



Nigeria: Leading Africa's Digital Trade Revolution

1. Introduction

Africa's digital trade and trade in services landscape has witnessed significant growth in recent years. Indeed, digital trade is transforming the continent's economic landscape, creating new opportunities for real economic growth, productive job creation, and poverty reduction. This important shift has occurred as the African Continental Free Trade Area (AfCFTA) Agreement and its Protocols have begun to play a crucial role in increasing intra-African trade, driving economic growth and development across the continent. In particular, the AfCFTA Protocol on Digital Trade, the first of its kind in the world, and the Protocol on Trade in Services are critical game-changers at this pivotal moment, an inflection point in the continent's journey.



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2. Digital Trade and Trade in Services: Opportunities for Africa

The AfCFTA is expected to increase intra-African trade from 18% in 2022 to 50% by 2030 (AfDB, 2022).¹ Digital trade is a key part of this, with the internet economy projected to contribute 5.2% of Africa's GDP by 2025 (Google and IFC, 2022).² Already, Digital trade and trade in services are recognized as key drivers of Africa's economic transformation, helping to diversify economies, increase competitiveness, and improve productivity (UNCTAD, 2022).³ The continent's digital economy is projected to reach \$180 billion by 2025, up from \$115 billion in 2020, thus, contributing significantly to Africa's GDP, creating new job opportunities, and expanding regional trade.⁴

In terms of job creation, the World Bank estimates that digital technologies can create over 10 million new jobs in Africa by 2025, primarily in the services sector. In order for the continent to achieve this, the AfCFTA is expected to catalyse the creation of new job opportunities across various sectors, including services, manufacturing, and agriculture through regional trade expansion. Accordingly, providing new opportunities for small and medium size businesses and individuals to trade in services and goods across borders has been demonstrated by initial AfCFTA implementation, gradually fostering a single market of 1.4 billion people, with the services sector leading in terms of contribution to GDP for most African economies.

Today, Fintech is one of Africa's strongest services-driven industries, with the market projected to reach \$3.3 billion by 2025 (Statista, 2024).⁵ The growth of fintech in Africa is driven by the increasing adoption of mobile payments, online banking, and other digital financial services.

¹ African Development Bank. (2022). AfCFTA: Implementation Progress and Way Forward.

² [Africa digital foreign policy and diplomacy - Diplo Resource](#)

³ United Nations Conference on Trade and Development. (2022). Digital Economy Report 2022.

⁴ World Bank. (2022). Digital Economy for Africa Initiative

⁵ Statista. (2024). Fintech market size in Africa from 2020 to 2025.



Companies like Chipper Cash, valued at over \$2 billion, OPay, valued at over \$2 billion, and Flutterwave, valued at \$1 billion, are leading examples of this growth, providing innovative payment solutions and financial services to millions of users across the continent.⁶

Furthermore, the creative economy and e-commerce are significant services-driven industries in Africa. The continent's music industry alone is expected to generate \$1.3 billion in revenue by 2025 (PwC, 2024),⁷ driven by increasing demand for African music, film, and other creative content. Africa's e-commerce market is also growing rapidly, projected to reach \$75 billion by 2025 (McKinsey, 2024).⁸ Companies like Jumia, valued at over \$1 billion, are tapping into this growth, offering music and video streaming services, as well as a wide range of products, including electronics, fashion, and home goods. Other leading e-commerce players in Africa include Konga.com valued at over \$200 million, and PayPorte valued at over \$100 million (Forbes, 2024).⁹

Digital finance, e-health, and e-learning are also growing rapidly in Africa, driven by the increasing adoption of digital technologies and the need for innovative solutions to address the continent's development challenges. Companies like Andela, valued at \$1.5 billion, which provides remote work opportunities for African software developers, and Esusu, valued at \$1 billion, which offers credit building services for tenants, are examples of this growth. Furthermore, the rise of African unicorns, such as Interswitch, valued at over \$1 billion, Wave, valued at over \$1.7 billion, and MNT-Halan, valued at over \$1 billion, demonstrates the continent's potential for creating successful and scalable businesses in services-driven industries. Overall, Africa's strength in services-driven industries is being catalyzed by its growing digital economy fueled by innovative entrepreneurship and increasing demand for digital services.

