

OYO STATE PRIORITY SECTORS — PUBLISHED PROFILE (2024)

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Executive summary

Oyo State is a strategically located, agriculturally rich, and industrially active state in southwestern Nigeria. This profile presents detailed sector-level analysis for the State's priority investment areas, showcasing market opportunity, competitive advantages, policy and incentives, pipeline projects, investor requirements, and risk mitigation actions.

Target readers: domestic and international investors, development partners, financial institutions, project developers, and policy makers.

State economic context

- Population and labour: A large, urbanizing population concentrated in Ibadan and secondary towns provides a sizable labour pool and consumer base.
- Location advantage: Road and rail linkages toward Lagos and northern Nigeria; access to domestic and regional markets.
- Government support: OYSIPA coordinates incentives, one-stop services, project facilitation financing, and investor aftercare to lower entry costs and accelerate implementation.

Priority sector 1 — Agribusiness & Agro-processing

Overview

Agriculture remains a core strength for Oyo State with large production of staples (maize, cassava, rice), cash crops (cashew, Shea butter, cocoa), and strong potential for horticulture and livestock value chains.

Strengths & enablers

- Large tracts of arable land and favorable agro-climatic conditions.
- Existing commodity aggregation centres and rural extension initiatives.
- Proximity to markets and export infrastructure.

Investment opportunities

- Commercial rice milling, parboiling and value addition.
- Cassava processing (starch, garri, ethanol feedstocks).
- Cocoa processing and semi-processing (butter, powder).
- Integrated poultry value chains (feed mills, hatcheries, processing plants).
- Cold chain and post-harvest storage, logistics and commodity aggregation centres.

Incentives & support

- Land allocation discounts for agriculture and pioneer tax statuses for qualifying operations.
- Access to Oyo/BOI MSME loans and NG-CARES/OYO-CARES grant windows for MSMEs.
- Technical assistance and linkage to Project Facilitation Fund for pre-development financing.

Risks & mitigation

- Input supply and seasonal yield variability → promote contract farming, input finance, and insurance arrangements.
- Post-harvest losses → invest in cold chain, warehousing, and training.

Ideal investor profile

Medium to large agribusiness firms, outgrower-integrated processors, exporters, and impact investors focused on rural development.

Priority sector 2 — Manufacturing & Light Industry

Overview

Oyo State has an existing manufacturing base (food processing, building materials, textiles), with potential for cluster development in Ibadan and satellite industrial parks.

Strengths & enablers

- Skilled and semi-skilled workforce; lower operating cost compared to Lagos.
- Available industrial land, growing industrial estates and logistics corridors.

Investment opportunities

- Agro-based processing clusters and integrated supply-chain parks.
- Construction materials (cement-related products, roofing, tiles).
- Textile and apparel with linkages to cotton-producing areas.
- Automotive components and light assembly for regional markets.

Incentives & support

- Land discount policy for manufacturing investors, tax deferral options, and access to tailored PFF support for site development.
- Fast-tracked approvals via OYSIPA one-stop mechanisms.

Risks & mitigation

- Power reliability → recommend captive power/embedded generation, and negotiate supportive tariffs and utility intermediation via OYSIPA.
- Logistics bottlenecks → use PPP opportunities in transport/logistics projects and industrial park design.

Ideal investor profile

Greenfield factories, OEM suppliers, exporters of processed goods, and firms pursuing cluster-based models.

Priority sector 3 — Real Estate, Urban Development & Infrastructure

Overview

Rapid urbanization, rising middle-class demand, and government urban renewal priorities make real estate and infrastructure high-impact sectors.

Opportunities

- Affordable/moderate housing development and mixed-use projects.
- Industrial parks and logistics hubs near Ibadan.
- Transport projects: bus terminals, feeder roads, and rail-support infrastructure.
- Water supply, sanitation, and solid waste PPP opportunities.

