

HOW TO SETUP AND RUN A GRANITE QUARRYING, HAULAGE AND SUPPLY BUSINESS IN NIGERIA AND MAKE OVER 100% RETURN ON INVESTMENT IN A YEAR.

For a nation that wants to develop her economy, it must look inwards to identify areas where it has comparative advantage over other nation and efforts should be geared towards the development of the identified areas.

Apart from the hydrocarbon {crude oil} deposit which is Nigeria is well blessed with, the country also have comparative advantage in the solid minerals sector owing to the large deposit of mineral deposit in the different parts of the country and if the Nation is to develop and attain her vision of 2020 target, more efforts should be geared towards the development of the solid mineral sector of the Nigeria economy.

As at the last count, the Ministry of Mines and Steel Development have discovered about 33 commercially available industrial mineral in Nigeria and granite is one of such industrial mineral. The granite deposit in Nigeria is estimated to be in billions of metric tons.

The earth crust is filled with different types of rock which ranges from igneous, sedimentary and metamorphic rocks. Granite is an igneous rock formed from the cooling of magma in an exothermic process. Granite popularly known as chippings /gravel is a very hard stone good for building and construction works globally. It is a common and widely occurring type of intrusive felsic, igneous rock. It has a medium to coarse texture occasionally with some individual crystals larger than the groundmass forming a rock known as porphyry. It can be pink to dark gray or even black depending on their chemistry and mineralogy. Granite is a hard, usually grey, stone used for building and the most common rock type on the continental land masses. It is widely distributed throughout the continental crust of the earth and is the most abundant basement rock that underlies the relatively thin sedimentary veneer of the continents.

Nigeria is richly endowed with granite stone and other related solid minerals like Marble, Dolomite and Basalt etc. It is found in Enugu, Ebonyi, Kogi, Plateau, Ogun, Oyo, Osun and Ekiti etc. Hence, granite is among the most available and affordable building material. Nigeria been a country located in the tropics has these rocks in commercial quantity and it is a means of livelihood for many in some parts of the country. In the past, it was mined manually but now there are sophisticated equipment that make quarrying very easy. Lagos as a cosmopolitan city developing by the day cannot do without granite. There is high demand for the product in Lagos, Ibadan, Abeokuta and other surrounding cities. The product is equally needed in other parts of the country.

Lagos is not an igneous environment where granite could be found, all the real estate developers, contractors and Civil Engineering and Construction companies gets their granite need from nearby towns.

Its hard nature made it a very suitable and durable material for most Civil Engineering and Construction works. It is used in various ways as in;

Road Construction and Dimensional stones

Building of Houses, Bridges and Drainages

Manufacture of Marbles and Flooring Tiles

Production of cement blocks

Interior Decorations

Art works (Antiquities) etc.

The Market:

In 2004, the total production was about 15 million tones whereas the demand was 16.2 million tons leaves a supply gap of 1.2 million tons. The market is vast even to the international level. That is, the product could be sold locally or exported out of the country with over 200% return. Granite business is one that can be done by people of all class. The business could be done in large scale and small scale as the investor financial strength is. And as I said earlier, Lagos is one of the fastest developing cities in Nigeria with lots of building and construction works done daily but Lagos does not have granite so all the ones consumed in Lagos comes from the nearby towns.

The market is stratified into three {3} namely, large scale, medium and small scale .

LARGE SCALE: A QUARRY OWNER:

An investor would require millions naira to start and operate a quarry .The actual cost would be based on the scale the investor wants to start the business. The cost of the machinery required for the crushing of the granite which make up between 60-70 % of the cost of the establishing the business is based on the three {3} factors which are the input of granite,the output of the granite and the capacity of the machine required. The investor would need acquire/lease a rocky land for a period of 1-5 years and site a quarry for the manufacture of granite for sale to developers or to be used as raw material for the production of flooring tiles, marbles and antiquities etc. After leasing the rocky land, the investor will then have to purchase heavy quarrying equipments like; The Crusher, Excavator, Payloader, Waybridge, Dumper, Carriage trucks (10-40 tons capacity) etc.

It is advisable to import the equipment from USA, Europe or China as the locally made ones are of very low quality, thus not reliable.