Despite the significant growth potential of Africa's digital economy and trade in services, several challenges have hindered their development. Regulatory fragmentation and inconsistent standards across borders are major obstacles, making it difficult for digital service providers to operate seamlessly across different countries (World Bank, 2024).¹⁰ Limited access to financing for digital service providers, lack of digital inclusion, infrastructure and connectivity deficits, and a digital skills gap all contribute to the challenges facing digital trade and trade in services in Africa (AfDB, 2024).¹¹ Furthermore, cybersecurity concerns, including increasing threats and data breaches compromise the integrity of digital trade transactions and erode trust in digital services (McKinsey, 2024).¹²

⁶ CB Insights. (2024). The Africa Unicorn Report 2024.

⁷ PwC. (2024). Entertainment and media outlook: Africa and the Middle East.

⁸ McKinsey. (2024). Africa's e-commerce market: A growing opportunity.

⁹ Forbes. (2024). Africa's E-commerce Market Is Growing Fast.

¹⁰ World Bank Africa's Digital Economy 2024

¹¹ AfDB. (2024). Digital Africa: Leveraging Digital Technologies for Africa's Economic Transformation.

¹² McKinsey. (2024). Cybersecurity in Africa: A Growing Concern.



To address these challenges, various solutions are being implemented. For instance, the AfCFTA is currently harmonizing regulations and standards across the continent, facilitating the growth of digital trade (African Union, 2024).¹³ Moreover, initiatives such as Afreximbank's Pan-African Payment and Settlement System, the AfDB's Digital Africa initiative and the World Bank's Digital Economy for Africa initiative are working to improve

digital infrastructure, enhance digital skills, and promote digital inclusion. Additionally, cybersecurity measures, such as the African Union's Cybersecurity Convention, are being implemented to protect digital trade transactions and build trust in digital services.

3. Nigeria as Africa's Digital Trade Champion: From Potential to Leadership

Nigeria is solidifying its position as Africa's digital trade leader by working towards the ratification of the Protocol on Digital Trade to the AfCFTA Agreement. Beyond this, the country is also working to strengthen policy harmonization by aligning national regulations with AfCFTA frameworks, enhancing trade facilitation through digital customs processes and e-commerce policies, and expanding digital infrastructure by increasing broadband penetration and fostering public-private investments in connectivity.

Our approach to digital trade facilitation is decisive. With over 109 million internet users and a thriving mobile economy, the country has the foundation to lead Africa's digital commerce evolution. Expanding broadband access, modernizing customs procedures for e-commerce, and ensuring interoperability of payment systems will be essential for driving inclusive growth. By deepening engagement with regional trade frameworks and harmonizing digital regulations, Nigeria is positioning itself as a continental hub for digital services exports, facilitating cross-border transactions, fostering innovation, and attracting global investment.

But that is not all, with its sheer market size, entrepreneurial drive, and rapidly expanding digital infrastructure, has all the right ingredients to be at the forefront of Africa's transformation. The country has made significant progress in liberalizing key AfCFTA priority sectors—agribusiness, pharmaceuticals, transport and logistics, and automobiles—aligning with regional trade integration efforts. With agriculture contributing over 23% to GDP, the country is expanding agro-processing and export capacity to enhance competitiveness and access to global markets. The pharmaceutical sector, forecast by the Goldstein Market Intelligence to grow at a compound annual growth rate (CAGR) of 9.1% from 2017 to 2030,¹⁴ is strengthening local production to reduce dependence on imports, improving health security.

Nigeria's automotive industry is advancing rapidly fueled by government-led projects promoting Compressed Natural Gas (CNG) and electric vehicles (EVs). In September 2023, President Bola Ahmed Tinubu GCFR launched the Presidential Compressed Natural Gas Initiative (PCNGI), with a target to convert 150,000 vehicles to CNG by the end of 2024 and

¹³ African Union. (2024). African Continental Free Trade Area: A New Era for African Trade.

