ARRIVES

IS THE DELIVERY SERVICES SECTOR FOR YOU?

Business and job opportunities in Nigeria

A project by

SOCIAL IMPACT

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IRARA

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RETURN

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ABOUT THE PAPER

This logistics and on-demand delivery sector profile has been developed within the framework of the ARRIVES project. It provides detailed insights to guide returnees interested in entering the Nigerian delivery services sector and to inform other stakeholders. The guide covers essential aspects of the broader industry, from market dynamics and emerging opportunities to key challenges and financial planning.

ABOUT ARRIVES

The Assisting the Reintegration of Returnees through Integrated Vocational and Entrepreneurship Support (ARRIVES) project supports the sustainable economic reintegration of voluntary returnees into the Nigerian economy. It focuses on Nigerians who have chosen to return from Germany, offering tailored support in skills development, employment and entrepreneurship to enable a dignified return and build sustainable livelihoods.

ARRIVES provides holistic, individualized assistance throughout the reintegration journey – from the decision to return and the development of a business idea to establishing a business or working in Nigeria. Social Impact gGmbH, the International Return and Reintegration Assistance, and the International Trade Centre (ITC) implement the project. This partnership ensures long-term, locally grounded support for returnees.

The project also publishes reports that examine opportunities, challenges and support mechanisms across Nigeria's evolving economic sectors and entrepreneurship ecosystem. These evidence-based publications inform stakeholders.

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JUMIA
JUMIA
Coca-Cola

CONTENTS

ACRONYMS

Unless otherwise specified, all references to dollars ($) are to United States dollars.

CAGR	Compound annual growth rate
fintech	Financial technology
NAFDAC	National Agency for Food and Drug Administration and Control
SMEs	Small and medium-sized enterprises

BOXES, FIGURES, TABLES

Boxes

Figures

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INTRODUCTION

INTRODUCTION

Nigeria's on-demand delivery services have emerged as a strategic subsector within the country's broader digital and logistics economy, offering excellent opportunities for economic growth, job creation and entrepreneurial innovation. Driven by the rapid expansion of e-commerce, digital payments and urbanization, the delivery services sector is poised for substantial growth. Its inherent adaptability and scalability create a fertile landscape for entrepreneurs and returnees aiming to launch or expand their businesses.

This profile provides detailed insights to guide stakeholders interested in entering the delivery services sector. It covers essential aspects of the industry – from market dynamics and emerging opportunities to key challenges and financial planning.

1. Overview of Nigeria's on-demand delivery sector

This section examines market trends, growth drivers and the rising demand for efficient delivery solutions in the food, grocery and pharmaceutical sectors. It provides insight into market dynamics and entry opportunities.

2. Opportunities for entrepreneurs

The delivery services sector presents numerous investment opportunities. With a wide range of service niches – from ultra-fast-food delivery to specialized courier and logistics solutions – the market holds significant potential for expansion. This section evaluates these opportunities, detailing the advantages and potential challenges of different business models.

3. Key stakeholders in the sector

This section identifies key stakeholders, including e-commerce platforms, logistics companies, payment solution providers, trade associations and government agencies. It also outlines policies to help new entrants navigate the regulatory landscape and form strategic alliances.

4. Challenges and barriers

Despite its promising outlook, the on-demand delivery sector faces infrastructure deficits, regulatory complexities and intense market competition. This section examines these barriers and proposes strategies to overcome them, such as leveraging technology, optimizing supply chains and collaborating locally and internationally.

5. Labour market insights

This chapter assesses employment opportunities in the delivery services sector and outlines the essential skills and training required for success. It also examines the potential for job growth and expected income levels, helping aspiring entrepreneurs and returnees to understand the talent landscape better and enhance their employability.

6. Financial aspects

This section details the capital requirements for establishing a delivery services business, including investment in technology platforms, fleet management, warehousing and operational infrastructure. It reviews financing options and potential returns on investment, enabling stakeholders to make informed decisions about funding and scaling their ventures.

Primary and secondary research underpins this profile, including interviews with key industry players and analysis of strategic documents, reports and policies. The integrated approach ensures a comprehensive understanding of Nigeria's on-demand delivery ecosystem, blending empirical data with industry insights to support sound business decision-making.

CHAPTER 1

Overview of the Nigerian delivery services sector

On-demand delivery is a logistics process that allows customers the flexibility to choose when and where their orders are delivered, with options ranging from express deliveries (within 30 minutes to two hours) to same-day delivery and scheduled services (Uber, 2023). The sector covers various product categories – including food and groceries, electronics and fashion – and serves customers through multiple e-commerce platforms, such as retail stores and social media sellers.

Nigeria's delivery sector is growing rapidly, driven by increased smartphone adoption, improved internet access and the rising demand for e-commerce and food delivery services, along with advancements in financial technology (fintech).

As one of Africa's largest internet markets, with more than 205 million mobile connections (SIM cards) covering 90.7% of the population (Datareportal, 2024), Nigeria's robust mobile network infrastructure has played a significant role in increasing the adoption of mobile internet. According to Statista data, the country has between 25 million and 40 million smartphone users, with more than 84% of internet access achieved through mobile devices (Statista, 2024).

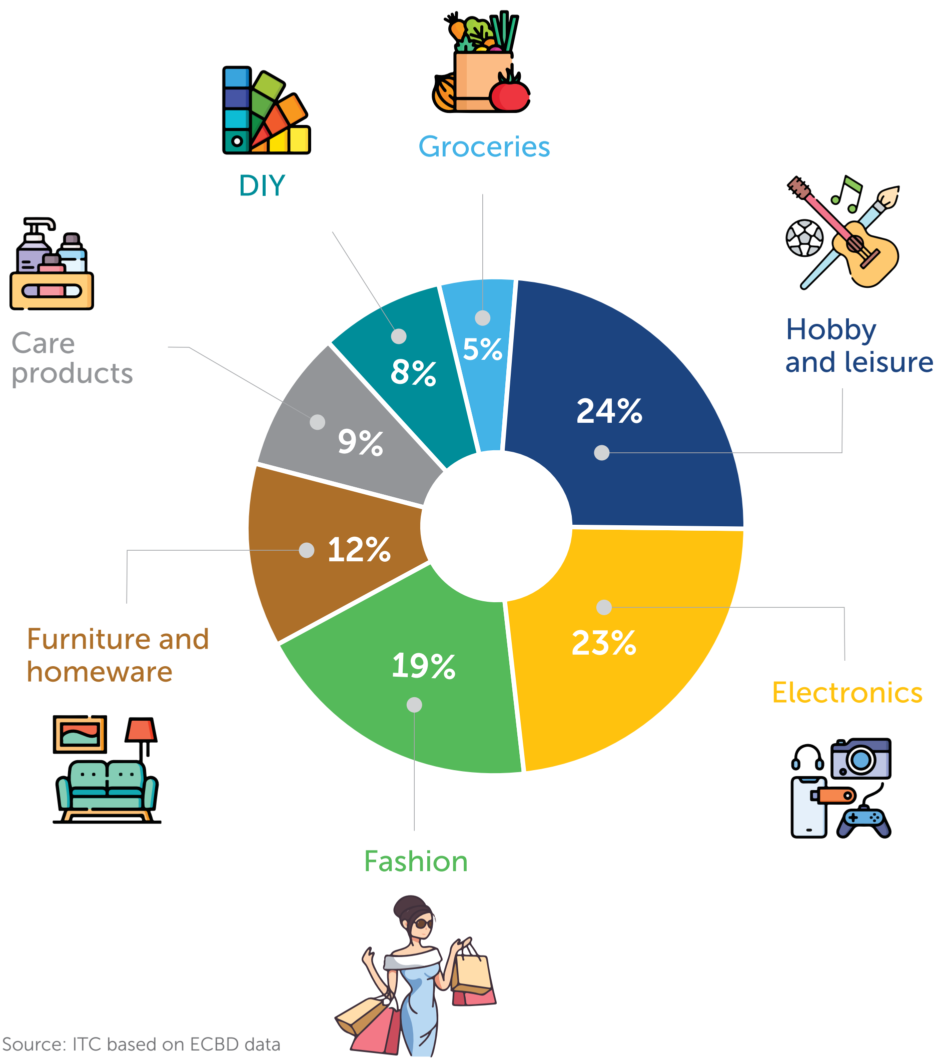
A major portion of the population, particularly youth, has embraced mobile technology, making online shopping more accessible than ever. This shift towards mobile technology has made online platforms more accessible and enabled users to access them more easily. It has also transformed consumer behaviour, making on-demand delivery services increasingly essential for meeting the evolving demands of the market.

