Office for Nigerian Content Development in ICT (ONC)

National Information Technology Development Agency (NITDA)

African Union E –Commerce Conference
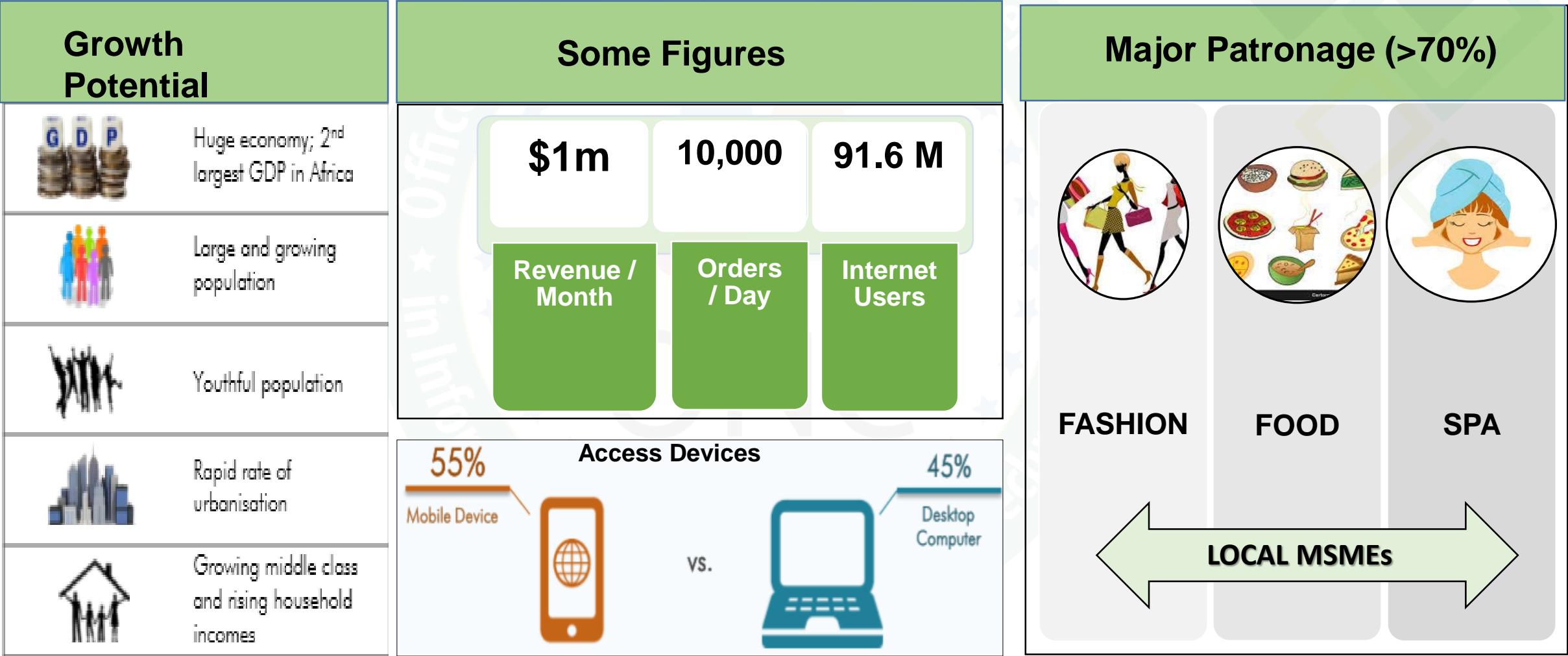**Nairobi, Kenya , July 2018**

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

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Nigerian;
The time
is NOW!
THINK

Opportunity for Growth

Growth Potential

GDP	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

$1m	10,000	91.6 M
Revenue / Month	Orders / Day	Internet Users

Access Devices

55% Mobile Device vs. 45% Desktop Computer

Major Patronage (>70%)

FASHION   FOOD   SPA

← LOCAL MSMEs →

The Gap I - Legislation Vs Regulation ?

Legislation	Purpose for E-Commerce
Electronic Transaction Protection Bill	Validating Electronic transactions and Consumer Protection
Data Protection Bill	Rules for collection use and disclosure of personal information
Electronic Commerce (Provision of Legal Protection Bill)	Stronger credence to E-commerce Contract, Governance of E-commerce contracts
National Payment System Management Bill	Legal, intuitional , regulatory framework; safety, certainty, clearing, settlement etc total payment process
National Information Technology Development Act 2007	Governance for Electronic Data Interchange & transaction online
Cybercrimes (Prohibition, Prevention, ETC) Act. 2015	Prohibition, Prevention, etc of Cybercrimes, Cyber security etc..
Consumer Protection Act 1992	Protection of Consumers, enforce relevant laws and regulation.
Banks and Other Financial Institutions Act	Regulation for payment systems, electronic banking,

DRAFT BILLS

IN OPERATION

The Gap II - Consumer Confidence

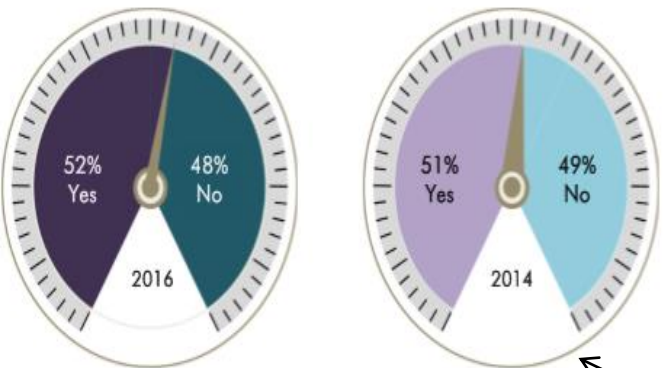Q. Have you ever experienced any problems while shopping online?