¹⁴ Goldstein Market Intelligence "Industry Research Outlook" 2021 Edition

https://www.goldsteinresearch.com/report/nigeria-pharmaceutical-market-industry-analysis?utm_source=chatgpt.com



one million by 2027, thus reducing reliance on petrol. Reinforcing its commitment to clean energy, the government has supported locally produced electric vehicles (EVs) by leading indigenous manufacturers such as Innoson Vehicle Manufacturing (IVM) and JET Motor Company, marking a bold step toward sustainable mobility and industrial expansion. The country is also strengthening local vehicle production and industrial growth under the National

Automotive Industry Development Plan (NAIDP) as indigenous companies like IVM lead the charge by manufacturing vehicles with 70% locally sourced parts, bolstering domestic manufacturing capabilities.

With a Services sector contributing over 50% to GDP, Nigeria is already a regional leader in financial technology, creative industries, professional services, and digital platforms. The country's fintech revolution, home to 5 of Africa's 9 unicorns, including Flutterwave, Interswitch, Moniepoint, and OPay, has driven cross-border payments, mobile money adoption, and financial inclusion, powering digital transactions across the continent. At the same time, Nigeria's creative economy, home to Nollywood, Afrobeats, a growing gaming industry and digital content exports, highlights the strength of its creative talents. Nigeria's creative economy also demonstrates first hand how digital platforms can turn cultural assets into globally exportable services, shaping and redefining pre-conceived perceptions about the continent.

IT outsourcing firms are expanding into new markets, strengthening the country's position in Africa's knowledge economy. Initiatives such as the Federal Ministry of Industry, Trade and Investment's National Talent Export Program (NATEP) launched by Mr President in September 2023, the Outsource to Nigeria Initiative (OTNI) backed by the Office of the Vice President, and the Three Million Technology Talents Program (3MTT) of the Ministry of Communications, Innovation and Digital Economy are enabling this growth, and opening up opportunities for access to high quality Nigerian talent at a global scale. In professional services, Nigerian legal, consulting, and accounting services, as well as the rise of e-health and e-learning solutions further underscores the country's role in providing technology-driven services that address continental gaps in healthcare and education.

Reinforcing Nigeria's leadership in innovation is digital public infrastructure. For instance, the Nigeria Immigration Service (NIS) introduced the Contactless Passport Application System (CONPAS), streamlining passport processing for citizens and enhancing ease of travel. This initiative, alongside other digital trade advancements, including investments in port modernization and the ongoing implementation of its National Single Window Project, are streamlining trade corridors and reducing customs clearance times. These reforms enhance Nigeria's role in handling a major share of West Africa's cargo and passenger traffic, and reflects our broader commitment to harnessing technology for efficiency and transparency through ease of doing business.

The road ahead demands deliberate action, it requires bold, forward-looking strategies that bridge gaps and transform challenges into opportunities. Nigeria has the market, the talent, and



the digital momentum to lead Africa's digital trade revolution. Leadership is not just about potential—it is about deliberate, strategic action. By aligning policy, infrastructure, and collaboration efforts, Nigeria can move from being a key player to become the undisputed digital trade leader of and for Africa.

4. A Roadmap for Implementation: From Vision to Digitally Enabled Trade and Trade in Services

Clearly, the AfCFTA Agreement and its Protocols on Digital Trade and Trade in Services present new hope that captures Africa's audacious step in driving accelerated trade across borders using homegrown Africa-focused tools and solutions. The development of these innovative tools is only an initial step in the anticipated continental revolution. The test of their potency in transforming Africa from a continent of long reputed potential to a continent buzzing with economic prosperity is dependent on a plethora of factors and pivotal pillars which sit within the purview of the Member States, 3 of which I will focus on in this piece.

The first pillar requires prioritization of the national regulatory framework for implementing the Protocols. For instance, to bring the one-of-its-kind Protocol on Digital Trade to life, African States need to prioritize its ratification and domestication after the adoption of its 8 annexes at the upcoming 38th Ordinary Session of the Summit of the Heads of State and Government in Addis, Ababa, Ethiopia from 15-16 February 2025. Beyond that, decisive steps must be taken to ensure vertical regulatory and statutory alignment as well as harmonization at the national and regional levels. This ameliorates the frustrations in dealing with the 'spaghetti bowl' of fragmented frameworks from country to country.

Closely related is the establishment of horizontal coherence between the national strategies and the AfCFTA Protocol on Digital Trade to essentially ensure that government initiatives are drawn from the same proverbial hymnbook as the strategies for implementing the Protocol. This will include paying deliberate attention to initiatives that advance the provision of public digital infrastructure, development of tools for a digital marketplace, digital inclusion for MSMEs and other underrepresented groups, as well as providing the enabling environment for digital innovation to thrive.

