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A NAIJAPRENEUR™ SPECIAL REPORT · INAUGURAL DECADE EDITION

The Nigeria Business Trends Report

2015 — 2025

The ten forces that reshaped Nigeria's SME & business ecosystem in the last 10 years.

What moved, why it moved, and what it means for the next ten years — the founding edition of a recurring benchmark.

10	**3**	**₦1qn+**	**₦197 → ₦1,500**
MAJOR FORCES	MOVEMENTS	QUADRILLION IN DIGITAL PAYMENTS, 2024	NAIRA PER US$, 2015 → 2025

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AT A GLANCE

The ten forces in one page

Two master forces drove the decade; the rest are these two working through different parts of the economy. The full evidence and sources sit in each force's section and the fact-check appendix.

1 · Mobile-driven digitalisation

A young, phone-first population put money, shops, work and audiences onto digital rails — powering payments, agent banking, commerce, the export-services economy and the creative boom.

2 · The currency & cost shock

Persistent devaluation, capped by the 2023 float, reset the cost base of the whole economy — compressing demand and forcing adaptation in energy, talent, sourcing and formality.

#	FORCE	STRENGTH	DIRECTION	ONE-LINE EVIDENCE
01	**Cashless & agent-banking**	Structural	▲ Rising	1.92M agents (2019→Aug 2024); >₦1 quadrillion digital transfers (2024)
02	**Digital & social commerce**	Strong	▲ Rising	Social commerce ~36% CAGR; >US$2B by 2025, atop a ~US$9B e-commerce market
03	**Fintech funding cycle**	Strong	◆ Volatile	Peak ~US$1.5B (2021) → reset; Nigeria −66% in 2023; 5+ unicorns
04	**Naira devaluation & FX**	Structural	▼ Weakening	₦197→~₦1,500/US$ (70%+ fall); inflation 34.6% (2024)
05	**Energy shock & solar**	Strong	▲ Rising	Diesel ~₦200→₦1,200+/L; solar payback now under 2 years
06	**Japa & the dollar economy**	Strong	◆ Two-sided	~US$20B/yr diaspora remittances; skilled emigration accelerating since ~2021
07	**Import-substitution**	Strong	▲ Rising	41 items barred from official FX (2015); local milled rice output ~doubled
08	**Informality & financing gap**	Structural	▼ Entrenched	~57–65% of GDP informal; registered MSMEs fell (41.0→39.7M)
09	**Institutional volatility**	Strong	◆ Turbulent	Startup Act (2022); <₦100M CIT exemption (2025); frequent policy shocks
10	**Creative & cultural exports**	Emerging	▲ Rising	Arts & entertainment GDP +152.8% (2014→2024); ~US$9B sector

Grouped into three movements — **I** The Digital Leap (01–03) · **II** The Cost of Survival (04–06) · **III** The Great Reshaping (07–10). Strength = weight of evidence; direction = current movement, not a forecast.

FOREWORD

A decade no one was reading whole

Nigeria's business story is told in fragments. A funding round here, a devaluation headline there, a viral founder, a fuel-queue photograph. Each is true; none, on its own, is the story. What has been missing is the long read — the patient act of standing back from a single decade and asking the only question that ultimately matters to an entrepreneur, a policymaker or an investor: *which way is this economy actually moving, and why?*

This report exists to answer that question for the years 2015 to 2025 — the most turbulent and transformative decade in Nigeria's modern commercial history. It was the decade the naira lost three-quarters of its value and money learned to travel as code; the decade a generator-dependent economy began bolting solar to its rooftops; the decade Nigerian culture conquered global playlists while Nigerian talent boarded one-way flights. These were not isolated events. They were forces — sustained, directional, consequential — and they interlock.

We have deliberately resisted two temptations. The first is the breathless optimism that treats every funding round as proof of arrival. The second is the fashionable despair that reads every devaluation as collapse. The truth is more interesting and more useful than either: a decade in which technology raced ahead of broken infrastructure even as a currency-and-cost shock reset the ground beneath everyone's feet. Holding both at once is the whole task.

What follows is organised around **ten forces**, grouped into three movements. Each has been weighed for how strong the evidence is and tested against a simple bar: is this a genuine trend, or merely noise dressed as one? It is the founding edition of what we intend to be a recurring benchmark — the definitive long read on where Nigerian enterprise is heading.

Tito Philips
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HOW TO READ THIS REPORT

What counts as a trend — and how we weighed each one

A trend, properly understood, is not simply something that is happening. It is a **sustained, directional movement with an identifiable cause.** Most of what looks like change in the moment is one of three impostors: *noise* (random month-to-month fluctuation), a *cycle* (something that rises and falls on a rhythm), or a *fad* (directional but short-lived). Separating the real signal from those three is the analyst's entire job.

We promoted a candidate to one of the ten only when it passed four tests:

- **Direction & magnitude** — which way is it moving, and how steeply?
- **Persistence** — has it held for five years or more, not merely a season?
- **Breadth** — is it economy-wide, or the story of one or two headline companies?
- **Driver** — is there a credible mechanism behind it, or only a correlation?

A cycle earns the label "trend" only when its baseline shifts across cycles — the key to reading Force 03, where the dollar figures swung wildly but the underlying behaviour changed for good.

The strength labels

Structural
Decade-long, economy-wide, corroborated by multiple independent sources. **Build strategy on it.**

Strong
Clear direction and driver, but narrower in reach or younger than structural. **Plan for it; reversal is unlikely absent a major shock.**

Emerging
A powerful recent signal on a shorter track record. **Watch closely; seek confirmation before committing capital.**

Use these as confidence tiers, not decoration: **do not cite an Emerging trend as a Structural finding.** Where the underlying data is thinnest, figures and charts are marked *indicative*.

A floor, not a census. Every figure is a documented estimate triangulated across official statistics (NBS, CBN, SMEDAN), industry surveys and the financial press — never an exact count. Where sources disagree on method, we use the *shape* of the trend and label charts indicative. Nominal naira values are read against the inflation series in Force 04. Where a widely-circulated figure could not be independently verified, it was dropped rather than repeated.

What we left out — and why

A selection is only as honest as what it rejects. Three much-discussed candidates did *not* make the ten — each measured against our four tests (direction, persistence, breadth, driver) and each failing a specific one:

- **A crypto payment revolution** — fails *persistence & driver.* Nigeria's peer-to-peer crypto use is real, but a 2021 CBN ban, later partial reversals and sheer volatility meant it never settled into a stable SME payment rail. We treat it within Forces 01 and 09, not as a trend of its own.
- **An AfCFTA-driven intra-African trade boom** — fails *direction & magnitude.* A genuine policy milestone, but the cross-border volumes that would make it a measurable force have not yet arrived. One to watch, not yet a trend.
- **An electric-mobility transition** — fails *breadth.* EV and e-bike pilots are multiplying, but off a base so small that, economy-wide, it does not yet move the needle.

EXECUTIVE SUMMARY

The decade in one page

In 2015, a Nigerian small business paid in cash, ran on a generator, sold to its street, and borrowed from its family. By 2025 it could accept money as code from anywhere, power itself from its roof, sell to the world through a phone, and — if it was lucky — bill a foreign client in dollars. The distance between those two sentences is this report.

Almost everything that happened in between braids back to **two master forces.** Read the ten as these two working through different parts of the economy.

1 · Mobile-driven digitalisation

A young, phone-first population put money, shops, work and audiences onto digital rails — powering payments, agent banking, commerce, the export-services economy and the creative boom.

2 · The currency & cost shock

Persistent devaluation, capped by the 2023 float, reset the cost base of the whole economy — compressing demand and forcing adaptation in energy, talent, sourcing and formality.

The decade in numbers

₦197 → ₦1,500
Naira per US$, 2015 → 2025

>₦1 quadrillion
Digital transfers in 2024

1.92M
Banking agents by 2024

34.6%
Inflation peak (28-yr high)

5+
Fintech unicorns created

~60%
Of GDP informal

+152.8%
Creative-sector GDP growth

~39.7M
Registered MSMEs

The ten forces at a glance

#	FORCE	STRENGTH	DIRECTION	MVT
01	Cashless & agent-banking revolution	Structural	▲ Rising	I
02	Digital & social commerce	Strong	▲ Rising	I
03	Fintech funding super-cycle	Strong	◆ Volatile	I
04	Naira devaluation & the FX crisis	Structural	▼ Weakening	II
05	Energy shock & the solar transition	Strong	▲ Rising	II
06	Talent: japa & the dollar economy	Strong	◆ Two-sided	II
07	Import-substitution & agro-processing	Strong	▲ Rising	III
08	Informality paradox & financing gap	Structural	▼ Entrenched	III
09	Institutions amid regulatory volatility	Strong	◆ Turbulent	III
10	Creative & cultural export economy	Emerging	▲ Rising	III

Strength = weight of evidence. Direction = current movement, not a forecast. ◆ marks a cycle or a two-sided force; Mvt = narrative movement (I–III).

THE DECADE IN MOTION

Eleven years, nine turning points

The forces in this report did not arrive on schedule, but the decade has a clear spine of inflection points — the moments when the direction of the economy visibly bent.

growth & digital milestones · pressure · shock & crisis · policy

2015	**The forex wall goes up**	The CBN bars official FX for 41 import items, igniting a decade of import-substitution. The naira sits near ₦197/$.
2016	**Recession & first devaluation shock**	Oil prices crater; the naira slides toward ₦305/$ and inflation jumps into the high teens.
2018–19	**Agent banking scales; borders close**	SANEF standardises agent networks; a 2019 land-border closure sharpens the localisation push.
2020	**COVID and a landmark exit**	The pandemic forces digital adoption; Stripe acquires Paystack, validating Nigerian fintech to the world.
2021	**The funding peak**	Venture capital floods in; Nigeria leads African funding and its unicorn count climbs.
2022	**Startup Act & the naira redesign**	A legal framework for startups arrives; a cash-redesign crunch pushes millions onto digital payments.
2023	**The regime break**	Fuel subsidy removed and the naira floated in May — the decade's sharpest inflection. Funding winter bites.
2024	**Peak pressure, peak scale**	Inflation hits a 28-year high; digital transfers cross ₦1 quadrillion; Moniepoint turns unicorn.
2025	**Reform & reset**	Sweeping tax reforms favour small firms; startup funding stabilises into a more disciplined phase.

I

MOVEMENT ONE

The Digital Leap

Technology bypassed broken infrastructure, handing SMEs new rails for money, markets and capital — and new vulnerabilities with them.

