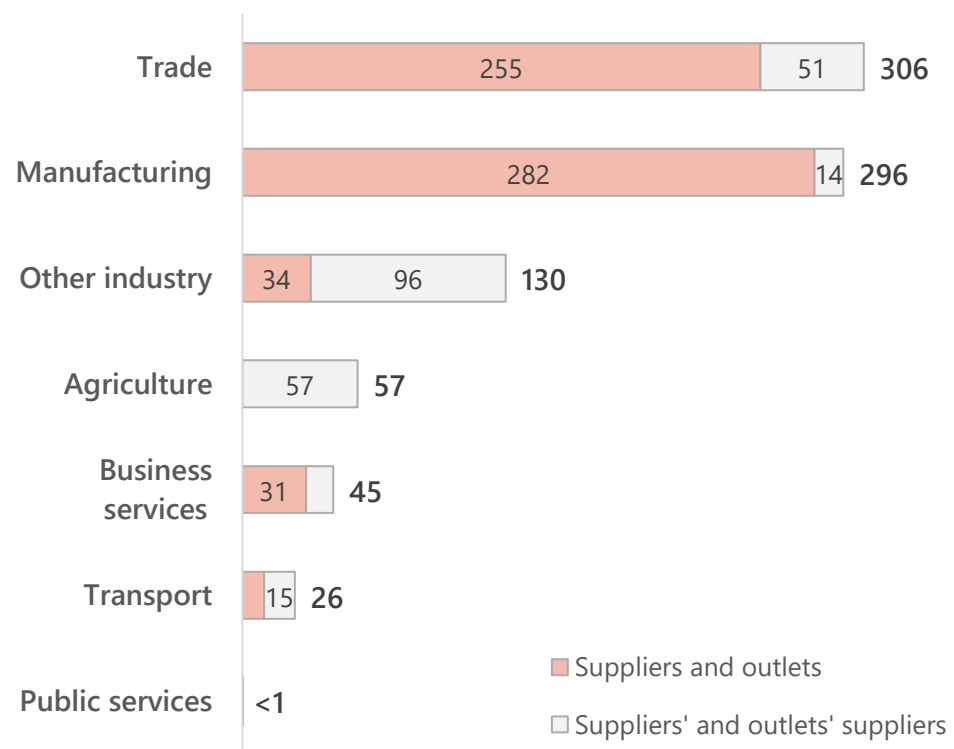
The System mostly supports value added in the trade sector through the sale of beverages across the country

Key takeaways

- The System supports a total of \$306 million of value added in the trade sector, mostly through the distribution and sale of their beverages
- Companies in the manufacturing also received a large share of the value added, benefiting \$296 million
- The System also indirectly supports \$57 million of value added in the agriculture sector, due to key System suppliers and outlets interacting with the sector

Indirect value added by sector

USD million



Explanation

The indirect value added* can be broken down by economic sector.

The System supported the most value added, \$306 million, in the trade industry. This is driven primarily by the sale of the System's beverages at mom-and-pop shops, supermarkets, and other outlets. \$254 million of this was generated by the System's selling partners, of which \$201 million for off-trade retailers (traditional and modern stores), \$50 million for distributors and \$2 million for on-trade retailers (hotels, restaurants, cafes, petrol stations, etc.).

Manufacturing companies generated \$296 million from their cooperation with the System, of which \$282 million was at direct suppliers providing goods such as packaging materials for the beverages. The remaining \$14 million is supported further along the value chain at the

suppliers' suppliers.

Companies in the other industries sector, such as utilities and oil and gas companies, generated \$130 million; most of this is supported at the suppliers of the System's suppliers.

The System supported \$57 million in the agriculture sector. While the System does not procure from the sector directly, the System's suppliers do. This includes, for example, the sugar beet farmers who supply raw sugar to the sugar processor from whom the System buys its sugar.

The System also supported \$45 million in the business services sector, with \$31 million of that resulting directly from the System's procurement of services, including marketing, advertising, and insurance.