As with other key aspects of the AfCFTA multifaceted mandate, the second pillar requires multi-stakeholder collaboration in the implementation of both the Protocols on Digital Trade and Trade in Services. This entails leveraging on strategic partnerships including with the private sector, the AfCFTA Secretariat, regional organizations, development partners, DFIs and other transformational alliances. Honing these high impact collaborations will help with mobilization of resources, policy harmonization and access to finance in addition to enhancing e-commerce/ digital trade platforms and generally make cross-border trade more efficient.

The third pillar is capacity building. It is a critical requirement given the fast evolving and changing dynamics of the digital trade and trade in services ecosystem. Trained negotiators and



regulatory bodies are required to design and implement AfCFTA-aligned policies as well as harmonize trade standards and support efficient customs procedures. In the same vein, awareness creation among African businesses, (as well as investors globally), sensitizing them about the benefits of the AfCFTA Protocols on Digital Trade and Trade in Services, will enhance their capacity to leverage opportunities in those sectors. Scaling digital skills programs

to equip African youth for high-demand service job, strengthening innovation ecosystems to enhance service sector competitiveness and expanding regional digital marketplaces for seamless trade in services, are a few examples of what is possible when capacity building is embraced.

5. Conclusion and Call to Action: Coordinated Multi-stakeholder Collaboration

The Protocol on Digital Trade is receiving global attention, deservedly, I must add. Of all the AfCFTA Protocols, it is particularly ground-breaking. It is the first ever continental digital framework and it covers modern technology, new economic opportunities, data protection and cross-border digital connectivity in an innovative manner, different from the traditional protocols.

With the enormous opportunities under the Protocol on Digital Trade come the corresponding need for capital-intensive investment in public digital infrastructure to enable seamless cross-border trade, strengthen financial inclusion and support digital skills development for job creation. Given the evolving digital space, there is a sense of urgency for Africa to keep ahead of the curve and work collaboratively to strengthen the digital trade potential across the continent.

The sad reality is that some African countries are still at the start-line of this digital race, even as the rest of the world is already adapting to various levels of artificial intelligence. There is, therefore, an imperative for the upcoming 38th Ordinary Session of the African Union Assembly of the Heads of State and Government to establish a coordinated framework for championing the entrenchment and advancement of digital trade under the AfCFTA and supporting member states to strengthen their capacities to embrace and expand digital trade across the continent. In particular, the designation of a Continental Champion for the implementation of the Protocol on Digital Trade will go a long way in advocating for and ensuring support for African States and the private sector for increased digital trade.

I am cognizant of the fact that the vision and promise that the Protocol on Digital Trade holds can only be realized through coordinated multi-stakeholder collaboration. To that end, my call to action for Governments is the prioritization of ratification and domestication of the Protocol as well as alignment of legal frameworks to support digital trade.

The role of a proposed designate AU Champion on Digital Trade is to drive resource mobilization, technical support, financing and automation of specific private sector projects for accelerated employment generation, in addition to designing programmes and leading investment promotion to foster digital transformation and inclusion in Africa. President Bola



Ahmed Tinubu has already publicly verbalized his willingness and commitment to taking up this important responsibility, if given the opportunity.

On its part, the AfCFTA Secretariat, which has demonstrated strong commitment to implementation, should provide handheld support through awareness creation and guided

regulatory alignment for African States, while providing its platform to support the Digital Trade Champion. To development partners, your technical assistance, capacity building support and resources are essential in moving the expansion of digital trade and trade in services under the AfCFTA from vision to reality.

I have no doubt that the private sector in Africa, particularly our talented youth, will take full advantage of the platform for Digital Trade presented under the AfCFTA, with the enormous possibilities in a market of over 1.4 billion people and beyond. Indeed, some of them are already doing so!

As we all key into the commitment to lead Africa's digital economy through Trade in services and Digital Trade, let us move rapidly from the text of the Protocols to the actuality of a continent leading in digitally-enabled trade as a catalyst for prosperity for all.

Innovate! Invest! Digital Trade Now!!

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