01 The cashless & agent-banking revolution

FROM CASH-AND-BRANCH TO CODE-AND-CORNER-SHOP

Structural ▲ Rising

What it is

The wholesale rewiring of how Nigerians move money: from cash, bank queues and unreliable cards to instant digital transfers and a street-corner army of human "banking agents." In a single decade, money became something that moves as code — and every SME with a phone gained a foothold in the formal financial system.

What's driving it

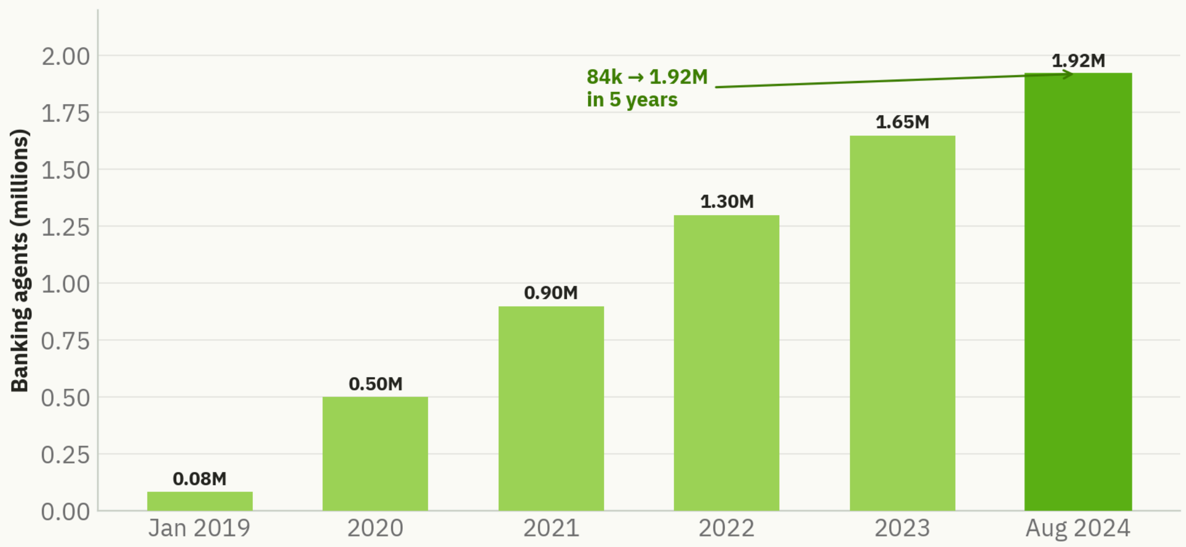
DRIVER	SPECIFIC FACTOR
Technological	Near-universal mobile phones met a deep banking-access gap — only about 40% of adults were formally banked in 2015.
Entrepreneurial	Homegrown fintechs — Paystack (acquired by Stripe for >US$200m in 2020), Flutterwave, OPay, PalmPay and Moniepoint — built world-class rails.
Policy shock	The CBN's chaotic 2022 naira-redesign cash crunch did in months what years of campaigns could not: it forced tens of millions onto apps when physical cash ran out.

How it's playing out

The policy shock was accidental, not planned — but it stuck. The acceleration after 2022 shows that behavioural change, once forced, often holds.

METRIC	THEN	NOW	SOURCE
Digital transfer value	—	>₦1 quadrillion (2024)	NIBSS
Banking agents	~84,000 (2019)	1.92m (Aug 2024)	SANEF
Financial inclusion	~40% (2015)	~64% (2023)	EFInA
LGA coverage	—	All 774	SANEF
Moniepoint volume	—	>800m txns/mo (2024)	Company

The quieter revolution is the POS agent — now the physical distribution layer of Nigerian finance: an SME in a remote town can accept payment, cash out and reach microloans without a branch. The regulatory signal of maturity came in 2024, when the CBN briefly froze new-customer onboarding at several leading fintechs — what happens when a sector becomes load-bearing enough to regulate heavily.



Banking agents, 2019–2024 (SANEF-tracked, millions). The distribution layer that reached the unbanked. Source: SANEF / EFInA.

What it means for SMEs

Digital acceptance is no longer a competitive advantage — it is the entry ticket to formal commerce.

IMPLICATION	WHAT IT MEANS
Your data is collateral	Fintech lenders read digital transaction history to extend credit; a clean record makes a one-person hustle financeable.
The unbanked became bankable	A business invisible to the system in 2015 is visible through its agent and transfer trail in 2025.
Cash now costs more than digital	Handling, securing and moving cash carries real cost; transfers are cheaper, faster and traceable.

The tension: digital adoption also brings tax traceability — the exposure at the heart of Force 08.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	Unbroken upward slope for 10+ years.
Persistence	Held through COVID, the cash crunch and inflation.
Breadth	Economy-wide; every income tier, all 774 LGAs.
Driver	Clear: mobile penetration + banking-access gap + policy shock.

Structural. The most settled force in the report; the only real debate is how much further rural penetration can go, not the direction.

Counter-argument & friction

The most serious objection. “The CBN is increasingly hostile to fintechs. Restrict agent licensing or cap transaction values, and this trend reverses.”

Our answer:

- Regulatory friction is real (2024 onboarding freezes, rising compliance costs), but the infrastructure — agents, rails, habits — is now too distributed to reverse.
- The CBN's own inclusion targets depend on agent banking; it cannot kill it without abandoning a policy goal.
- The likely outcome is consolidation, not reversal: larger, compliant players survive; the trend continues.

The weaker signal to watch: If agent unit economics deteriorate — fees compressed, fraud rising — last-mile expansion could stall before full rural coverage.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Digital transfers >₦1 quadrillion (2024)	High	NIBSS payments data
1.92m agents (Aug 2024)	High	SANEF, industry standard
All 774 LGAs covered	High	SANEF coverage data
Financial inclusion ~64%	Medium	EFInA; method varies by year
SME-level adoption rate	Medium	No single source; triangulated

Build on this: Assume digital acceptance is table stakes — any SME that does not accept it competes with one hand tied.

Don't: Assume digital adoption alone solves credit access. It creates the *data* for credit; the lending layer is still maturing.

02 The rise of digital & social commerce

FROM MARKETPLACE LISTINGS TO SELLING IN THE DMS

Strong ▲ Rising

What it is

The migration of buying and selling onto digital channels — and, distinctively in Nigeria, onto social media, where millions run shops directly through WhatsApp, Instagram and TikTok with no website at all. The decade's arc: marketplaces (Jumia, Konga) led the early years; social commerce overtook them later.

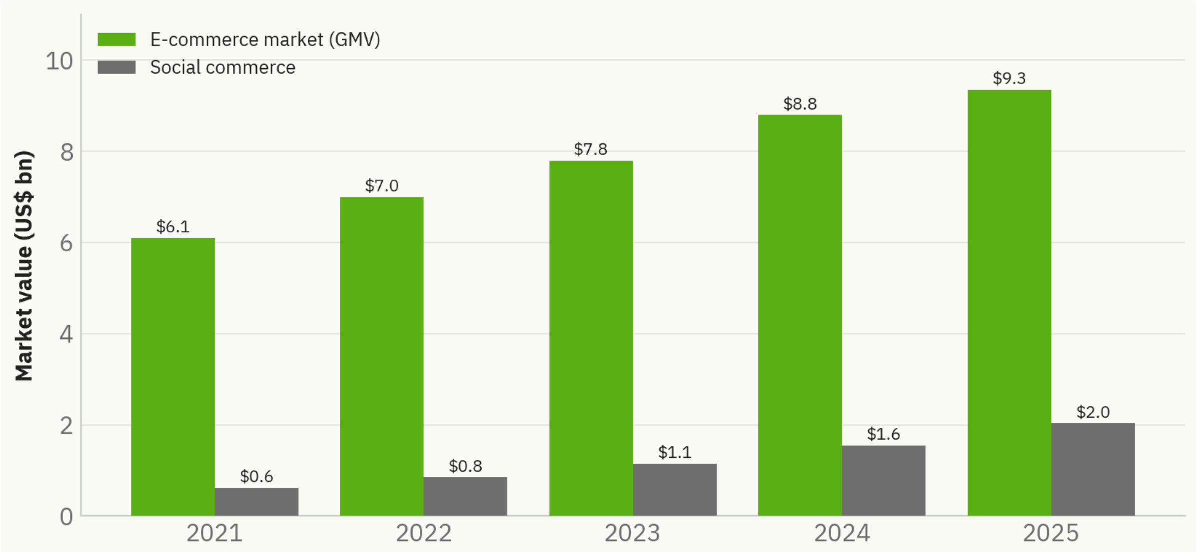
What's driving it

DRIVER	SPECIFIC FACTOR
Demographic	A young, mobile-first population (median age ~18); the vast majority of online orders are placed on a phone.
Infrastructural	The payment rails of Force 01 turned checkout into a confirmed transfer rather than a friction point.
Economic	Near-zero cost to open a storefront on a social feed — no rent, no website build.
Behavioural	Trust in community-based, review-visible social sellers often exceeds trust in anonymous marketplaces.
Financial	Buy-now-pay-later (CredPal, Carbon) and influencer-led selling lift conversion.

How it's playing out

METRIC	2021	2025 (EST.)	SOURCE
Social-commerce sales	~US$0.6bn	~US$2.0bn+	Market databooks
Total e-commerce GMV	~US$6–7bn	~US$9bn	Industry estimates
Social share of e-commerce	~9%	~22%	Calculated

Most social commerce is informal and untracked, so these figures are *indicative* — they show shape and direction, not a census, and the true number is almost certainly larger. The Jumia signal is telling: even the decade's dominant marketplace pivoted toward WhatsApp-based selling and AI-assisted shopping while narrowing to its strongest West African markets — adaptation that proves the social-commerce thesis rather than refutes it.



E-commerce GMV vs social-commerce value, 2021–2025 (US$ bn, indicative). Sources: ResearchAndMarkets, GlobeNewswire & industry estimates.

What it means for SMEs

The most democratising channel of the decade. A baker, a thrift seller or a phone-accessory trader can reach a national audience with no rent and almost no capital.

IMPLICATION	WHAT IT MEANS
Low barrier, low moat	The same ease of entry means relentless competition; standing out needs branding, trust or a distinctive product, not just showing up.
Social is the storefront	An SME with no Instagram or WhatsApp catalogue is invisible to a generation that never types a URL.
Marketplaces still matter	For discovery and cross-city logistics they remain useful — but the customer relationship lives on social.