*Indirect value added excluding VAT (\$78 million) and value added directly generated by the System (\$94 million)



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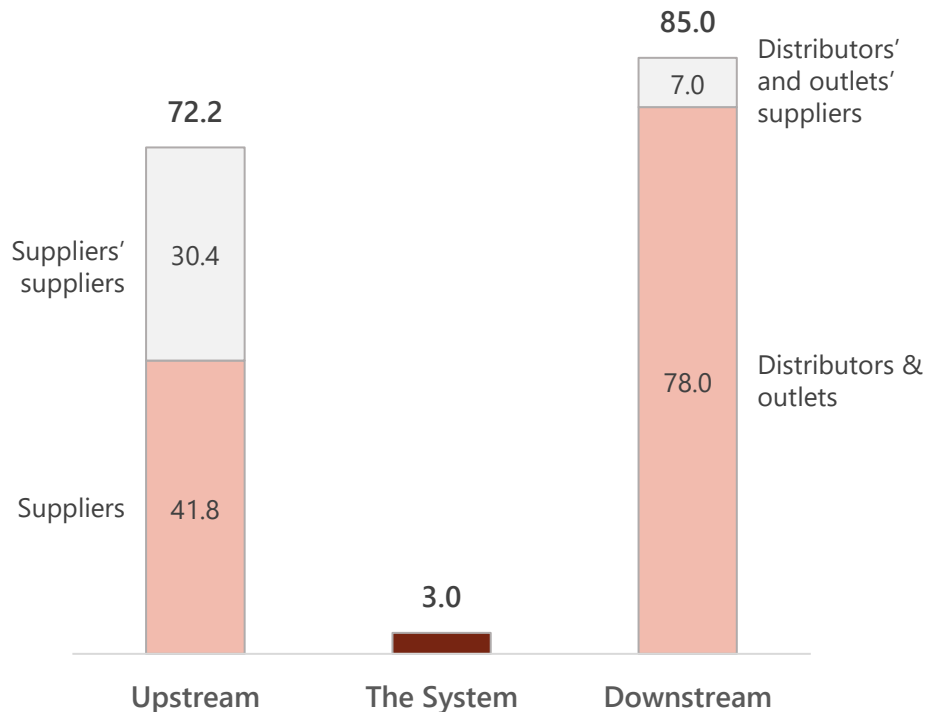
The System supports 160,200 employment opportunities

Key takeaways

- The System supports some 160,200 jobs across its value chain, representing 0.15%* of total employment in Nigeria
- The System directly employs 2,989 employees, and supports an additional 157,200 jobs through its value chain partners
- For each direct job at the System, 53 additional jobs are supported elsewhere along the value chain

Jobs by value chain link

thousands



Explanation

The System supports some 160,200 job opportunities across its value chain, equal to 0.15% of total employment in Nigeria.

2,989 people are employed by the System, and another 157,200 jobs are supported indirectly at their value chain partners.

72,200 jobs are supported upstream in the value chain. These refer to the jobs required to provide the System with the \$601 million worth of goods and services they procure suppliers in Nigeria.

Of these 72,200 jobs, 41,800 are at the suppliers of the System, while the remaining 30,400 are supported at the suppliers' suppliers.

85,000 jobs are supported downstream in the value chain. These are required to distribute and sell the 2.5 billion litres of the System's

beverages sold throughout the country.

Of these 85,000 jobs, 78,000 are supported at the System's distributors and selling outlets, such as supermarkets and mom-and-pop shops. The remaining 7,000 jobs are supported at the suppliers of the distributors and selling outlets.

For each direct job at the System, an additional 53 jobs were supported elsewhere along the value chain. Of these, 24 are supported upstream in the value chain through the procurement of goods and services from suppliers, and 28 are supported downstream in the value chain through the distribution and sale of beverages.

These figures only capture the jobs attributable to the System (not all jobs at the suppliers, distributors, and partnering outlets).

