



HDMI

A Game Changer for Maximum Productivity

OVERVIEW OF NIGERIA'S ROAD INFRASTRUCTURE

- Nigeria has 195,000 km of road networks

31% paved

69% un-tared

- Under the HDMI programme:
 - **9** roads have been concessioned

- **Fiscal impact**

- Nigeria's expenditure on infrastructure =

N5.99 trn

- **Good road reduces logistics cost significantly**

CONCESSIONING DECISIONS MADE IN 2021-2022

- HDMI was launched in 2021 to concession 12 major highways through Public-Private Partnerships (PPPs).

- By 2023, FEC approved 9 road corridors, aiming to unlock ~~₦~~ ₦1.54 trillion in private investment over 25 years

- **2021 – Bid Submission**

- **2022 – Negotiation Phase**

- **2023 – FEC Approval & Agreements Signed**

- **2023 – Risk Mitigation & Delays Begin**

- **2024 – Renegotiation & Bureaucratic Delays**

- **2025 – More Delays**

- **Outcome: 3+ years of delays, stalled ~~₦~~ ₦1.54 trillion investment, inflation-driven cost increases**



ROAD TRANSPORT OVERVIEW

- NURTW employed **226,100 in 2024**

- Minister of Transport targets to employ

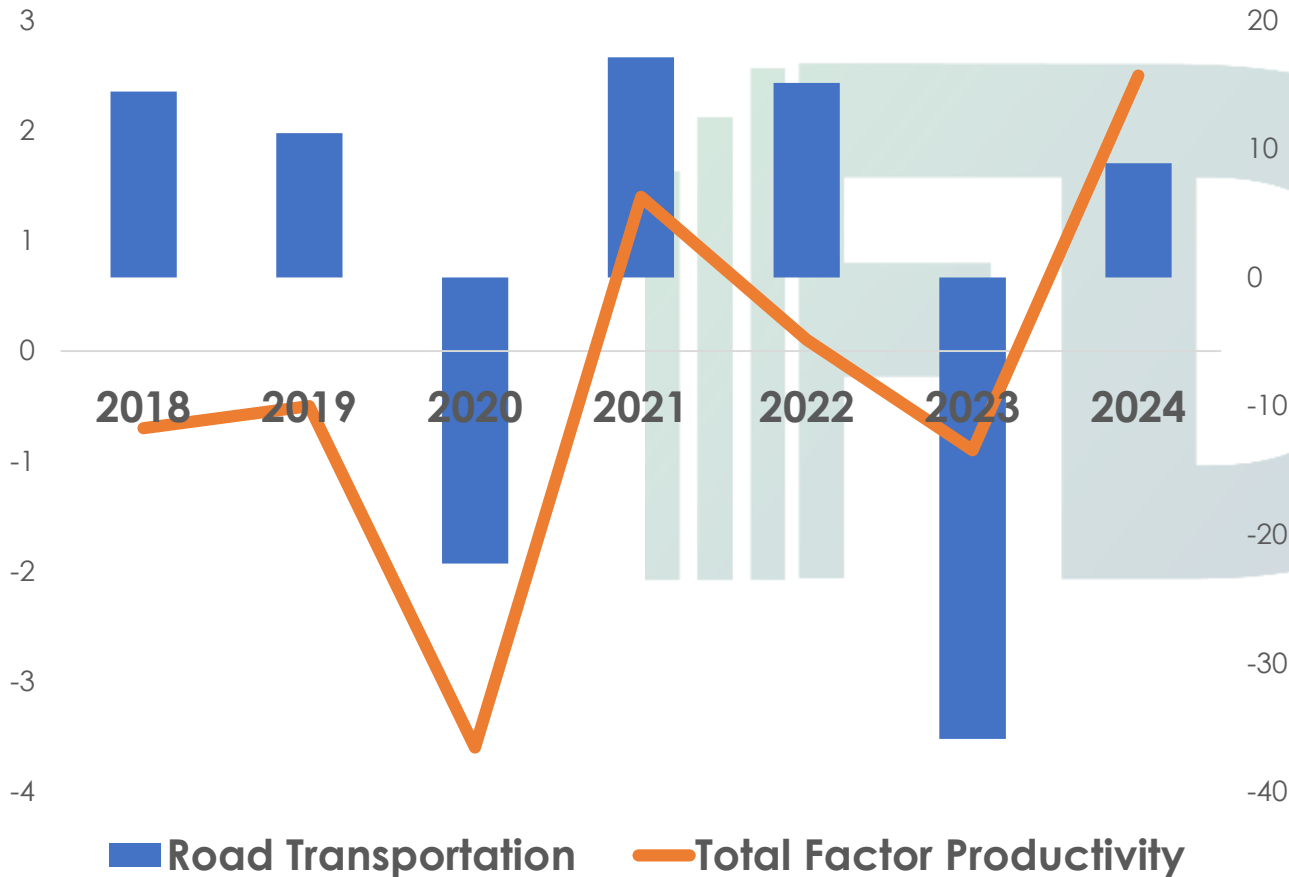
21 million Jobs in 2025

- Contribution to GDP was

1.43% in 2023 down to 1.23% in 2024

ROAD TRANSPORTATION Vs. TOTAL PRODUCTIVITY OUTPUT

Road Transport Vs. TFP (%) 2018-2024



- Improvement in road quality (mean speed) can raise TFP by 0.3–0.5 percentage points. (IMF)

- Fewer potholes, less congestion, more efficient freight movement

Why This Matters?

