



Why Is Cement So Expensive?

Nigeria's Competition Watchdog Wants Answers

Introduction

A price increase is not, by itself, evidence of a competition law violation. However, where prices rise sharply in a market dominated by a small number of suppliers, particularly where available capacity appears to exceed demand, regulators may look more closely at how those prices are determined.

That is precisely what has happened in Nigeria's cement market. On 18 August 2026, the Federal Competition and Consumer Protection Commission (FCCPC) published a preliminary report on Nigeria's cement market following a three-month inquiry. The Commission identified concerns about recent

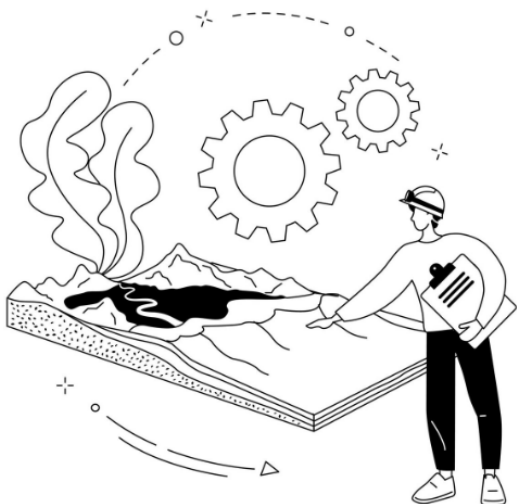
price movements and has commenced a formal investigation into possible anticompetitive conduct.

No finding of wrongdoing has been made. However, the investigation provides an important indication of how the FCCPC may identify and investigate pricing concerns in concentrated markets.

Key Highlights

- Pricing and capacity are at the centre of the inquiry:**

The FCCPC noted that the price of a 50kg bag of cement increased from approximately ₦9,300–₦9,700 in January 2026 to ₦13,000–₦15,000 by July,



despite installed production capacity reportedly exceeding domestic consumption. Three producers account for more than 90% of installed capacity.

- **The FCCPC can act without a complaint:**

The inquiry appears to have been initiated using publicly available information on prices, production capacity and market concentration. This demonstrates that the Commission does not necessarily need a consumer complaint or whistleblower report before examining a market.

- **Businesses may be required to explain how prices are determined:**

The FCCPC has requested information on pricing methods, production and capacity utilisation, exports and commercial relationships across the cement distribution chain.

- **Similar prices do not necessarily mean coordination:**

Competitors charging similar prices is not, on its own, sufficient to establish anticompetitive conduct. The investigation will need to determine whether there is evidence of coordination between competitors or other conduct prohibited under the Federal Competition and Consumer Protection Act 2018.

What This Means for Stakeholders

- **For businesses in concentrated markets:**

Pricing decisions should have a clear commercial basis and be properly documented. This is

particularly important where significant price movements could attract regulatory attention.

- **For boards and compliance teams:**

Businesses should review how pricing decisions are made, participation in trade associations, distribution arrangements and the exchange of commercially sensitive information with competitors.

- **For distributors and commercial partners:**

Agreements governing resale prices, territories, customers and distribution practices should be reviewed to ensure they do not unnecessarily restrict competition.

- **For investors and transaction parties:**

An ongoing competition investigation can affect due diligence, transaction warranties, regulatory risk allocation and completion conditions. Competition compliance should therefore form part of transaction risk assessment where a target operates in a concentrated market.

The Road Forward

The cement inquiry is an important reminder that the FCCPC can and will examine markets on its own initiative where publicly available information raises competition concerns. Businesses should therefore be able to demonstrate the independent commercial basis for significant pricing decisions and other conduct that may affect competition.

Regular competition compliance reviews can help identify risks in pricing practices, distribution arrangements, information sharing, and participation in industry associations before they attract regulatory scrutiny.

For guidance on competition compliance, FCCPC investigations and proceedings before the Competition and Consumer Protection Tribunal, contact info@scp-law.com or visit www.scp-law.com.