



**OYO STATE INVESTMENT PROMOTION & PUBLIC PRIVATE PARTNERSHIP AGENCY  
(OYSIPA)**

## **OYO STATE INVESTMENT REPORT: KEY INFORMATION FOR INVESTORS**

### **1. Introduction**

Oyo State, located in the southwestern region of Nigeria, is one of the country's most historically significant and economically vibrant states. Known for its rich cultural heritage, strategic location, and diverse economy, Oyo State presents numerous opportunities for investors. This report provides key information about Oyo State that can be valuable for investors considering opportunities in the region.

### **2. Geographic and Demographic Overview**

- **Location and Size:** Oyo State is strategically located in the southwestern part of Nigeria, covering an area of approximately 28,454 square kilometers. The state shares boundaries with Kwara State to the north, Osun State to the east, Ogun State to the south, and the Republic of Benin to the west, making it a gateway for trade and commerce within the West African region.
- **Population:** Oyo State has an estimated population of over 8 million people, making it one of the most populous states in Nigeria. The population is predominantly youthful, providing a large and dynamic workforce.
- **Capital and Major Cities:** The capital city, Ibadan, is one of the largest cities in Africa by landmass and is a major economic hub. Other significant cities include Oyo, Ogbomoso, Iseyin, and Saki.
- **Climate:** The state experiences a tropical climate with distinct wet and dry seasons, which supports agriculture and other related activities.

### **3. Economic Overview**

- **Agriculture:** Agriculture is the backbone of Oyo State's economy, with the state being a major producer of crops such as cassava, maize, yam, cocoa, and cashew nuts. The state's fertile land and favorable climate make it ideal for both subsistence and commercial farming. Opportunities for investors exist in crop production, agro-processing, and export-oriented agribusinesses.

- **Industrial Sector:** Oyo State has a growing industrial base, particularly in Ibadan and Ogbomoso. Key industries include food and beverage processing, textiles, and pharmaceuticals. The state government is actively promoting industrialization through the establishment of industrial parks and the provision of incentives to attract manufacturing firms.
- **Services and ICT:** The services sector, including information and communication technology (ICT), banking, education, and healthcare, is rapidly expanding. Ibadan hosts several tertiary institutions, making it a center for education and research, which in turn drives growth in related industries.
- **Mining and Solid Minerals:** Oyo State is endowed with various mineral resources, including limestone, granite, marble, and tantalite. These resources present opportunities for mining and related industries. Oyo State is rich in mineral resources, including granite, marble, limestone, and gemstones. The state government is keen on developing the mining sector to attract both local and foreign investors.
- **Tourism and Hospitality:** Oyo State is home to several historical and cultural landmarks, such as the ancient city of Oyo, the Agodi Gardens, and the Bower's Tower. These attractions, coupled with a growing hospitality industry, present investment opportunities in tourism and hospitality.

#### 4. Infrastructure

- **Transportation:** Oyo State boasts a well-developed road network, with major highways connecting it to Lagos, the nation's commercial capital, and other key cities. The ongoing development of the Lagos-Ibadan Expressway and the Ibadan Inland Dry Port will further enhance trade and logistics capabilities. Additionally, the state has an airport in Ibadan, offering both domestic and limited international flights.
- **Energy:** The state's energy infrastructure includes the Ibadan Electricity Distribution Company, which supplies electricity to the region. While there are challenges with power supply, the state government is exploring renewable energy solutions to supplement the national grid, creating investment opportunities in solar, wind, and biomass energy projects.
- **Water Supply:** The Oyo State Water Corporation is responsible for providing water to urban and rural areas. The state is investing in improving water infrastructure, particularly in expanding access to clean and safe drinking water.
- **Telecommunications:** Oyo State has good telecommunication coverage, with major operators providing 3G and 4G services. The state's ICT infrastructure is also being enhanced to support business activities, particularly in urban centers like Ibadan.
- **Education and Healthcare:** Oyo State is home to several higher education institutions, including the University of Ibadan, which is Nigeria's premier university. The presence of these institutions ensures a steady supply of skilled labor. The state also has a network of healthcare facilities, providing medical services to the population.