- Faster Transport → **Lower Costs**
- Agriculture Benefits → Reduced **Post-harvest losses**
- Manufacturing & Retail → Cheaper logistics → **More competitive pricing**

THE HIGH COST OF DELAYS

Mean speed is an indicator of road quality and so productivity.

- **Delays** → **Inflation** = Higher costs tomorrow
- For every year a project is delayed, costs escalate by **20-30%**
- **Slow Transport** → **Nigeria: 55 km/h vs Côte d'Ivoire: 78 km/h.** (IMF)
- **Productivity Losses** → **≥ \$29 billion lost annually** (World Bank)



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URBAN & RURAL INFLATION

Urban inflation  **25.15%**

Higher due to transport costs, housing, and energy prices (e.g., fuel, electricity)

Rural inflation  **19.89%**

Lower, driven by food prices and local production

Impact of Transport Costs on Commodity Prices

Urban

Rural

Directly inflates prices via logistics/fuel

Minimal, as local goods dominate the area

EXPECTED BENEFITS OF HDMI

- Upon completion, the project is expected to:

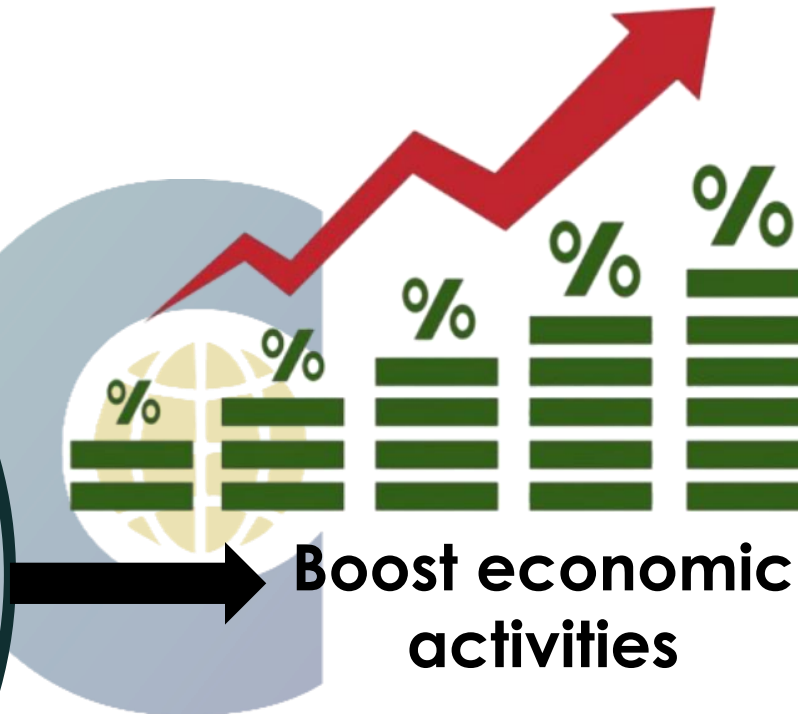
Smoother transportation of goods and services

Improve safety and reduce travel time for road users



Enhance regional connectivity

Create job opportunities during and after construction



Boost economic activities

REDUCE AVERAGE TRAVEL TIME

	Travel Time Before	Travel Time After Re-consessioning
• Benin-Asaba Expressway (125 km)	3 hrs	1 hr
• Lagos-Abeokuta Expressway (80 km)	2-4 hrs	1hr:30 mins
• Enugu-Port Harcourt Expressway (200 km)	3-5 hrs	2 hrs
• Shagamu-Benin Highway (258 km)	3-5 hrs	2 hrs
• Lagos-Badagry-Seme Border Road (79 km)	3 hr	1 hr
• Abuja-Lokoja Highway (195 km)	3-5hrs	2 hr
• Onitsha-Owerri-Aba Highway (161.2 km)	2-3 hr	1h 05m-1h 15m
• Abuja-Kaduna Expressway (165.5km)	3 -4hr	1.5-2.5hrs

DRIVE GROWTH & INFLATION CONTROL

“Any businessman will tell you that transportation is fundamental to success”

by John Hickenlooper

- **Agriculture** → Good roads = Reduced harvest losses = Lower prices.
- **Manufacturing** → Fast delivery = Low logistics costs = Less expensive goods + Increased output
- **Retail & Consumers** → Low transport costs = Low commodity prices = Inflation control.