The COVID-19 pandemic, characterized by restrictions on movement and physical interaction, has further accelerated e-commerce growth in Nigeria. E-commerce penetration is steadily rising and online sales now make up 6% of total retail sales. This is low by global standards but one of the highest shares in the region. E-commerce revenue is expected to see a compound annual growth rate (CAGR) of 7.81% in 2025–2029. Market projections estimate that it could reach $7.04 billion by 2025 and climb to $9.51 billion by 2029.

According to Statista's latest data, the number of users in the e-commerce market is expected to reach 28.6 million by 2029. User penetration is projected to reach 13.3% in 2025 and rise to 15% by 2029. The average revenue per user is expected to amount to $343.49 by 2029, indicating a robust growth trajectory for the sector (Statista, 2024).

Within the broader e-commerce segment, the best-selling category in Nigeria is hobby and leisure, accounting for 24% of the total revenue from online sales. Electronics account for 23%, fashion for 19% and furniture and homeware for 12%, highlighting a diverse range of consumer interests (ECBD, 2024).

Figure 1: Leading e-commerce product categories in Nigeria, 2023



Source: ITC based on ECBD data

Digital payments play a transformative role in Nigeria's on-demand delivery sector, enabling faster, safer and more transparent transactions among customers, riders and platforms. With the increased use of mobile wallets, unstructured supplementary service data codes and bank-linked apps, even informal couriers and gig workers can now receive instant payments and manage their finances digitally.

This shift not only improves efficiency but also supports broader financial inclusion goals by creating digital transaction histories that can be leveraged for credit access or savings tools. However, the largely informal nature of the sector and gaps in access to mobile data, smartphones and consumer protections remain key barriers to scale and equitable participation (World Bank, 2025).

Market trends and growth drivers

Nigeria's delivery sector is becoming an essential part of the digital economy, catering to different consumer needs. Valued at $834 million in 2022, the on-demand delivery service sector has experienced considerable growth, driven by advancements in payment systems and the widespread adoption of smartphones and internet services (Moko, 2024).

The online food delivery market is particularly significant, projected to triple in size from about $500 million in 2023 to around $1.6 billion by 2030, with a CAGR exceeding 20% (Rationalstat LLC, 2023). In addition to food delivery, Nigeria's broader delivery ecosystem includes groceries, pharmaceuticals, retail products and a flourishing courier express and parcel market, which also benefits from the e-commerce boom. Last-mile delivery, a critical component connecting distribution centres to consumers, is expected to grow substantially.

Africa's last-mile delivery market is expected to more than double from about $1.34 billion in 2023 to nearly $2.78 billion by 2032, with a CAGR of 8.45% (Straits Research, 2023).

The boom in e-commerce has been a major catalyst, with platforms such as Jumia, Konga and PayPorte relying heavily on efficient delivery networks to meet consumer demand. Additionally, the increased usage of smartphones allows Nigerians to order food and services conveniently.

At the same time, many consumers prefer delivery services over traditional commuting because of rapid urbanization and traffic issues. The rise of the digital economy has contributed to this growth as many couriers work under flexible arrangements with different platforms. Urbanization, coupled with the development of a burgeoning middle class, has boosted demand for time-saving services, especially on-demand deliveries of meals and packages.

Technological advancements are crucial in transforming the landscape, with mobile apps offering real-time tracking, seamless payment options and personalized experiences that enhance consumer confidence. The pandemic accelerated this shift, prompting a rapid transition from traditional dining and shopping to online ordering, which has continued even as restrictions have eased.

One of Africa's largest internet markets, with more than

205 million

mobile connections

Online sales now make up

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Nigeria has between 25 million and 40 million smartphone users, with more than

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Mobile internet penetration in Nigeria is expected to reach

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Africa's last-mile delivery market is expected to more than double to nearly

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Key characteristics of the sector include technology-driven solutions that prioritize efficient last-mile delivery, a consumer-centric approach designed to meet the demands of modern consumers and a wave of market innovation as start-ups and established companies explore new delivery models. This sector creates jobs and stimulates local economies, contributing to Nigeria's broader economic growth and digital transformation.

Several major segments have emerged within the on-demand delivery sector, such as food delivery, parcel and e-commerce logistics, and grocery delivery. Food delivery businesses include Chowdeck, FoodCourt and Heyfood and global players such as Glovo that are expanding their operations. The logistics segment features Kwik Delivery and Gokada. In the grocery delivery market, partnerships with major retailers such as Shoprite have helped Glovo and other platforms carve out their space, showcasing the diverse and rapidly evolving nature of this industry in Nigeria.

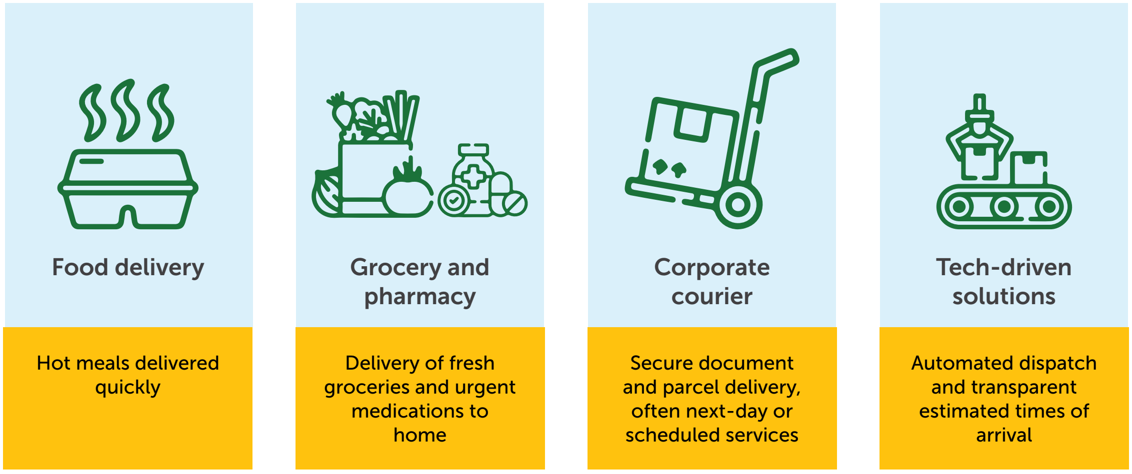
CHAPTER 2

Exploring business opportunities

Starting a delivery business in Nigeria offers many opportunities for entrepreneurs, driven by the growing demand for fast and reliable logistics services. As more Nigerians embrace online shopping, digital banking and app-based services, consumer behaviour is shifting towards greater convenience. In response, businesses are adapting by providing tech-enabled solutions to meet these evolving expectations.

