

Flutterwave: Spearheading Nigeria's Digital Economy Revolution Amid Disruptive Technologies

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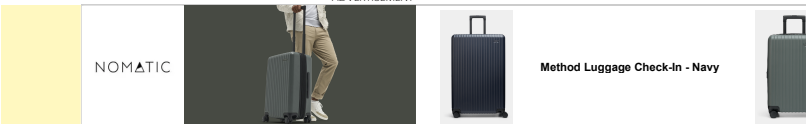


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Technological advancements — such as enhanced connectivity capabilities — have helped fuel the rise of the digital economy and expand trade on a global scale.

In Nigeria,[1] digital economy-related revenue rose from \$5.09 billion in 2019 to \$7.13 billion in 2020 — and then escalated again in 2021 to \$9.97 billion. The nation's digital economy revenue is forecast to continue to grow to an anticipated \$18.30 billion by 2026, according to a Central Bank of Nigeria-published [report](#) written by Olugbenga Agboola, the CEO and founder of Flutterwave, Africa's leading payment technology company.

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To date, Nigeria has the most startups[2] on the [African continent](#), ranking ahead of South Africa, Egypt, Kenya, and Ghana.

To ensure the country is able to realize its digital economy prospects, though, critical foundations need to be in place. The report, [Nigeria's Budding Digital Economy: Coping with Disruptive Technology](#), says that will likely require public and private sector involvement.

Crucial Components of Nigeria’s Digital Economy

The essential digital economy foundational elements include a skilled workforce, infrastructure, platforms, financial services, and entrepreneurship.



The Nigerian government and National Information Technology Development Agency are working toward a set of digital economy [3] development targets, Olugbenga Agboola says. These targets, established by Nigeria’s National Digital Economy Policy and Strategy, include efforts to increase digital literacy, promote commerce, and support technology adoption that provides a complementary environment for the exchange of digital services and goods.

Given digital commerce’s global nature, competitors can emerge from any location. For businesses to survive — and thrive — innovation is key. That reality underscores the importance of building a digitally savvy workforce that can support Nigeria’s contributions to the digital economy.

Formal education helps support overall digital literacy in the country, which may encourage the general population to use digital products and services.

Infrastructure is another concern. Elements such as high-speed internet connectivity and affordable, accessible computing devices to access online resources are necessary to fuel participation in the digital economy.

As Flutterwave founder and CEO Olugbenga Agboola notes,[4] Nigeria had a low rate of fixed broadband penetration — 0.04% — in 2018. That’s less than the 0.6% African average and significantly lower than the 13.6% global average.

Nigeria has circumvented some of the potential challenges that can arise without physical fiber cable to enable connectivity. With smartphone adoption escalating in the country, for example, a number of users now connect to the internet via mobile devices, which helped buoy internet penetration to 49% in 2021. A rise to 59.9% is forecast to take place by 2026, according to Agboola’s [5] report.

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To support successful participation in the digital economy by businesses and consumers, platforms that allow companies to promote and provide products and services online play a critical role.



Effective platforms position small companies to connect with large audiences, crowdsource opinions, and respond to market trends at a relatively reasonable cost.

Agboola’s report stresses that in Nigeria, where many businesses operate outside of the digital space, finding seamless, simple ways to bring entities such as restaurants into the digital realm is important.

A digital economy also requires skilled tech professionals. The United Nations Conference on Trade and Development, in its 2021 Technology and Innovation Report[6] , encouraged developing nations to prepare to fill the related workplace needs by pursuing science, technology, engineering, and mathematics and innovation-related policies.

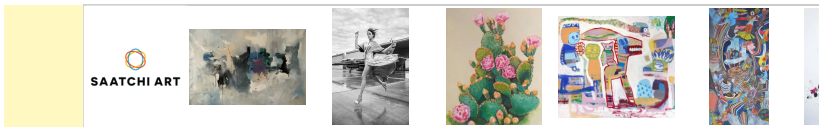
What Lies Ahead for Nigeria's Digital Economy

Nigeria, according to Olugbenga Agboola, has made considerable progress regarding the level of technological advancement that's needed to successfully expand its digital economy and further change may be forthcoming.

The African Union Commission has established[7] a digital transformation strategy for Africa, which it hopes to implement in partnership with the World Bank, the United Nations Economic Commission for Africa, African Union Development Agency – New Partnership for Africa's Development, Regional Economic Communities, Smart Africa, African Development Bank, African Telecommunications Union[8] , African Capacity Building Foundation[9] , and the International Telecommunication Union.

The strategy is designed to assist African nations in achieving an inclusive digital economy and help Africa increase its overall participation in the global economy.

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The plan also includes provisions to alleviate inadequate digital infrastructure by establishing a digital sovereignty fund. The fund provides financing for projects that help close the digital infrastructure gap and make broadband services more available and affordable.

By 2030, all Africans could potentially have access[10] to African-made smart devices that cost less than \$100 and internet service that provides at least 6 megabytes per second at prices of less than 1 cent per MB, according to Flutterwave's Agboola.

Additional plans are also in motion to supplement the populace's online digital skills and literacy, he says, through programs that will be available to hundreds of millions of Africans.

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