

Nigeria moves a step closer to rolling out its landmark Startup Bill

Nigeria has moved a step closer to rolling out its landmark Nigeria Startup Bill (NSB) that will further deepen the country's technology ecosystem and enable a sector on the cusp of exponential growth. The presidency and leaders of the Nigerian technology industry have worked on the bill which has now been approved by the Federal Executive Council and is being sent to the National Assembly by President Muhammadu Buhari.



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Praising the Big Tent Approach, Adaeze Soka, Country Director at the UK-Nigeria Tech Hub said “the inclusive and collaborative process is laudable and can serve as a framework for policy formulation in the country.”

The NSB aims to provide a platform where startups can continuously engage regulators. Its key objectives include regulatory certainty, local content and providing an enabling business environment. There will be more support for local angel investors, funds and incubators, alongside national co-investment schemes and incentives for investing in early-stage startups.

In addition, policy designed to reduce currency constraints will have broad-reaching impacts on the ability of startups to raise and expand internationally. In terms of infrastructure, the Bill will lead to tech parks, subsidised local data facilities, better broadband connectivity and open-source data.

Despite having the highest number of startups on the continent, currently estimated at 750, Nigeria ranks below countries like South Africa, Kenya, and Tunisia in terms of business friendliness. While Kenya and Tunisia have passed their Startup Bills into law and South Africa are in the process of passing theirs, the results of boosting business friendliness will be significant.

With an already flourishing, world-renowned tech ecosystem in place, a more robust macro environment will enable Nigerian startups to further their missions, power the economy, create more good jobs and propel the country's development in a globally competitive context.

In just two decades Nigeria has fostered two indigenous unicorns despite the country's infrastructure and regulation not keeping up with the pace of disruption by the tech sector.

Nigeria has also served as the key market for five of the continent's unicorns (Interswitch, Andela, Jumia, OPay and Flutterwave) and is the giant of African tech in terms of the country's ability to attract investment.

Between 2016 and 2020 Nigerian startups were the most funded on the continent, raising \$1.58bn in venture capital and representing 27% of the overall deal volume, closely followed by Kenya. The NSB is expected to accelerate this progress and lead to many more Nigerian unicorns in years to come.

"The NSB is one among a series of key activities the Presidency is using to drive the building of a more sustainable ecosystem for young people in Nigeria to thrive and scale," said Oswald Osaretin Guobadia, senior special assistant to the president on digital transformation and the NSB Lead.

Securing jobs for Nigeria's youthful population is a key challenge for the government, and the NSB is aimed directly at fostering new talent in the growing technology and start-ups sectors. By providing for regulation around startup registration, tax incentives, talent development, university-industry collaboration, and increased public tech procurement, the NSB will ease barriers to entrepreneurship and innovation.

The Bill serves as common ground for the tech community and regulators, enabling founders to build with more confidence while providing regulators with the tools to ensure that consumers are adequately protected. This will, in turn, benefit the Nigerian economy at large and appease stakeholders involved in animosity in recent times.

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