For example, many restaurants now use platforms such as Chowdeck, Burger King Nigeria, Mano and Glovo to deliver food. Additionally, retailers leverage e-commerce to expand their customer base and enhance service accessibility. Various niches in the delivery sector – such as food delivery, last-mile logistics and e-commerce support – offer attractive opportunities for growth and innovation. Figure 2 presents the primary delivery services and the opportunities they bring.

Figure 2: Delivery service opportunities



Source: ITC.

Food delivery services

Nigeria's online food delivery market comprises digital platforms that enable consumers to order meals from restaurants through websites or mobile apps for doorstep delivery. Nigeria's rich food culture, the rising popularity of dining out and the emergence of dark kitchens[1] have driven the sector's growth (Rationalstat LLC, 2023). Partnerships with local restaurants support local economies and meet the demand for fast and convenient meal options.

Despite the exit in 2023 of major international players such as Jumia Food and Bolt Food (Jumia Group, 2023), consumer interest in online food delivery remains high, indicating a resilient and growing domestic market. Start-ups such as Chowdeck are capitalizing on this opportunity, highlighting the sector's potential.

Nigeria's online food delivery market is projected to generate $2.11 billion in revenue by the end of 2025,[2] with an expected CAGR of 8.61% (Statista, 2024). Revenue could reach $2.94 billion by 2029 (Statista, 2024). As of March 2024, Chowdeck had recorded 140% year-over-year growth, achieving a monthly gross merchandise value topping ₦2.4 billion ($1.6 million) (Nnaemeka, 2024). With a fleet of 6,000 motorbike riders in cities such as Lagos, Abuja and Ibadan, the company makes more than 14,000 deliveries daily (Nnaemeka, 2024).

[1] A dark kitchen is a commercial kitchen that prepares food for delivery or takeout, without a public space.
[2] Statista's revenue figures are gross merchandise value.

Chowdeck has diversified revenue channels, including restaurant commissions and service fees. This model supports both rider compensation and long-term business viability. The company maintains high customer satisfaction by ensuring speedy service, with an average delivery time of 22–30 minutes. Chowdeck competes with international and local firms such as Glovo and Mano, which continue to adapt their offerings to meet consumer expectations.

Food delivery services focus on last-mile delivery. Every competitive advantage, ranging from Chowdeck's 30-minute drop times to partnerships with dark kitchens, relies on delivering hot meals quickly and cost-effectively to the customer's doorstep. Entrepreneurs entering the space can consider several strategies:

- Launching region-specific delivery platforms targeting underserved communities
- Partnering with restaurants and cloud kitchens for exclusive delivery deals
- Piloting an on-demand courier pool (idle riders from neighbouring restaurants who can be surged onto the platform during peak hours) to stabilize delivery capacity while avoiding full-time payroll costs.
- Creating subscription-based meal plans for busy professionals
- Building brand partnerships similar to Chowdeck's collaborations with Chicken Republic and Shoprite to enhance visibility and market penetration (Mutisi, 2024)

Emerging players now pair artificial intelligence route-optimization dashboards with a delivery aggregator so every new order is automatically matched to the cheapest available rider who can still meet a 30-minute service-level agreement. This control-tower layer keeps wait times low during traffic spikes and enables smaller restaurants to join the platform without investing in their fleets.

Table 1: Opportunities and challenges in the delivery sector (food)

Opportunities	Challenges
Rapid growth in Nigeria's food delivery sector presents opportunities for newcomers and existing companies.	The market is highly competitive, with numerous players, making service differentiation challenging. This may lead to a price war, which can affect the bottom line (profit margin).
Offers convenience that enables busy consumers to enjoy meals from different restaurants without dining out.	Managing deliveries and customer service can be challenging, especially with a large fleet.
Revenue can be diversified through restaurant commissions, service fees and subscription plans.	Dependence on technology means outages can disrupt services and hurt satisfaction.
Supports local restaurants and boosts community economic growth.	Consumer preferences and economic changes can influence spending on food delivery.
Demand is consistent due to the cultural emphasis on food and the rise of cloud kitchens.	Local regulations can be complex, particularly regarding food safety and gig worker laws.

Source: ITC based on field research.

Delivery services for groceries and pharmacy

Delivery services for groceries and pharmacy items are also in high demand, especially in a climate where convenience and safety are priorities. Mano, a grocery delivery start-up of Angolan origin, has made a strategic foray into the bustling food delivery sector of Lagos and Abuja. Launched in Nigeria in 2022, Mano initially focused on delivering groceries and household appliances from its strategically located dark kitchens in the states where it operates. Now, the start-up is positioning itself to vie for market share with well-established food delivery players such as Chowdeck and Glovo.

This illustrates how a business can begin small, targeting a specific market segment, and gradually expand based on client demand and reputation. In the case of Mano, an innovative service model that enables customers to monitor their delivery process actively has enabled the company to enter the food delivery market. It promises efficient delivery services within a 10-kilometre radius of its affiliated restaurant partners.

The grocery delivery market is expanding as more people opt for online shopping, although reliable options are still limited. Opportunities include fresh food deliveries from local markets, express grocery services in densely populated areas and business-to-business delivery services for supermarkets and restaurants.

The pharmacy and medical supplies delivery sector is promising. As indicated in several studies (Ebugosi & Olaboye, 2024), many Nigerians struggle to access urgent medications due to the limited number of pharmacies compared to the population size. This opens the door to ideas such as a pharmacy-to-home service for prescription drugs and a specialized delivery system for cold-chain medicines.

Here, the operational challenge expands beyond speed alone to cold chain logistics, which involves maintaining a specific temperature control for insulin, vaccines and certain types of fresh produce. Start ups that integrate Internet of Things temperature sensors and solar-powered mini reefer bikes can capture a premium segment that traditional riders cannot serve, as fresh food and medicine spoil in traffic when not kept cool.

Partnerships are crucial for this business. Such alliances also open doors to third-party logistics contracts, where the delivery firm manages inbound receiving, storage and nationwide distribution for pharmacy chains. By partnering with supermarkets and pharmacies, delivery businesses can meet essential needs while building trust with customers.

Table 2: Opportunities and challenges in the delivery sector (groceries and pharmacy)

Opportunities	Challenges
Convenience of shopping for groceries and pharmaceuticals from home, as well as improved access for people with mobility issues or living in remote areas.	Complicated delivery routes can arise in busy areas, and additional delivery fees can deter customers.
The growing online shopping trend offers potential for growth in this sector and tracking services such as Mano enhance delivery transparency.	Product selection may be limited compared to physical stores and maintaining freshness and quality during delivery is a significant challenge.
Collaborating with local stores can enhance trust and expand the variety of services offered.	New services must build trust, especially in the pharmaceutical sector, and any technical issues with apps or websites can frustrate users.
Options for specialized delivery, such as urgent medications.	A saturated market makes it difficult for new entrants to compete.

Source: ITC based on field research.

Corporate and document, parcel and e-commerce delivery services

Corporate and document delivery services present a strategic growth opportunity for enhancing operational security. While major players such as DHL and FedEx dominate this segment, entrepreneurs who build a solid reputation for reliability among law firms, banks and government offices can secure long-term contracts and consistent revenue streams.