*In 2024, Nigeria national employment amounted to 107 million (Source: ILO)

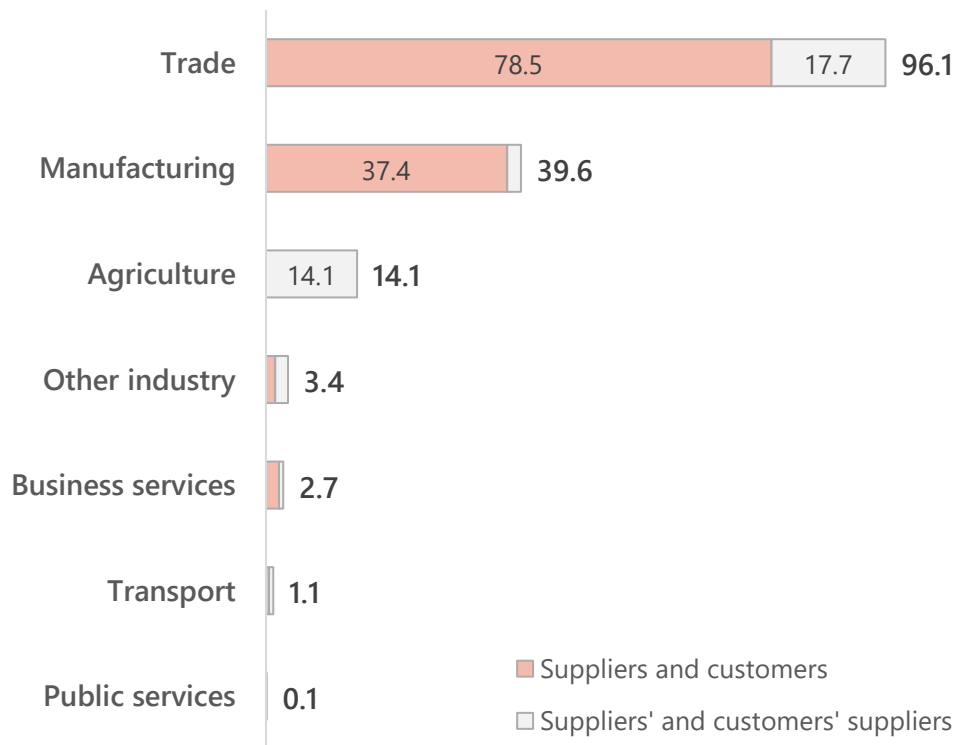
Most jobs are supported in the trade sector

Key takeaways

- The System supports a total of 96,100 jobs in the trade sector, mostly through the distribution and sale of beverages
- The manufacturing sector is the second-largest sector in terms of jobs supported, with the System supporting 39,600 jobs
- The System supports 14,100 jobs in the agriculture sector, making it the third-largest sector in terms of jobs supported

Indirect jobs by sector

thousands



Explanation

The 157,200 indirect jobs* supported by the System can be broken down by economic sectors.

The trade sector is the sector where the System support the highest number of employees. Of the 96,100 jobs supported in the sector, 78,500 are involved in the sale of the System's beverages: 75,900 at off-trade and 2,100 at on-trade outlets such as hotels, restaurants, cafes and petrol stations.

In the manufacturing sector, 39,600 jobs are supported, of which 37,400 jobs are at the System's direct suppliers.

In the agriculture industry, the System supports 14,100 jobs. While the System does not procure directly from the industry, some of its suppliers do. This leads to the 14,100 jobs supported in the agricultural sector.

An additional 3,400 jobs are supported in other industries. This includes sectors such as utilities, oil & gas, construction, as well as water supply services. Most of the jobs in this sector are supported at the suppliers' suppliers, amounting to 2,000.

The System also supports 2,700 jobs in the business services sector, of which 2000 jobs are at the direct suppliers providing marketing and other services.

1,100 and 100 jobs are supported in the transport and public services industries, respectively. The transport industry includes jobs such as logistics providers and freight carriers. Public service jobs include positions in fields such as administration and education

*Indirect jobs supported by the System, excluding people directly employed by the System (2,989)