The risk: platform dependency. An algorithm change, account ban or fee hike can wipe out a business overnight — own the customer relationship (contacts, lists) wherever possible.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	Unbroken upward for social commerce; marketplace growth plateaued but did not reverse.
Persistence	Year-on-year growth for 5+ years; accelerated post-COVID.
Breadth	Broad across fashion, electronics, food, beauty and services.
Driver	Clear: demography + payment rails + zero-cost entry.

Strong, not Structural. Standardised measurement of informal social selling is still maturing; the direction is unambiguous, the precise magnitude is not.

Counter-argument & friction

The most serious objection. “Social commerce is just repackaged classified ads — a feature of low-trust markets that fades as formal e-commerce matures.”

Our answer:

- Formal e-commerce had a decade to win and captured only a fraction of retail; social commerce succeeded precisely where marketplaces struggled, by solving trust and reach.
- As formalisation rises (Force 09) some sellers will graduate to dedicated storefronts — but shopping where you already socialise is a generational behaviour, not a transitional one.

The weaker signal to watch: Effective digital identity or seller-verification that lowers trust barriers to formal marketplaces could shift the balance back.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Social commerce is growing fast	High	Multiple research firms agree on direction
Exact GMV (US$2bn+)	Low–Med	Estimates vary widely by method
Total e-commerce GMV (US$9bn)	Low–Med	Wide variation across sources
Social share rising	High	Supported by survey data

Build on this: Assume a social storefront is now a necessary (if not sufficient) condition for reaching Nigerian consumers.

Don't: Bet on precise market-size figures, or assume social commerce fully replaces marketplaces.

03 The fintech funding super-cycle & unicorn legacy

FROM A TRICKLE, TO A FLOOD, TO DISCIPLINED CAPITAL

Strong ◆ Volatile

What it is

The complete boom–bust–reset cycle of formal startup capital: from a trickle in 2015, to a flood in 2021–22, to a sharp "funding winter," to a leaner, more disciplined recovery by 2025. This is the report's clearest example of the difference between a *cycle* (the dollar figures oscillate) and a *trend* (the underlying behaviour changes for good).

What's driving it

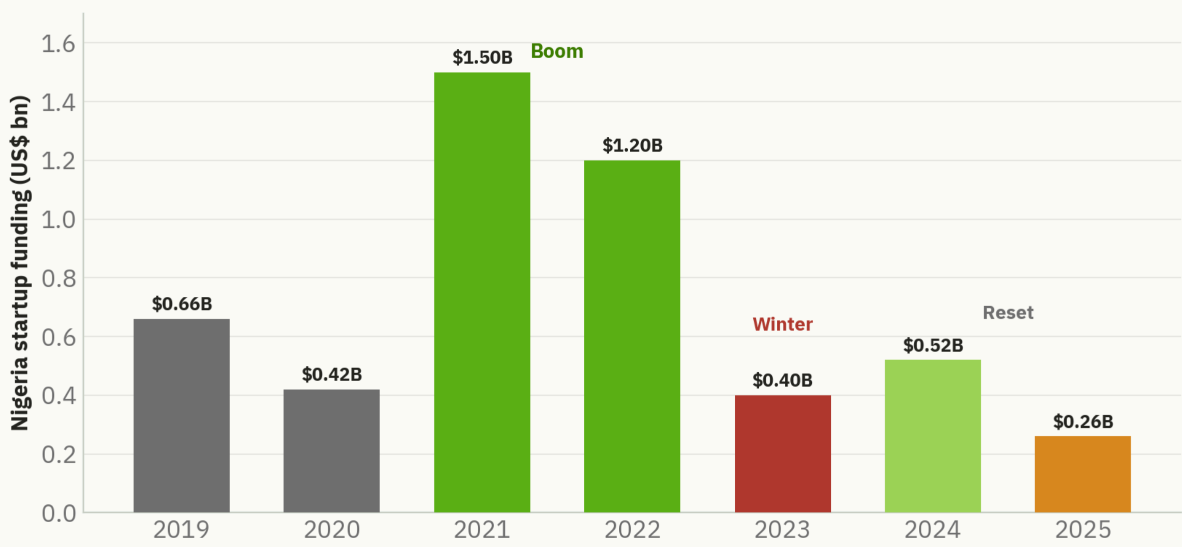
DRIVER	SPECIFIC FACTOR
Global liquidity	Ultra-cheap money in 2020–21 drew record capital; 2022's interest-rate hikes and risk-off sentiment drained it.
Local validation	Stripe's 2020 acquisition of Paystack (>US$200m) signalled to global investors that Nigerian fintech was a serious asset class.
Talent pipeline	A growing pool of founders, engineers and operators who had built and exited became the next wave of investors.
Local capital	New domestic funds and venture-debt providers reduced dependence on foreign capital.
Discipline	The winter forced a shift from growth-at-all-costs to unit economics and sustainable margins.

How it's playing out

YEAR	FUNDING (EST.)	EVENT
2019	~US$0.66bn	Pre-boom baseline
2020	~US$0.42bn	Paystack exit; COVID accelerates digital
2021	~US$1.5bn	Peak flood (global cheap money)
2022	~US$1.2bn	High, but softening
2023	~US$0.4bn	Winter bottom; Nigeria briefly cedes Africa's top spot
2024	~US$0.52bn	Recovery; Nigeria reclaims the lead
2025	~US$0.26bn (part.)	Disciplined stabilisation; local investors lead

Sources: Partech, Disrupt Africa, Africa: The Big Deal. Figures vary by debt/equity treatment; the direction is reliable, the absolutes indicative.

The decade minted at least five Nigerian (or Nigeria-founded) unicorns — Interswitch, Flutterwave, OPay, Andela and Moniepoint (2024). Note Paystack, though a landmark exit, was acquired well below unicorn valuation. The durable shift sits beneath the volatile chart: from raise-big-spend-fast to unit economics before Series B; from foreign-led to local-led early rounds; from fintech-only to health, logistics, climate and edtech.



Nigeria startup funding, 2019–2025 (US$ bn, indicative; varies by tracker). Sources: Partech, Africa: The Big Deal, Disrupt Africa.

What it means for SMEs

The legacy outlasts the cycle. A deep pool of experienced operators now seeds new ventures, and the continent's investor playbook exists because of this decade.

IMPLICATION	WHAT IT MEANS
Talent-cost distortion	A mid-level fintech engineer (US$3–5k/month, often remote) is beyond most non-tech SMEs, widening the gap between digital-native and traditional firms.
Spillover into new sectors	Founders who exited fintechs now start healthtech, logistics, edtech and climate ventures — the ecosystem is diversifying.
Venture debt as a tool	Revenue-positive, asset-poor SMEs can now access debt tied to cashflow rather than collateral — a direct answer to Force 08.

The risk: a two-tier SME economy — venture-backed digital firms (mostly Lagos and Abuja) and everyone else.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	The underlying behaviour — leaner firms, local capital, profitability discipline — has changed.
Persistence	The funding figure oscillates, but the behavioural shift has held through 2023–25.
Breadth	Concentrated in fintech, now spreading across sectors.
Driver	Clear: global liquidity cycles + a local validation event + a talent pipeline.

Strong, not Structural. The dollar figures will keep cycling; the behavioural change is younger than the decade and needs another up-cycle to prove it holds.

Counter-argument & friction

The most serious objection. “When global liquidity returns, discipline will vanish and founders will go back to growth-at-all-costs. You are mistaking a cyclical low for a structural shift.”

Our answer:

- Possible — but local investors now lead early rounds (and are more disciplined), the 2025 tax reforms reward profitable formal firms, and the winter culled weak models.
- We are not declaring victory; we are flagging that the *direction* is toward discipline. The next up-cycle is the test.

The weaker signal to watch: If pension and insurance capital enter the startup stack meaningfully, the cycle could stabilise; if not, the next liquidity flood could recreate 2021 excess.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Funding peaked 2021–22 then fell sharply	High	All trackers agree on shape
Exact annual figures	Medium	Partech, Disrupt Africa, Big Deal differ by method
Five+ unicorns exist	High	Publicly disclosed valuations
Local investors' share rising	High	Multiple ecosystem reports
Profitability-discipline shift	Medium	Qualitative; not yet fully quantified

Build on this: Assume capital is available but conditional — on unit economics, not just growth.

Don't: Assume the 2021 flood returns unchanged. The new baseline is lower, leaner and more disciplined.

II

MOVEMENT TWO

The Cost of Survival

External shocks and rising input costs forced SMEs into adaptation and, often, informal survival — reshaping currency, energy and talent all at once.

04 Persistent naira devaluation & the FX crisis

FROM ₦197 TO THE DOLLAR, TO NEARLY ₦1,500

Structural ▼ Weakening

What it is

The sustained, multi-cycle collapse of the naira's value and the chronic scarcity of foreign exchange — the single financial pressure that touched every business in the decade, and the master force beneath most of the others.

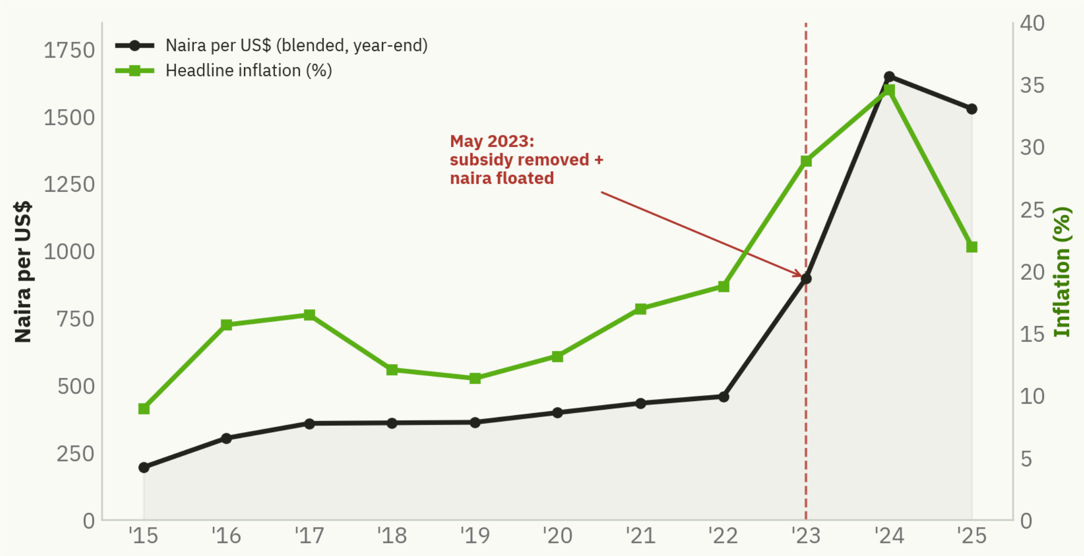
What's driving it

DRIVER	SPECIFIC FACTOR
Structural	Over-reliance on oil earnings (~85% of export revenue) and on imports for machinery, raw materials and consumer goods.
Policy	Years of an artificially defended, multiple-rate system (official, I&E, parallel) that bred arbitrage and scarcity.
Reserves	Dwindling reserves could not defend the naira without crushing imports.
Shock	The decisive June 2023 decision to float the naira and scrap the fuel subsidy in one stroke — the decade's sharpest inflection.

