Country Experience – “Efforts for Inclusive E-commerce Regulation and Growth in Nigeria”

Kasim A. Sodangi
National Coordinator, Office for Nigerian Content Development in ICT (ONC)
Opportunity for Growth

**Growth Potential**
- Huge economy; 2nd largest GDP in Africa
- Large and growing population
- Youthful population
- Rapid rate of urbanisation
- Growing middle class and rising household incomes

**Some Figures**
- Revenue / Month: $1m
- Orders / Day: 10,000
- Internet Users: 91.6 M

**Major Patronage (＞70%)**
- FASHION
- FOOD
- SPA

**Access Devices**
- 55% Mobile Device
- 45% Desktop Computer

AU E-Commerce Conference, July 2018
<table>
<thead>
<tr>
<th>Legislation</th>
<th>Purpose for E-Commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Transaction Protection Bill</td>
<td>Validating Electronic transactions and Consumer Protection</td>
</tr>
<tr>
<td>Data Protection Bill</td>
<td>Rules for collection use and disclosure of personal information</td>
</tr>
<tr>
<td>Electronic Commerce ( Provision of Legal Protection Bill)</td>
<td>Stronger credence to E-commerce Contract, Governance of E-commerce contracts</td>
</tr>
<tr>
<td>National Payment System Management Bill</td>
<td>Legal, intuitional, regulatory framework; safety, certainty, clearing, settlement etc total payment process</td>
</tr>
<tr>
<td>National Information Technology Development Act 2007</td>
<td>Governance for Electronic Data Interchange &amp; transaction online</td>
</tr>
<tr>
<td>Cybercrimes ( Prohibition, Prevention, ETC) Act. 2015</td>
<td>Prohibition, Prevention, etc of Cybercrimes, Cyber security etc..</td>
</tr>
<tr>
<td>Banks and Other Financial Institutions Act</td>
<td>Regulation for payment systems, electronic banking,</td>
</tr>
</tbody>
</table>
The Gap II - Consumer Confidence

Q. Have you ever experienced any problems while shopping online?

- 2016: 52% Yes, 48% No
- 2014: 51% Yes, 49% No

Q. Was the problem resolved to your satisfaction?

- 2016: 59% Yes, 41% No
- 2014: 45% Yes, 55% No

Challenges with fulfilment

- Delivery was delayed or did not arrive
- Mismatch of description and delivered item
- Out of stock
- Payment issues
- Website was slow
- Shopping website was difficult to use/navigate
- Poor customer service
- Received wrong goods
- Products were damaged upon arrival
- Package was incomplete
- Had to pay to return items
- Other

Either no longer exist, acquired or in distress

Consumer satisfaction

AU E-Commerce Conference, July 2018
The Challenge - Operating Environment

**National Challenges**
- Inadequate infrastructure (power, roads, etc.)
- High cost of imports due to weak/devalued naira
- Political instability
- High poverty rate
- Terrorism in the North and South South/ Niger Delta

**Operating Challenges**
- Lack of viable and low cost distribution networks
- Insecurity & High cost of freight
- Low Integrity of delivery channel (Personnel/ cash on delivery/ prepaid)
- Challenges/ Unreliability of payment infrastructure
- Ballooning overheads

**Some Figures (2016)**

<table>
<thead>
<tr>
<th>Returned (Items) Rate</th>
<th>Number of Active Buyers</th>
<th>E-commerce losses-Major e-commerce players</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>&lt; 300k</td>
<td>Circa $65b</td>
</tr>
</tbody>
</table>

AU E-Commerce Conference, July 2018
The Way Forward - Stakeholder Process Roadmap

**Broad Framework for E-commerce Development**

- Policy Ideas and Development
- Private Ordering/ Collaborative Regulation
- Additional Regulation to Cover Gaps

**Stakeholder Mapping, Identification and Engagement**

**Develop and Adopt Core Principles**

- Data Protection
- Consumer Protection
- Business Incentives
- Technology Standards (payments, infrastructure, etc.)

AU E-Commerce Conference, July 2018