Incentives & support

- Land swap mechanisms, reduced C of O costs and LGA-tiered building plan approvals. OYSIPA and the Ministry of Lands provide facilitation and prioritised land allocation for strategic projects.
- PFF co-financing for enabling infrastructure and early-stage site works.

Risks & mitigation

- Land titling and consenting delays → use OYSIPA's legal/PPP disclosure framework and Bureau of Lands liaison to de-risk transactions.
- Demand estimation errors → conduct market studies and phasing strategies; pre-sales for housing.

Priority sector 4 — Renewable Energy & Power

Overview

Demand for stable power for manufacturing and urban centres has opened investment pathways in solar, small hydro, waste-to-energy, and embedded industrial power.

Opportunities

- Utility-scale and distributed solar farms.
- Embedded generation for industrial clusters (IPP models).
- Mini/micro-grid rural electrification for agrarian communities.
- Waste-to-energy pilots in urban centres.

Incentives & support

- OYSIPA facilitation for land access and expedited permits; water/dam rate discounts for certain infrastructure investments.
- PFF de-risking for feasibility and ESIA studies.

Risks & mitigation

- Grid interconnection constraints → early-stage grid assessments and partnership with distribution companies recommended; battery storage for intermittency.

Priority sector 5 — Tourism, Hospitality & Creative Economy

Overview

Oyo State's cultural heritage, historical sites, and festivals create tourism potential complemented by hospitality and the creative industries (film, arts, culture).

Opportunities

- Heritage and cultural tourism circuits (Oyo ancient city, palaces, museums, cultural festivals).
- Eco-tourism and boutique hospitality development.
- Event/conference centres and film production studios for Nollywood engagements.

Incentives & support

- Preferential land allocation for community and hospitality projects; OYSIPA marketing support; integrated PPP models for larger attractions.

Risks & mitigation

- Seasonality and quality of services → capacity building for hospitality, diversified packages and domestic tourism marketing.

Priority sector 6 — ICT, Innovation & Human Capital

Overview

Oyo State's universities and tech hubs supply talent for digital services, BPOs, EdTech, and health-tech solutions.

Opportunities

- Technology incubation parks and co-working innovation hubs.
- BPO set-ups and export-facing digital services.
- EdTech partnerships with universities and training institutions.

Incentives & support

- OYSIPA incubation and aftercare services, PFF and targeted tax/VAT exemptions for qualifying start-ups and innovation projects.

Risks & mitigation

- Skills gap → operator-led training, university partnership programs, and apprenticeship models.

Cross-cutting enablers & incentives

- One-Stop Investment Centre for expedited approvals.
- Project Facilitation Fund for early-stage project finance and enabling studies.
- Investors' Tracking System and legal/PPP disclosure to improve transparency.
- Land discounts and C of O cost reductions targeted by sector and project type.

Investment process:

1. Engage OYSIPA for project screening and initial advisory.
2. Submit pre-application and access the Investor Tracking System.
3. Negotiate land/site and applicable incentives with line MDAs and OYSIPA.
4. Access PFF for eligible feasibility/pre-development support.
5. Finalise approvals, licences and commence implementation with OYSIPA aftercare support.

Key contacts & next steps

OYSIPA — Investor Relations Unit - For project introduction, incentives, and PFF enquiries. - Recommended: schedule a virtual meeting with the investor relations unit; use the investor tracking portal for formal registration.

Annex A — Sample pipeline projects

- Integrated rice milling & value chain hub near Iseyin.
- 20MW solar farm and 10MW industrial embedded power for an Ibadan industrial park.
- 500-unit affordable housing project with mixed-use retail in Ibadan North.
- Cassava processing cluster and export aggregation centre in Ibarapa.

Annex B — Risk matrix and mitigation checklist

Operational, Financial, Regulatory, Environmental & Social mitigations tailored to each sector; to be used by investors and OYSIPA transaction teams.

This profile was prepared for publication by OYSIPA as an authoritative, investor-facing summary of the State's priority sectors and is suitable for presentation, investor outreach, and inclusion in PPP tender packages.