How it's playing out

YEAR / EVENT	NAIRA/US$ (OFFICIAL)	NOTE
2015	~₦197	Pre-devaluation baseline
2016	~₦305	Oil-price crash; first major devaluation
2020	~₦380	COVID and oil-demand collapse
2023 (pre-float)	~₦460	Artificially defended
2023 (post-float)	~₦750–900	June float; sharp adjustment
2024–25	~₦1,300–1,500	Stabilised at a far weaker base

Parallel-market rates often ran 20–40% weaker still. The cascade: headline inflation hit **34.6% in 2024** (a 28-year high, NBS); petrol jumped from ~₦185 to over ₦1,000/litre; and 67% of MSMEs reported falling demand (PwC, 2024). The 2025 easing partly reflects a CPI rebasing, not a true reversal — treat it with caution.



Naira/US$ and headline inflation, 2015–2025. The 2025 inflation easing partly reflects a CPI rebasing. Sources: CBN (FX), NBS (CPI).

What it means for SMEs

A permanent "localise-or-die" logic. Imported inputs punish; a parallel-market premium must be managed daily; survivors price in real, replacement-cost terms and hold some value outside the naira.

IMPLICATION	WHAT IT MEANS
Price on replacement cost	Price on what stock will cost to replace, not what you paid — mistaking nominal profit for real profit quietly decapitalises a business.
Hold a hard-currency buffer	Even a small holding of dollars, stablecoins or import inventory preserves capital through devaluation cycles.
Localise inputs aggressively	Every imported component is a liability; the decade's survivors substituted toward domestic supply chains.

Who was hit hardest: import-dependent manufacturers and importers of finished goods; asset-light service firms that can bill in dollars proved most resilient.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	Sustained weakening across the entire decade, with no lasting reversal.
Persistence	Multiple cycles (2016, 2020, 2023) all moved the same way.
Breadth	Economy-wide; every business that touches naira or imports.
Driver	Clear: structural oil dependency + policy choices + the 2023 shock.

Structural. The second-most settled force after Force 01; the only uncertainty is the pace of future devaluation, not the direction.

Counter-argument & friction

The most serious objection. "The 2025 stability shows the worst is over — with improved reserves and a unified rate, the naira may strengthen."

Our answer:

- A stable naira at ~₦1,500 is not a reversal — it is a new baseline some 87% weaker than 2015's ₦197.
- Even strengthening to ₦1,200 would leave the currency massively devalued over the decade.
- This report documents the decade trend, not a 2025 forecast; the structural pressures (oil dependence, import reliance) remain.

The weaker signal to watch: If Nigeria builds non-oil export capacity and holds the unified rate, the *slope* of future devaluation could flatten — the direction would still hold.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Naira weakened dramatically over the decade	High	CBN official rates; parallel rates confirm
Exact rate at a point in time	High	CBN (official); parallel less precise
Inflation peaked at 34.6% (2024)	High	NBS
67% of MSMEs saw falling demand	Medium	PwC MSME Survey 2024 (single, credible)
2025 easing reflects CPI rebasing	High	NBS-disclosed rebasing

Build on this: Assume the naira keeps weakening over the long run, with periodic shocks — price in real terms, hold buffers, localise inputs.

Don't: Mistake short-term stability for a reversal of the decade's direction.

05 The energy shock & the solar transition

FROM THE GENERATOR'S ROAR TO THE ROOFTOP'S SILENCE

Strong ▲ Rising

What it is

The shift in how businesses keep the lights on — away from diesel and petrol generators, the default for most of the decade, toward solar and other off-grid power.

What's driving it

DRIVER	SPECIFIC FACTOR
Grid failure	The national grid collapsed at least 11 times in 2024 alone; an unreliable grid makes backup power mandatory, not optional.
Fuel-cost explosion	Diesel rose from ~₦200/litre (2015) to ₦1,200+/litre (2024) after subsidy removal; petrol followed a similar arc.
Solar economics	Panel prices fell steadily while diesel soared; payback compressed from 5+ years to under two.
Policy	Zero import duty on solar panels (2024); faster off-grid licensing.
Financing	Pay-as-you-go and subscription “solar-as-a-service” removed the upfront-capital barrier.

How it's playing out

The cost crossover, illustrative for a small SME (figures vary widely by usage):

POWER SOURCE	MONTHLY COST	UPFRONT	PAYBACK VS DIESEL
Diesel generator	₦150k–300k	Low	Baseline
Solar (outright)	~Maintenance only	₦1m–3m	18–24 months
Solar-as-a-service	₦50k–100k	Zero	Immediate

Adoption indicators are *indicative* — there is no authoritative census. Industry surveys put SME solar adoption at roughly 15–20% by 2024 (from under 1% in 2015), with dozens of solar-as-a-service providers (Arnergy, Rensource and others) where there were none, and a World Bank-backed DARES programme targeting 17.5m people. Micro-SMEs that cannot fund the switch — even subscriptions require payment discipline — stay on costlier diesel; if solar-as-a-service scales deeply enough it may close that gap, otherwise energy becomes a moat for larger firms.

What it means for SMEs

Energy is turning from an operating drain into a competitive advantage. A solarised business carries a structurally lower cost base than a generator-dependent rival.

IMPLICATION	WHAT IT MEANS
Model the payback	For most SMEs solar payback is now under two years; every month on diesel past that point is a loss.
Subscription removes the barrier	If capital is tight, solar-as-a-service converts a capital expense into an operating one with immediate savings.
The divide widens	Firms that switch gain a permanent cost advantage; those that cannot fall further behind.

Calibrate locally: the ~15–20% figure is a national average — higher in Lagos and the cities, far lower in rural areas.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	A clear shift from near-zero adoption to a meaningful minority.
Persistence	Accelerated sharply after 2023, atop a 5+ year cost trend (solar falling, diesel rising).
Breadth	Economy-wide, though adoption varies sharply by SME size and location.
Driver	Clear: falling solar costs + soaring diesel + grid failure + policy support.

> **Strong, not Structural.** Adoption is still a minority; the trend is clear and accelerating, but needs another 3–5 years to reach majority, and the class divide is significant.

Counter-argument & friction

The most serious objection. “Solar is still too expensive for most micro-SMEs. The maths works for medium firms, not the corner shop running a small generator a few hours a day.”

Our answer:

- True — payback is longer for very low-usage SMEs, but subscription models are narrowing the gap.
- The larger point: diesel will not return to ₦200/litre. The 2023 subsidy removal is permanent, so the energy market's direction is decisively away from fossil generators even if micro-adoption is slow.

The weaker signal to watch: If the national grid stabilised meaningfully (unlikely given disinvestment and vandalism), the urgency of solar would ease.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Diesel prices soared after subsidy removal	High	Market prices
Solar payback has compressed	High	Panel-price + diesel-cost economics
SME solar adoption ~15–20%	Low–Med	No census; multiple surveys, wide range
Solar-as-a-service is growing	High	Visible market entry of providers
11+ grid collapses in 2024	High	NERC / press

Build on this: Assume energy costs stay high and solar economics keep improving — model the switch.

Don't: Assume the ~15–20% adoption figure applies to your segment; it varies sharply by size, location and usage.

06 The talent equation: japa & the dollar economy

FROM A LOCAL LABOUR MARKET TO A GLOBAL ONE

Strong ◆ Two-sided

What it is

The reshaping of Nigeria's labour market by two opposite flows at once: outward, mass skilled emigration — *japa* (Yoruba, “to flee”) — as professionals leave for Europe, North America and the Gulf; and inward (virtually), the rise of Nigerians earning hard currency by working remotely for foreign clients while spending naira at home. The net effect is a labour market that is no longer local; it is global in both directions.

What's driving it

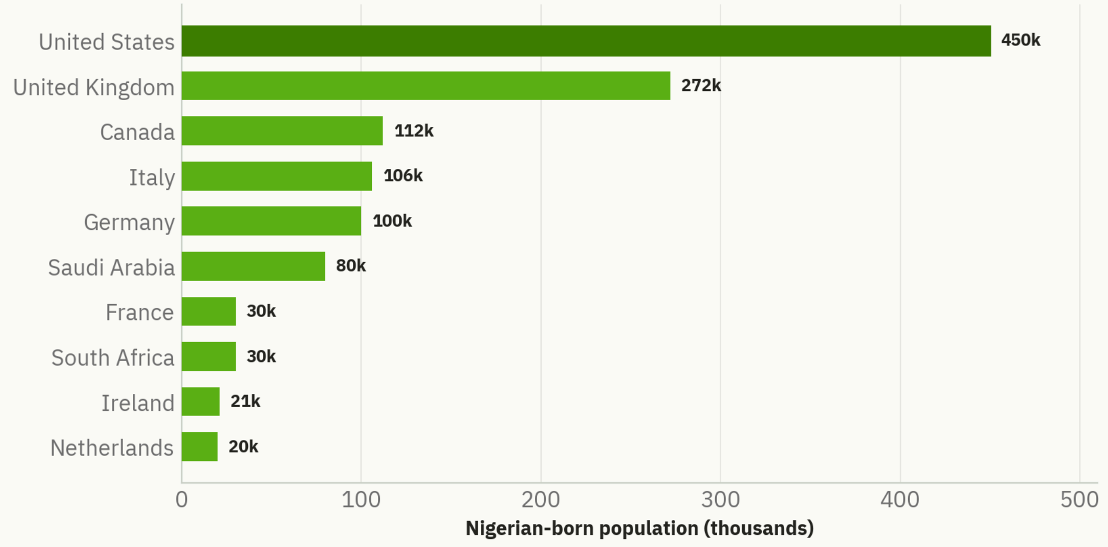
DRIVER	SPECIFIC FACTOR
Push (outward)	A weak, volatile naira (Force 04) that erodes real salaries; inflation, insecurity and thin infrastructure; high educational attainment meeting low local opportunity.
Pull (outward)	Aging, skill-short economies (UK, Canada, Germany, the Gulf) actively recruiting Nigerian nurses, engineers and tech workers; diaspora networks that lower the cost of relocation.
Pull (remote, inward)	Post-COVID normalisation of distributed work; platforms (Upwork, Fiverr, remote-first startups) that let Nigerians bill in dollars without leaving.
The paradox	The same weak naira that pushes people out makes dollar earnings extraordinarily valuable — a powerful incentive to stay and work remotely. One macro pressure, two opposite effects.