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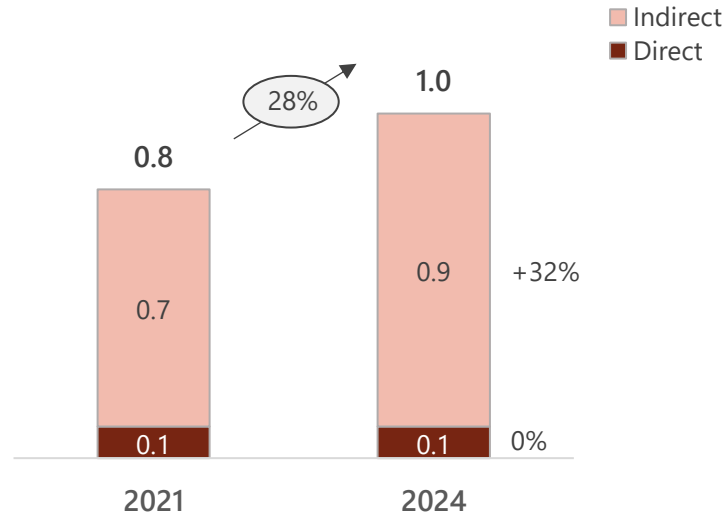
Both value added and jobs increased compared to 2021

Key takeaways

- Value added increased by 28% compared to 2021
- The change is primarily driven by a shift in procurement to local vendors

Value added

USD billion



The total value added (VA) increased by 28% from 2021, volumes increased by 10%, and revenues decreased 11%, mainly due to currency effects.

Direct VA remained constant, while indirect impact increased by 32%, with upstream VA increasing by 90%, and downstream VA decreasing by 10%.

The increase in upstream impact is driven by a 92% increase in local procurement, caused by a shift towards local vendors.

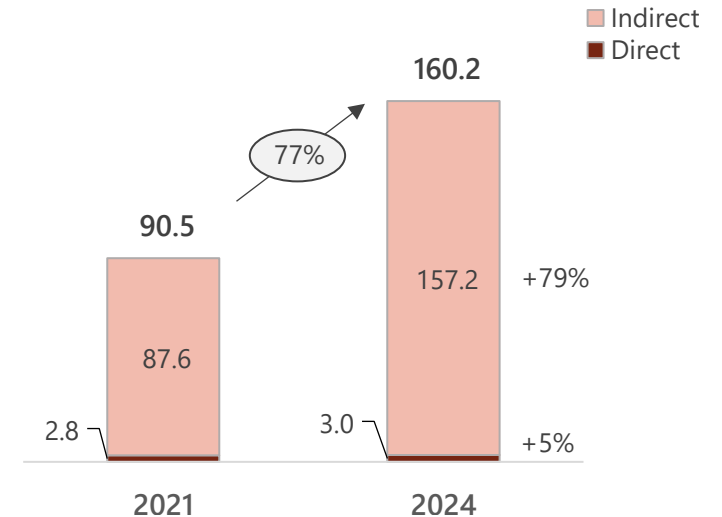
The decrease in downstream impact was driven by an 11% drop in margins for selling partners, which in turn was a result of the decrease in revenues.

Key takeaways

- Total employment increased by 77% compared to 2021
- Higher local procurement led to an increase in upstream jobs

Employment

thousands



Jobs supported by the System increased by 77% compared to 2021, with direct jobs increasing 5%, and indirect jobs increasing 79%.

The increase in indirect employment consisted of a 142% rise in upstream job opportunities, and a 47% increase in downstream jobs.

The factors impacting the indirect VA similarly impacted the indirect employment supported by the System. Aside from this, the employment was also impacted by lower productivity, leading to an increase in employment. This was caused mainly by a change in the underlying employment data from the ILO.

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Annex A: Countries included in the impact study for Africa

List of countries where production and/or sales activities of the System were taken into account for the Nigeria report

Algeria	Gabon	Réunion
Angola	Gambia	Rwanda
Benin	Ghana	São Tomé and Príncipe
Botswana	Guinea	Senegal
Burkina Faso	Guinea-Bissau	Seychelles
Burundi	Kenya	Sierra Leone
Cabo Verde	Lesotho	Somalia
Cameroon	Liberia	South Africa
Central African Republic	Libya	South Sudan
Chad	Madagascar	Sudan
Comoros	Malawi	Tanzania
Congo	Mali	Togo
Congo, Democratic Republic of the	Mauritania	Tunisia
Côte d'Ivoire	Mauritius	Uganda
Djibouti	Mayotte	Western Sahara
Egypt	Morocco	Zambia
Equatorial Guinea	Mozambique	Zimbabwe
Eritrea	Namibia	
Eswatini	Niger	
Ethiopia	Nigeria	