The investor can choose to lease a complete quarry that has been poorly managed with all the equipment intact. The next thing is technical expertise, the technical know-how aspect is very important because this is the key to success in this business. You either engage the services of Chinese or a Nigerian.

Further more, after fixing the technical and mechanical need of the business, another thing is Effective and Efficient management of the Man, Machine and Material to achieve result (profit making). Thus, the need for a business and or management expert that can make things happen. Note that no matter how good your production, machines & staffs are, without a good marketing structure, the business will fail.

As a quarry owner, you could sell to agents and suppliers or directly to the final user.

MEDIUM SCALE OPERATOR:

As A medium scale investor, the investor buys from the quarry owners and sells to the final users who may be real estate developers, contractors, civil engineers and resellers etc. A good supplier could be lucky to buy on credit from the quarry owners or agents and payback after he/she has supplied and collected money. This could be achieved through good business relationship and integrity.

SMALL SCALE OPERATOR:

This does not require any capital to begin; all you need is the ability to market the product by moving around major cities like Lagos and informing developers, contractors etc that you can supply them granite for their building and construction work. And immediately you secure a deal to supply, you run to a registered supplier who will provide the goods and you take your commission. The commission is usually based on your negotiations with the buyer and the supplier.

OPERATING HAULAGE COMPANY WITHIN A QUARRY:

A closely related business with operating a quarry is the haulage business. Haulage involves the transportation of goods by road and railway. It is very important to the socio-economic development of any nation and if the vision 20: 2020 of the present administration is to be achieved, the government would have to develop the transportation system. An efficient transport system is an essential component in the production and distribution of goods.

Since the collapse of the rail system in Nigeria, more emphasis has been given to road transportation. The haulage market is national. With a population of over 140 million people, an estimated national population growth rate of 5.7% per annum and an average economic growth rate of 3.5% in the past five {5} years, Nigeria has a large ,expanding and sustainable market for haulage business.

In the northern part of the country, the products readily conveyed are agricultural produce and solid minerals while in the southern part of the country, the products readily transported are petroleum products and other finished products through the commercial and economic nerve centre of Lagos, Abuja, kano, kaduna, port-harcourt, aba etc.

Nigeria has remained a strong member of various international organizations such as the Economic Community of West Africa States {ECOWAS} which allows for the free movement of people, goods and services amongst member countries hence dipping the market opportunity in the haulage business.

Though other type of haulage services exist like crane and tanker-trailers, we would concentrate more on tippers. Tippers are used in the transportation of granites and sands from the quarry site and lakes respectively for use in the construction industry. To be involved in the business, you have to be registered with the quarry site you intend to lift the products from.

There are three {3} basic way of entering the haulage market and they include

1. As an Independent Operator
2. As a contractor or Sub-contractor
3. Leasing of truck to Haulage companies

Independent Operator:

As an independent operator you operate your truck and seek for contract from the multi-nationals and other interested parties on your own and get paid for deliveries made.

As an independent operator, you would do your own maintenance and repair, employ your own driver. You can decide to employ a manager who would scout for goods and also do the day to day running of the business.

As a Contractor or Sub- Contractor:

As a contractor with an operator operating at the quarry, you have decided to place your fleet with the company and they would manage it for you, secure the driver and the maintenance and repair and pay you every month a agreed amount ranging between N300, 000 to N400,000.

Of course, you have to be registered with the company.

As a sub-contractor, you are coming under a contractor in that company to register you fleets as their own and pay you an agreed sum after taking there commission.

Leasing of truck to Haulage Companies:

There are haulage companies that specialize in the transportation of granites and sands. Leasing out the truck to a haulage company is same as being a contractor .The only difference is that this time you are going to the dealing with a haulage company instead of a operator though the terms and condition might not be different.

An investor could acquire trucks for the haulage of granite from the quarry to the place of consumption. The cost could be from 5 million and above depending on the number, quality and size of trucks to be used. It is advisable for a beginner to start with one brand new truck of between 10-40 tons capacity (IVECO, DAF, MACK or MERCEDES) made in USA, GERMANY, UK, JAPAN or CHINA etc. Then the entrepreneur will have to employ well trained and behaved drivers and motor boys. This is a very important factor to note in transportation business.

There are service like selling of food and other such services that can be provided at the quarry site to make more money.

Finally, Operating a quarry and other business associated is a very viable business to go into.

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