How it's playing out

Emigration (japa). Destination-country counts — not Nigerian exit data — show a steady rise:

DESTINATION	NIGERIAN-BORN (LATEST EST.)	TREND
United States	~450,000 (ACS)	Steady increase
United Kingdom	~272,000 (2021 Census)	Sharp rise post-2016
Canada	~112,000 (2021 Census)	Rapid acceleration post-2020
Italy	~106,000	Long-established, growing
Germany	~72,000–100,000	Growing, esp. tech & care
Saudi Arabia	~80,000 (2022 census)	Significant

Nigeria publishes no real-time emigration data and destination counts undercount (they require legal residency), so we read the *direction* — strongly upward — as the signal, not any figure as precise; UK flows alone peaked near 141,000 in the year to mid-2023 before tightening to ~52,000 in 2024 (ONS). The other face is the **remote dollar economy**: ~US$20bn a year in recorded diaspora remittances (World Bank, informal flows adding more), strong reported growth in freelancer-platform earnings (indicative), and a visible class of dollar-billing “export SMEs” — design, software, content — earning abroad while spending in naira. The same force that drains skilled labour seeds a hard-currency revenue model.



Nigerian-born population in leading destination countries (thousands; latest available census / official estimates, which vary by source). Excludes large neighbouring-country populations, which reflect regional movement rather than the skilled wave. Sources: UNDESA; US ACS, UK ONS & national censuses.

What it means for SMEs

The labour market is now global in both directions.

IMPLICATION	WHAT IT MEANS
Retention is a world contest	You compete for talent with employers in London, Toronto and Dubai — not just the firm next door.
Hiring moves both ways	You can hire across Nigeria's lower-cost regions, but you will also lose people after training them.
Dollar revenue is the hedge	If your model allows it (services, software, content, design), earning even part of revenue in dollars is the strongest hedge against Force 04.

The strategic read: treat talent as a global contest, and dollar-earning capacity as a structural advantage rather than a nice-to-have.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	Clear and sustained — emigration up 8+ years, remote dollar earnings up 5+.
Persistence	Accelerated post-2020 and held through 2025, with no sign of reversal.
Breadth	Economy-wide, though concentrated in professional, tech and health sectors; less acute in agriculture and traditional retail.
Driver	Clear: the macro pressure of Force 04 plus global demand for remote and migrant labour.

Strong, not Structural. The hard data is thinner than for Forces 01 or 04 — emigration estimates are imprecise and remote earnings escape official statistics — so the direction is firm while the magnitude is read with care.

Counter-argument & friction

The most serious objection. “If the naira stabilises and the domestic economy improves, emigration slows and the dollar economy shrinks. This is a cycle, not a trend.”

Our answer:

- Emigration would slow, but diaspora networks are now structural — the UK, Canada and Germany have built multi-year recruitment pipelines; reversal is unlikely.
- Remote dollar earnings would become less urgent but not disappear — global remote work is a settled category now, not a pandemic anomaly.
- The two-sidedness is the durability: as long as the naira is volatile either way, the option to earn in dollars holds value.

The weaker signal to watch: If the 2025 tax and financing reforms (Forces 08–09) raise local real wages meaningfully, the net outflow could plateau.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Skilled emigration is rising significantly	High (directional)	Destination-country censuses all trend up
Exact annual emigration numbers	Low	No Nigerian exit tracking; counts miss undocumented flows
Diaspora remittances ~US$20bn	Medium	World Bank official; informal flows add unknown amounts
Remote dollar earnings growing	High (directional)	Platform data & SME surveys; aggregates imprecise
Labour scarcity hits SME retention	High	PwC MSME Survey 2024; consistent qualitative reporting

Build on this: Assume skilled talent stays expensive and mobile, and that dollar-earning options keep expanding for service SMEs.

Don't: Bet on precise emigration numbers, or assume the trend applies equally to every sector and region.

III

MOVEMENT THREE

The Great Reshaping

Winners and losers are being redefined — some sub-sectors thriving, others collapsing — as the productive economy, its rules and its culture all shift.

07 Import-substitution & agro-processing localisation

FROM IMPORTING FOOD, TO MAKING IT (WITH FRICTION)

Strong ▲ Rising

What it is

The decade-long push to produce domestically what Nigeria used to import — above all food and agro-processed goods such as rice, cassava and palm oil. The verdict is honestly mixed: a real shift, with real friction, and not yet a productivity miracle.

What's driving it

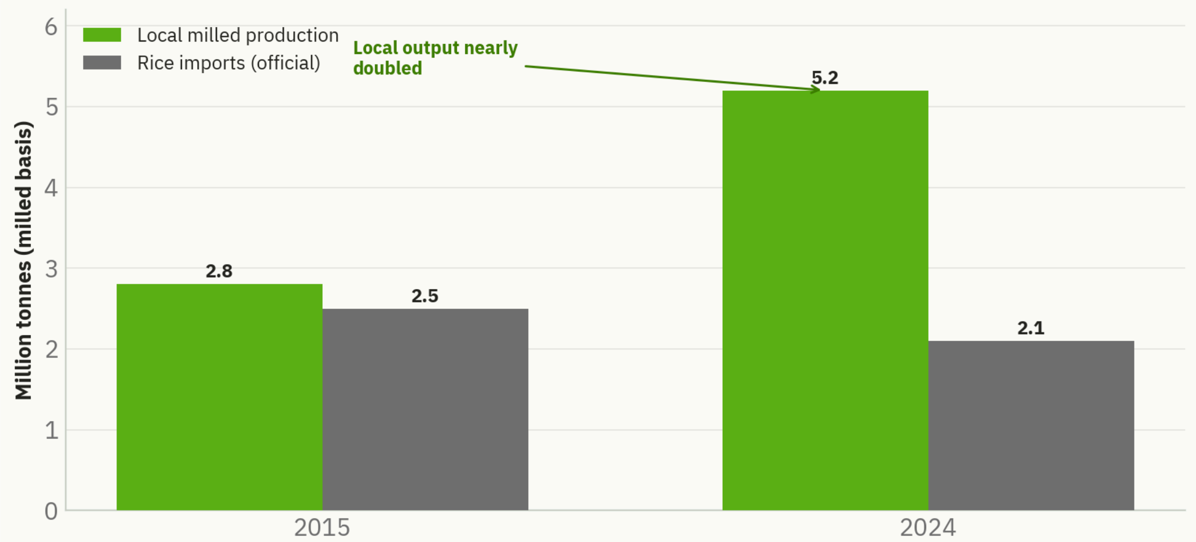
DRIVER	SPECIFIC FACTOR
FX scarcity (primary)	When dollars for imports became scarce and dear (Force 04), local production became economically necessary.
Policy	The CBN barred 41 (later 43) import items from official FX (2015); the 2019 land-border closure and tariff protection reinforced it.
Market response	Large manufacturers (Dangote, Flour Mills) built domestic supply chains; smaller agro-processors followed.

How it's playing out

The rice case is the most documented — aligned here to our own chart:

METRIC	2015	2024/25
Local milled output	~2.8 MT	~5.2 MT (roughly doubled)
Rice imports (official)	~2.5 MT	~2.1 MT
Self-sufficiency	~50%	~70%

Sources: USDA FAS, FMARD (indicative). Beyond rice, cassava processing into starch and flour deepened and domestic palm-oil processing expanded (though quality lags); wheat and sugar remain heavily import-dependent. The friction is real: insecurity in food-producing regions capped output, weak rural infrastructure left post-harvest losses high, quality often trailed imports, and the 2023–24 food-inflation emergency forced duty-free import windows that undercut local producers.



Rice (milled, million tonnes): local output roughly doubled and now exceeds imports — though Nigeria still imports ~2 MT a year and is about 70% self-sufficient. Sources: USDA FAS, FMARD (indicative).

What it means for SMEs

The opening is real but unforgiving. The durable winners move up the value chain, localise inputs and cluster where security and infrastructure allow.

IMPLICATION	WHAT IT MEANS
Processing captures the margin	Raw output is low-margin and high-risk; milling, packaging and branding capture the value.
Localise inputs aggressively	Every imported component — packaging, machinery parts — is an FX liability; substitute where you can.
Cluster where it works	Production in insecure or infrastructure-poor regions is not viable; concentrate where there is both security and logistics.

The risk: the same policy that created the opening (FX restriction) can reverse it when food inflation spikes — this is a managed market with sharp swings, not a stable one.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	A clear shift from import-reliant toward more local production.
Persistence	Sustained across a decade of FX and policy pressure; partly reversed in inflation crises, but the baseline moved.
Breadth	Concentrated in agro-processing; far less in machinery, electronics and chemicals.
Driver	Clear: FX scarcity + deliberate policy (2015 restrictions, 2019 border closure).

Strong, not Structural. Real but incomplete and partly reversible — Nigeria still imports significant food, and localisation beyond agro-processing is limited.

Counter-argument & friction

The most serious objection. “This is not a trend — it is a forced outcome of FX scarcity that reverses when dollars return. Local producers are not competitive on quality or cost.”

Our answer:

- Partial reversal is possible (the 2024 duty-free windows prove it), but the baseline has moved: local milled rice roughly doubled and processing capacity was built — that capacity will not disappear if imports return.
- The honest verdict: import-substitution succeeded as a *direction* but not yet as a productivity miracle; local goods are often still higher-cost and lower-quality.

The weaker signal to watch: If security in food regions improves and infrastructure investment follows, the productivity gap could close; if not, Nigeria stays caught between costly local output and volatile imports.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Local rice output roughly doubled	Medium	USDA FAS & FMARD agree on direction; figures vary
Self-sufficiency ~70%	Medium	Calculated; depends on harvest and imports
Duty-free import reversals occurred	High	Publicly announced policy
Insecurity caps output	High	Multiple consistent reports
Processing beyond rice/cassava/palm limited	High	Trade data; import categories still large

Build on this: Assume localisation pressure persists, but with periodic policy reversals in inflation crises — build for durability across cycles.

Don't: Assume local production is now permanently competitive on quality or cost, or that policy stays consistent.