Despite established competition, meaningful opportunities continue to emerge, especially in urban areas for local and interstate deliveries. A review of businesses operating in the sector shows that the delivery services landscape in Nigeria is heavily concentrated in major cities such as Lagos and Abuja, leaving opportunities in rural and underserved areas. Many small towns struggle with logistics and lack reliable delivery options, indicating a major market gap. Returnees are encouraged to explore this untapped potential, where entry barriers are lower than in bustling urban centres.

Additionally, online merchants are seeking more than just basic delivery; they need reliable e-commerce warehousing, packaging and pick-pack services positioned close to their customer base. By establishing micro-hubs in secondary cities, delivery times can be greatly improved, reducing the promise of three-day delivery to next-day service.

Potential opportunities in this field include a motorbike courier service for urgent document deliveries, subscription plans customized for businesses and a digital tracking system to enhance transparency in the delivery process. The parcel and e-commerce logistics segment is evolving rapidly as online shopping becomes more popular. As more Nigerians turn to online retail, efficient and reliable delivery services stand to benefit.

Table 3 : Opportunities and challenges in the document, parcel and e-commerce delivery sector

Opportunities	**Challenges**
Growing online shopping boosts demand for delivery services.	Established companies including DHL and FedEx dominate urban markets.
Opportunities exist in rural areas with limited logistics. Less competition in smaller towns than in urban centres.	Challenges in rural areas include poor infrastructure and transportation issues. Risks of package loss and delays can harm reputation.
Reliable service can attract long-term contracts with businesses and government agencies.	Significant upfront investment is needed for vehicles, technology and marketing.
Potential for specialized services, such as motorbike couriers and tracking systems.	Complex legal regulations for logistics and delivery services.

Source: ITC based on field research.

Several business ideas could be pursued to capitalize on this opportunity:

- Establishing regional delivery hubs tailored for smaller cities, which would improve accessibility to smaller cities, enhance accessibility.
- Creating a franchise model could empower local entrepreneurs to manage delivery services in their towns.
- Offering affordable delivery solutions tailored for farmers and traders could support local economies.
- Creating affordable delivery solutions specifically designed for farmers and traders could provide valuable support to local economies. Setting up physical retail locations or small depots that are stocked with a limited selection of goods on the outskirts of state capitals can help pre-stage fast-moving e-commerce items, reducing rural delivery lead times from three to five days to just the next day. This strategy would also double rider productivity on their return trips.
- Offering fleet-as-a-service contracts, along with short-term rentals and maintenance for vans or motorbikes, could assist small and medium-sized enterprises (SMEs) that face seasonal spikes in demand but may struggle to finance their vehicles. Overall, these initiatives could greatly enhance delivery efficiency and support local businesses.

Tech-driven solutions and smart logistics

The Nigerian on-demand delivery sector is poised for significant innovation driven by technology and smart logistics. Many delivery companies heavily rely on manual processes and lack digital tracking, presenting an opportunity for disruption as consumer expectations for speed and reliability rise.

Companies that leverage technology to enhance last-mile logistics are poised to capitalize on this growing demand. Key areas ripe for development include enhanced digital platforms, automation and innovative solutions. An exciting prospect in this landscape is a tailored online tool for independent dispatchers.

The business ideas in this sector include developing an innovative dispatch system that leverages artificial intelligence for route optimization, a real-time customer tracking application and an Uber-style logistics platform connecting independent riders with delivery requests. These initiatives hold the potential to fill market gaps, making them attractive opportunities for start-ups and investors.

Some businesses are already gaining traction in this space. For example, Chowdeck is leveraging technology to optimize connections between customers and riders, as well as sophisticated logistics solutions, which are crucial for maintaining competitiveness (Ojukwu, 2024).

To expand their revenue stream in the long term, founders can also monetize the data they collect by developing fleet solutions modules, such as predictive maintenance dashboards and usage-based leasing plans, thereby creating a second revenue line alongside pure software fees.

Table 4 : Opportunities and challenges of technological support to the delivery sector

Opportunities	Challenges
Technology streamlines operations, accelerating and enhancing delivery accuracy. Artificial intelligence for route optimization, for example, can reduce costs and improve delivery times.	High upfront investment for technology and a high level of knowledge can be a barrier for start-ups.
Real-time tracking enhances customer satisfaction through transparency.	New businesses may struggle to navigate local regulations.
Demand is strong for innovative solutions in a traditionally manual market, creating opportunities for start-ups.	Rapid innovation can lead to intense competition, making market entry difficult.
Various service models, such as ride-sharing for logistics, offer flexible monetization options.	Increased reliance on technology poses risks, including outages and cybersecurity threats.
Tools for independent dispatchers can support growth in the gig economy.	Some customers may resist digital solutions, limiting market reach.

Source: ITC based on field research.

A robust logistics set-up is essential for any niche. The right vehicles, effective dispatch systems and real-time tracking enhance customer experience and build brand trust. No journey is complete without the necessary groundwork – registering the business and obtaining the required permits is crucial. This process legitimizes the company operations and builds credibility among clients.

A well-trained, reliable team further differentiates the company's service in a competitive market. Lastly, effective marketing strategies, including social media engagement and community partnerships, can help the company become known for reliability and excellence.

Box 1: Steps to start a delivery business in Nigeria

Choose your niche and decide which type of delivery service to offer

- For food delivery, returnees are urged to partner with restaurants and cloud kitchens
- Parcel and e-commerce logistics are advised to work with online stores and Instagram vendors
- Grocery and pharmacy delivery serves supermarkets, pharmacies and hospitals
- Corporate and document delivery to law firms, banks and government offices

Get the proper logistics set-up

- Delivery vehicles: motorcycles (okadas), bicycles (for urban areas), vans (for larger items)
- Use Google Maps, WhatsApp business or build an on-demand as app dispatch software/app
- Customers appreciate real-time delivery tracking

Register your business once you have tested your idea

- Register with Corporate Affairs Commission
- Get a logistics permit from the Nigerian Postal Service or your state transport agency
- Open a corporate bank account for transactions

Build a reliable team

- Hire experienced dispatch riders who know city routes
- Offer customer service training for professionalism
- Consider outsourcing to independent riders (like Uber for delivery)

Market your business

- Social media marketing with use of Instagram, X and WhatsApp for visibility
- Google My Business helps customers find you easily
- Partnerships work with small businesses, restaurants and e-commerce stores
- Offer discounts for first-time customers to attract users

CHAPTER 3

Key players and regulatory environment

Relevant institutions supporting returnee entrepreneurs

Policy network (regulatory and policy institutions)

Policy networks that include regulators, government agencies and industry representatives are essential in Nigeria's delivery sector. They greatly impact the industry through their roles in regulation, infrastructure development and funding. Some agencies are dedicated to enhancing digital infrastructure and data management, which are critical for logistics and e-commerce. Meanwhile, other institutions provide general support for the sector. Together, these organizations foster a more conducive environment for delivery services to flourish.

Table 5: Public-sector and government agencies in the delivery sector

Organization	Role and engagement strategy	Relevance to new entrants
Courier Regulatory Department	Issues and monitors licences and permits for courier and on-demand delivery operators, enforces safety and compliance standards.	New entrants must secure a licence to operate legally.
National Information Technology Development Agency	Develops and enforces information technology policies, cybersecurity standards and data protection protocols. Supports digital platform innovation through grants and guidelines.	Helps new tech-enabled delivery start-ups align with national digital strategies and access funding or mentorship programmes.

