Nigeria Cement Prices: Why the Government is Now Stepping In

Client briefing | Antitrust & Merger Control
Nigeria | FCCPC Investigation in Price Manipulation
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The Nigerian Federal Competition and Consumer Protection Commission (FCCPC) has opened an investigation into possible price manipulation and other anti-competitive conduct in the cement sector. The investigation follows a three-month, industry-wide and cross-border study by the FCCPC's Anti-Competitive Practices Department. That study responded to widespread complaints about high cement prices in Nigeria.

The FCCPC's early findings indicate sufficient grounds to continue the investigation. They are examining whether current prices reflect legitimate costs and market conditions, or whether they come from coordinated conduct, abuse of market power, restrictions on domestic supply, anti-competitive distribution practices or other conduct contrary to the Federal Competition and Consumer Protection Act 2018 (FCCPA).

The FCCPC found a significant disparity between Nigeria's cement production capacity and domestic consumption. According to the FCCPC, installed capacity exceeds 60–65 million metric tons per annum, while domestic consumption is estimated at approximately 25–30 million metric tons. The market is also highly concentrated. Three major companies reportedly account for more than 90% of the country's installed production capacity.

The FCCPC considers the relationship between excess capacity and domestic prices a particular concern. Despite substantial available capacity, cement prices reportedly rose significantly during the first half of 2026. Over the first half of 2026, the price for a 50kg bag reportedly rose by approximately one third, with prices increasing by up to 60% in some parts of the country.

The FCCPC also compared Nigeria's cement market with those in Kenya, Tanzania, South Africa, Egypt, Morocco, Algeria and Togo. It considered factors including limestone availability, population, production capacity and domestic consumption. The comparison is intended to help the FCCPC assess whether prices in Nigeria match underlying market conditions. Industry participants identified energy costs, depreciation of the Naira and its impact on imported machinery and spare parts, and transportation and logistics costs as factors driving higher cement prices. The FCCPC is testing these explanations against verified information on costs, production, pricing and market conditions.

The FCCPC has also issued Notices of Commencement of Investigation and Summons to Produce to key players in the sector. The companies addressed must provide information and records on, among other matters, their pricing methodologies, production levels, capacity utilization, exports, and relevant commercial relationships. All major cement manufacturers, except one, reportedly cooperated with the preliminary study.

The investigation examines both coordinated and unilateral conduct. In particular, the FCCPC has indicated it will assess whether there is evidence of coordination between market participants, abuse of market power, restrictions on domestic supply or anti-competitive distribution practices. The FCCPC has also stressed that its intervention is not intended to dictate the commercial prices businesses charge, but to determine whether prices and other market outcomes result from genuine competition.

The investigation is nevertheless significant for cement manufacturers and other businesses in the sector, given the high level of market concentration and the FCCPC's stated intention to examine possible coordinated conduct, abuse of market power and restrictions on domestic supply. Businesses in the sector should therefore ensure that their pricing decisions, commercial communications and dealings with competitors are appropriately documented and comply with the FCCPA.

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