08 The informality paradox & the financing gap

GROWTH THAT RUNS AWAY FROM THE FORMAL ECONOMY

Structural ▼ Entrenched

What it is

The paradox that most of Nigeria's economic activity — and much of what gets celebrated as "SME growth" — happens off the books, in an informal economy that is vast and, if anything, expanding rather than shrinking. This is the silent counter-trend to every formalisation policy of the decade.

What's driving it

DRIVER	SPECIFIC FACTOR
Survival economics	Registration and tax feel costly with little visible benefit (credit, contracts, protection).
Credit scarcity	A chronic shortage of affordable formal credit pushes SMEs to stay informal, where family and cooperative lending are the only options.
Post-2023 hardship	Inflation and collapsing purchasing power pushed more activity into informal margins to survive.
Tax-burden perception	Overlapping federal, state and local levies feel like harassment with no return.

How it's playing out

METRIC	THEN	NOW
Informal share of GDP	~50–55% (mid-decade)	~57–65% (entrenched)
Informal share of non-farm jobs	~80–85%	~85–90%
Registered MSMEs (SMEDAN/NBS)	41.0m (2017)	39.7m (2021)

The financing gap is the master constraint. Most SMEs run on personal savings (~79%), then family and cooperatives; formal bank loans reach under 5% (and at 25–30% interest, with collateral); fintech cashflow lending is growing but still small; informal money-lenders fill the rest at predatory rates. The paradox in one line: most activity is informal, most policies failed to shrink it, and the one thing that would incentivise formalisation — affordable credit — remains scarce.

What it means for SMEs

The financing gap is the binding constraint of the decade. Closing it would convert most of this report's "Emerging" forces into Structural ones; until then, every other adaptation is partial.

IMPLICATION	WHAT IT MEANS
Your data is your collateral	Digital transaction history (Force 01) is now the most accessible path to credit — clean records beat physical assets.
Formalisation now has upside	The 2025 tax reliefs (Force 09) make it genuinely worthwhile for firms under ₦100m turnover — revisit the calculation.
Informal has a ceiling	Informal firms cannot reach corporate contracts, grants or bank loans, and cannot grow past a certain size undetected.

The systemic risk: if informality keeps rising, Nigeria faces a low-tax, low-service trap — unable to fund the infrastructure and security that would enable formalisation.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	Informal share is not shrinking; it may be slowly growing.
Persistence	The problem held across a full decade of reform attempts.
Breadth	Economy-wide, bar large formal corporates.
Driver	Clear: survival economics + credit scarcity + tax-burden perception.

Structural. The most uncomfortable finding in the report — the stability of a problem this large, across a decade of effort, is itself the trend.

Counter-argument & friction

The most serious objection. “The 2025 tax reforms (₦100m exemption, simpler filing) are a genuine breakthrough. In the next decade, informality will shrink.”

Our answer:

- This is the best case for optimism: the 2025 reforms lower the cost of formalising rather than raising the penalty for informality.
- But the 2017–2021 decline in registered MSMEs happened amid a decade of formalisation rhetoric — we need the 2027 SMEDAN survey before declaring a turn.

The weaker signal to watch: If fintech lending scales from under 5% of SMEs toward 15–20%, the incentive to formalise rises — we track credit-access share as a leading indicator.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Informal economy is very large (50–65% of GDP)	High	Multiple sources agree on the range
Exact share (57% vs 62%)	Low	Wide methodological variation
Registered MSMEs fell 2017–2021	High	SMEDAN/NBS, same method both years
Financing gap is severe	High	Multiple consistent surveys
Fintech credit access is growing	High	Visible entry; precise share unestablished

Build on this: Treat formalisation as a real choice with trade-offs — for firms under ₦100m turnover, the 2025 reliefs tilt it toward formal.

Don't: Assume formalisation happens automatically as the economy grows — the last decade proves otherwise.

09 Institutional maturation amid regulatory volatility

STRONGER RULES, ON A SHAKIER ROAD

Strong ◆ Turbulent

What it is

The simultaneous maturing of Nigeria's business rules and a rise in policy turbulence: stronger, codified frameworks delivered on a shakier, less predictable road. The decade gave SMEs better laws and more shocks at once.

What's driving it

DRIVER	SPECIFIC FACTOR
Reform agenda	A genuine push to formalise the startup and tax systems.
Crisis management	Reactive moves around currency, FX and fintech produced several shocks a year.
Fiscal federalism	Overlapping federal, state and local taxes raised the compliance burden.

How it's playing out

On the maturation side: the **Nigeria Startup Act (2022)** gave the innovation economy its first legal framework; open-banking rules (2023–24) laid the basis for cashflow-based lending; and the **2025 Tax Reform Acts** exempted small companies (turnover under ₦100m) from company income tax and replaced the FIRS with a new revenue service.

On the volatility side: a disruptive 2022–23 naira redesign, crypto bans and reversals, sudden 2024 fintech-onboarding freezes and repeated FX shifts. A 2024 PwC survey put regulatory unpredictability among MSMEs' top concerns — not because the rules were bad, but because they changed too often to plan around, pushing many firms into a defensive “wait-and-see” crouch.

What it means for SMEs

The direction of travel rewards formalisation more than ever — but the turbulence is itself a planning problem.

IMPLICATION	WHAT IT MEANS
Revisit formalisation annually	The 2025 reliefs changed the maths, but policy can shift again — treat it as a live calculation, not a box ticked once.
Build operational flexibility	Firms that can pivot — digital payments, multiple suppliers, lean inventory — survive volatility better than those locked into fixed multi-year commitments.
Lobby collectively	No single SME can absorb regulatory whiplash; sector associations and chambers matter more than ever.

The risk: volatility could undermine the maturation — if SMEs read the 2025 reliefs as a one-off rather than a baseline, behaviour will not change.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	The framework is clearly maturing (Startup Act, tax reform, open banking).
Persistence	Both maturation and volatility have built for 5+ years.
Breadth	Economy-wide; all formal and formalising SMEs.
Driver	Clear: a reform agenda colliding with crisis management.

Strong, not Structural. The tension between maturation and volatility is unresolved — if shocks subside, the maturation side could become Structural; if they intensify, the gains could erode.

Counter-argument & friction

The most serious objection. “The 2025 reforms are a structural breakthrough. You are over-weighting past volatility and under-weighting the new baseline.”

Our answer:

- We hope that ages well — the 2025 reforms are different. But the decade's pattern is that breakthroughs are followed by reversals or new shocks.

- The report names both sides; if 2026–27 shows consistent direction, we will upgrade this force to Structural.

The weaker signal to watch: The frequency of major policy shocks per year — 1–2 rather than 3–5 in 2026–27 would signal genuine improvement.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Startup Act (2022) passed	High	Public law
Tax Reform Acts (2025); ₦100m CIT exemption	High	Public law
Multiple policy shocks occurred	High	Public record
SMEs cite unpredictability as a top concern	Medium	PwC MSME Survey 2024 (single, credible)

Build on this: Assume formalisation incentives improve over time, but with periodic shocks — build flexibility and revisit the calculation annually.

Don't: Assume the 2025 reforms are permanent and irreversible, or that past volatility will not repeat.

10 The creative & cultural export economy

FROM LOCAL ENTERTAINMENT TO GLOBAL SOFT POWER

Emerging ▲ Rising

What it is

The rise of Nigeria's creative industries — music (Afrobeats), film (Nollywood) and digital content — into a globally significant, export-earning part of the economy. This is the youngest force in the report and the fastest-growing.

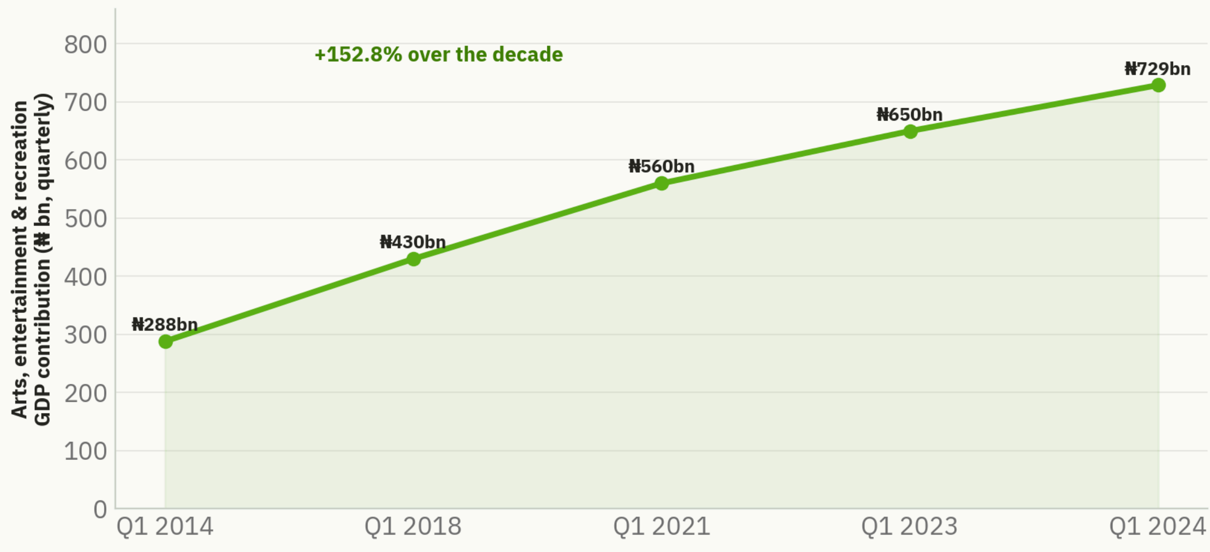
What's driving it

DRIVER	SPECIFIC FACTOR
Digital distribution	Streaming and social platforms (Spotify, Apple Music, YouTube, Netflix, TikTok) gave creators direct global reach without gatekeepers.
Demographic	A young, founder-minded creator workforce with a low barrier to entry — a phone and a connection.
Cultural depth	Afrobeats and Nollywood matured over decades; global demand caught up this decade.
Diaspora amplification	A large diaspora (~US$20bn in remittances) amplifies Nigerian content globally.

How it's playing out

METRIC	THEN	NOW	SOURCE
Arts & entertainment GDP	₦288bn (Q1 2014)	₦729bn (Q1 2024), +152.8%	NBS
Wider entertainment economy	~US$5bn (2019, est.)	~US$9bn (2023); ~US$13.6bn proj. 2028	PwC
Nollywood output	~1,500 films/yr	~2,500+ (2nd-largest by volume)	Industry

The global-recognition signals are unmistakable: Burna Boy, Wizkid and Davido sell out international arenas; Netflix, Prime Video and Showmax commission Nollywood originals; and the Grammys added a Best African Music Performance category for the 2024 ceremony. Afrobeats moved from a regional genre to global cultural currency in a single decade.