Organization	Role and engagement strategy	Relevance to new entrants
Federal Competition and Consumer Protection Commission	Enforces consumer rights, ensures transparency and monitors service quality across industries, including logistics and delivery.	A regulated environment increases customer trust. New entrants should comply with the commission's guidelines to maintain high service standards and fair pricing.
Local government authorities / municipal licensing boards	Issue operational permits and local licences (e.g. vehicle permits, zoning approvals) necessary to run a delivery service in municipalities.	New entrants must navigate local permit processes to operate in specific cities. Engaging with local government authorities ensures legal operation at the local level.
Bank of Industry	Provides financial support, including grants and low-interest loans, to Nigerian start-ups and SMEs in various sectors, including logistics.	New entrants can secure funding and business development support to scale operations, reducing initial capital barriers.
Small and Medium Enterprises Development Agency of Nigeria	Offers training, mentorship and capacity-building programmes tailored to SMEs; facilitates networking and business growth initiatives.	Supports the development of operational and managerial skills. New entrants benefit from mentorship and resources to enhance their competitiveness.

Source: ITC based on field research.

Private sector and industry players

Major delivery companies are striving to meet growing consumer demand in Nigeria's highly competitive landscape. Jumia, Chowdeck, Mano and Glovo are among the companies working to innovate and address operational challenges.

Table 6: Private-sector and industry stakeholders

Company/ organization	Short description	Relevance to new entrants
Jumia www.jumia.com.ng/	Nigeria's largest e-commerce platform operates more than 20 warehouses and 1,600 pickup stations, providing end-to-end fulfilment and last-mile delivery through 300 partners. Since opening its logistics to third parties in 2020, Jumia has improved access in remote areas. The platform provides a comprehensive e-commerce experience, featuring integrated logistics and payment solutions that appeal to consumers and small businesses through promotions and a diverse product selection. As one of Africa's earliest and most prominent online marketplaces, Jumia has built trust and visibility while supporting SMEs.	Due to its extensive logistics network, Jumia sets high standards for delivery expectations among new e-commerce entrants. Competing requires finding a niche or offering a superior service, as matching Jumia's scale is challenging. New retailers can use Jumia's logistics-as-a-service for fulfilment or partner with it to leverage its reach. Ultimately, they must strategize around Jumia by collaborating with its network or differentiating through faster local delivery or speciality products.
Konga: www.konga.com	Konga is a leading e-commerce platform in Nigeria, recognized for its extensive delivery network that seamlessly integrates online retail with express courier services. It prioritizes reliable customer support and offers fast delivery, including same-day service in Lagos. With physical stores for order pickup and a third-party marketplace model, Konga provides many buying options. Its delivery network ensures dependable service and the pay-on-delivery option boosts trust in a cash-preferred market. KongaPay further enhances operational efficiency, making it a comprehensive online shopping solution in Nigeria.	New entrants can collaborate with Konga's marketplace or logistics services. To compete, they should focus on faster delivery or unique products, as Konga offers many options. Start-ups targeting delivery could partner with Konga for last-mile solutions or compete in areas where Konga's services are slower or more expensive, creating opportunities for agile entrants.

Company/ organization	Short description	Relevance to new entrants
Chowdeck www.chowdeck.com	Chowdeck, which launched in October 2021, has quickly established itself as a major player in Nigeria's food delivery industry, serving 600,000 customers across eight cities. With a robust network of more than 6,000 drivers, the company has effectively met the rising demand for its services. Chowdeck's recent acquisition of $2.5 million in seed funding will enhance its delivery operations and expand its market reach, underscoring its ambitious growth plans in the logistics sector. The company specializes in food delivery, catering to both local and chain restaurants in densely populated areas such as Lagos and Abuja. It is known for its fast delivery times, real-time tracking and user-friendly ordering process.	For new entrants or logistics start-ups, Chowdeck presents multiple strategic pathways. Firms can explore partnerships with Chowdeck as fulfilment agents in less saturated cities or integrate through application programming interface-based delivery support for restaurants. Alternatively, there is room to compete by focusing on underserved areas, niche cuisine or broader grocery delivery services – spaces that Chowdeck has yet to penetrate fully. Players with expertise in cold-chain logistics or predictive demand routing may gain an edge by offering reliability in areas where Chowdeck's scale is still maturing.
Mano www.manoafrica.com	Mano, an Angolan grocery delivery start-up, has expanded into food delivery in Lagos and Abuja. The company allows real-time order tracking and services a 10-km radius from its restaurant partners. Specializing in fast-moving consumer goods such as groceries and personal care items, Mano targets middle-class urban consumers who value convenience. By managing its own logistics, the company ensures quicker and more reliable delivery for city residents.	New companies can provide last-mile delivery services for Mano in underserved areas. They can partner with Mano as regional logistics subcontractors, focusing on locations not well covered, such as smaller cities or emerging regions. Additionally, they can offer well-managed fleets of riders or on-demand delivery bikes.
Glovo www.glovoapp.com	Glovo is a delivery platform operating in Lagos, Ibadan, Port Harcourt and Abuja. It offers food, groceries, drinks, pharmacy items and gifts. The app is designed for fast, on-demand service, catering to busy urban lifestyles. It partners with local businesses to expand their reach without requiring them to establish their own delivery systems. Glovo's strengths include its multi-category service, quick deliveries and strong local partnerships.	New entrants can collaborate with Glovo's marketplace or logistics services. For returnees, Glovo can offer an opportunity to become riders or partners; it also offers an employment path.

Company/ organization	Short description	Relevance to new entrants
Gokada www.gokada.ng/	Gokada is a Lagos-based logistics provider transitioning from ride-hailing to last-mile delivery solutions. With more than 1,200 motorcycle riders, it offers quick, on-demand services through a mobile app and is developing a app that includes e-commerce and food delivery. Serving 30,000 businesses and processing more than 1 million orders annually, Gokada is known for its reliable motorcycle delivery, ideal for Nigeria's congested cities. It is also expanding into multi-category on-demand services, catering to both business-to-business and business-to-consumer markets.	New delivery start-ups can learn from Gokada's success in Lagos by targeting niche markets or partnering with the company for same-day deliveries. Competing could involve focusing on under-served regions or offering specialized services. Investing in driver training and leveraging Gokada's network can also aid growth.
Kwik Delivery [www. kwik.delivery.com](www.kwik.delivery.com)	Kwik is a last-mile delivery company established in 2019 in Nigeria, offering efficient urban delivery services in cities like Lagos, Abuja, and Ibadan. Specialising in on-demand deliveries via bike couriers and vans, Kwik guarantees fulfilment within two hours. The company also features a user-friendly app for tracking deliveries. In addition to its core delivery services, Kwik supports SMEs and e-commerce businesses by providing warehousing and fulfilment solutions.	New entrants can use Kwik's platform for same-day delivery, target previously uncovered areas, focus on niche markets or offer lower prices and enhanced support. They could join Kwik as delivery partners or adopt its tech-driven logistics. To compete, they should match Kwik's service standards, such as 2-hour deliveries, or differentiate with broader coverage or specialized services.
Kobo360 www.kobo360.com	Kobo360 is a logistics platform launched in 2017 that connects businesses with trucking services in Nigeria and West Africa. Focused on business-to-business logistics, it aggregates trucks for long-haul transport and provides supply-chain solutions, particularly for e-commerce businesses needing bulk goods transportation. By using digital freight matching, Kobo360 optimizes truck use and reduces supply-chain inefficiencies, playing a vital role for manufacturers, importers and exporters in regional trade.	New start-ups can partner with Kobo360 or target niche markets to avoid direct competition. By adopting Kobo360's model of aggregating logistics capacity, these start-ups can scale quickly and innovate in the industry.

Source: ITC based on field research.