30-40%

Post-Harvest Losses
of perishable produce wasted
due to poor logistics and storage
infrastructure. (FAO)



LOWER TRANSPORT COST – LOWER COMMODITY PRICES



Garri

N33,000

-9.1%

N30,000



Rice

N85,000

-5.9%

N80,000



Palm Oil

N12,000

-16.7%

N10,000



Yam

N4,000

-30%

N2,800

Commodity prices now

Commodity prices after Re-concessions of Roads

Efficient road connectivity reduces post-harvest losses and boosts agricultural output

LOWER TRANSPORT COST – LOWER COMMODITY PRICES

Commodity prices now



Egg

N6,000



N5,000



Onions

N90,000



N75,000



Beans

N90,000



N80,000



Tomatoes

N35,000



N25,000

Commodity prices after
Re-concessions
of Roads

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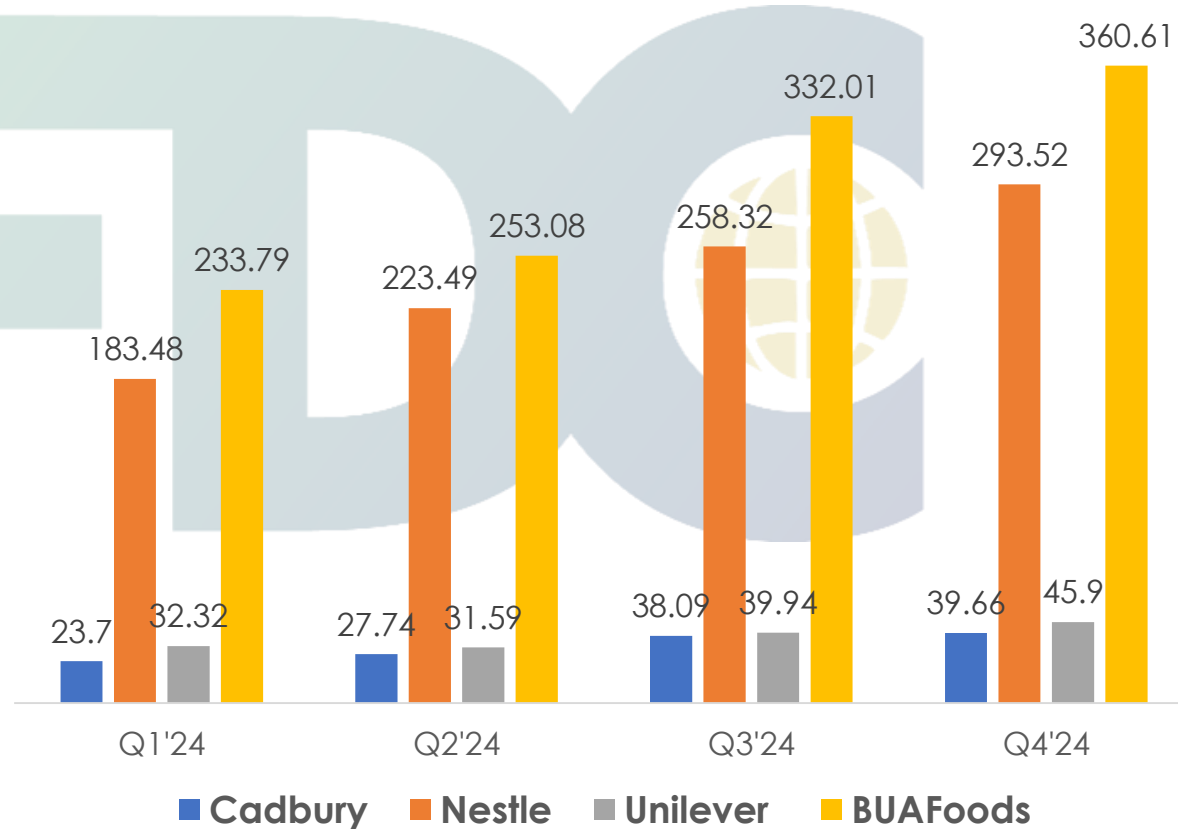
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IMPROVED CORPORATE PERFORMANCE

Corporate Performance (Revenue N Billion)

FMCGs show an average growth in their revenue

- Good roads will further benefit businesses through
 - Logistics savings
 - Supply chain reliability



SHIPS AWAITING BERTH

Month	Lagos Apapa	Lagos Tincan	Calabar port	Warri port	Onne port	Rivers port	Lekki deep sea	Total
Jan'25	4	2	0	2	1	0	6	15
Feb'25	9	1	0	2	1	0	6	19
Mar'25	7	1	0	2	1	0	7	16

- Idle ports due to bad road connectivity will become productive