Arts, entertainment & recreation GDP contribution, Q1 2014 – Q1 2024 (₦ bn, NBS).

What it means for SMEs

Culture has become a credible export line — by some accounts growing faster than oil, a striking claim we report as indicative rather than settled. For founders in or adjacent to it, the opportunity is structural.

IMPLICATION	WHAT IT MEANS
Build for global from day one	Distribution is digital and borderless — price in foreign currency wherever the client allows.
IP is the asset	Protect music, film and brand rights; licensing and royalties scale better than one-off sales.
Adjacent services are booming	Creative firms need legal, accounting, marketing, logistics and merchandise support — the ecosystem is as valuable as the stars.

The constraint: financing and measurement gaps remain severe — a musician with millions of streams struggles to borrow because royalties are not recognised as collateral. This is the creative economy's version of Force 08.

Why it qualifies as a trend

TEST	ASSESSMENT
Direction	Strong upward across independent datasets (NBS GDP, streaming, global touring).
Persistence	Shorter track record; accelerated notably post-2018, held through 2024–25.
Breadth	Concentrated in music, film and digital content; not yet broad across all creative sub-sectors.
Driver	Clear: digital distribution + demography + cultural depth + diaspora.

Emerging, not Structural. Real, fast-rising and well-sourced, but younger than the decade with severe financing and measurement gaps. The Emerging label reflects the immaturity of its tracking, not doubt about its scale — the natural spotlight for the next edition.

Counter-argument & friction

The most serious objection. "Creative exports are great for headlines, but still a tiny share of GDP and employment. You are over-weighting a niche."

Our answer:

- The arts GDP contribution (₦729bn) is small relative to the whole economy — but the *growth rate* (+152.8% in a decade) is exceptional, faster than almost any other sector.
- The point is direction: oil is not growing at this rate. If creative exports compound for another decade, they become macro-relevant. We identify the force early, not claim it is already structural.

The weaker signal to watch: If creative SMEs begin to access formal credit against streaming and licensing revenue (closing the financing gap), the sector accelerates; if not, growth may plateau.

Data confidence

CLAIM	CONFIDENCE	SOURCE / NOTE
Arts & entertainment GDP +152.8%	High	NBS (Q1 2014 to Q1 2024)
Wider entertainment economy ~US$9bn (2023)	Medium	PwC Entertainment & Media Outlook
Nollywood is 2nd-largest by volume	High	UNESCO / industry bodies
Afrobeats global growth	High	Streaming-platform data
Creative financing & measurement gaps	High	Consistent industry reporting

Build on this: Assume creative exports keep growing faster than the broader economy — build for global distribution, protect IP, seek adjacent opportunities.

Don't: Assume the creative economy is already formal, well-measured or easily financed — treat it as high-growth, high-friction.

WHAT IT MEANS

Implications for SMEs and industries

Knowing which way the wind is blowing is only useful if you adjust the sails. Taken together, the ten forces describe a new operating reality for the Nigerian small business — one that rewards a different set of instincts than the decade that preceded it. Seven implications cut across every sector.

1. Digital is the price of entry, not an edge.

Digital payments, a social storefront and a discoverable presence have moved from competitive advantage to table stakes. A business without them is increasingly invisible — to customers, to suppliers, and to the lenders who now read a company's worth through its transaction trail.

FORCES 01 & 02

2. Currency risk is now a core management discipline.

Pricing, sourcing, inventory and savings must all be run against a depreciating naira. The firm that prices on a cost-replacement basis and holds some value outside the naira preserves its capital; the one that mistakes nominal profit for real profit quietly decapitalises.

FORCE 04

3. Energy is a margin lever, not a utility line.

With diesel structurally expensive, a solarised business carries a permanently lower cost base than a generator-dependent rival. Energy strategy has become competitive strategy — and a widening divide between those who can afford the switch and those who cannot.

FORCE 05

4. Your labour market is now global — in both directions.

You will lose people to emigration and to dollar-paying remote employers; you can also hire across Nigeria's lower-cost regions and bill foreign clients in hard currency. Talent must be managed as a global contest, not a local one.

FORCES 03 & 06

5. Your data is your collateral.

In a system where physical collateral is scarce, the digital footprint of Forces 01 and 02 — clean transaction and sales history — is what increasingly unlocks credit. Legible cashflow is now financeable cashflow.

FORCES 01 & 08

6. Formalisation has become a real choice with real upside.

For the first time, the 2025 tax reliefs make stepping into the formal economy genuinely worthwhile for many small firms — unlocking credit, contracts and grants. But policy volatility means the calculation must be revisited, not assumed once and forgotten.

FORCES 08 & 09

7. The fastest tailwinds are digital-export and cultural.

The sub-sectors compounding fastest — creative, content, software, design — share one trait: they earn beyond Nigeria's borders and distribute digitally. Proximity to that upside, through product, channel or partnership, is itself a strategy.

FORCES 06 & 10

Industry by industry: where the forces land

The same decade is a tailwind for some sectors and a reckoning for others. The table reads the net effect of the ten forces on the SME-heavy industries that make up the bulk of Nigerian enterprise.

INDUSTRY	FORCES MOST IN PLAY	NET EFFECT	THE KEY IMPLICATION
Retail & consumer goods / trading	01, 02, 04	Mixed	FX squeezes margins and purchasing power, but agent payments and social commerce widen reach dramatically. Go digital and defend volume, or lose share to those who do.
Manufacturing & agro-processing	04, 05, 07	Headwind → opportunity	Import-substitution opens real domestic demand, but FX-priced inputs and power costs punish the unprepared. Localise inputs and solarise, or the demand goes to someone leaner.
Food & hospitality	04, 05, 02	Headwind	Input inflation and energy costs compress already-thin margins. Pricing discipline and energy cuts are survival measures, not refinements; delivery and social channels protect volume.
Professional, creative & digital services	06, 10, 01	Tailwind	Asset-light, FX-earning and globally distributable — the decade's clearest winners. The constraint is talent and positioning, not demand.
Fashion, beauty & lifestyle	02, 10, 04	Mixed → tailwind	Social commerce and cultural soft power drive rising domestic and export demand; imported inputs hurt. Build a brand that travels and source as locally as possible.
Logistics & mobility	01, 04, 05	Mixed	E-commerce growth lifts demand even as fuel and FX raise costs. Tech-enabled routing and fuel-efficient or electric models separate winners from the squeezed.
Education & training	02, 06, 01	Tailwind	Demand for digital skills, exam prep and emigration-readiness is surging, and digital delivery scales cheaply. A rare sector where the macro pain creates the product.
Agriculture & agribusiness	07, 04, 05	Opportunity (capped)	Localisation demand is strong, but insecurity and weak infrastructure cap raw-output gains. The value — and the resilience — sits in processing and aggregation, not the farm gate alone.

Net effect is a directional read of how the balance of the ten forces bears on a typical SME in each industry — not a forecast of individual outcomes, which depend on execution.

APPLYING THE FORCES

Where they land — and the one lever that matters most

One Nigeria, many markets

These are national forces, but they do not land evenly. Use the report as a national framework, then calibrate to your own location — the direction holds; the intensity does not.

FORCE	FELT MOST ACUTELY	MORE MUTED
Energy shock (05)	Wherever the grid is weakest and diesel reliance is highest	Lagos and hubs with more solar installers and alternatives
Talent & japa (06)	Tech and professional hubs — Lagos, Abuja	The agrarian North, where skilled-emigration rates are lower
Digital adoption (01)	Urban centres, with dense agent networks	Rural areas, where connectivity and agent density still lag
Import-substitution (07)	Agro-processing clusters with security and infrastructure	Food-producing regions where insecurity caps gains

Directional, not surveyed — a diagnostic to localise the national picture. Fuller regional disaggregation is a goal for future editions.

If only one thing changes — the master lever

Force 08 names the financing gap as the binding constraint of the decade. The report's own logic follows: close it, and most of the other forces compound faster.

IF THE FINANCING GAP NARROWED...	...THEN THIS FOLLOWS
A micro-SME could borrow against its digital transaction trail	Force 01 becomes a credit on-ramp, not just a convenience
Solar-as-a-service scales across small firms	Force 05 accelerates by years
Formalisation pays more than it costs	Forces 08–09 finally deliver; registered MSMEs stop falling

The hard truth. Every recommendation that follows works better once capital is available and affordable. Documenting the gap is this report's job; naming it as the master lever is within scope — closing it is the next decade's work.

WHAT TO DO ABOUT IT

Strategic recommendations

The decade's lesson for the Nigerian entrepreneur is not to wait out the storm but to build a business shaped for it. Seven moves apply to almost every SME, regardless of sector — a universal playbook drawn directly from the ten forces.

1 Digitise your revenue first.

Before anything else, accept digital payments and open at least one social-commerce channel. It is the cheapest, highest-return move available: a payment link or POS terminal, an Instagram or WhatsApp catalogue, and the agent network as your cash-in/cash-out backbone. This single step makes you reachable, sellable and, later, financeable.

ANSWERS FORCES 01 & 02

2 Run the business in real terms.

Reprice on a cost-replacement basis, not historical cost; hold buffer stock of FX-exposed inputs; keep a portion of reserves in value-stable form; and renegotiate supplier terms in naira where you can. Do not let nominal profit disguise a real loss — the most common way Nigerian businesses quietly decapitalise.

ANSWERS FORCE 04

3 Attack your energy bill.

Model the payback on solar — or, if capital is tight, solar-as-a-service — against your current diesel and grid spend. For most SMEs the payback is now under two years, and the cost advantage that follows is permanent. Energy is the rare fixed cost you can convert into a moat.

ANSWERS FORCE 05

4 Make your cashflow legible — then borrow against it.

Keep clean digital records and route sales through trackable channels. That history is now the key to the rising wave of cashflow-based and embedded lending — a route to capital that does not depend on the physical collateral most small firms lack.

ANSWERS FORCES 01 & 08

5 Think globally about talent and revenue.

Retain key people with growth, flexibility and ownership — you are competing with the world for them. Hire from Nigeria's lower-cost regions. And pursue at least one dollar- or FX-earning revenue line, however small: in a depreciating-currency economy, hard-currency income is the strongest hedge a business can hold.