Regulatory environment

In October 2023, the Federal Ministry of Communications, Innovation and Digital Economy unveiled its 2023–2027 Strategic Plan aimed at enhancing national productivity through technological advancement (Umo, 2023). The plan is structured around five core pillars: knowledge, policy, infrastructure, innovation and entrepreneurship, capital and trade.

Key targets under the infrastructure pillar include achieving 75% of fibre optic deployment and reaching 90% broadband penetration by 2027. The strategy also sets a goal of raising $5 billion annually for tech start-ups and increasing the number of locally domiciled tech companies by 25%. Under the trade pillar, the ministry plans to improve Nigeria's ranking on the Economic Competitiveness Index from the 99th to the 75th percentile and boost intra-African trade by 500% by 2027 (GSMA, 2024).

Several regulatory and compliance requirements are critical for courier and on-demand delivery services in Nigeria.

- One of the key obligations is obtaining a licence from the Courier Regulatory Department through the Federal Ministry of Transportation. This licence is essential to operate legally across all service segments and ensures adherence to national courier standards.
- Local government permits are also necessary across all segments. These operational permits, which include vehicle permits and business operation licences, must be secured at the municipal level to avoid fines and legal disputes, making them crucial for new entrants. For digital platforms, compliance with the Nigeria Data Protection Regulation is vital. This regulation governs consumer data collection, storage and processing, ensuring that new tech-enabled services protect customer information and foster trust.

Table 7: Licence fees paid by logistics companies in Nigeria

Category	Licence fee (₦)	Renewal fee (₦)	Scope of licence
International courier	20,000,000	8,000,000	Logistics services across international borders
National courier	10,000,000	4,000,000	Logistics services nationwide
Regional courier	5,000,000	2,000,000	Logistics services within a geo-political zone in Nigeria (e.g. South-West geopolitical zone)
State courier	2,000,000	800,000	Logistics services in a state
Municipal courier	1,000,000	400,000	Logistics services in a particular city
Special SME courier	250,000	100,000	For logistics services that operate in a particular city and have no more than five motorbikes/motorcycles

Source: Ntege Lubwama, 2022.

Note: Renewal fees are annual.

- Specific sectors – such as groceries, food delivery services and pharmacies – must register with the National Agency for Food, Drug Administration and Control (NAFDAC). Registering ensures that food and pharmaceutical products meet safety standards and is imperative to maintain consumer confidence, especially when handling perishable goods and medications.
- Compliance with the Pharmacists Council of Nigeria is critical in the pharmacy and medical delivery sectors. This includes adhering to standards for the proper handling, storage and transport of pharmaceuticals to avoid legal penalties and ensure the safe delivery of medications.
- All service segments involving physical delivery must comply with the vehicle and driver licensing requirements set by the Federal Road Safety Corps and the relevant state transportation departments. This includes ensuring that commercial vehicles are registered and subject to regular inspections, thereby preventing operational delays and legal issues.
- Consumer protection compliance is crucial for e-commerce and delivery platforms to maintain transparent pricing and reliable services while safeguarding consumer rights. Adhering to guidelines set by the Federal Competition and Consumer Protection Commission builds customer trust and mitigates the risks of reputational damage.
- Lastly, sectors dealing with sensitive products, such as pharmaceuticals, vaccines and perishable groceries, must meet the cold chain and temperature standards stipulated by NAFDAC and relevant health agencies. New entrants in these segments must invest in reliable monitoring systems to maintain the required temperatures for sensitive goods.

Figure 3: Regulatory compliance for delivery services

Source: ITC.

CHAPTER 4

Challenges and barriers for entrepreneurs

While Nigeria's e-commerce market presents an exciting opportunity, there are challenges. The logistics and delivery sector faces entrenched structural challenges that constrain efficiency and limit scalable growth. These include the following:

- Poor road infrastructure leads to traffic congestion and delivery delays.
- Logistics infrastructure and concerns about online financial fraud can lower consumer confidence in online shopping.
- High fuel prices and operational costs complicate the economic viability of delivery services.
- Regulatory uncertainty, particularly surrounding motorcycle bans (also known as okada bans), complicates the landscape for logistics companies.
- Security concerns make riders and parcels vulnerable to theft and fraud.
- Intense competition requires companies to innovate and invest continuously in new technologies.
- Food delivery grapples with high operational costs and complex partnerships with restaurants.
- Parcel and e-commerce sectors contend with poor road conditions that increase delivery delays and security risks.
- Grocery delivery must address issues such as fresh food storage and customer trust.
- The labour landscape is predominantly informal; most riders work as gig workers without formal contracts, social protection or stable wages. Earnings vary widely, with many operating under precarious work and pay arrangements. SMEs must navigate hurdles such as onboarding enough riders to meet demand and ensuring efficient delivery times, which are crucial for customer satisfaction.
- The economic landscape has a major impact on SMEs, with high food inflation affecting their pricing strategies. Companies including Chowdeck have retained their user base by highlighting the convenience and efficiency of their services (Nnaemeka, 2024).

- While other platforms rely on discounts, SMEs seek to optimize their business models for sustainability by minimizing discounts and ensuring profitable unit economics (Nnaemeka, 2024).
- On-demand delivery start-ups face significant infrastructure challenges. Many Nigerians lack proper addresses, complicating delivery in rural areas. Additionally, Google Maps is often inaccurate, forcing drivers to depend on customers' landmark descriptions, which slows down the delivery process.
- Many obstacles prevent informal firms from formalizing their operations. Registering a business involves multiple steps with high fees payable to the government. Once registered, a company is likely to be subject to other types of regulatory or licensing rules and to pay taxes – all of which raises the cost of doing business.

Box 2: Practical tips to overcome entry barriers, including

- Collaboration with fleet leasing companies for on-demand bikes and vans is crucial. Engaging with government agencies and non-governmental organizations can enhance health logistics and provide essential support.
- Use various financial resources such as grants, fintech loans, and cooperative funding models, especially through pay-as-you-go fleet and leasing options.
- Partner with local transport providers to expand your reach and optimize routes for greater efficiency.
- Implement proactive vehicle maintenance strategies to reduce costs.
- Use technology to establish a real-time tracking and feedback system to enhance operational effectiveness.
- Streamline regulatory compliance processes to avoid delays and penalties.
- Prioritizing sustainable business models involves minimizing discounts to ensure profitable sales. This creates a healthier bottom line and supports long-term success.
- Using platforms such as WhatsApp for quicker communication with customers can improve service delivery. Training riders to navigate using landmarks rather than street addresses can streamline the logistics process.
- In areas with difficult road conditions, the use of tricycles (keke) ensures timely deliveries.
- Implementing cash-on-delivery options and verified mobile app payments can help reduce fraud.
- Creating local hubs can enhance delivery speed. Partnering with petrol stations for bulk fuel discounts can lower operational costs.
- Introducing additional services such as grocery shopping and bill payment can generate extra revenue streams.
- Exploring opportunities in cities including Ibadan, Benin, Enugu and Kano offers a chance to establish a strong presence in less competitive areas.

CHAPTER 5

Labour Market Insights

Nigeria's on-demand delivery sector has become an important source of employment for many young people, driven by the rise of e-commerce and urban logistics. Firms across various industries are increasingly hiring delivery riders to streamline their operations and meet growing consumer demand.

The rapid growth of the on-demand delivery sector coincides with a lack of official data on workforce size, income and employment conditions, underscoring the need for improved tracking, enhanced worker protections and formalization strategies.