52% Yes — 48% No — 2016

51% Yes — 49% No — 2014

Figure 22 – Problems with shopping online

Consumer satisfaction

Q. Was the problem resolved to your satisfaction?

59% Yes — 41% No — 2016

45% Yes — 55% No — 2014
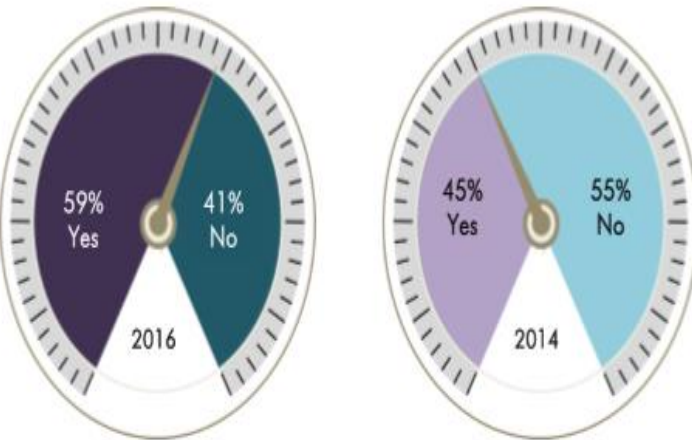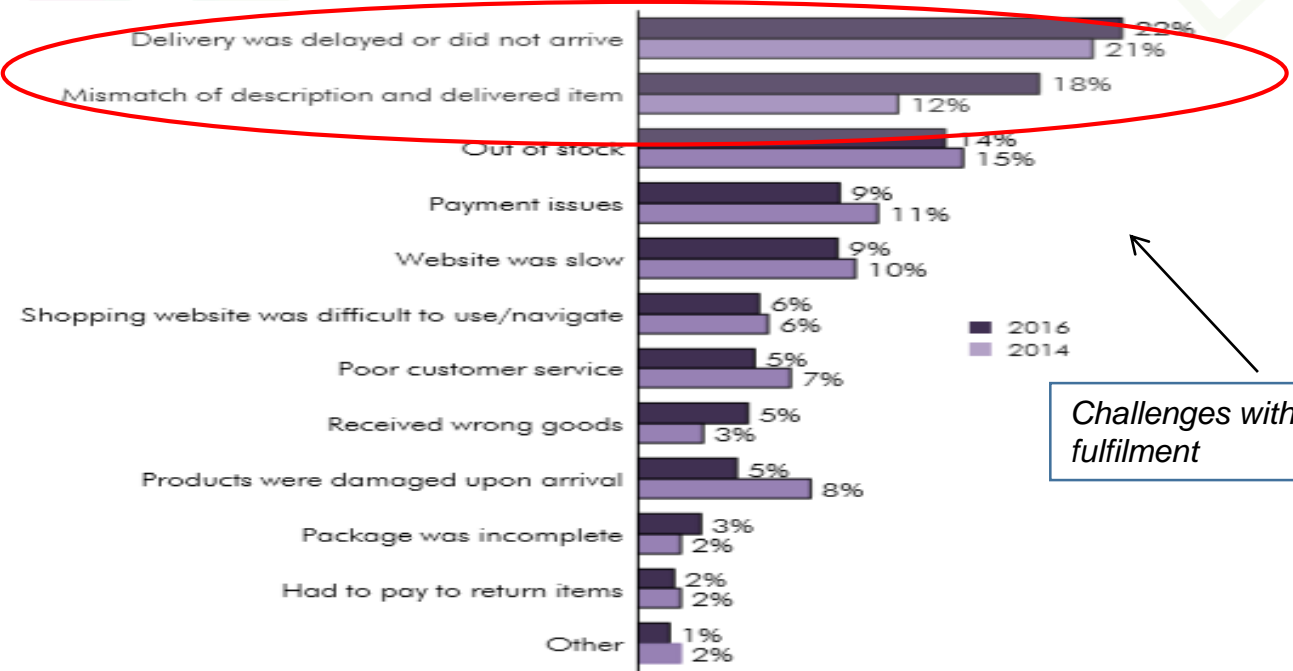

Figure 5 – The top 10 online retailers in Nigeria, based on Alexa ranking
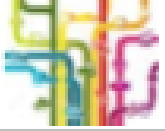
Either no longer exist, acquired or in distress

	2016	2014
Delivery was delayed or did not arrive	22%	21%
Mismatch of description and delivered item	18%	12%
Out of stock	14%	15%
Payment issues	9%	11%
Website was slow	9%	10%
Shopping website was difficult to use/navigate	6%	6%
Poor customer service	5%	7%
Received wrong goods	5%	3%
Products were damaged upon arrival	5%	8%
Package was incomplete	3%	2%
Had to pay to return items	2%	2%
Other	1%	2%

Challenges with fulfilment

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)

15%	< 300k	Circa $65b
Returned (Items) Rate	Number of Active Buyers	E-commerce losses- Major e commerce players

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..)