ANSWERS FORCES 03 & 06

6 Decide on formalisation deliberately.

Run your numbers against the 2025 small-company reliefs. If your turnover is under the ₦100 million threshold, formalising may now cost little tax and unlock credit, corporate contracts and grants. Treat it as a live calculation to revisit as policy shifts — not a box ticked once.

ANSWERS FORCES 08 & 09

7 Position toward the tailwinds.

Wherever your business can credibly touch the creative, content, digital-services or export economy — through your product, your channel or a partnership — lean in. That is where demand is compounding fastest and where naira weakness becomes an advantage rather than a wound.

ANSWERS FORCES 06 & 10

Tailored moves, by industry

The universal playbook bends to each sector's reality. For the priority industries below, the highest-leverage moves are specific.

Manufacturers & agro-processors

- Localise inputs aggressively — every imported component is an FX liability; substitute toward domestic supply chains the forex wall created.
- Solarise the plant: power is likely your second-largest cost and the fastest one to cut permanently.
- Move up the value chain — processing and packaging capture the margin that raw output gives away.

Retail & consumer businesses

- Make social commerce and agent-enabled payments your primary channel, not an afterthought.
- Manage inventory tightly against FX, and use buy-now-pay-later to protect volume as purchasing power falls.
- Compete on convenience and reach, not price — a race to the bottom is unwinnable in this cost environment.

Creative & digital-service founders

- Build for global distribution from day one; price in foreign currency wherever the client allows.
- Treat content, code and design as exportable assets — protect the IP and productise it.
- Partner with streaming, marketplace and platform channels to reach audiences without gatekeepers.

Food, hospitality & agribusiness

- Engineer menus and pricing around input volatility; pass through costs transparently and in steps.
- Cut the energy bill first — it is the difference between margin and closure for most kitchens.
- In agribusiness, prioritise processing, storage and smallholder aggregation over raw production, and cluster near security and infrastructure.

A closing note on sequence. For a business under pressure, order matters: digitise revenue and cut energy cost first — they are fast, cheap and compounding — then build currency resilience and a financeable record, and only then chase the export and formalisation upside. Survival funds the strategy.

CONCLUSION

The decade in one sentence

Across 2015 to 2025, digital technology pulled Nigerian enterprise forward faster than a currency-and-cost shock could drag it back — and the businesses that thrived were the ones that learned to ride both at once.

That is the whole story in a line, but the interaction is where the insight lives. The 2023 shock did not halt digitalisation; it *intensified* it, because digital tools are precisely how a squeezed business cuts cost and finds demand. The most resilient enterprise of the late decade is recognisable: it accepts payment as code, sells through a screen, powers itself from a roof, sources locally where it must, and increasingly earns at least part of its income in a harder currency. Light on assets, light on power bills, wide on reach.

Three of our forces are still forming, and they are where the next decade will be decided. **The creative and cultural export economy (10)** is the fastest-rising of all — soft power compounding faster than oil ever did. **Formalisation (08, 09)** hangs in the balance: if the 2025 tax reliefs convert informal hustle into financeable firms, several "emerging" forces turn structural; if the informal tide wins, the formal economy keeps shrinking as a share of the real one. And the **financing gap (08)** remains the master swing factor — close it, and almost everything else accelerates.

Where this benchmark goes next

A trend cannot be captured in a single year — by definition it needs distance to prove itself. So this benchmark is built to compound on two cadences: a lighter annual *pulse* that tracks the moving indicators and feeds the dataset, and a flagship *Trends Report* on a multi-year rhythm, where the persistence required to truly call a trend can be demonstrated. Each edition uses the same four tests, three strength labels and source tiers, so every like-for-like comparison strengthens the last. Held to that discipline, the question this report answers will only get sharper with time.

The strongest objection — answered. A sceptic will say these are not ten trends but one: a falling currency. Fair — and the two-master-forces frame concedes half of it. So we separate them. **Currency-dependent** (these soften if the naira stabilises): the urgency of dollar-earning (06), the diesel-versus-solar maths (05) and import-substitution economics (07). **Currency-independent** (these hold either way): digital payments and agent banking (01), social commerce (02), the fintech operator legacy (03) and the creative-export economy (10). A stable naira would cool the cost-shock forces — the digital and structural ones are already self-sustaining.

The bottom line for the Nigerian SME. The decade rewrote what is possible for a small business with a phone — and rewrote, just as sharply, what it costs to stay alive. The winners of the next ten years will be built by founders who treat both halves of that sentence as equally true.

METHODOLOGY & SOURCES

How the figures were built

Every figure is a documented estimate triangulated across official statistics, industry surveys, the financial press and the public record — not a census. Where trackers disagree on method (notably startup funding, where equity-only, debt-inclusive and grant-inclusive totals differ), the report uses the shape of the trend and flags charts as indicative. Nominal naira values are read against the inflation series in Force 04. Strength labels reflect weight and breadth of evidence; direction reflects current movement, not a forecast. Where a widely-circulated figure could not be independently verified, it was dropped rather than repeated.

Principal sources

- National Bureau of Statistics (NBS) — GDP by sector, inflation/CPI, arts & entertainment GDP series; SMEDAN/NBS National MSME Surveys (2013, 2017, 2021).
- Central Bank of Nigeria & NIBSS — payments data and forex policy (2015 import restrictions); SANEF & EFInA — agent-banking and financial-inclusion data.
- PwC Nigeria — MSME Survey 2024; PwC / KPMG / EY / Baker Tilly — Nigeria Tax Reform Acts 2025 analyses.
- Partech Africa Tech VC; Disrupt Africa; Africa: The Big Deal; AVCA — venture-funding data, 2019–2025.
- TechCabal, Techpoint, Nairametrics, BusinessDay, Semafor Africa — fintech scale, mobile-money volumes, macro coverage.
- Chambers & Partners (Renewable Energy 2025), NERC, World Bank (Mission 300 / DARES), Dialogue Earth — power-sector and solar adoption.
- USDA FAS, IMF, ILO, World Bank — agricultural import-substitution policy, informality estimates and labour-market data.
- Rome Business School Nigeria, PwC Entertainment & Media Outlook, NBS — creative-economy and entertainment-export data.
- ResearchAndMarkets / GlobeNewswire — Nigeria social-commerce and e-commerce market databooks (2024–2025).

What is firmest — and what is thinnest. Government series (NBS, CBN, NIBSS, SANEF, SMEDAN) anchor the official figures; private and industry trackers (Partech, ResearchAndMarkets, PwC, USDA FAS) carry the market estimates and are weighted accordingly. The thinnest data sits under Force 06 — emigration is estimated, not counted — and Force 10, where creative-export measurement is still immature; read both as directional. A national lens, too: the intensity of every force varies by region, and fuller geographic disaggregation is a goal for future editions.

What we cannot know — and how we handle it

FORCE	THE DATA GAP	HOW WE HANDLED IT
02 Social commerce	Most social selling is informal and unmeasured	Triangulated market databooks; figures flagged indicative, not official
06 Japa	No real-time emigration tracking; destination counts undercount	Used destination-country census data and direction, not precise annual numbers
08 Informality	Informal-GDP estimates vary widely (57–65%)	Reported the range, never a single point defended as precise
10 Creative	Informal creative earnings escape official GDP	Used the NBS arts-GDP series plus industry projections, labelled indicative

Trust the **direction and persistence** of every force; treat absolute magnitudes (especially Forces 02, 06, 08 and 10) as well-informed estimates, not audited facts. A trend can be real even when its exact size is debated.

APPENDIX

Fact-check: every figure and its source

Each standout figure with the period it refers to and the source(s) behind it. Figures are documented estimates triangulated across the sources below — not a census; where trackers differ on method, charts are labelled indicative.

FORCE	FIGURE / CLAIM	PERIOD	SOURCE(S)
01	Electronic transfer value > ₦1 quadrillion	2024	NIBSS
01	Banking agents ~84,000 → 1.92 million	2019 → Aug 2024	SANEF / EFInA
01	Financial inclusion ~64%	2023	EFInA / CBN
01	Paystack acquired by Stripe (>US$200m)	2020	Company / press
02	Social-commerce CAGR ~36.5%	2021–2024	ResearchAndMarkets / GlobeNewswire
02	Social commerce > US$2 billion	2025 (est.)	Industry databooks
02	E-commerce market ~US$9 billion	2024–25 (est.)	Industry databooks
03	African startup funding peak ~US$6.5bn	2022	Partech / Africa: The Big Deal
03	Nigeria funding US$398m (–66%)	2023	Africa: The Big Deal
03	Nigeria reclaims Africa funding lead	2024	Africa: The Big Deal
03	5+ unicorns (Interswitch, Flutterwave, OPay, Moniepoint...)	2015–2025	Trackers / press
04	Naira ₦197 → ~₦1,500 / US$	2015 → 2025	CBN
04	Headline inflation peak 34.6% (28-yr high)	2024	NBS
04	Petrol ~₦185 → >₦1,000 / litre	2023–24	NNPC / press
04	67% of MSMEs reported falling demand	2024	PwC MSME Survey
05	National-grid collapses 11+	2024	NERC / press
05	Diesel ~₦200 → ₦1,200+ / litre	2015 → 2024	Market / press
05	Zero import duty on solar panels	2024	Federal Government
05	DARES off-grid programme (17.5m people)	2024	World Bank
06	Diaspora remittances ~US$20 billion / year	2018–2023	World Bank
06	Nigerians to UK: 141,000 (peak) / 52,000	yr-end Jun 2023 / 2024	UK ONS
06	Nigerian-born abroad (US ~450k, UK ~272k, Canada ~112k)	latest census	ACS / ONS / UNDESA
07	41 (later 43) items barred from official FX	2015	CBN
07	Land-border closure	2019	Federal Government
07	Local milled rice ~2.8 → ~5.2 MT	2015 → 2023/24	USDA FAS
07	Rice self-sufficiency ~70%	2024	JICA / USDA FAS
08	Informal economy ~57–65% of GDP	mid-2020s	IMF / ILO
08	Registered MSMEs 41.0m → 39.7m	2017 → 2021	SMEDAN / NBS
08	Revenue-to-GDP ~7%	recent	IMF / FIRS
09	Nigeria Startup Act enacted	2022	Federal Government
09	Tax Reform Acts; <₦100m CIT exemption; FIRS → new revenue service	2025	FG / PwC / KPMG
10	Arts & entertainment GDP +152.8% (₦288bn → ₦729bn)	Q1 2014 → Q1 2024	NBS
10	Entertainment economy ~US$9bn → ~US$13.6bn (proj.)	2023 → 2028	PwC E&M Outlook

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The business-events calendar, tracked every month.

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