Job opportunities, expected income and skill requirements

Table 8: Key job roles in the delivery services sector

Job role	Salary range (NGN)	Job description	Responsibility and skills
Bicycle delivery rider	70,000	Ability to handle timely and professional delivery of packages, documents and small items to customers in designated areas in Lagos.	Must be comfortable riding a bicycle. Familiarity with city roads and neighbourhoods. Ability to work in all weather conditions. Must have good communication and interpersonal skills. A strong sense of responsibility and time management. Basic smartphone literacy for tracking and updates.

Job role	Salary range (NGN)	Job description	Responsibility and skills
Delivery driver	50,000 – 150,000	Check the delivery schedule, load the vehicle according to the route and deliver packages and goods to customers.	Key requirements include a valid driving licence, smartphone literacy, knowledge of local routes and time management skills. Responsibilities include vehicle maintenance, safe package delivery, address verification, package sorting, record-keeping, gathering signatures, reporting delays and providing excellent customer service, all while ensuring a clean vehicle and undamaged packages.
Dispatch/ logistic coordinator	80,000 – 200,000	Assigns delivery tasks, manages driver schedules and optimizes routes for efficiency.	Excellent organizational and communication skills, proficiency with GPS/routing software, problem-solving, and ability to handle multiple tasks simultaneously.
Operations manager	300,000 – 800,000	Oversees daily operations, ensuring smooth workflow, timely deliveries and ensuring financial stability	Leadership, strategic planning, experience in logistics or delivery operations, process optimization and strong decision-making abilities.
Customer service representative	60,000 – 150,000	Handles customer inquiries, feedback, and resolves delivery-related issues.	Strong communication skills, empathy, conflict resolution, problem-solving, and ability to work under pressure. Act as the primary client contact, managing inquiries and customer orders while ensuring a smooth experience and follow-ups.
Data analyst	150,000 – 500,000	Analyses delivery data to identify trends and improve operational efficiency.	Proficiency in Excel, Structured Query Language or similar tools, data visualization, analytical thinking, attention to detail and the ability to turn insights into actionable strategies.
Software developer/ information technology engineer	250,000 – 800,000	Develops and maintains the delivery platform (mobile apps/websites) and information technology systems.	Proficiency in programming languages (e.g. Python, JavaScript), understanding of mobile app frameworks, software development best practices and system troubleshooting skills.
Digital marketing/ social media specialist	100,000 – 300,000	Promotes the service, manages digital presence and drives customer engagement.	Digital marketing expertise, social media management, content creation, creativity, campaign planning and analytical skills to track marketing effectiveness.

Source: The information in the table is derived from job advertisements and explicit listings published on Hot Nigerian Jobs, Jobberman, and indeed.com.

Table 9: Training and education providers

Training providers	Mission	Relevance (opportunities)
Lagos State Employment Trust Fund	Provides funding, grants and business support initiatives to promote job creation and local entrepreneurship in Lagos.	Significant for start-ups in Lagos, as emerging businesses can take advantage of funding initiatives designed to ease capital limitations and facilitate operational growth.
Co-Creation Hub	Serves as an innovation incubator, offering workspace, mentorship and networking opportunities for tech start-ups in Nigeria.	New delivery startups can leverage the hub's ecosystem for guidance, market connections and potential funding opportunities.
Fate Foundation	Founded in 2000 to help aspiring and emerging Nigerian entrepreneurs start, grow and scale their businesses, driving job creation, economic development and social impact.	Aspiring entrepreneurs can gain valuable insights into how to manage their start-up businesses effectively.

Source: ITC based on field research.

Box 3: Practical nuggets to attract, improve and retain talent in the workforce

- Use financial technology (fintech) tools such as Wallets Africa or Flutterwave for seamless rider payments. Incentivize with bonuses tied to delivery performance and consistency.
- Through partnerships, offer health maintenance organization plans and accident insurance (e.g. via Curacel or Octamile) and provide essential gear including helmets, jackets and raincoats.
- Build team morale with branded uniforms, rider IDs and respectful communication (structured feedback over punitive actions).
- Equip riders with digital tools, customer service training and career paths (e.g. senior rider to hub manager).
- Source talent through tech hubs (e.g. Andela, Decagon) and local communities. Encourage referrals with bonuses for long-term hires.
- Use WhatsApp Business for daily coordination, feedback polls for continuous improvement and monthly recognition (e.g. 'top rider' shoutouts, airtime gifts).

CHAPTER 6

Financial aspects

Investment requirements

Starting an on-demand logistics business in Nigeria, specifically in Lagos, Abuja and Benin, involves a comprehensive understanding of various estimated start-up costs. As of 2025, these estimates are informed by current market data, insights from industry experts and the regulatory landscape. It is essential to consider these factors carefully to ensure a successful launch in each of these cities.

Table 10: Licence category and cost

Category	Licence fee (₦)	Renewal fee (₦)	Scope of licence
National courier	3,000,000	625,000	Nationwide operations
Regional courier	2,000,000	437,500	Operations within a geopolitical zone
State/special: SME courier	250,000	100,000	Intrastate operations with multiple motorcycles

Source: Starr Attorneys (2024), Techpoint News (2020).

Table 11: One-time start-up costs (city-specific)

Details	Lagos (₦)	Benin (₦)	Abuja (₦)	Remarks
Business registration	₦150,000 – ₦200,000	₦50,000 – ₦100,000	₦100,000 – ₦150,000	This includes available name check, legal fees and documentation
Office set-up	₦300,000 – ₦500,000	₦200,000 – ₦400,000	₦400,000 – ₦700,000	These are estimates on computers, furniture and office accessories
Rent or shared space	₦200,000 – ₦1,000,000	₦150,000 – ₦500,000	₦200,000 – ₦800,000	Annual cost: Lagos is the busiest economic city in Nigeria and there is a lot of competition for limited space.
Motorcycle	₦,800,000 – ₦1,200,000	₦,800,000– ₦1,200,000	₦,800,000– ₦1,200,000	New cost
Small van	₦7,000,000 – ₦10,000,000	₦4,500,000 – ₦10,000,000	₦6,500,000 – ₦10,000,000	Used and new vehicles
Rider fuel and maintenance per bike	₦30,000 – ₦50,000	₦30,000– ₦50,000	₦30,000 – ₦50,000	Fuel costs vary per city and by independent petroleum marketers.
Rider's pay	₦50,000 – ₦120,000	₦50,000 – ₦70,000	₦50,000 – ₦100,000	Commission pay per trip is variable. In-house training is also important.
Data and airtime	₦5,000 – ₦10,000	₦5,000 – ₦10,000	₦5,000 – ₦10,000	This covers for data for delivery app and close user group for communication
Insurance	₦5,000 – ₦15,000	₦5,000 – ₦15,000	₦5,000 – ₦15,000	This is an average monthly cost based on insurance plan i.e. theft, third-party accident, workers compensation (injury)
Marketing/ promotions	₦20,000 – ₦100,000	₦20,000 – ₦50,000	₦20,000 – ₦70,000	Branding and promotional materials (at the launch phase) including social media ads, gift packages for loyal customers
Renewal (app subscriptions)	₦20,000 – ₦100,000	₦20,000 – ₦100,000	₦20,000 – ₦100,000	The average cost of subscribing to an e-commerce platform based on niche customers.

Note: It is advisable to conduct a detailed business plan and consult with local experts to tailor these estimates to your specific needs and circumstances at the point of start-up.

Source: Prices from e-commerce platforms (Jumia,Jiji, etc.).