#### 5. Investment Incentives and Opportunities

- **Government Policies:** The Oyo State government has implemented various policies to create a favorable investment climate. This includes tax incentives, land acquisition

facilitation, and support for public-private partnerships (PPPs). The establishment of the Oyo State Investment and Public-Private Partnership Agency (OYSIPA) further underscores the government's commitment to attracting and retaining investors.

- **Ease of Doing Business:** Oyo State is making strides in improving its ease of doing business ranking. Efforts are being made to streamline business registration processes, reduce bureaucratic hurdles, and provide better access to government services. The state's investment promotion agency, OYSIPA, plays a key role in assisting investors through the setup process.
- **Security:** While Oyo State is generally peaceful, the government is proactive in addressing security challenges. The state has invested in modern security infrastructure and collaborates with federal security agencies to ensure a safe environment for residents and businesses.
- **Public-Private Partnerships (PPP):** Oyo State offers numerous opportunities for PPPs, particularly in infrastructure development, agriculture, and healthcare. The state government is open to collaborations that can drive economic growth and development.
- **Emerging Sectors:** Beyond traditional sectors, Oyo State is witnessing growth in emerging sectors such as technology and innovation, with Ibadan serving as a budding tech hub. Investors can explore opportunities in startups, fintech, and digital services.

## 6. Investment Opportunities

- **Agribusiness:** With its vast arable land and favorable climate, Oyo State offers immense opportunities in agriculture and agribusiness. Investors can explore opportunities in crop production, livestock farming, food processing, and agricultural exports.
- **Real Estate and Construction:** The rapid urbanization of cities like Ibadan has created a demand for residential, commercial, and industrial real estate. Investors can capitalize on this by developing housing estates, shopping complexes, and industrial parks.
- **Education and Healthcare:** The growing population and the presence of numerous educational institutions create opportunities for investment in private education and healthcare services. There is a particular demand for high-quality educational institutions and specialized healthcare facilities.
- **Tourism and Hospitality:** Oyo State's rich cultural heritage, including historical sites such as the ancient city of Oyo and the Agodi Gardens, presents opportunities for investment in tourism and hospitality. Investors can explore the development of hotels, resorts, and tourist attractions.
- **Renewable Energy:** Given the challenges with power supply, there is a significant opportunity for investment in renewable energy projects, particularly solar and biomass energy, to provide alternative power sources for residential and industrial use.

## 7. Government Support and Incentives

- **Tax Incentives:** The Oyo State government offers various tax incentives to attract investors. These include tax holidays, reduced rates for land use charges, and exemptions on import duties for machinery and equipment used in priority sectors.

- **Land Acquisition:** The government facilitates the acquisition of land for industrial, agricultural, and commercial purposes, ensuring that investors can obtain land with clear titles and minimal delays.
- **Public-Private Partnerships (PPPs):** Oyo State actively promotes PPPs as a means of financing infrastructure and development projects. Investors can partner with the government on projects such as road construction, water supply, and energy generation.

## 8. Challenges and Risks

- **Infrastructure Deficits:** Despite ongoing improvements, challenges remain in areas such as power supply, road maintenance, and water distribution. Investors should be prepared to address these issues, particularly in rural areas.
- **Regulatory Environment:** While the state is working to improve its business environment, investors may encounter bureaucratic challenges, particularly in navigating regulatory approvals and compliance.
- **Economic Stability:** As with any investment in emerging markets, there are risks associated with economic fluctuations, currency volatility, and changes in government policy. Investors should conduct thorough due diligence and consider risk mitigation strategies.

## 9. Conclusion

Oyo State offers a diverse range of investment opportunities across various sectors, supported by a favorable investment climate and proactive government policies. Investors who are willing to navigate the challenges and leverage the state's strategic advantages stand to benefit from the state's growing economy. With the support of agencies like OYSIPA, investors can access the resources and assistance needed to succeed in Oyo State.

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For more detailed information and personalized guidance, investors are encouraged to contact OYSIPA and other relevant state agencies.



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