



Nigeria

Africa's next innovation leader

A Modest Innovator, Nigeria fell behind other countries in several markers of innovation, but policies supporting the rapid adoption of new tech promises to turn the country into a tech leader.

The southern city of Lagos has a growing startup ecosystem, but the overall national new business entry rate was less than one for every 1,000 people. Additionally, less than four percent of Nigerian workers are highly-skilled.

The short-term rental market in Nigeria is thriving, free of serious governmental burden. The country was the fifth-largest market for Airbnb and grew by 325 percent between 2016 and 2017, the fastest expansion of any country where the site operates. That healthy and expanding market earned Nigeria its highest grade, an “A” in Short-Term Rentals.

Rideshare services are also popular. The Nigerian market for Uber expanded 30 percent faster during its first 16 months than the London market during the same time period. In 2016, the federal government folded ridesharing into national transportation codes. Rules passed by local authorities, however, put significant barriers before rideshare services. The state government in Lagos, for example, doubled down on a proposal to regulate rideshare operations in the same way that taxi drivers are governed.

A law in 2012 put those rules on the books, but largely went unenforced until attention returned to rideshare services in 2016. Under the rules, taxi drivers must register with the state and obtain a franchise license, a barrier to entry for rideshare drivers who rely on private vehicles to accept passengers.

Sources: (CNN) (QZ)

WHAT DID WE DO RIGHT?

Nigeria supports a widely popular ridesharing market, albeit with some local regulations that hamper growth.

WHAT CAN WE DO BETTER NEXT YEAR?

The country can boost the number of highly-skilled employees in the workforce, increase investment in research and development, which currently accounts for only 0.22 percent of GDP. Ease regulations that require government approval to fly drones, and promote testing of self-driving vehicles.

Diversity	B+
Freedom	C-
Broadband	C-
Human Capital	F
Tax Friendliness	B+
R&D Investment	D-
Entrepreneurial Activity	D
Drones	D
Ridesharing	B
Short-Term Rentals	A
Self-Driving Vehicles	F
Environment	F



Tax Friendliness

A 30 percent corporate tax rate is on the higher end of the countries on the Scorecard, but Nigeria does not tax streaming services.



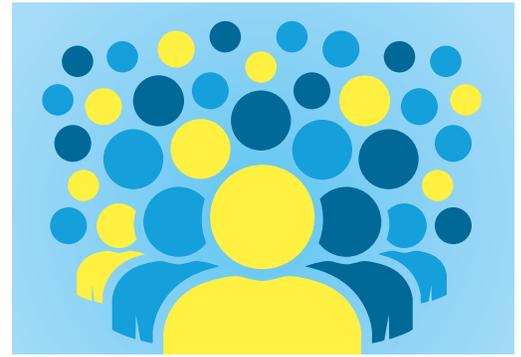
Broadband

Average broadband speeds in Nigeria clock in at a relatively low speed, 3.9 mbps, for both mobile and fixed connections, but connections in hubs like Lagos are significantly better.



Freedom

Nigeria showed middling levels of personal and political freedom.



Diversity

Nigeria is second only to Australia in ethnic diversity. The country also has an impressive level of gender parity among workers aged 25 to 54.

LAGOS

Nigeria attracted more startup funding than any other African country in 2016, bringing in more than \$109 million. With a rapidly growing tech scene and support from industry powerhouses, the southern city of Lagos is a major draw for those funds.

Yaba, a Lagos neighborhood, has gained particular attention for churning out innovative talent capable of attracting huge investments. The area is responsible for ventures like Andela, which trains developers, and online shopping company Konga.

To accommodate the rising crop of businesses, incubator Co-Creation Hub has plans to open an \$8 million, 10-story innovation center in Yaba by 2020.

Companies like Facebook and Google have helped create a culture of innovation in Lagos, one of the fastest-growing cities in the world. Facebook announced plans to open its first African tech hub in Lagos in collaboration with Co-Creation Hub, and Google plans to increase its presence there with a Google Launchpad Space. The Launchpad accelerator program pairs startup founders with Google personnel in a six-month program.

Sources: (Reuters) (The Guardian) (Newsweek) (TechCrunch) (Google Launchpad) (Financial Times) (QZ) (QZ)



Yaba, a neighborhood in the Nigerian city of Lagos, has carved a place for itself on the worldwide innovation stage. Facebook announced plans to open its first African tech hub in Lagos, and Google will increase its presence with a Google Launchpad Space in the city.