Table 12: Summary of start-up cost per set-up level

Set-up Level	Lagos (₦)	Benin (₦)	Abuja (₦)	Remarks
Micro (1 bike, home-based)	₦2.7m – ₦3.5m	₦2.3- ₦3.1m	₦2.5m – ₦3.3m	Common cost i.e. business registration, courier licence, recurrent expenses for three months including motorbikes with rent (12 months).
Standard (3 bikes + office)	₦7.1m – ₦7.8m	₦5.3m – ₦7.1m	₦6.1m – ₦6.8m	Includes office set-up with two additional bikes plus micro start-up cost.
Expanded (bike + van + staff + tech)	₦14.5m – ₦17m	₦10m – ₦12.5m	₦12.1m – ₦ 14.4m	This cost is at a scale-up level.

Note: It is advisable to conduct a detailed business plan and consult with local experts to tailor these estimates to your specific needs and circumstances at the point of start-up.

Source: ITC based on field research.

When starting a small-scale courier business, it is advisable to procure one to three motorcycles, each priced between ₦800,000 and ₦1,200,000. While buying used bikes may save money, they often require more frequent maintenance. Vans can be considered (depending on demand) but a used 20-ton truck, costing between ₦4.5 million and ₦7 million, comes with potential age-related maintenance risks (Madumere, 2024).

Obtaining a specialized SME Courier licence is crucial for operating in a city, with licensing fees varying depending on the level of business being established.
Local conditions, such as road quality and fuel prices, can significantly affect operations, as they often vary between cities. Recurrent operational expenditures include maintenance costs for vehicles, drivers' wages, union dues and potential retrofitting.
Fuel costs have risen; the average retail price of automotive gas oil (diesel) paid by consumers rose more than 59% on a year-on-year basis from ₦840.81 per litre recorded in March 2023 to ₦1,341.16 in March 2024. A 6.69% increase was recorded on a month-on-month basis, from ₦1,257.06 in the preceding month of February 2024 to an average of ₦1341.16 in March 2024 (NBS, 2024). This affected overall expenses. However, routes such as Lagos to Ibadan and Benin often yield higher profitability per kilometre due to relatively lower fuel and vehicle maintenance costs (Chikezie, 2025). In Lagos, where rent is higher and competition more intense, the strong demand and prevalence of smartphone-enabled operations such as Gokada and Kobo360 create viable opportunities in the market.

In summary, haulage in Lagos is profitable on shorter routes. Benin has lower costs with a slightly smaller market while Abuja has moderate costs, with diverse regulatory fees across the federal capital territory.

Available financing models

Funding in Nigeria's logistics and delivery sector is available through various channels, including government initiatives, private investments and fintech solutions. Chowdeck secured $2.5 million in seed funding from investors such as Y Combinator and business angels linked to Paystack and Rappi in 2024. This financial backing enabled the company to expand its operations across Nigerian cities and remain profitable when competitors including Jumia Food exited the market in late 2023. Chowdeck's focus on sustainability rather than heavy discounting has contributed to its resilience (Nnaemeka, 2024).

Despite such success stories, accessing funding remains challenging for many entrepreneurs due to bureaucratic processes and impractical collateral requirements, especially in the informal, early-stage delivery sector.

- Government-backed funding options include the Bank of Industry and the Central Bank of Nigeria, which provide loans and grants through platforms such as NIRSAL Microfinance Bank. In Lagos, the Lagos State Employment Trust Fund offers support tailored to local small businesses.

- Start-up incubators and accelerators also play a vital role. The Tony Elumelu Foundation provides African start-ups with $5,000 in seed capital while Lagos Innovates offers workspaces and additional resources. Venture capital firms such as Microtraction, which invests up to $100,000, and GreenHouse Capital, which focuses on fintech and logistics, provide additional support.

- Fintech lenders including Carbon, Renmoney, Branch, Opay and PalmPay offer fast, collateral-free loans, making financing more accessible to small businesses. Angel investors and networks such as Thrive Agric and Venture Platform further strengthen the ecosystem for early-stage companies.

While funding avenues are expanding, many start-ups still face barriers that necessitate systemic improvements to unlock the sector's potential fully.

Box 4: Practical tips for returnees interested in entering the sector

Secure smart financing
- Use loans and grants from Lagos State Employment Trust Fund, Bank of Industry and Development Bank of Nigeria
- Explore quick funding options from fintech lenders such as Lidya and Carbon
- Register your business early for better funding opportunities and customer trust

Start lean and scale wisely
- Begin with a small fleet (3–5 vehicles) and lease the vehicles to save costs
- Operate from small locations or even from home at first
- Use gig workers until your volume justifies hiring full-time staff
- Test your business model in one city before expanding

Focus on profitable niches
- Target in-demand delivery sectors such as food and groceries
- Consider subscription plans for steady income
- Explore less-competitive cities for better profit margins

Strengthen operations before marketing
- Build a reliable service to boost word-of-mouth
- Use basic logistics software rather than custom systems initially

Leverage strategic partnerships
- Collaborate with local businesses for consistent delivery volume
- Partner with fleet services during peak times to manage demand without hiring permanently

Manage people and performance
- Motivate riders with clear pay structures and performance goals
- Hire locally, provide branded gear and handle disputes quickly

Plan for hidden costs and compliance
- Budget for necessary expenses such as licences, insurance and maintenance
- Stay updated on local regulations to avoid fines

Box 5: Success story

Moses's career began with a series of positions he had at courier companies including World Courier, GMC, Errand Express and Courier Plus. It was during his tenure at GMC that he noticed operational gaps in the logistics industry. A casual suggestion from a lawyer sparked the idea of launching his own venture, and Tretize Royale Logistics Limited was born.

Encouragement from a stranger in Cross River State gave Moses the final push to register the company. Soon after, he resigned from GMC. His first logistics job took him to Kano State, marking the official start of his entrepreneurial path.

Starting with just a bus, a bike and two staff members, Tretize Royale Logistics secured a contract to distribute mosquito nets across 11 local governments in Kano. The project generated a substantial profit of ₦15 million – an early win that validated Moses's decision and fuelled future expansion.

Initially, Moses did not own a fleet. He partnered with truck owners, paying them daily – a strategy that helped him scale quickly without overextending his financial resources. Following success in Kano, the business expanded into Niger State and began handling a wider variety of goods, including maize products and pharmaceuticals. Today, Tretize Royale Logistics operates in central states including Lagos, Kaduna, Calabar and Sokoto, providing services to multiple non-governmental organizations. Its offerings have also grown to include letter dispatch and relocation services.

Today, the company owns a lean but efficient fleet, comprising three trailers, two buses and several bikes, supported by strategic partnerships that enable it to manage large-scale logistics without incurring excessive costs.

Moses funded his business through personal and family savings as well as a loan from a supportive friend. He avoided high-interest loans, ensuring that every step taken was sustainable. His business philosophy emphasizes caution, strategic planning and long-term thinking – principles that have guided the company's growth.

Moses's his proudest moment remains the launch and early success of Tretize Royale Logistics. He credits his team's discipline and structured operations, which are rooted in his past experiences, as vital to their ongoing achievements.

Reflecting on his journey, he highlighted the importance of acting swiftly when opportunity knocks – a delay could mean missing success. He encourages aspiring logistics entrepreneurs to study the industry thoroughly and act on visible market needs. For bike owners and small operators, he recommends exploring gaps such as local food delivery.

Moses sees vast untapped potential in Nigeria's logistics industry. He believes growth lies in identifying and serving unmet needs – an approach that helped Tretize Royale Logistics thrive from the ground up.

His story stands as a beacon of possibility for returnees and budding entrepreneurs, showing that with vision, courage and strategic planning, success is not just possible – it's attainable.

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